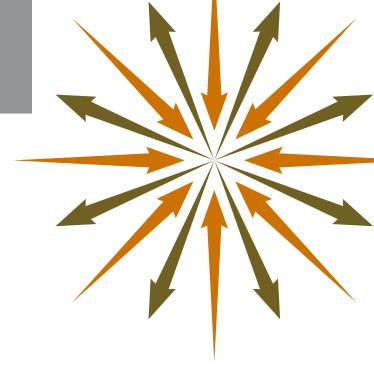
PPIC STATEWIDE SURVEY

JANUARY 2011

Californians Their government



Mark Baldassare

Dean Bonner

Sonja Petek

Nicole Willcoxon

CONTENTS

About the Survey	2
Press Release	3
State Political Context	6
California State Budget	14
Regional Map	24
Methodology	25
Questionnaire and Results	27

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 113th PPIC Statewide Survey in a series that has generated a database of responses from more than 240,000 Californians.

This survey is the 45th 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 decisionmakers, and stimulate public discussion and debate about important state issues, with a particular focus on the California state budget.

Californians begin the new year with a new governor, a persisting economic crisis, and a multibillion-dollar budget deficit; this sets the context for this survey, conducted soon after Jerry Brown assumed his third term as governor and released his budget proposal. Governor Brown's plan seeks to close the state's \$25 billion-dollar budget gap through major spending cuts across several state agencies. It proposes a broad restructuring of state and local government responsibilities: for example, by eliminating local redevelopment agencies and tax benefits for enterprise zones, some revenue would shift to local governments for schools, public safety, and other services. Brown's budget would not raise taxes without public approval; the linchpin of the plan calls for a special election that would ask voters to extend income and sales tax increases and a vehicle license fee increase, all set to expire this year. The budget plan may require concessions from Democratic lawmakers—who may need to accept deep cuts—and Republican lawmakers—some of whom may have to approve the placement of the tax and fee package on the ballot. If voters reject the package, lawmakers will have to consider additional cuts to services.

This survey presents the responses of 2,004 adult residents throughout the state, interviewed in English or Spanish and contacted by landline or cell phone. It includes findings on these topics:

- The overall mood and perceptions of the current and future economic climate; approval of the new governor and state legislature and prospects for their cooperation with each other; opinions of the state and local tax system, including fairness of the system, individual tax burden, and whether changes are needed; views of state and local realignment plans and confidence in local governments to handle the responsibilities that would result.
- The 2011 state budget, including the gravity of the current budget situation; tax preferences; opinions about whose approach is best to deal with the budget, as well as how the gap should be closed; preferences for spending cuts to, and tax increases for, key state programs; preferences for specific revenue-raising mechanisms; perceptions of the governor's budget proposal, including concern over spending cuts, attitudes toward a June special election and the proposed tax and fee package, and preferences for cutting state worker pay; preferences for fiscal reforms; and respondents' knowledge of state spending and revenues.
- Time trends, and the extent to which Californians may differ in their perceptions, attitudes, and preferences regarding state issues and the budget based on their political party affiliation, region of residence, race/ethnicity, and other demographics. This report may be downloaded free of charge from our website (www.ppic.org). For questions about the survey, please contact survey@ppic.org. Try our PPIC Statewide Survey interactive tools online at http://www.ppic.org/main/survAdvancedSearch.asp.

PPIC Statewide Survey

CONTACT

Linda Strean 415-291-4412 Andrew Hattori 415-291-4417

NEWS RELEASE

EMBARGOED: Do not publish or broadcast until 9:00 p.m. PST on Wednesday, January 26, 2011.

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 Strong Support for Special Election, Shift to Local Governments

BROWN'S IDEAS FARE BETTER THAN HIS APPROVAL RATING IN EARLY WEEKS OF HIS TERM

SAN FRANCISCO, January 26, 2011—Two-thirds of Californians say a special election on Governor Jerry Brown's tax and fee proposal is a good idea, and a majority are generally satisfied with his budget plan. These are among the key findings in a statewide survey released today by the Public Policy Institute of California (PPIC) with support from The James Irvine Foundation.

In the first weeks of the new governor's term, the state's fiscal crisis and worries about the economy weigh heavily on Californians' mood. But they are decidedly more optimistic than they were last fall about the direction of the state.

"Californians are beginning to feel more hopeful—that the economy is improving, that the governor and legislature can get something done," says Mark Baldassare, PPIC CEO and survey director. "But that hope is fragile and could dissolve quickly. The challenge for Brown is to convince Californians that his complex budget plan is a real solution to the state's fiscal troubles."

IN EARLY REACTION TO BUDGET, 58 PERCENT SATISFIED

When read a description of the governor's proposed budget, 58 percent of Californians are generally satisfied (29% dissatisfied). Across party lines, there is more satisfaction (64% Democrats, 57% independents, 49% Republicans) than dissatisfaction (26% Democrats, 31% independents, 37% Republicans) among residents. Still, overwhelming majorities (75% adults, 73% likely voters) are at least somewhat concerned about the spending reductions in the governor's plan. Brown's proposed special election on a tax and fee package to prevent further budget cuts is a good idea, according to 67 percent of adults. Majorities agree, regardless of party affiliation (73% Democrats, 64% independents, 55% Republicans). Among likely voters, 66 percent say a special election is a good idea. By comparison, just 40 percent of likely voters said in September 2005 that the special election called by Governor Arnold Schwarzenegger was a good idea, and 50 percent felt that way in the weeks before a 2009 special election called by the governor and legislature.

A smaller majority—53 percent of adults and 54 percent of likely voters—favor the general plan they would be voting on, which would extend tax and fee increases and divert some revenues from state to local governments.

Strong majorities (71% adults, 73% likely voters) favor the general concept of shifting tax dollars and fees to local governments to take on the responsibility of running certain programs. Californians favor the idea across party lines (73% Democrats, 72% Republicans, 68% independents) and demographic groups. Most residents are also confident (14% very confident, 49% somewhat confident) that local governments

would be able to operate programs currently run by the state, and so are likely voters (18% very confident, 51% somewhat confident). Adults in the San Francisco Bay Area (69%) are the most likely and Los Angeles residents (59%) the least likely to express at least some confidence that their local governments would be able to take on these new responsibilities.

Most Californians (66% adults, 63% likely voters) favor Brown's proposal to phase out funding for local redevelopment agencies and eliminate enterprise zones, redirecting tax revenue to local governments for schools and other services. His proposal to cut state worker pay by about 10 percent for those not currently covered under collective bargaining agreements has the support of 49 percent of adults and 55 percent of likely voters.

BROWN APPROVAL RATING FALLS SHORT OF 50 PERCENT

So far, Californians approve of the ideas the new governor has advanced more than they approve of the new governor. Less than half of adults approve of the overall job he is doing so far (41% approve, 19% disapprove, 39% don't know) or of his handling of the state budget and taxes (41% approve, 27% disapprove, 32% don't know). His approval ratings among likely voters are higher but still don't reach 50 percent: his overall job approval is 47 percent (20% disapprove, 33% don't know) and 47 percent approve of his handling of the budget and taxes (24% disapprove, 29% don't know).

Most adults (55%) disapprove of the new legislature—largely composed of incumbents. Likely voters are still more negative: 68 percent disapprove. The legislature fares even more poorly on its handling of the budget and taxes: 65 percent of adults and 74 percent of likely voters disapprove.

Even though Californians give approval ratings of less than 50 percent to both the new legislature and governor, a majority of adults—58 percent—say the two will be able to work together and accomplish a lot in the next year. Among likely voters, 52 percent hold this view. By comparison, just 28 percent of all adults and 20 percent of likely voters felt this way in January 2010.

MOST WOULD PAY HIGHER TAXES TO SPARE SCHOOLS

Most Californians regard the state budget as a big problem (68% adults, 83% likely voters). Solid majorities of adults oppose spending cuts in K–12 education (75%), higher education (63%), and health and human services (60%) to help reduce the state budget deficit. But 70 percent support cuts in prisons and corrections. Californians say they are willing to increase taxes to spare K–12 education (71%), higher education (59%), and health and human services (57%) from budget cuts. Just 17 percent are willing to pay higher taxes to maintain current funding for prisons and corrections.

Likely voters are less willing than Californians overall to pay higher taxes to maintain funding for K–12 education (62%), higher education (51%), and health and human services (46%). Only 14 percent would pay higher taxes to spare prisons and corrections.

How do Californians want to fill the state's \$25 billion budget gap? They are slightly more likely to prefer a mix of spending cuts and tax increases (42%) than to prefer filling the gap mainly through cuts (36%). Just 9 percent favor mainly tax increases; 7 percent say it would be okay to borrow money and run a deficit.

Residents are divided over who should make the tough choices involved in the state budget: 26 percent prefer Brown's approach, 28 percent prefer that of the Democrats in the legislature, and 26 percent prefer that of the Republicans in the legislature. Among likely voters, 27 percent prefer Brown, 21 percent prefer legislative Democrats, and 34 percent prefer legislative Republicans.

