## Californians their government

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## 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 multibilliondollar 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.


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## NEWS RELEASE

EMBARGOED: Do not publish or broadcast until 9:00 p.m. PST on Wednesday, January 26, 2011.
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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 Ivvine 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 $\mathrm{K}-12$ 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 $\mathrm{K}-12$ 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 $\mathrm{K}-12$ 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.

## 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*

*07-10: Governor Schwarzenegger; 11: Governor Brown

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 |  |
| 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 | Party |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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.

|  | All Adults | Region |  |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Central Valley | San Francisco Bay Area | Los Angeles | Other Southern California |  |
| 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.

|  | All Adults | Region |  |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Central Valley | San Francisco Bay Area | Los Angeles | Other Southern California |  |
| 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).

|  |  | Approve | Disapprove | Don't know |
| :---: | :---: | :---: | :---: | :---: |
| All Adults |  | 41\% | 27\% | 32\% |
| Party | Democrats | 55 | 17 | 28 |
|  | Republicans | 30 | 35 | 35 |
|  | Independents | 39 | 28 | 33 |
| Region | Central Valley | 43 | 23 | 34 |
|  | San Francisco Bay Area | 47 | 25 | 28 |
|  | Los Angeles | 43 | 32 | 24 |
|  | Other Southern California | 32 | 26 | 42 |
| Household Income | Under \$40,000 | 36 | 31 | 33 |
|  | \$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 |  | Likely Voters |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind | $18 \%$ |
| Approve | $26 \%$ | $31 \%$ | $15 \%$ | $23 \%$ | 68 |
| Disapprove | 55 | 53 | 71 | 62 | 14 |
| 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 |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |  |
| 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. Fiftytwo 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 Voters |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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 |  |
| 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 |  |
| 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 |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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?"

|  | All Adults | Region |  |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Central Valley | San Francisco Bay Area | $\begin{gathered} \text { Los } \\ \text { Angeles } \\ \hline \end{gathered}$ | Other Southern California |  |
| 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?"

|  | All Adults |  | Region |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | San Francisco <br> Bay Area | Los <br> Angeles | Other Southern <br> California | Likely Voters |  |  |
| Very confident |  | $14 \%$ | $14 \%$ | $13 \%$ | $16 \%$ | $18 \%$ |  |
| Somewhat confident |  | 49 | 55 | 46 | 47 | 51 |  |
| Not too confident |  | 25 | 18 | 25 | 19 | 19 |  |
| Not at all confident |  | 11 | 11 | 15 | 16 | 11 |  |
| Don't know |  | 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 $\mathrm{K}-12$ education, higher education, and health and human services. Six in 10 would pay higher taxes to spare $\mathrm{K}-12$ 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 Recent Special Elections*


[^0]
## 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 <br> balance between government spending and revenues-is a big problem, <br> somewhat of a problem, or not a problem for the people of California today?" |  |  |  |
| :--- | :--- | :--- | :--- | :--- |
|  | All Adults | Party |  | Likely Voters |

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 senvices, 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 senvices, 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 |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | 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 preferGovernor Brown's, the Democrats' in the legislature, or the Republicans' in the legislature?"

