PPIC STATEWIDE SURVEY

Public Policy Institute of California

Californians 8 their government

in collaboration with
The James Irvine Foundation

Mark Baldassare Dean Bonner Jennifer Paluch Sonja Petek The Public Policy Institute of California (PPIC) is a private operating foundation established in 1994 with an endowment from William R. Hewlett. The Institute is dedicated to improving public policy in California through independent, objective, nonpartisan research.

PPIC's research agenda focuses on three program areas: population, economy, and governance and public finance. Studies within these programs are examining the underlying forces shaping California's future, cutting across a wide range of public policy concerns: California in the global economy; demography; education; employment and income; environment, growth, and infrastructure; government and public finance; health and social policy; immigrants and immigration; key sectors in the California economy; and political participation.

PPIC was created because three concerned citizens—William R. Hewlett, Roger W. Heyns, and Arjay Miller—recognized the need for linking objective research to the realities of California public policy. Their goal was to help the state's leaders better understand the intricacies and implications of contemporary issues and make informed public policy decisions when confronted with challenges in the future. PPIC does not take or support positions on any ballot measure or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political candidates for public office.

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ABOUT THE SURVEY

The PPIC Statewide Survey series provides policymakers, the media, and the general public with objective, advocacy-free information on the perceptions, opinions, and public policy preferences of California residents. Inaugurated in April 1998, this is the 77th PPIC Statewide Survey in a series that has generated a database that includes the responses of more than 160,000 Californians. This survey is the 23rd in our *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. It is supported by funding from The James Irvine Foundation.

The current survey seeks to raise public awareness, inform decision makers, and stimulate public discussion on the current state budget and the underlying state and local finance systems. California's economic conditions have led to increasing state revenues in recent years, but the state government continues to face a large gap between revenues and spending. This survey examines Californians' fiscal perceptions, satisfaction with the state budget, attitudes toward fiscal reform in spending and revenues, and priorities for state spending. It also looks at residents' attitudes toward redistricting, term limits, and prison reform. This report presents the responses of 2,005 California adult residents throughout the state on the following topics:

- State fiscal issues, including attitudes toward the governor's budget plan and related fiscal proposals, perceptions of the severity of the state budget situation, and impressions of fiscal trends over the past two years. We also ask about priorities for spending on major categories of the state budget, fiscal policy preferences, attitudes toward lowering the two-thirds vote requirements for passing the state budget and local special taxes, perceptions of potential reforms regarding state spending and revenues, and knowledge of spending and revenue within California's budget.
- State policies, including approval ratings for Governor Schwarzenegger and the state legislature, perceptions of the most important issues facing California today, opinions about the general direction of the state and the outlook for the state's economy. We also ask about perceptions of redistricting and term limits and potential reform options, impressions of the state's corrections system and a proposal for more funding, and attitudes and preferences regarding general obligation bonds, including preferences for funding future infrastructure projects, knowledge of how bonds work, and opinions about tracking bond expenditures.
- The extent to which Californians—based on their political party affiliation, region of residence, race/ethnicity, and other demographics—may differ with regard to perceptions, attitudes, and preferences involving state fiscal and policy issues.

Copies of this report may be ordered online (www.ppic.org) or by phone (415-291-4400). For questions about the survey, please contact survey@ppic.org. View our searchable PPIC Statewide Survey database online at http://www.ppic.org/main/survAdvancedSearch.asp.

PRESS RELEASE

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PPIC STATEWIDE SURVEY: CALIFORNIANS AND THEIR GOVERNMENT California Voters: What They Don't Know Could Hurt Us?

BUDGET WORRIES FADING FAST...BUT WHY? LOW VOTER KNOWLEDGE MAY EASE THE WAY FOR INFRASTRUCTURE BONDS, TERM LIMITS, PRISON SPENDING

SAN FRANCISCO, California, May 30, 2007 — California voters admit to knowing little or nothing about some of the most critical policy issues they may be facing in next year's elections, according to a survey released today by the Public Policy Institute of California (PPIC), with funding from The James Irvine Foundation. This lack of knowledge concerning pivotal proposals, such as billions of dollars for new infrastructure bonds and changing term limits, could provide the margin of success for these proposals. Moreover, what voters don't know may be lulling them into a false sense of fiscal security at a time when the state's finances are still on shaky ground.