HOW TO RAISE REVENUE? MOST WOULD RAISE TAXES FOR CORPORATIONS

Majorities (60% adults, 55% likely voters) favor raising the state taxes paid by California's corporations to address the budget deficit, up 13 points among likely voters since last September. Other revenue-raising

ideas received far less support: 27 percent of likely voters favor raising state personal income taxes, 34 percent favor raising the state sales tax on all purchases, and 36 percent favor increasing the vehicle license fee.

CALIFORNIANS' KNOWLEDGE GAP

Most Californians' views about the budget are not based on an understanding of where the money comes from and where it goes. A majority of adults say they have some knowledge (39%) or a lot of knowledge (15%) about how state and local governments spend and raise money. But given a list of the four top state spending categories—K–12 public education, health and human services, higher education, and prisons and corrections—just 16 percent (22% likely voters) correctly name K–12 education as the area where the most money is spent. A plurality of adults (45%) and likely voters (41%) name prisons and corrections, which is actually fourth largest. On the revenue side, just 29 percent of adults (33% likely voters) correctly name the personal income tax as the top source. Only 6 percent of adults and 9 percent of likely voters are able to identify both the state's top area of spending and its top revenue source.

THE TAX SYSTEM: IT NEEDS CHANGES BUT IT'S MODERATELY FAIR

As Californians face the prospect of a special election to determine whether to extend temporary tax increases, most (58%) say the state and local tax system is in need of major changes. And 53 percent say they pay more in taxes to state and local governments than they should. Despite these attitudes about their own tax burden, most say the present state and local tax system is at least moderately fair (4% very fair, 53% moderately fair).

MORE HOPEFUL, STILL WORRIED ABOUT YEAR AHEAD

Californians are feeling better about the direction of the state and their own financial futures, but most are still not feeling good. A majority (54%) continue to say that things in California are going in the wrong direction. However, the share of those who see things going in the right direction—38 percent—is up 22 points since October and the highest percentage since September 2007. Most independents (58%) and a large majority of Republicans (81%) remain pessimistic about the direction of the state. But for the first time since September 2007, Democrats are more likely to say the state is going in the right direction (51%) than in the wrong one (39%).

Turning to economic conditions in California, a majority of adults (56%) expect bad times financially in the next 12 months. But the percentage expecting good times—36 percent—is up 11 points since October. Despite their sunnier view of the economic outlook, most (86%) still believe the state is in a recession, with 48 percent viewing it as a serious recession.

MORE KEY FINDINGS

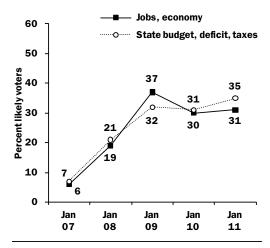
- Jobs, economy, state budget top list of important issues—page 7
 - More adults (34%) name jobs and the economy than any other issue as the one state leaders should focus on. Among likely voters, a record-high 35 percent choose the state budget as the top issue.
- How big should government be? Californians split—page 15
 - About half (49%) of adults prefer to pay higher taxes for a government providing more services, while 46 percent prefer lower taxes and fewer services. Likely voters prefer lower taxes and fewer services (54% to 41%).
- Slim majority favors lowering the vote threshold for local special taxes—page 22
 - Fifty-three percent of adults (50% likely voters) say it would be a good idea to lower the two-thirds vote requirement to 55 percent for local special taxes. Strong majorities support strictly limiting the amount of state spending increases each year and increasing the size of the state's rainy day fund.

STATE POLITICAL CONTEXT

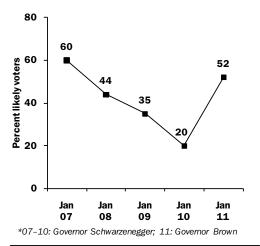
KEY FINDINGS

- California adults and likely voters name jobs and the economy and the state budget situation as the most important issues for the governor and legislature to work on in 2011. A record-high 35 percent of likely voters say the state budget is the most important issue. (page 7)
- Although majorities still say the state is headed in the wrong direction and faces bad economic times in the next year, optimism has grown since October. (pages 7, 8)
- Four in 10 adults and nearly half of likely voters approve of Governor Brown overall and his handling of the state budget and taxes. About three in 10 or more are unsure how to rate the governor thus far. Approval of the legislature overall and for the budget is much lower. (pages 9, 10)
- Half of likely voters think the governor and legislature will be able to work together in the next year. A plurality (44%) are more optimistic about the state budget situation this year, since the requirement to pass a budget was lowered from two-thirds of legislators to a majority. (page 11)
- Solid majorities of adults and likely voters think major changes are needed to the state and local tax systems. But majorities also say the tax system is at least moderately fair. (page 12)
- Regarding Governor Brown's idea to realign state and local government responsibilities, about seven in 10 likely voters favor a shift of revenue from the state to local governments; partisans agree with the idea. Seven in 10 are at least somewhat confident that local governments could handle these new responsibilities. (page 13)

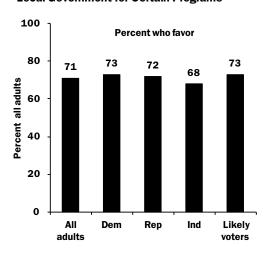
Most Important Issue for the Governor and Legislature to Work on in the Next Year



Percent Saying the Governor and Legislature Will Be Able to Work Together this Year*



Shifting Money, Responsibility from State to Local Government for Certain Programs



OVERALL MOOD

With one of the highest unemployment rates in the country, and a \$25 billion state budget deficit, Californians name jobs and the economy (34%) and the state budget, deficit, and taxes (23%) as the top issues for the governor and state legislature to work on in 2011. Fifteen percent name education and schools the top issue. Among likely voters, a record-high 35 percent name the state budget and 31 percent jobs and the economy. Results among all adults in January 2010 (35% jobs, economy, 23% state budget) and likely voters (30% jobs, economy, 31% state budget) were similar.

Across political parties, regions, and demographic groups, most name either jobs and the economy or the state budget, deficit, and taxes as the most important issue. Republicans (35%) and independents (33%) are somewhat more likely than Democrats (26%) to name the state budget, while Democrats (36%) are the most likely to name the economy.

"Which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2011?"

	All Adults		Party			
		Dem	Rep	Ind	Likely Voters	
Jobs, economy	34%	36%	31%	24%	31%	
State budget, deficit, taxes	23	26	35	33	35	
Education, schools	15	18	7	18	15	
Immigration, illegal immigration	6	2	7	5	4	

Jerry Brown assumed the governorship the week before survey interviews were conducted. With a new year and new leadership, optimism about the direction of the state has increased. Currently, 38 percent believe the state is headed in the right direction, an increase of 22 points since last October, and the highest level recorded since September 2007. Still, a majority today (54%) continue to say the state is headed in the wrong direction. Among likely voters, 32 percent say things in California are headed in the right direction, up 20 points since October and the highest percentage expressing optimism since January 2008. Still, a solid majority of likely voters now—61 percent—believe things in the state are going in the wrong direction.

For the first time since September 2007, Democrats are more likely to say the state is going in the right direction (51%) than the wrong direction (39%). Republicans remain pessimistic, with 81 percent saying wrong direction and 14 percent right direction; the last time at least half of Republicans said the state was heading in the right direction was January 2007. Most independents (58%) say wrong direction, but the percentage saying right direction (34%) is the highest since January 2008. Los Angeles residents (45%) are the most likely to say right direction, followed by San Francisco Bay Area (37%), Central Valley (33%), and Other Southern California (33%) residents. Latinos are much more likely than whites (47% to 31%) to express optimism. Optimism is higher among residents with annual household incomes of less than \$40,000 and those aged 18 to 34 than among more affluent residents and those 35 and older.

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

	All Adults —		Likely Voters		
		Dem	Rep	Ind	Likely voters
Right direction	38%	51%	14%	34%	32%
Wrong direction	54	39	81	58	61
Don't know	8	9	5	8	7

ECONOMIC OUTLOOK

Californians are also more likely to expect good times financially than they were last fall. Today, 36 percent say they expect good times compared to 25 percent last October. Most (56%) however, continue to think the state will have bad times financially in the next 12 months. Among likely voters, 28 percent expect good times, up 8 points since October, and 63 percent expect bad times.

Across regions, residents in Los Angeles are the most optimistic (43% good times, 50% bad times), followed by those in the Central Valley (37%), San Francisco Bay Area (35%), and Other Southern California region (33%). While Democrats are divided (44% good times, 48% bad times), solid majorities of independents (65%) and Republicans (75%) expect bad times financially.

Latinos are far more likely than whites (47% to 27%) to say the state will have good times in the next 12 months. Californians age 18–34 (45%), those with a high school degree or less (41%), and those with household incomes under \$40,000 (40%) are more likely than older and more educated adults, and those with household incomes of at least \$80,000 to express optimism about the state's economy.