|  | All Adults | Party |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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 |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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 <br> public education | Higher <br> education | Health and <br> human services | Prisons and <br> 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 cuts |  | $\mathrm{K}-12$ public education | Higher education | Health and human services | Prisons and corrections |
| :---: | :---: | :---: | :---: | :---: | :---: |
| All adults |  | 24\% | 35\% | 37\% | 70\% |
| Party | Democrats | 15 | 30 | 26 | 69 |
|  | Republicans | 39 | 58 | 63 | 70 |
|  | Independents | 23 | 41 | 46 | 73 |
| Region | Central Valley | 25 | 37 | 38 | 68 |
|  | San Francisco Bay Area | 22 | 31 | 36 | 72 |
|  | Los Angeles | 20 | 31 | 33 | 66 |
|  | Other Southern California | 24 | 40 | 39 | 73 |
| Household Income | Under \$40,000 | 21 | 29 | 26 | 66 |
|  | \$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 $\mathrm{K}-12$ 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 $\mathrm{K}-12$ 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 <br> public education | Higher <br> education | Health and <br> human services | Prisons and <br> 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 |  |  | Higher education | Health and human services | Prisons and corrections |
| :---: | :---: | :---: | :---: | :---: | :---: |
| All Adults |  | 71\% | 59\% | 57\% | 17\% |
| Party | Democrats | 81 | 70 | 73 | 19 |
|  | Republicans | 47 | 30 | 23 | 14 |
|  | Independents | 69 | 57 | 47 | 12 |
| Region | Central Valley | 73 | 59 | 55 | 18 |
|  | San Francisco Bay Area | 71 | 58 | 55 | 11 |
|  | Los Angeles | 73 | 68 | 64 | 19 |
|  | Other Southern California | 68 | 52 | 56 | 18 |
| Household Income | Under \$40,000 | 77 | 68 | 70 | 18 |
|  | \$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 Voters |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Dem | Rep | Ind |  |
| ...raising the state taxes paid by California corporations? | Favor | 60\% | 74\% | 36\% | 54\% | 55\% |
|  | Oppose | 36 | 23 | 61 | 42 | 42 |
|  | Don't know | 4 | 3 | 3 | 4 | 2 |
| ...raising state personal income taxes? | Favor | 38 | 40 | 18 | 30 | 27 |
|  | Oppose | 60 | 57 | 81 | 67 | 70 |
|  | Don't know | 2 | 3 | 1 | 4 | 3 |
| ...raising the state sales tax on all purchases? | Favor | 29 | 41 | 23 | 29 | 34 |
|  | Oppose | 69 | 57 | 76 | 68 | 64 |
|  | Don't know | 2 | 2 | 1 | 4 | 2 |
| ...increasing the vehicle license fee? | Favor | 33 | 48 | 17 | 37 | 36 |
|  | 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.


#### Abstract

"Governor Brown proposed a budget plan for the current and next fiscal year to close the state's $\mathbf{\$ 2 5}$ 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 $\mathbf{K - 1 2}$ 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 | Party |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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 | Party |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |  |
| 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\% |
| Party | Democrats | 65 | 32 | 4 |
|  | Republicans | 37 | 54 | 9 |
|  | Independents | 60 | 38 | 2 |
| Region | Central Valley | 49 | 41 | 10 |
|  | San Francisco Bay Area | 53 | 41 | 6 |
|  | Los Angeles | 54 | 40 | 5 |
|  | Other Southern California | 55 | 40 | 5 |
| Household Income | Under \$40,000 | 51 | 42 | 7 |
|  | \$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 upperincome 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..."

|  |  |  | Party Adults |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
|  |  |  | Dem | Rep | Ind |

## 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 voterssay 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 badexcept 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 | Party |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Dem | Rep | Ind |  |
| ...strictly limiting the amount of money that state spending could increase each year? | Good idea | 71\% | 69\% | 78\% | 73\% | 73\% |
|  | Bad idea | 24 | 28 | 18 | 22 | 22 |
|  | Don't know | 5 | 4 | 5 | 6 | 5 |
| ...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? | Good idea | 73 | 75 | 64 | 70 | 71 |
|  | Bad idea | 20 | 20 | 29 | 23 | 23 |
|  | 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 education42 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 | Party |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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 | Party |  |  | Likely Voters |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dem | Rep | Ind |  |
| 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 sevice in California and to compare the data against landline and cell phone senvice 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 $\pm 3.5$ 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 $\pm 3.7$ percent; for the 987 likely voters, it is $\pm 4.2$ 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 $\pm 3.5 \%$ AT 95\% CONFIDENCE LEVEL FOR TOTAL SAMPLE PERCENTAGES MAY NOT ADD TO 100 DUE TO ROUNDING

1. 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
9. 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
$16 \mathrm{~K}-12$ 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 $\mathrm{K}-12$ 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
4 0 ~ n o
    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 $\mathrm{K}-12$ 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 tax-and-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 senvices?

```
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]

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Mark Baldassare is President and Chief Executive Officer of PPIC.
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[^0]:    *05: November Election; 09: May Election; 11: proposed June Election