BRING ON THE BONDS!

Although California has substantial debt and a large, ongoing budget gap, 64 percent of likely voters support Governor Arnold Schwarzenegger's proposal to issue \$43.3 billion more in bonds to increase funding for education facilities, prisons, water storage, and other infrastructure projects. Besides that, when told that California has approved approximately \$93 billion in bonds over the past decade, 59 percent of likely voters say that amount is about right or "too little." Only 28 percent think it is too much. And "satisfaction" with the state's vigorous bond activity cuts across party lines, although Republicans (41%) are somewhat less likely than Democrats and Independents (48% each) to say it is the right amount.

What might explain this spending complacency from voters who consistently tell surveys that government wastes their tax dollars? It could be what they don't know: 52 percent of voters admit that they know very little (43%) or nothing (9%) about how bonds are paid for in California. A mere 6 percent say they know a lot. "We don't know how deep the lack of understanding runs," says PPIC president and CEO Mark Baldassare. "Many voters may be thinking about bonds as free money, and not as debt that has to be repaid with interest."

Despite this complacency, there are signs that policymakers should not see voter passage of bonds as a slam dunk. The \$37 billion in state infrastructure bonds that passed in November 2006 had the support of 61 percent of voters in that election. While still relatively high, support for those bonds stands at 58 percent among likely voters and 55 percent among all California adults. A vast majority of likely voters (83%) also say they support greater accountability through a public information system that tracks how the bond funds are being spent. Further, when given actual choices about how to increase funding for infrastructure, likely voters are more likely to say they would prefer that the state use only surplus budget funds (29%) or raise user fees (23%) rather than issue bonds (21%).

TERM LIMITS? WHAT ARE TERM LIMITS?

Voters are equally uninformed about another critical issue they may be voting on next year — the term limits of state legislators. And they are apparently even more conflicted. When asked to name the maximum number of years a legislator can hold office in California, only 1 percent of likely voters and all adults could give the correct answer — 14 years. The most common response was that legislators may hold office for a total of eight years (26% likely voters, 20% all adults). About 17 percent of likely voters and 21 percent of all adults are frank about not knowing what the maximum term is.

When informed of the term limits in the state senate and assembly, a large majority of likely voters (61%) say they believe current term limits give legislators the right amount of time in office; fewer than one-quarter (23%) think legislators are given too little time in office, and only 12 percent think they are given too much time.

Despite being so wide off the mark — yet apparently satisfied with the status quo — 53 percent of likely voters say they would vote yes when read the title and summary of "The Limits on Legislators' Terms in Office" initiative (now under circulation for the February 2008 ballot) that would change current term limits. Forty-one percent of likely voters say they would vote no, and 6 percent are undecided. Interestingly, support for the initiative does not differ widely across the political spectrum: 57 percent of Republicans, 53 percent of Democrats, and 50 percent of independents say they would vote yes. Moreover, a majority of those who think current term limits provide the right amount of time also say they would vote yes on the initiative that changes those limits (56%).

"Voters are displaying seemingly contradictory thinking, and that may signal that they are conflicted or don't know much about the possible pros and cons of term limits and their consequences," says Baldassare. "At such an early stage, it's difficult to read how much that might help or hurt the initiative's chances of passing."

BEST BUDGET MOOD IN YEARS

Consistent with complacency about bond obligations, there has also been a dramatic drop in public anxiety over California's budget situation. The share of residents who describe the budget as a big problem has fallen 29 points, from 73 percent to 44 percent, since May 2004. The drop is even greater among likely voters — 34 points (80% to 46%) since May 2004. This is particularly notable as the state heads into the 2008-09 budget season. This is the first time since Schwarzenegger took office that he and the legislature will be entering a budget season with fewer than 50 percent of voters saying the budget is a big problem. The brightened outlook may be benefiting Governor Schwarzenegger's revised budget plan, released earlier this month. A solid majority of likely voters (60%) and all Californians (62%) are satisfied with the May budget revision — twice as many as are dissatisfied (30% and 28%, respectively). Residents in general are slightly less satisfied with the revision than they were with the governor's January budget (68% satisfied, 23% dissatisfied), but slightly more are satisfied with this year's May revision than last year's (57% satisfied, 30% dissatisfied).