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

		Region				
	All Adults	Central Valley	San Francisco Bay Area	Los Angeles	Other Southern California	Likely Voters
Good times	36%	37%	35%	43%	33%	28%
Bad times	56	57	56	50	60	63
Don't know	7	5	9	7	7	9

Despite recent improvements in their economic outlook, most Californians (86%) still believe the state is in an economic recession, with 48 percent calling it a serious recession. Residents were somewhat more likely to say the state was in a serious recession last October (54%). Across regions, pluralities think the state is in a serious recession, including 52 percent in the Other Southern California region, 50 percent in the San Francisco Bay Area, 47 percent in Los Angeles, and 44 percent in the Central Valley.

Republicans (63%) are more likely than either independents (50%) or Democrats (49%) to think the state is in a serious recession. Whites are much more likely than Latinos (55% to 39%) to express this view and the percentage saying the state is in a serious recession increases with age and is higher among those with household incomes of \$40,000 or more. Among those who expect bad economic times in the next year, 60 percent say California is in a serious recession; only 28 percent of those expecting good times say the same.

"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?)"

		Region				
	All Adults	Central Valley	San Francisco Bay Area	Los Angeles	Other Southern California	Likely Voters
Serious recession	48%	44%	50%	47%	52%	57%
Moderate recession	31	34	32	32	29	27
Mild recession	7	8	4	8	7	5
Not in a recession	12	9	13	11	11	10
Don't know	2	5	2	2	1	2

NEW GOVERNOR

With Governor Brown in office less than a month, Californians are as likely to say they approve (41%) of his job performance so far as to say they are unsure (39%); 19 percent disapprove. Among likely voters, 47 percent approve, 20 percent disapprove, and 33 percent are unsure. Democrats (59%) are most likely to approve, followed by independents (44%) and Republicans (27%). At least three in 10 across parties (31% Democrats, 38% Republicans, and 41% independents) are unsure of Brown's job performance.

About half of San Francisco Bay Area residents (51%) approve of Governor Brown's job performance compared to fewer than half in the Central Valley (42%), Los Angeles (39%), and the Other Southern California region (35%); more than three in 10 across regions are unsure about how to rate the governor at this point. Across demographic groups, Californians are more likely to approve than disapprove, but more than one in three are unsure.

"Overall, from what you know so far, do you approve or disapprove of the way that Jerry Brown is handling his job as governor of California?"

	All Adults =		Party		
		Dem	Rep	Ind	Likely Voters
Approve	41%	59%	27%	44%	47%
Disapprove	19	10	35	14	20
Don't know	39	31	38	41	33

On January 10, Governor Brown released his budget proposal, which calls for deep spending cuts in services and an extension of temporary tax increases (subject to voter approval in a special election) to help plug the \$25 billion budget deficit. From what they know so far, about four in 10 Californians (41%) approve of the way the governor is handling the state budget and taxes, while 27 percent disapprove and 32 percent are unsure. Nearly half of likely voters (47%) approve of the way he is handling the state budget and taxes. Across parties, a majority of Democrats (55%) approve of Governor Brown's handling of the state budget and taxes, while reviews are mixed from Republicans (30% approve, 35% disapprove, 35% unsure) and independents (39% approve, 28% disapprove, 33% unsure).

"Overall, from what you know so far, do you approve or disapprove of the way that Governor Brown is handling the issue of the state budget and taxes?"

		Approve	Disapprove	Don't know
All Adults		41%	27%	32%
	Democrats	55	17	28
Party	Republicans	30	35	35
	Independents	39	28	33
	Central Valley	43	23	34
	San Francisco Bay Area	47	25	28
Region	Los Angeles	43	32	24
	Other Southern California	32	26	42
	Under \$40,000	36	31	33
Household Income	\$40,000 to under \$80,000	44	25	31
	\$80,000 or more	45	25	30
Likely Voters		47	24	29

STATE LEGISLATURE

The newly elected California Legislature—composed mostly of incumbents—reconvened in early January. Most Californians continue to express disapproval (55%) of the legislature's job performance, although approval (26%) is higher than last October (16%). Likely voters express more negative views (18% approve, 68% disapprove) than do Californians overall. Across parties, Democrats (31%) are somewhat more likely than independents (23%) and much more likely than Republicans (15%) to approve of the way the legislature is handling its job. Still, approval is higher across parties than it was last fall.

Across regions, residents are more likely to disapprove than approve of the legislature's job performance. Los Angeles (35%) residents are the most likely to approve, followed by Central Valley (27%), San Francisco Bay Area (21%), and Other Southern California (20%) residents. Latinos are more than twice as likely as whites (40% to 16%) to express approval and approval declines with age, education, and income. Among those who approve of Governor Brown's job performance, 35 percent approve of the legislature, and among those who say the state is headed in the right direction, 46 percent approve of the legislature.

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

	All Adults –		Party			
		Dem	Rep	Ind	Likely Voters	
Approve	26%	31%	15%	23%	18%	
Disapprove	55	53	71	62	68	
Don't know	19	16	14	15	14	

Although it is too early to know if lawmakers will ultimately work with Governor Brown's budget proposal or propose their own solutions, two in three Californians (65%) and three in four likely voters (74%) disapprove of the way the legislature is handling the state budget and taxes. Just 20 percent of Californians and 13 percent of likely voters approve. Approval ratings of the legislature on the issue of the state budget are not much higher than they were in January 2009 (14% all adults, 9% likely voters), the last time we asked this question.

Across parties, fewer than one in four approve and more than six in 10 disapprove of the legislature's handling of the state budget and taxes. Majorities across regions and demographic groups express disapproval. Approval declines with age and education and is lower among those with household incomes of \$40,000 or more than among lower-income residents. Latinos are more than twice as likely as whites (32% to 13%) to approve. Among those who approve of the way Governor Brown is handling the budget, 57 percent disapprove of the legislature's handling of the issue. Among those who disapprove of Brown's handling of the budget, 86 percent disapprove of the legislature's handling of this issue as well.

"Overall, 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			Likely Vetero
		Dem	Rep	Ind	Likely Voters
Approve	20%	21%	10%	19%	13%
Disapprove	65	64	79	67	74
Don't know	15	15	10	15	12

GOVERNOR AND LEGISLATURE WORKING TOGETHER

Despite approval ratings of less than 50 percent for Governor Brown and the legislature, a majority of Californians (58%) think the two will be able to work together and accomplish a lot in the next year. Fifty-two percent of likely voters share this view. By comparison, 28 percent of adults and 20 percent of likely voters in January 2010 said Governor Schwarzenegger and the legislature would be able to work together and accomplish a lot.

Governor Brown and the legislature have their work cut out for them with massive budget deficits in the current and next fiscal year. They not only have to come to an agreement on spending cuts, but two-thirds of the legislature may have to agree to the governor's proposal for a special election for voters to decide on temporary tax extensions. If they are unable to do so or if voters reject the tax extensions, the governor and legislature will have to seek resolution on deeper cuts to state spending—and try to do so before June 30, the constitutional deadline for enacting a state budget.

A solid majority of Democrats (67%) and 53 percent of independents think the governor and legislature will be able to work together and accomplish a lot in the next year, while a plurality of Republicans (47%) think they will not. Majorities across regions believe the two will be productive together. Seven in 10 Latinos (69%) hold this view while half of whites (50%) do. Women are more likely than men (63% to 53%) to say they will be able to work together; optimism declines with age and income and is higher among those with a high school education or less.

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

	All Adults		Party	Likely Vetero	
		Dem	Rep	Ind	Likely Voters
Yes, will be able to work together	58%	67%	37%	53%	52%
No, will not be able to work together	29	21	47	33	34
Don't know	12	12	16	14	14

Last November voters passed Proposition 25, which lowered the legislative vote threshold for passing a budget from two-thirds to a simple majority. (A supermajority must still vote to pass new taxes.) Nearly four in 10 Californians (37%) say this new vote requirement makes them more optimistic about the budget situation this year, while 40 percent say it makes no difference to them. Nineteen percent are less optimistic about the budget situation. Among likely voters, 44 percent are more optimistic about the budget situation as a result of the new vote requirement. Across parties, Democrats (51%) are the most optimistic. Views are mixed among Republicans, but a plurality (38%) are less optimistic. A plurality of independents (43%) say the new vote requirement makes no difference.

"As you may know, voters recently passed Proposition 25, a constitutional amendment that reduces the legislative vote requirement to pass a state budget from a two-thirds vote to a simple majority, or 50 percent plus one. Does this new vote requirement make you more optimistic or less optimistic about the budget situation this year or does it make no difference to you?"

	All Adults -		Party		
		Dem	Rep	Ind	Likely Voters
More optimistic	37%	51%	30%	34%	44%
Less optimistic	19	15	38	20	26
No difference	40	31	27	43	27
Don't know	4	3	4	3	3

STATE AND LOCAL TAX SYSTEM

As voters face the prospect of a special election to vote on extending temporary increases in personal income and state sales taxes and in the vehicle license fee, what are their attitudes toward the state and local tax system? Most Californians (58%) and likely voters (65%) believe the system is in need of major changes, while about one in four in each group say minor changes are needed. Findings were nearly identical in January 2010. Across parties today, majorities say major changes are needed in the system, but Republicans—at 73 percent—are most likely to hold this view.