Moreover, support among likely voters for strictly limiting how much state spending can increase each year has dropped significantly from two years ago (55% today compared to 62% in May 2005). While a majority still think it's a good idea to impose spending limits, support has declined as perceptions of the budget situation have improved.

Why such fiscal comfort in the face of a large deficit and an ongoing gap between spending and revenues? Again, it may be consistent with a pervasive lack of knowledge about budget realities. For example, just one-third (32%) of likely voters know that K-12 education absorbs the biggest chunk of state spending. Nearly as many (29%) think that more is spent on health and human services, and about one-quarter (23%) believes prisons receive the most funding. "Because voters don't know the basic facts

about state spending on major programs," Baldassare says, "it is very difficult for them to evaluate the budget and make decisions about where to spend more or less."

Voters also know very little about the major sources of state revenue. Personal income tax, by far the largest revenue area, is named by only 37 percent of likely voters. Many believe instead that the state sales tax (25%) and corporate tax (22%) bring in the most revenue. A lack of knowledge about the state's fiscal facts results in just 12 percent of likely voters, and only one in 10 of all adults, correctly identifying both the state's top spending category as K-12 education and the top revenue source as personal income tax.

Still, 46 percent of likely voters today say the budget situation remains somewhat of a problem, while only 5 percent characterize it as not a problem at all. "The pain of the state's past budget meltdown has dulled considerably, but it would probably be a mistake to believe it has disappeared," says Baldassare. Indeed, about half of likely voters (51%) think that the way the governor and legislature handle state spending needs major changes. Fewer than one in 10 (7%) say the spending process is fine the way it is.

PAY DOWN DEBT OR INCREASE SPENDING? NO CONTEST

Decreasing anxiety over the state's fiscal affairs may help explain why voters are not overly excited about one element of the governor's budget plan: prepaying the state's bond debt instead of increasing spending in health and social services and public transportation. Only about half of likely voters (52%) think this is a good idea, despite the high level of debt the state is carrying. "If this were another time, and fiscal concerns were running higher, paying down debt would likely get a substantial rather than a bare majority of voter support," says Baldassare.

In contrast, likely voters (69%) strongly support the governor's proposal to increase spending on K-12 education instead of other areas of the budget. In general, spending increases are popular. Majorities of likely voters think the state should spend more than it does now on four out of five budget areas: K-12 education (65%), health and human services (56%), roads and infrastructure (56%), and higher education (51%). Only prisons and corrections fall well short of a majority (33%).

PRISON CRISIS LOOSENS VOTER LARGESSE

But while voters may not give prisons as high a spending priority as other areas, they clearly recognize the failure of the state's current corrections system and want elected leaders to do something about it. Almost three-fourths (72%) of likely voters think prison overcrowding is a big problem, compared to just 20 percent who say it is only somewhat of a problem, and 6 percent who say it is not a problem. Evidently that concern contributes to the robust voter support (62%) for the nearly \$8 billion prison package the governor and legislature recently agreed on to ease overcrowding and increase rehabilitation opportunities. "Voters historically have not placed a high priority on prison spending," says Baldassare. "But that doesn't mean they don't recognize a crisis when they see one; this, along with the use of bonds, is likely what's motivating such strong support for spending billions on prisons."

DESPITE FISCAL COMPLACENCY, VOTERS STILL WANT TIGHT REIN ON ELECTED OFFICIALS

Is the improved fiscal mood giving elected officials a free pass? Not quite. Governor Schwarzenegger's approval ratings, while strong, are much higher among likely voters when it comes to his overall job performance (61%) than to his handling of the state's budget and taxes (50%). This difference in confidence is seen across political parties and in all regions of the state. Likely voters (36%) give the state legislature a far lower job approval rating than they give the governor, and a still worse one on its handling of the budget and taxes (30%).

Voters also continue to want laws that put checks and limits on the spending power and flexibility of state leaders. For example, voters are not willing to eliminate requirements that the state spend a set minimum amount annually for programs such as K-12 education. Fifty-six percent of likely voters say doing away with such requirements is a bad idea, compared to 35 percent who think it is a good idea. Similarly, majorities of voters oppose the idea of reducing the state's two-thirds requirement to a 55 percent majority either for the legislature to pass a budget (53% say it is a bad idea) or for voters to pass local taxes (55% say it is a bad idea).

MORE KEY FINDINGS

- Put citizens in charge of redistricting... Page 20
 - Nearly six in ten (59%) residents think that having the governor and legislature in charge of drawing the state's electoral districts is a bad idea. Of the redistricting proposals that are currently circulating, majorities of Californians favor the idea of an independent citizens' commission making these decisions (54% all adults, 56% likely voters).
- Rather than Little Hoover Page 20
 Neither residents (40%) nor likely voters (42%) are as supportive of members of the Little Hoover Commission redrawing voting districts.
- What's the purpose of prison? Page 22
 Residents are deeply divided over the primary purpose of prison protecting the public from crime (35%), punishment (26%), or rehabilitation (25%).
- Immigration and gas prices top list of residents' concerns Page 29

 According to Californians, the most important problem facing the state today is immigration (23%), followed by gas prices (11%), and jobs and the economy (11%); only 3 percent name the state budget and taxes.

ABOUT THE SURVEY

This edition of the PPIC Statewide Survey – a survey that looks at the current state budget – is the 23rd in PPIC's *Californians and Their Government* series and is supported by funding from The James Irvine Foundation. This survey is intended to raise public awareness, inform decisionmakers, and stimulate public discussions about Californians' attitudes toward fiscal issues facing the state. Findings are based on a telephone survey of 2,005 California adult residents interviewed between May 15th and May 22nd, 2007. Interviews were conducted in English or Spanish. The sampling error for the total sample is +/-2%. The sampling error for the 1,456 registered voters is +/- 2.5%, and for the 986 likely voters it is +/-3%. For more information on methodology, see page 27.

Mark Baldassare is president and CEO of PPIC, where he holds the Arjay and Frances Fearing Miller Chair in Public Policy. He is founder of the PPIC Statewide Survey, which he has directed since 1998.

PPIC is a private, nonprofit organization dedicated to improving public policy through objective, nonpartisan research on the economic, social, and political issues that affect Californians. The institute was established in 1994 with an endowment from William R. Hewlett. PPIC does not take or support positions on any ballot measure or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

This report will appear on PPIC's website (www.ppic.org) after 10 p.m. on May 30, 2007.

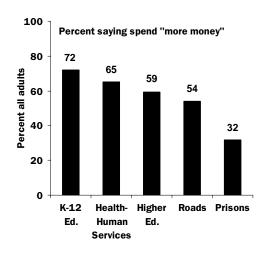
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STATE FISCAL ISSUES

KEY FINDINGS

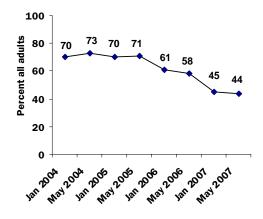
- Six in 10 Californians are satisfied with the governor's budget plan. Seven in 10 say increasing spending on education instead of other areas is a good idea. Half think it's a good idea to pay down debt instead of increasing spending in health and social services or on public transportation. (page 8)
- Forty-four percent of Californians consider the state budget situation a big problem. Half think major changes are needed in the way elected officials go about state spending. Only one in four says the budget situation has improved over the past two years. (page 9)
- Majorities of residents favor increased state funding for K-12, health and human services, higher education, and roads and infrastructure.
 Californians are divided on whether the state should spend more on prisons. (page 10)
- Over half of Californians think it's a bad idea to eliminate minimum state spending requirements, but over half think it's a good idea to limit the amount of money by which state spending could increase each year. Over four in 10 think it's a good idea to replace the two-thirds majority vote needed to pass a budget or local special taxes. (pages 11, 13)
- When it comes to making state budgetary decisions, more residents prefer the approach of the Democrats in the legislature than the governor or the Republicans in the legislature with support varying by party groups. (page 12)
- A solid majority favors raising taxes paid by corporations but opposes extending the state sales tax to services. One in 10 is aware both that K-12 education is the largest area of state spending and that personal income tax is the largest source of state revenues. (pages 14, 15)

Spending Preferences

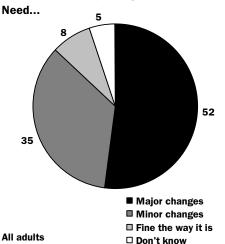


Budget Situation in California

Percent saying it is a "big problem"



Does the Way the Governor and Legislature Go about State Spending in California



GOVERNOR'S BUDGET PROPOSAL

On May 15th, Governor Arnold Schwarzenegger released a revised budget plan for the 2007-2008 fiscal year that adjusted expected tax revenues from January estimates. Similar to the January budget proposal, the May budget revision includes increased state spending on K-12 public education, health and human services, higher education, and corrections and prisons without any new taxes, while also prepaying some of the state's bond debt.