"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 –		Party			
		Dem	Rep	Ind	Likely Voters	
Major changes	58%	55%	73%	61%	65%	
Minor changes	26	29	18	25	24	
Fine the way it is	14	13	7	12	8	
Don't know	3	3	1	3	2	

Fifty-three percent of Californians say they pay more in combined local and state taxes than they should: 26 percent say much more than they should and 27 percent say somewhat more. Findings are similar among likely voters. About four in 10 in each group say their tax burden is about right, while fewer than one in 10 say they pay less than they should. Two in three Republicans (38% much more, 27% somewhat more) and 57 percent of independents (22% much more, 35% somewhat more) believe they pay too much in taxes, while a majority of Democrats believe they pay the right amount (47%) or less than they should (10%). Just over half of whites (55%) and Latinos (51%), men (54%) and women (52%), and residents across income groups (52% under \$40,000, 54% \$40,000 to 80,000, and 55% \$80,000 or more) think they pay more than they should in taxes. Among those who say the system needs major changes, 62 percent believe they pay too much in taxes.

"When you combine all of the taxes you pay to state and local governments, do you feel that you pay...?"

	All Adults -		Party			
	All Adults	Dem	Rep	Ind	Likely Voters	
Much more than you should	26%	18%	38%	22%	26%	
Somewhat more than you should	27	24	27	35	26	
About the right amount	39	47	30	37	38	
Less than you should	5	10	3	5	8	
Don't know	2	2	2	1	2	

Despite these attitudes most Californians believe the present state and local tax system is at least moderately fair (4% very fair, 53% moderately fair). Four in 10 consider it not fair (28% not too fair, 13% not at all fair). Findings were similar last January. Majorities of Democrats (66%) and independents (58%) consider the tax system to be at least moderately fair, while half of Republicans (52%) think it is not fair. Half or more across regions and demographic groups consider the system to be at least moderately fair. Across education and income groups, similar majorities (from 55% to 59%) view the system as at least moderately fair. The percentage holding this view declines with older age. Among those who see the need for major changes in the tax system, 44 percent still say the current system is very or moderately fair. Among those who say they pay more than they should in taxes, 45 percent consider the system fair.

STATE AND LOCAL REALIGNMENT

Governor Brown's budget proposal included spending cuts across many state agencies, and a special election to extend certain taxes and fees to prevent deeper cuts. The governor also proposed a realignment of certain state and local responsibilities—some revenue and responsibilities would shift to local governments for education, public safety, and other services that are currently run by the state. When asked about the idea of realignment generally, adults (71%) and likely voters (73%) favor the idea. Partisans are in agreement, with 73 percent of Democrats, 72 percent of Republicans, and 68 percent of independents favoring the idea; similar percentages of Californians across regions are also in favor.

About seven in 10 men, women, whites, and Latinos favor a shift of some taxes and fees to local governments. Across other demographic groups, two in three or more favor this idea, but those with at least some college education are somewhat more likely than those with a high school degree or less to favor the idea. The share in favor of a shift increases as income levels increase. Of those who approve of how the governor is handling the state budget and taxes, 77 percent favor the idea; among those who express disapproval of the governor on state budget and taxes, 65 percent favor it.

"Would you favor or oppose a shift of some tax dollars and fees from the state government to local governments, in order for local governments to take on the responsibility of running certain programs currently run by the state?"

			Region			
	All Adults	Central Valley	San Francisco Bay Area	Los Angeles	Other Southern California	Likely Voters
Favor	71%	70%	71%	68%	73%	73%
Oppose	21	17	20	26	19	20
Don't know	8	13	10	6	7	7

Asked about their confidence in local governments' ability to take on the responsibilities of running certain programs currently run by the state, strong majorities of adults (14% very, 49% somewhat) and likely voters (18% very, 51% somewhat) say they are at least somewhat confident. Democrats (16% very, 51% somewhat), Republicans (16% very, 50% somewhat), and independents (13% very, 50% somewhat) hold similar levels of confidence. Regional variation does emerge: those in the San Francisco Bay Area (69%) are the most likely—and Los Angeles residents (59%) are the least likely—to express at least some confidence. Whites (15% very, 53% somewhat) are more likely than Latinos (12% very, 42% somewhat) to say they are confident. Adults with at least some college education are much more likely than those with a high school degree or less to have at least some confidence; the percentage who are at least somewhat confident rises with higher income.

"If the state were to shift some tax dollars and fees to local governments, how confident are you that local governments would be able to take on the responsibilities of running certain programs currently run by the state? Are you very confident, somewhat confident, not too confident, or not at all confident?"

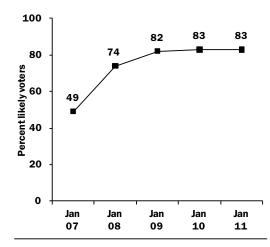
			Region			
	All Adults	Central Valley	San Francisco Bay Area	Los Angeles	Other Southern California	Likely Voters
Very confident	14%	14%	14%	13%	16%	18%
Somewhat confident	49	49	55	46	47	51
Not too confident	22	25	18	25	19	19
Not at all confident	13	11	11	15	16	11
Don't know	2	2	2	1	2	1

CALIFORNIA STATE BUDGET

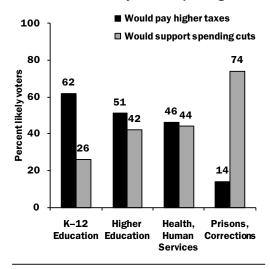
KEY FINDINGS

- Strong majorities of adults and likely voters think the state budget situation is a big problem. (page 15)
- A plurality of adults (42%) and likely voters (45%) want to deal with the state budget gap through a mix of cuts and taxes.
 Californians are divided along party lines regarding whose approach to the state budget they prefer. (page 16)
- Majorities of likely voters oppose cuts to K-12 education, higher education, and health and human services. Six in 10 would pay higher taxes to spare K-12 education from cuts; they are divided about doing so for higher education and health and human services. (pages 17, 18)
- A majority of adults and likely voters favor raising taxes on corporations to address the state budget deficit. Six in 10 or more oppose raising personal income taxes, the state sales tax, or the vehicle license fee to deal with the budget deficit. (page 19)
- Adults and likely voters (58% each) are generally satisfied with the governor's budget proposal. Two in three think a special election is a good idea and just over half favor the tax and fee proposal. Still, three in four are concerned about proposed spending cuts in the governor's budget plan. (pages 20, 21)
- Seven in 10 adults and likely voters think it is a good idea to strictly limit yearly state spending, and to increase the size of the rainy day fund. Half think it is a good idea to reduce the vote requirement to pass local special taxes. Many residents lack basic knowledge about the top sources of spending and revenues in the state budget. (pages 22, 23)

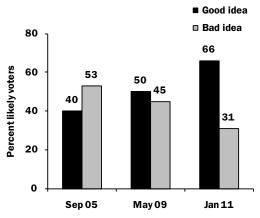
Percent Saying the State Budget Situation Is a Big Problem



Attitudes Toward Major State Spending Areas



Attitudes Toward Recent Special Elections*



*05: November Election; 09: May Election; 11: proposed June Election

STATE BUDGET SITUATION

Nearly seven in 10 adults and 83 percent of likely voters think that the state budget situation in California is a big problem. Another 26 percent of adults and 16 percent of likely voters say the budget is somewhat of a problem. At least eight in 10 likely voters since January 2009 have said the budget is a big problem.

Today, partisans agree that the budget situation is a big problem, but Republicans (90%) are far more likely than independents (74%) and Democrats (69%) to hold this view. More than six in 10 across regions think the state budget situation is a big problem. Residents of the San Francisco Bay Area (74%) and the Other Southern California region (73%) are the most likely to hold this view, followed by Central Valley (65%) and Los Angeles (62%) residents. Whites (83%) are far more likely than Latinos (45%) to say the budget situation is a big problem. Residents age 35 and older, those with at least some college education, and those with household incomes of at least \$40,000 are far more likely than others to say the state budget situation is a big problem.

"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 –		Party	Likely Voters	
		Dem	Rep	Ind	Likely voters
Big problem	68%	69%	90%	74%	83%
Somewhat of a problem	26	28	10	22	16
Not a problem	3	1	-	1	-
Don't know	3	2	-	3	1

When it comes to the size of government that Californians want, adults are divided, with 49 percent saying they would rather pay higher taxes and have a state government that provides more services, while 46 percent prefer lower taxes and fewer services. Likely voters hold different views; they prefer lower taxes/fewer services (54%) over higher taxes/more services (41%). Findings among adults and likely voters were similar in March 2010.

A partisan divide is present on this issue, with six in 10 Democrats preferring higher taxes/more services, while three in four Republicans favor lower taxes/fewer services. Independents are somewhat more likely to prefer lower taxes/fewer services. Los Angeles residents (58%) are the most likely to favor higher taxes/more services and Other Southern California residents (43%) are the least likely. Latinos (65%) are far more likely than whites (41%) to say higher taxes/more services. Preference for a bigger government decreases with age. While a majority of residents with incomes under \$40,000 prefer higher taxes/more services, more than half of middle- and upper-income residents prefer lower taxes/fewer services.