A strong majority of Californians (62%) say they are satisfied with the governor's budget plan, while 28 percent say they are dissatisfied. Californians are somewhat less satisfied with the governor's proposed budget plan today than they were in January (68% satisfied, 23% dissatisfied). However, they are somewhat more satisfied with the governor's plan now than they were last May (57% satisfied, 30% dissatisfied). Today, Republicans (70%) report the greatest levels of satisfaction with the plan. Still, a majority of Democrats (56%) and independents (57%) say they are satisfied. Overall, more than half of Californians in all regional, political, and demographic groups are satisfied with the governor's plan.

"In general, are you satisfied or dissatisfied with the governor's budget plan?"*

	All Adulto		Party		
	All Adults	Dem	Rep	Ind	Likely Voters
Satisfied	62%	56%	70%	57%	60%
Dissatisfied	28	34	21	34	30
Haven't heard about the budget (volunteered)	4	5	4	4	4
Don't know	6	5	5	5	6

^{*}For complete text of question, see p.30.

The governor's revised budget plan emphasized prepaying some of the state's deficit financing bonds while also going beyond the Proposition 98 (K-12 education) minimum guarantee. Both the prepayment of these bonds and the additional education funding require tradeoffs with other areas of the budget. Californians (72%) strongly support increasing spending on education rather than increasing spending in other areas of the budget. Strong majorities across political, regional, and demographic groups think this is a good idea. Fewer Californians (50%) say prepaying bond debt rather than increasing spending in health and social services or on public transportation is a good idea, while nearly four in 10 adults say it is a bad idea. Support for prepaying debt over these programs is much higher among Republicans (64%) and independents (51%) than among Democrats (39%).

"Do you think this is a good idea or a bad idea?"

		All	All Party			
		Adults	Dem	Rep	Ind	Voters
In the recently proposed budget plan, most of the increases in	Good idea	72%	78%	63%	70%	69%
spending go to education instead of	Bad idea	22	17	31	22	25
increasing spending in other budget areas.	Don't know	6	5	6	8	6
The recently proposed budget plan	Good idea	50	39	64	51	52
calls for prepaying the state's bond debt instead of increasing spending in health and social services and public transportation.	Bad idea	38	48	24	39	36
	Don't know	12	13	12	10	12

FISCAL PERCEPTIONS

Over the past three years, the percentage of Californians who describe the state's budget situation as a big problem has declined dramatically (73% in May 2004, 44% today). Since last May, this perception has dropped 14 points (58% to 44%). However, a similar percentage of residents today (87%) as one year ago (89%) would describe the state's budget situation as at least somewhat of a problem. Indeed, many fiscal experts, including the Legislative Analyst's Office, remain concerned about the state budget due to the persistent and large gap between state revenues and expenditures. The public perception that the state's budget situation is a big problem increases with age and education, and is higher in Los Angeles than in other regions, while it is similar across political groups.

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

All Adults			problem	Not a problem	Don't know
		44%	43%	6%	7%
	Democrat	44	48	5	3
Party	Republican	49	42	5	4
_	Independent	44	46	5	5
-	Central Valley	45	44	6	5
	San Francisco Bay Area	41	46	8	5
Region –	Los Angeles	49	40	5	6
_	Other Southern California	42	45	6	7
Likely Voters		46	46	5	3

Two in three Californians say there has been no improvement in the state's budget situation over the past two years: 37 percent say it has stayed the same, and 29 percent say it has worsened. One in four thinks the situation has improved. About four in 10 independents (39%), Democrats (39%), and Republicans (38%) say it has stayed the same. Republicans are the most likely to say it has improved (37%). The perception of improvement increases with age, education, and income.

While a majority of Californians may not consider the state's fiscal situation a big problem, nearly nine in ten (87%) say changes are needed in the way the governor and state legislature go about state spending, with a majority saying major changes (52%) are needed. Opinions of likely voters are similar to those of all adults. About half of independents (53%), Democrats (51%), and Republicans (49%) say major changes are needed. In October 2005, 62 percent of Californians said that major changes were needed.

"Do you think the way the governor and legislature go about state spending in California is in need of major changes, minor changes, or is it fine the way it is?"

	All Adulto		Likely Vetero		
	All Adults	Dem	Rep	Ind	Likely Voters
Major changes	52%	51%	49%	53%	51%
Minor changes	35	36	41	37	39
Fine the way it is	8	8	8	4	7
Don't know	5	5	2	6	3

SPENDING PRIORITIES

While most Californians are concerned about the state's budget situation and do not see improvements over time, majorities also favor more spending in three of the four major categories of the state's budget: K-12 public education, health and human services, and higher education. A majority would also like the state to spend more money on roads and other infrastructure projects, even after the passage of a \$37 billion infrastructure bond package last November. Although the governor has made spending on corrections and prisons a priority, only 32 percent of Californians would like to see the state spend more money in this area, while similar percentages would like to see the state spend the same or less money.

Among the five major areas of state spending, Californians are most interested in increasing spending in K-12 public education (72% all adults, 65% likely voters). Half of Republicans want more money spent on K-12 schools, compared to strong majorities of Democrats (83%) and independents (72%). Only roads and infrastructure elicit similarly strong levels of majority support for more spending across party lines.

Majorities also want more money spent on health and human services (65% adults, 56% likely voters) and on higher education (59% all adults, 51% likely voters). Democrats and independents are much more supportive than Republicans of increased spending in these two areas. Far fewer residents (32%) and likely voters (33%) want more money spent on the corrections system. Public support for increased spending in this budget area, which has had a high public profile lately, is low across political groups.

"For each area, please tell me if you think that the state government should spend more money than it does now, the same amount as now, or less money than now ..."

		All Adults	Dem	Rep	Ind	Likely Voters
	More money	72%	83%	51%	72%	65%
How about the K-12 public education	Same amount of money	18	11	30	17	21
system?	Less money	8	4	17	9	12
	Don't know	2	2	2	2	2
	More money	65	76	36	64	56
How about health and	Same amount of money	21	17	34	17	25
human services?	Less money	12	4	25	16	16
	Don't know	2	3	5	3	3
	More money	59	65	38	58	51
How about public colleges and	Same amount of money	28	27	43	29	35
universities?	Less money	10	5	17	9	12
	Don't know	3	3	2	4	2
	More money	54	52	59	52	56
How about roads and	Same amount of money	36	37	34	37	35
other infrastructure projects?	Less money	9	9	6	10	7
	Don't know	1	2	1	1	2
	More money	32	33	34	29	33
How about the state's	Same amount of money	31	30	34	29	32
corrections system, including prisons?	Less money	31	32	28	39	31
	Don't know	6	5	4	3	4

SPENDING REFORMS

With ongoing concern over the state's budget situation, how do Californians feel about a spending reform that would limit increases in the amount of money the state could spend each year? A majority of residents (53%) and likely voters (55%) think it would be a good idea to limit increases in spending, while four in 10 residents and likely voters (39% each) think such limitations would be a bad idea.

Four years ago, when the state budget was facing a much larger gap between spending and revenues, residents were much more likely to say limiting the amount of money the state can spend each year was a good idea (June 2003: 70% good idea, 24% bad idea), and even two years ago, residents were more likely to say limiting state spending was a good idea (May 2005: 60% good idea, 33% bad idea).

Across political parties, a majority of Republicans (67%) and independents (56%) support the idea of strictly limiting the amount of money by which state spending could increase each year, while Democrats are divided (46% good idea, 46% bad idea). Residents in the Other Southern California region (58%) and in Los Angeles and the Central Valley (55% each) say strictly limiting spending increases is a good idea, while San Francisco Bay Area residents are divided (45% good idea, 47% bad idea). Support for placing strict limits on additional state spending each year increases with age and income.

"How about strictly limiting the amount of money that state spending could increase each year?"