"In general, which of the following statements do you agree with more: I'd rather pay higher taxes and have a state government that provides more services, or I'd rather pay lower taxes and have a state government that provides fewer services?"

	All Adults		Party	Likely Vetero	
		Dem	Rep	Ind	Likely Voters
Higher taxes and more services	49%	62%	22%	43%	41%
Lower taxes and fewer services	46	34	76	51	54
Don't know	4	5	2	6	4

DEALING WITH THE BUDGET GAP

When it comes to the tough choices involved in the state budget, 54 percent of Californians prefer the approach of either the Democrats in the legislature (28%) or Democratic Governor Brown (26%); 26 percent prefer the legislative Republicans' approach. Nearly half of likely voters prefer either Governor Brown's (27%) or the Democrats' (21%) approach, and 34 percent prefer the Republicans' approach. Last January, a plurality of adults and likely voters preferred the Democrats' approach and nearly one in five preferred Republican Governor Schwarzenegger's—less than the share choosing Brown's this year.

Today, Democrats themselves are divided between the approach of legislative Democrats (41%) and Governor Brown (36%), while most Republicans prefer the Republican approach (70%). Among independents, 46 percent prefer either Governor Brown's (27%) or the Democrats' (19%) approach, 26 percent prefer the Republicans', and 28 percent say other, none, or that they don't know.

"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 Brown's, the Democrats' in the legislature, or the Republicans' in the legislature?"

	All Adults		Party	Likely Voters	
	All Adults	Dem	Rep	Ind	Likely voters
Governor Brown's	26%	36%	12%	27%	27%
Democrats' in the legislature	28	41	5	19	21
Republicans' in the legislature	26	7	70	26	34
Other	1	1	3	1	2
None	5	3	3	11	6
Don't know	14	12	8	16	10

How do Californians prefer to deal with the multibillion-dollar gap between spending and revenue in the state budget? They slightly prefer a mix of spending cuts and tax increases (42%) over mostly spending cuts (36%), mostly tax increases (9%), or borrowing money and running a budget deficit (7%). Governor Brown proposed a mix of taxes and cuts in his budget proposal and voters may be able to decide for themselves on the tax component in a special election. Findings last September and January were similar.

A majority of Democrats and a plurality of independents prefer a mix of spending cuts and tax increases, while Republicans prefer mostly spending cuts. San Francisco Bay Area residents, by a two-to-one margin, prefer a mix over spending cuts only, while residents of the state's other regions are more divided.

"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?"

	All Adults		Party			
	All Adults	Dem	Rep	Ind	Likely Voters	
A mix of spending cuts and tax increases	42%	58%	25%	46%	45%	
Mostly through spending cuts	36	21	67	36	41	
Mostly through tax increases	9	13	5	5	8	
Okay to borrow money and run a budget deficit	7	5	1	4	2	
Other	1	1	1	3	1	
Don't know	5	3	1	6	2	

SPENDING CUTS

With a solid majority of Californians viewing the state budget situation as a big problem, what are their preferences for spending cuts that could help reduce the state budget deficit? Solid majorities of Californians oppose cuts to K–12 education (75%), higher education (63%), and health and human services (60%), which made up 85 percent of general fund spending in 2010–2011. Likely voters similarly oppose cuts to K–12 education (72%), but are less likely to oppose cuts for higher education (56%) or health and human services (51%). Seven in 10 adults and 74 percent of likely voters support cuts to prisons and corrections which made up only 10 percent of general fund spending. Findings are fairly similar to last January when the state also faced a multibillion-dollar budget deficit.

Today, 11 percent support cuts in all four budget areas, while 12 percent oppose spending cuts in these areas. Excluding prisons and corrections, 42 percent say they oppose cuts to all three of the other areas.

"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	24%	35%	37%	70%		
Oppose	75	63	60	27		
Don't know	1	2	3	3		

Fewer than 40 percent of likely voters and of Californians across parties, regions, and demographic groups support cuts to K–12 education. Republicans (39%) are the most likely to favor cuts, while Democrats (15%) are the least likely. When it comes to higher education, support for cuts differs widely across parties, with Republicans nearly twice as likely as Democrats (58% to 30%) to favor cuts. Across all regions and demographic groups, a majority oppose cuts to higher education. Whites (42%) are much more likely than Latinos (26%) to support cuts; support for cuts is greater among adults 35 and older, those with at least some college education, and those with incomes of \$40,000 or more. In the area of health and human services, support for cuts is below a majority in most groups, with Republicans (63%) and those in households making at least \$80,000 (53%) the two exceptions. Only 26 percent of Democrats and fewer than four in 10 across regions support cuts to health and human services. Support for cuts rises with education and does so sharply with income. Seven in 10 Californians support cuts to prisons and corrections, including strong majorities across parties, regions, and demographic groups.

Percent supporting c	euts	K-12 public education	Higher education	Health and human services	Prisons and corrections
All adults		24%	35%	37%	70%
	Democrats	15	30	26	69
Party	Republicans	39	58	63	70
	Independents	23	41	46	73
	Central Valley	25	37	38	68
Dodion	San Francisco Bay Area	22	31	36	72
Region	Los Angeles	20	31	33	66
	Other Southern California	24	40	39	73
	Under \$40,000	21	29	26	66
Household Income	\$40,000 to under \$80,000	27	40	38	76
	\$80,000 or more	22	41	53	75
Likely voters		26	42	44	74

TAX INCREASES

Californians are willing to increase taxes to spare K–12 education, higher education, and health and human services from cuts, but eight in 10 would not be willing to pay higher taxes to maintain current funding for prisons and corrections. In January 2010, Californians were similarly willing to pay higher taxes for K–12 education, and were somewhat less willing to pay higher taxes for higher education and health and human services; they opposed higher taxes to maintain prisons and corrections. Likely voters today are less likely than all Californians to say they would pay higher taxes for K–12 education, higher education, and health and human services.

Today, 10 percent of Californians say they are willing to pay higher taxes for all four budget areas, while 18 percent say no to tax increases across all four areas. Excluding prisons and corrections, 41 percent are willing to pay higher taxes for all three of the other areas.

"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
Yes	71%	59%	57%	17%
No	28	40	40	82
Don't know	1	1	2	1

Solid majorities across parties, regions, and demographic groups say they are willing to pay higher taxes to maintain current funding for K–12 education—Republicans (47% yes, 51% no) are the lone exception. Of those who oppose K–12 education cuts, 82 percent are willing to pay higher taxes. About half or more across parties, regions, and demographic groups—with Republicans (30%) again the exception—are willing to pay higher taxes for higher education. Democrats (70%) and Latinos (74%) are among the most willing. Of those who oppose higher education cuts, 76 percent are willing to pay higher taxes. When it comes to health and human services, Democrats (73%) are far more likely than independents (47%) and Republicans (23%), and Latinos (76%) are far more likely than whites (48%) to express support. Of those who oppose health and human services cuts, 78 percent are willing to pay higher taxes. Fewer than one in four across parties, regions, and demographic groups are willing to pay higher taxes for prisons.

Percent willing to pay more taxes		e taxes K-12 Higher public education education		Health and human services	Prisons and corrections
All Adults		71%	59%	57%	17%
	Democrats	81	70	73	19
Party	Republicans	47	30	23	14
	Independents	69	57	47	12
	Central Valley	73	59	55	18
Dagion	San Francisco Bay Area	71	58	55	11
Region	Los Angeles	73	68	64	19
	Other Southern California	68	52	56	18
	Under \$40,000	77	68	70	18
Household Income	\$40,000 to under \$80,000	71	54	56	14
	\$80,000 or more	67	53	43	15
Likely Voters		62	51	46	14

RAISING REVENUES

When asked about a number of revenue proposals to address the state budget deficit, raising taxes on California's corporations is the only one to receive majority support. Fewer than four in 10 favor increasing their own taxes via state income tax or a state sales tax on all purchases, or favor increasing the vehicle license fee.

Six in 10 Californians and 55 percent of likely voters favor raising the state taxes paid by California corporations. Leading up to the fall election, only 42 percent of likely voters in September favored the idea of raising the corporate tax. Today, there are stark partisan differences: three in four Democrats and more than half of independents in favor and six in 10 Republicans opposed. Residents in Los Angeles (64%) are the most likely—and Other Southern California residents (55%) the least likely—to favor raising corporate taxes. Majorities across all demographic groups favor raising corporate taxes.

Six in 10 Californians and seven in 10 likely voters oppose raising state personal income taxes. Republicans (81%) are again most likely to oppose this, followed by independents (67%) and Democrats (57%). While Los Angeles residents are divided (49% favor, 49% oppose), six in 10 or more residents in the other regions are opposed. Six in 10 Latinos favor an increase in the personal income tax, the only group to do so. Support falls short of a majority across income groups and decreases as income rises.