	All Adults -		Party		
		Dem	Rep	Ind	Likely Voters
Good idea	53%	46%	67%	56%	55%
Bad idea	39	46	30	35	39
Don't know	8	8	3	9	6

Another proposal for controlling the level of state spending is to rescind the minimum spending requirements imposed by legislation on certain budget categories. However, 54 percent of Californians are opposed to abolishing the minimum spending requirements for programs such as K-12 public education. Similar percentages of likely voters also think this is a bad idea (56%). A majority of Democrats (61%) and independents (56%) think eliminating minimum requirements is a bad idea, and 48 percent of Republicans agree. Although more residents (36%) and likely voters (35%) support eliminating minimum requirements today than in May 2005 (29% adults, 28% likely voters), most are opposed to this idea. Half or more Californians in all regions, racial/ethnic, and demographic groups say that revoking minimum state spending requirements is a bad idea.

"How about eliminating the requirements for minimum state spending in state programs such as K-12 public education?"

	All Adults -		Likely Vetero		
		Dem	Rep	Ind	Likely Voters
Good idea	36%	30%	41%	36%	35%
Bad idea	54	61	48	56	56
Don't know	10	9	11	8	9

FISCAL POLICY PREFERENCES

Although six in ten Californians are satisfied with the governor's overall budget plan, more residents prefer the approach of the Democrats in the legislature (33%) to the governor's approach (23%) or the approach of the Republicans in the legislature (21%) when it comes to tough choices involved in the state budget.

A year ago, a similar 35 percent of adults preferred the Democrats' approach and 20 percent favored the Republicans' approach, while just 19 percent preferred the governor's approach to the state budget.

Sharp partisan differences are apparent: Six in 10 Democrats prefer the approach of the Democrats in the legislature, while nearly half of Republicans prefer the Republican approach and one-third prefer the governor's approach. Independents remain more divided or uncertain (27% Governor Schwarzenegger, 22% Democrats' in the legislature, 18% Republicans' in the legislature, 22% unsure). Partisan preferences among political parties and independents are virtually unchanged from last year.

"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?"

				-	
	All Adults	Party			Liller by Western
	All Adults	Dem	Rep	Ind	Likely Voters
Democrats' in the legislature	33%	61%	6%	22%	32%
Governor Schwarzenegger's	23	17	33	27	26
Republicans' in the legislature	21	6	46	18	23
None (volunteered)	5	4	4	9	5
Other (specify)	2	1	2	2	2
Don't know	16	11	9	22	12

Californians are conflicted about what they want from their state government and what they are willing to pay in taxes. About half (52% all adults, 48% likely voters) favor a state government with higher taxes and more services, while about four in 10 (39% all adults, 44% likely voters) favor a state government with lower taxes and fewer services. The partisan differences are very large, with 69 percent of Democrats preferring higher taxes and more services, slightly less than half of independents (47%) choosing this option, and 66 percent of Republicans preferring a state government with lower taxes and fewer services. Latinos (64%) and women (56%) are more likely to favor a state government with higher taxes and more services than whites (47%) and men (48%). Preference for lower taxes and fewer services increases with age, education, and income. Compared to today's responses, support for a state government with higher taxes and more services was similar in May 2004 (51%), lower in May 2005 (46%), but slightly higher in May 2006 (55%).

"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	Ind	Likely Voters
Higher taxes and more services	52%	69%	27%	47%	48%
Lower taxes and fewer services	39	23	66	43	44
Don't know	9	8	7	10	8

STATE BUDGET REFORMS

No budget reform measures are being considered by the legislature today. However, proposals to lower the supermajority vote have often been discussed, and some have reached the ballot. We asked Californians how they felt about changing the required two-thirds majority for the state legislature to pass a budget and for voters to pass local special taxes.

In the wake of passing a budget on time in the summer of 2006, four in 10 residents (43%) and likely voters (41%) think it is a good idea to replace the two-thirds majority with a 55 percent majority to pass a state budget. The current findings for all adults are similar to last May (42% good idea), and the percentage saying this state budget reform is a good idea has not been above 50 percent since we began asking the question four years ago (46% June 2003, 45% January 2005, 42% May 2006).