When asked about raising the state sales tax on all purchases, only three in 10 Californians express favor. Thirty-four percent of likely voters agree. Democrats (57%) are the least likely across parties to oppose this idea, followed by independents (68%) and Republicans (76%). Seven in 10 across regions oppose raising the state sales tax and Latinos (72%), whites (66%), men (71%), and women (66%) agree.

Solid majorities of Californians and likely voters also oppose increasing the vehicle license fee as a way to address the state budget deficit. Eight in 10 Republicans and six in 10 independents oppose raising the vehicle license fee, with Democrats divided (48% favor, 51% oppose). Whites (64%) are less likely than Latinos (73%) to be opposed. Majorities across regions oppose this increase, with opposition much lower among residents of the San Francisco Bay Area. Opposition is lowest among college graduates and those with incomes of \$80,000 or more—the only demographic groups divided on this issue.

"New revenue sources have been proposed to address the state budget deficit. For each of the following, please indicate whether you favor or oppose the proposal. How about..."

		All Adults		Party		Likely	
		All Addits	Dem	Rep	Ind	Voters	
	Favor	60%	74%	36%	54%	55%	
raising the state taxes paid by California corporations?	Oppose	36	23	61	42	42	
	Don't know	4	3	3	4	2	
	Favor	38	40	18	30	27	
raising state personal income taxes?	Oppose	60	57	81	67	70	
	Don't know	2	3	1	4	3	
	Favor	29	41	23	29	34	
raising the state sales tax on all purchases?	Oppose	69	57	76	68	64	
•	Don't know	2	2	1	4	2	
	Favor	33	48	17	37	36	
increasing the vehicle license fee?	Oppose	66	51	82	61	62	
	Don't know	2	1	1	2	2	

GOVERNOR'S BUDGET PROPOSAL

Although fewer than half of adults and likely voters approve of how Governor Brown is handling the issue of the state budget and taxes, when they are read a description of his budget plan, about six in 10 are generally satisfied with it. Across parties, there is more satisfaction than dissatisfaction, with Democrats (64%) the most likely to say they are satisfied, followed by independents (57%), and Republicans (49%). While majorities of Los Angeles (64%), San Francisco Bay Area (62%), and Central Valley (59%) residents express satisfaction, fewer than half of Other Southern California residents (47%) are satisfied. Across demographic groups, majorities are satisfied with the governor's budget proposal.

"Governor Brown proposed a budget plan for the current and next fiscal year to close the state's \$25 billion budget deficit. It includes major spending cuts to nearly all state agencies, including health and human services, higher education, and state parks. It will not cut spending to K-12 education. It plans to realign some funding and responsibilities for carrying out certain programs from the state government to local governments. It calls for a June special election for voters to vote on a tax and fee package to prevent additional cuts. In general, are you satisfied or dissatisfied with the governor's budget plan?"

	All Adults		Likely Vetero		
	All Adults —	Dem	Rep	Ind	Likely Voters
Satisfied	58%	64%	49%	57%	58%
Dissatisfied	29	26	37	31	29
Haven't heard anything about the budget (vol.)	7	5	6	4	6
Don't know	5	5	8	8	7

Governor Brown's budget proposal includes major spending cuts to many state agencies, including health and human services and higher education. Overwhelming majorities of adults (30% very, 45% somewhat) and likely voters (33% very, 40% somewhat) are at least somewhat concerned about the spending reductions in the governor's budget plan. Strong majorities across parties are at least somewhat concerned, with Democrats being the most likely to express this view. More than seven in 10 across regional and demographic groups say they are at least somewhat concerned about reductions.

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

	All Adults		Likely Vetero		
	All Adults	Dem	Rep	Ind	Likely Voters
Very concerned	30%	35%	29%	26%	33%
Somewhat concerned	45	45	39	41	40
Not too concerned	15	15	15	20	14
Not at all concerned	8	3	15	12	10
Don't know	2	2	2	2	2

During the governor's election campaign, he pledged he would not raise taxes without voter approval. The governor has since proposed a special election on a package of taxes and fees needed to prevent further budget cuts. Two in three adults (67%) and likely voters (66%) think having a special election is a good idea. Majorities across parties agree, with Democrats (73%) the most likely, followed by independents (64%) and Republicans (55%). In September 2005, we asked whether a special election called by Governor Schwarzenegger, which included a reform package, was a good idea, and 40 percent of likely voters thought it was. When the governor and legislature called a special election in 2009 to raise taxes and reallocate revenues, 50 percent in the prior weeks said the election was a good idea.

GOVERNOR'S BUDGET PROPOSAL (CONTINUED)

Solid majorities say the governor's special election idea is a good one, but slim majorities of adults (53%) and likely voters (54%) favor the package that would be voted on—an extension of tax and fee increases and a diversion of some revenues from the state to local governments. Partisans are divided, with Democrats (65%) and independents (60%) in favor, and Republicans (54%) opposed. Half or more across demographic groups favor the plan.

"The governor's budget plan includes several proposals for cutting state spending and raising state revenues. For each of the following, please say whether you favor or oppose the proposal. In a special election, voters would be asked to extend—for five years—temporary increases in state personal income taxes, the state sales tax, and vehicle license fee that went into effect in 2009. Some revenues would be diverted to local governments for schools, public safety, and other services. If voters reject the proposal, additional cuts to services would be made. Do you favor or oppose this proposal?"

		Favor	Oppose	Don't know
All Adults		53%	41%	6%
	Democrats	65	32	4
Party	Republicans	37	54	9
	Independents	60	38	2
	Central Valley	49	41	10
Region	San Francisco Bay Area	53	41	6
	Los Angeles	54	40	5
	Other Southern California	55	40	5
	Under \$40,000	51	42	7
Household Income	\$40,000 to under \$80,000	55	42	3
	\$80,000 or more	59	35	5
Likely Voters		54	41	5

The budget also includes a plan to phase out funding for local redevelopment agencies and to eliminate enterprise zones as part of the realignment; more than six in 10 adults and likely voters say they favor this proposal. Democrats (68%) and independents (67%) are more likely than Republicans (56%) to favor the plan. More than six in 10 across regions and demographic groups are in favor. A plan to cut state worker pay is favored by half of adults and by 55 percent of likely voters; Republicans and independents are in favor, while Democrats are divided. Whites, men, adults 35 and older, and middle- and upper-income residents are more likely to favor than oppose these pay cuts. Latino, younger, and lower-income adults are more likely to oppose it; women are divided.

"Do you favor or oppose..."

		All Adults	Party			Likely
		All Addits	Dem	Rep	Ind	Voters
phasing out funding for local redevelopment agencies, and eliminating	Favor	66%	68%	56%	67%	63%
state tax benefits for enterprise zones, in order to redirect that tax revenue to	Oppose	24	23	32	23	26
local governments for schools and other local services?	Don't know	10	10	12	10	11
cutting state worker pay by about 10 percent for those who are not currently covered under collective bargaining agreements?	Favor	49	46	61	57	55
	Oppose	43	48	28	40	38
	Don't know	8	6	10	3	6

FISCAL REFORMS

Among other fiscal reforms to the state budget, most adults and likely voters think it is a good idea to limit the amount of money that state spending could increase each year; most think a separate proposal to increase the state's rainy day fund is also a good one. Fewer—about half of adults and likely voters—say that a proposal to reduce the voting threshold from two-thirds to 55 percent for local special taxes is a good idea.

The percentage of adults (71%) saying it is a good idea to limit the amount of money that state spending could increase each year is similar to other budget surveys (67% January 2008, 70% January 2009, and 69% January 2010). This proposal receives broad support across political, regional, and demographic groups, with 65 percent or more saying a strict limit to spending increases is a good idea. Some differences do emerge: Latinos (65%) are less likely than whites (74%), and those in households earning less than \$40,000 (66%) are less likely than those in middle- and upper-income households (76% each), to say limiting state spending increases is a good idea. Seventy-two percent of those who think the state budget situation is a big problem also think a strict limit on spending increases is a good idea.

Seventy-three percent favor a reform idea to increase the size of the state's rainy day fund—similar to the percentage calling it a good idea in May 2010 (74%). Most Californians across political, regional, and demographic groups think this proposal is a good idea, with more than six in 10 holding this view. Democrats (75%) are the most likely to view an increase in the rainy day fund as a good idea, followed by independents (70%) and Republicans (64%). Seventy-one percent of those who think the state budget situation is a big problem also think this reform is a good idea.

If the governor's proposal to realign responsibilities from the state to local governments were enacted, local governments might need to find new ways to raise revenues. A slim majority of adults (53%) think lowering the vote requirement from two-thirds to 55 percent for voters to pass local special taxes is a good idea, similar to findings the last time this question was asked in September 2009 (50%). Today, the percentage saying this is a good idea divides voters along party lines: six in 10 Democrats say the idea is good and six in 10 Republicans say it's not. Half of independents say lowering the threshold is a good idea. Across regions and demographic groups, adults are more likely to say this idea is good than bad—except for whites, who are divided (49% good, 44% bad). Latinos (60%) are the most likely across all demographic groups to say replacing the two-thirds requirement with a 55-percent majority is a good idea.

"Fiscal 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. How about..."

		All Adults		Likely		
		All Adults	Dem	Rep	Ind	Voters
atriativ limiting the amount	Good idea	71%	69%	78%	73%	73%
strictly limiting the amount of money that state spending	Bad idea	24	28	18	22	22
could increase each year?	Don't know	5	4	5	6	5
increasing the size of the state's rainy day fund and	Good idea	73	75	64	70	71
requiring above-average revenues to be deposited into	Bad idea	20	20	29	23	23
it for use during economic downturns?	Don't know	7	5	7	7	7
replacing the two-thirds vote requirement with a 55-percent majority vote for voters to pass local special taxes?	Good idea	53	61	33	50	50
	Bad idea	40	32	61	41	44
	Don't know	7	7	6	8	6

THE KNOWLEDGE GAP

A majority (54%) of California adults say they have a lot (15%) or some (39%) knowledge about how their state and local governments spend and raise money. Last January, 61 percent said they knew a lot (15%) or some (46%), and similar percentages of adults said the same in May 2004 (14% a lot, 43% some) and in June 2003 (15% a lot, 41% some). Today, seven in 10 likely voters today say they know a lot or some. Across demographic groups, majorities of whites, men, women, residents 35 and older, those with at least some college education, and adults in middle- and upper-income households say they know at least some about this issue; majorities in other groups say they know very little or nothing.

However, only 16 percent of adults and 22 percent of likely voters correctly name K–12 education—42 percent of general fund spending in the 2010–2011 budget—as the largest spending category; health and human services make up 30 percent of spending and higher education gets 13 percent. A plurality of adults (45%) and likely voters (41%) say prisons and corrections is the top state expenditure, but it is in fact the fourth-largest, at 10 percent. A plurality of those saying they know a lot or some about government spending and revenues also incorrectly name prisons as the number-one spending category.

"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:

K-12 public education, higher education, health and human services, or prisons and corrections."

	All Adults		Likely Voters		
	All Addits	Dem	Rep	Ind	Likely Voters
K-12 public education*	16%	17%	22%	18%	22%
Higher education	6	6	4	4	3
Health and human services	27	26	35	24	29
Prisons and corrections	45	46	35	50	41
Don't know	6	5	4	4	4

^{*}Correct response

Twenty-nine percent of adults and 33 percent of likely voters correctly name the personal income tax as the state's top revenue source, which makes up half of 2010–2011 general fund revenues. Twenty-nine percent of adults say sales taxes make up the largest share of revenues—in fact, they make up 29 percent of revenues. One in five say motor vehicle fees are the top revenue source when they make up just 2 percent. Corporate taxes were named the number-one revenue source by 16 percent; they in fact make up 12 percent of revenues. Those who say they know at least some about how state and local governments deal with budget and taxes are divided between personal income and sales taxes as the top revenue source. Fewer than one in 10 adults (6%) and likely voters (9%) can identify both K–12 education as the largest area of spending and personal income taxes as the largest revenue source.

"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: personal income tax, sales tax, corporate tax, or motor vehicle fees."

	All Adults		Likely Voters		
	All Addits	Dem	Rep	Ind	Likely Voters
Personal income tax*	29%	29%	33%	29%	33%
Sales tax	29	31	30	33	32
Corporate tax	16	20	19	18	18
Motor vehicle fees	20	15	14	16	12
Don't know	5	5	4	5	5

^{*}Correct response

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 Nicole Willcoxon, project manager for this survey, and survey research associates Dean Bonner and Sonja Petek. 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 2,004 California adult residents, including 1,602 interviewed on landline telephones and 402 interviewed on cell phones. Interviewing took place on weekday nights and weekend days between January 11 and 18, 2011. 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.

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 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 with live interviewers 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 Inc. conducted the telephone interviewing.

With assistance from Abt SRBI we used recent data from the U.S. Census Bureau's 2006–2008 American Community Survey (ACS) for California to compare certain demographic characteristics of the survey sample—region, age, gender, race/ethnicity, and education—with the characteristics of California's adult population. The survey sample was closely comparable to the ACS figures. Abt SRBI used data from the 2008 National Health Interview Survey and data from the 2006–2008 ACS for California, both to estimate landline and cell phone service in California and to compare the data against landline and cell phone service reported in this survey. We also used voter registration data from the California Secretary of State to compare the party registration of registered voters in our sample to party registration in the state. The landline and cell phone samples are then integrated using a frame integration weight, while sample balancing adjusts for any differences across regional, age, gender, race/ethnicity, education, telephone service, and party registration groups.

The sampling error, taking design effects from weighting into consideration, is ± 3.5 percent at the 95 percent confidence level for the total sample of 2,004 adults. This means that 95 times out of 100, the results will be within 3.5 percentage points of what they would be if all adults in California

were interviewed. The sampling error for subgroups is larger: For the 1,365 registered voters, it is ± 3.7 percent; for the 987 likely voters, it is ± 4.2 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 non-Hispanic whites and for Latinos, who account for about a third of the state's adult population and constitute one of the fastest growing voter groups. Residents of other racial/ethnic groups—such as Asians and blacks—are included in the results reported for all adults, registered voters, and likely voters, but sample sizes for these groups are not large enough for separate analysis. We compare the opinions of registered Democrats, Republicans, and independents (those registered as "decline to state"). We also analyze the responses of likely voters—so designated by their responses to survey questions on past voting, current interest in politics, and voting intentions.

The percentages presented in the report tables and in the questionnaire may not add to 100 due to rounding.

We compare current PPIC Statewide Survey results to those in our earlier surveys. Additional details about our methodology can be found at http://www.ppic.org/content/other/SurveyMethodology.pdf and are available upon request through surveys@ppic.org.

QUESTIONNAIRE AND RESULTS

CALIFORNIANS AND THEIR GOVERNMENT

January 11–18, 2011 2,004 California Adult Residents: English, Spanish

MARGIN OF ERROR ±3.5% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE **PERCENTAGES MAY NOT ADD TO 100 DUE TO ROUNDING**

 First, which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2011?

[code, don't read]

34% jobs, economy

23 state budget, deficit, taxes

15 education, schools

6 immigration, illegal immigration

4 health care, health costs

3 crime, gangs, drugs

9 other

6 don't know

2. Overall, from what you know so far, do you approve or disapprove of the way that Jerry Brown is handling his job as governor of California?

41% approve

19 disapprove

39 don't know

3. Overall, from what you know so far, do you approve or disapprove of the way that Governor Brown is handling the issue of the state budget and taxes?

41% approve

27 disapprove

32 don't know

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

26% approve

55 disapprove

19 don't know

5. Overall, do you approve or disapprove of the way that the California Legislature is handling the issue of the state budget and taxes?

20% approve

65 disapprove

15 don't know

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

58% yes, will be able to work together

29 no, will not be able to work together

12 don't know

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

38% right direction

54 wrong direction

8 don't know

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

36% good times

56 bad times

7 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?)

48% yes, serious recession

31 yes, moderate recession

7 yes, mild recession

12 no

2 don't know

10. On another topic, in general, how much would you say you know about how your state and local governments spend and raise money—a lot, some, very little, or nothing?

15% a lot

39 some

33 very little

11 nothing

1 don't know

[questions 11 and 12 not asked]

[rotate questions 13 and 14]

13. 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.

45% prisons and corrections

27 health and human services

16 K-12 public education

6 higher education

6 don't know

14. 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.

29% personal income tax

29 sales tax

20 motor vehicle fees

16 corporate tax

5 don't know

Next,

15. 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?

68% big problem

26 somewhat of a problem

3 not a problem

3 don't know

16. 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?

36% mostly through spending cuts

9 mostly through tax increases

42 through a mix of spending cuts and tax increases

7 okay to borrow money and run a budget deficit

1 other (specify)

5 don't know

17. 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 Brown's, (2) the Democrats' in the legislature, [or] (3) the Republicans' in the legislature?

26% Governor Brown's

28 Democrats' in the legislature

26 Republicans' in the legislature

1 other (specify)

5 none (volunteered)

14 don't know

[question 18 not asked]

19. In general, which of the following statements do you agree with more—[rotate] (1) I'd rather pay higher taxes and have a state government that provides more services, [or] (2) I'd rather pay lower taxes and have a state government that provides fewer services?

49% higher taxes and more services

46 lower taxes and fewer services

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 20 to 23]

20. 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?

71% yes

28 no

1 don't know

21. 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?

59% yes

40 no

1 don't know

22. 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?

57% yes

40 no

2 don't know

23. 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?

17% yes

82 no

1 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 24 to 27]

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

24% support

75 oppose

1 don't know

25. How about cutting spending on higher education?

35% support

63 oppose

2 don't know

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

37% support

60 oppose

3 don't know

27. How about cutting spending on prisons and corrections?

70% support

27 oppose

3 don't know

New revenue sources have been proposed to address the state budget deficit. For each of the following, please indicate whether you favor or oppose the proposal.

[rotate questions 28 to 31]

28. How about raising the state taxes paid by California corporations?

60% favor

36 oppose

4 don't know

29. How about raising state personal income taxes?

38% favor

60 oppose

2 don't know

30. How about raising the state sales tax on all purchases?

29% favor

69 oppose

2 don't know

31. How about increasing the vehicle license fee? (Do you favor or oppose this proposal?)

33% favor

66 oppose

2 don't know

32. On another topic, Governor Brown proposed a budget plan for the current and next fiscal year to close the state's \$25-billion budget deficit. It includes major spending cuts to nearly all state agencies, including health and human services, higher education, and state parks. It will not cut spending to K–12 education. It plans to realign some funding and responsibilities for carrying out certain programs from the state government to local governments. It calls for a June special election for voters to vote on a tax-and-fee package to prevent additional cuts. In general, are you satisfied or dissatisfied with the governor's budget plan?

58% satisfied

29 dissatisfied

7 haven't heard anything about the budget (volunteered)

5 don't know

[rotate questions 33 and 34]

33. Governor Brown has proposed a special election this June for voters to vote on a taxand-fee package to prevent additional state budget cuts. In general, do you think the special election is a good idea or bad idea?

67% good idea

28 bad idea

5 don't know

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

30% very concerned

45 somewhat concerned

15 not too concerned

8 not at all concerned

2 don't know

The governor's budget plan includes several proposals for cutting state spending and raising state revenues. For each of the following, please say whether you favor or oppose the proposal.

[rotate questions 35 to 37]

35. In a special election, voters would be asked to extend—for five years—temporary increases in state personal income taxes, the state sales tax, and vehicle license fee that went into effect in 2009. Some revenues would be diverted to local governments for schools, public safety, and other services. If voters reject the proposal, additional cuts to services would be made. Do you favor or oppose this proposal?

53% favor

41 oppose

6 don't know

36. Do you favor or oppose phasing out funding for local redevelopment agencies, and eliminating state tax benefits for enterprise zones, in order to redirect that tax revenue to local governments for schools and other local services?

66% favor

24 oppose

10 don't know

37. Do you favor or oppose cutting state worker pay by about 10 percent for those who are not currently covered under collective bargaining agreements?

49% favor

43 oppose

8 don't know

- 38. As you may know, voters recently passed Proposition 25, a constitutional amendment that reduces the legislative vote requirement to pass a state budget from a two-thirds vote to a simple majority, or 50 percent plus one. Does this new vote requirement make you more optimistic or less optimistic about the budget situation this year, or does it make no difference to you?
 - 37% more optimistic
 - 19 less optimistic
 - 40 no difference
 - 4 don't know

Fiscal 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 to 41]

- 39. How about strictly limiting the amount of money that state spending could increase each year?
 - 71% good idea
 - 24 bad idea
 - 5 don't know
- 40. How about increasing the size of the state's rainy day fund and requiring above-average revenues to be deposited into it for use during economic downturns?
 - 73% good idea
 - 20 bad idea
 - 7 don't know
- 41. How about replacing the two-thirds vote requirement with a 55-percent majority vote for voters to pass local special taxes?
 - 53% good idea
 - 40 bad idea
 - 7 don't know

- 42. 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?
 - 58% major changes
 - 26 minor changes
 - 14 fine the way it is
 - 3 don't know
- 42a. 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
 - 53 moderately fair
 - 28 not too fair
 - 13 not at all fair
 - 2 don't know
- 43. 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?
 - 26% much more
 - 27 somewhat more
 - 39 about the right amount
 - 5 less than you should
 - 2 don't know
- 44. Would you favor or oppose a shift of some tax dollars and fees from the state government to local governments, in order for local governments to take on the responsibility of running certain programs currently run by the state?
 - 71% favor
 - 21 oppose
 - 8 don't know

- 45. If the state were to shift some tax dollars and fees to local governments, how confident are you that local governments would be able to take on the responsibilities of running certain programs currently run by the state? Are you very confident, somewhat confident, not too confident, or not at all confident?
 - 14% very confident
 - 49 somewhat confident
 - 22 not too confident
 - 13 not at all confident
 - 2 don't know
- 46. Next, some people are registered to vote and others are not. Are you absolutely certain that you are registered to vote in California?
 - 69% yes [ask q46a]
 - 31 no [skip to q47b]
- 46a. Are you registered as a Democrat, a Republican, another party, or are you registered as a decline-to-state or independent voter?
 - 44% Democrat [ask q47]
 - 32 Republican [skip to q47a]
 - 4 another party (specify) [skip to q48]
 - 20 independent [skip to q47b]
- 47. Would you call yourself a strong Democrat or not a very strong Democrat?
 - 50% strong
 - 49 not very strong
 - 2 don't know

[skip to q48]

- 47a. Would you call yourself a strong Republican or not a very strong Republican?
 - 54% strong
 - 42 not very strong
 - 3 don't know

[skip to q48]

- 47b.Do you think of yourself as closer to the Republican Party or Democratic Party?
 - 25% Republican Party
 - 47 Democratic Party
 - 21 neither (volunteered)
 - 7 don't know
- 48. Next, would you consider yourself to be politically:

[read list, rotate order top to bottom]

- 10% very liberal
- 22 somewhat liberal
- 27 middle-of-the-road
- 24 somewhat conservative
- 14 very conservative
- 3 don't know
- 49. Generally speaking, how much interest would you say you have in politics?
 - 20% great deal
 - 39 fair amount
 - 33 only a little
 - 8 none
 - 1 don't know

[d1-d15: demographic questions]

PPIC STATEWIDE SURVEY ADVISORY COMMITTEE

Ruben Barrales

President and Chief Executive Officer
San Diego Regional Chamber of Commerce

Angela Blackwell

Founder and Chief Executive Officer PolicyLink

Paul Brest

President

The William and Flora Hewlett Foundation

Mollyann Brodie

Senior Vice President Kaiser Family Foundation

Bruce E. Cain

Executive Director

University of California Washington Center

James E. Canales

President

The James Irvine Foundation

Jon Cohen

Director of Polling
The Washington Post

Matthew K. Fong

Special Counsel

Sheppard, Mullin, Richter & Hampton, LLP

Russell Hancock

President and Chief Executive Officer Joint Venture Silicon Valley Network

William Hauck

President

California Business Roundtable

Sherry Bebitch Jeffe

Senior Scholar

School of Policy, Planning, and Development University of Southern California

Carol S. Larson

President and Chief Executive Officer
The David and Lucile Packard Foundation

Monica Lozano

Publisher and Chief Executive Officer La Opinión

Donna Lucas

Chief Executive Officer Lucas Public Affairs

Dan Rosenheim

News Director KPIX-TV

Robert K. Ross, M.D.

President and Chief Executive Officer
The California Endowment

Most Reverend Jaime Soto

Bishop of Sacramento Roman Catholic Diocese of Sacramento

Cathy Taylor

Vice President and Editorial Commentary Director Orange County Register

Raymond L. Watson

Vice Chairman of the Board Emeritus The Irvine Company

Carol Whiteside

President Emeritus Great Valley Center

PPIC BOARD OF DIRECTORS

Walter B. Hewlett, Chair

Director

Center for Computer Assisted Research in the Humanities

Mark Baldassare

President and Chief Executive Officer Public Policy Institute of California

Ruben Barrales

President and Chief Executive Officer San Diego Regional Chamber of Commerce

María Blanco

Vice President, Civic Engagement California Community Foundation

John E. Bryson

Retired Chairman and CEO Edison International

Gary K. Hart

Former State Senator and Secretary of Education State of California

Robert M. Hertzberg

Partner

Mayer Brown, LLP

Donna Lucas

Chief Executive Officer Lucas Public Affairs

David Mas Masumoto

Author and farmer

Steven A. Merksamer

Senior Partner Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP

Constance L. Rice

Co-Director

The Advancement Project

Thomas C. Sutton

Retired Chairman and Chief Executive Officer Pacific Life Insurance Company



The Public Policy Institute of California is dedicated to informing and improving public policy in California through independent, objective, nonpartisan research on major economic, social, and political issues. The institute's goal is to raise public awareness and to give elected representatives and other decisionmakers a more informed basis for developing policies and programs.

The institute's research focuses on the underlying forces shaping California's future, cutting across a wide range of public policy concerns, including economic development, education, environment and resources, governance, population, public finance, and social and health policy.

PPIC is a private operating foundation. It does not take or support positions on any ballot measures or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office. PPIC was established in 1994 with an endowment from William R. Hewlett.

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

Short sections of text, not to exceed three paragraphs, may be quoted without written permission provided that full attribution is given to the source and the copyright notice below is included.

Copyright © 2011 Public Policy Institute of California All rights reserved.

San Francisco, CA

PUBLIC POLICY INSTITUTE OF CALIFORNIA 500 Washington Street, Suite 600 San Francisco, California 94111 phone: 415.291.4400

fax: 415.291.4401

PPIC SACRAMENTO CENTER Senator Office Building 1121 L Street, Suite 801 Sacramento, California 95814 phone: 916.440.1120

fax: 916.440.1121