Another potential reform measure would replace the two-thirds vote requirement with a 55 percent majority vote for voters to pass local special taxes. Nearly half of California residents (48%) think it is a bad idea to replace the two-thirds majority with a 55 percent majority for local special taxes, while 44 percent think it is a good idea. Likely voters oppose replacing the supermajority vote with a 55 percent majority (55% bad idea, 40% good idea). Half of Democrats (49%) think the 55 percent majority is a good idea for voters to pass local special taxes, while half of independents (51%) and a strong majority of Republicans (63%) think this is a bad idea. Latinos (52%) are much more likely than whites (40%) to think this is a good idea. Support for replacing the supermajority with a 55 percent majority declines with age, education, and income. Residents are more likely to favor this proposal today than a year ago (38% good idea). Still, support for changing the supermajority vote to a 55 percent majority vote for passing local special taxes has not been above 50 percent since we began asking the question four years ago (46% June 2003, 40% May 2004, 43% January 2005, 38% May 2006).

There is a strong correlation between support for changing the state and local supermajority voting restrictions. For instance, among the residents who say that changing the two-thirds vote requirement to a 55 percent majority to pass a state budget is a good idea, seven in 10 also think that it is a good idea to replace the two-thirds vote with a 55 percent majority to pass local special taxes.

"Spending and tax reforms have been proposed to address issues in the state budget. For each of the following, please indicate whether you think this is a good idea or a bad idea. How about replacing the two-thirds vote requirement with a 55 percent majority vote ..."

		All Adults	Party			- Likely Voters
		All Addits	Dem	Rep	Ind	Likely voters
	Good idea	43%	49%	33%	41%	41%
For the state legislature to pass a budget?	Bad idea	48	43	62	50	53
	Don't know	9	8	5	9	6
	Good idea	44	49	33	42	40
For voters to pass local special taxes?	Bad idea	48	44	63	51	55
	Don't know	8	7	4	7	5

REVENUE SOURCES

Many Californians are willing to raise revenues to reduce the budget gap—if those revenues are raised by taxing corporations. Six in 10 Californians and likely voters (59% each) favor raising the state taxes paid by California corporations, while more than one in three is opposed (36% all adults, 38% likely voters). Support among all adults is similar to May 2005 (60% favor, 35% oppose). Public support for a corporate tax increase is high among Democrats (74%) and independents (59%), while 55 percent of Republicans oppose this idea.

Although support for a corporate tax increase is strong across all of the state's regions, support is higher in the San Francisco Bay Area (64%) than in the Other Southern California region (58%), the Central Valley (57%), and Los Angeles (56%). Favor is similar among Latinos (58%) and whites (60%), but support declines with income and home ownership.

On the other hand, when it comes to raising revenues through the state sales tax, opinion turns sharply negative. Two in three Californians (65%) and likely voters (67%) oppose extending the sales tax to services, such as legal and accounting services, auto repairs, and haircuts, which are currently not taxed. The low level of support for extending the sales tax is similar today to May 2005, when just 32 percent were in favor and 63 percent were opposed. Majorities in all political and demographic groups oppose the idea, with opposition strongest among Republicans (76%), compared to independents (62%) and Democrats (60%).

Opposition to extending the sales tax to services is high across all of the regions; however, it is higher in the Other Southern California region (68%), Los Angeles (67%), and the Central Valley (65%) than in the San Francisco Bay Area (59%). Latinos (63%) and whites (66%) are about equally likely to oppose this idea. Californians who are age 55 and older (67%) are somewhat more likely than those under age 35 (63%) to oppose the idea of extending the sales tax to services.

"Revenue increases could be used to help reduce the state's large gap between spending and revenues.

For each of the following, please say if you favor or oppose the proposal. How about ..."

		All Adults		Party		Likely Voters
		All Adults	Dem	Rep	Ind	Likely voters
	Favor	59%	74%	41%	59%	59%
Raising the state taxes paid by California corporations?	Oppose	36	22	55	37	38
	Don't know	5	4	4	4	3
Extending the state sales tax	Favor	31	36	21	34	30
to services that are not currently taxed, such as legal and accounting services, auto repairs, and haircuts?	Oppose	65	60	76	62	67
	Don't know	4	4	3	4	3

SPENDING AND REVENUE PERCEPTIONS

Many Californians are unfamiliar with the basics of the state budget. In recent years, the single largest area of spending in the state budget has been K-12 public education, followed by health and human services, higher education, and corrections and prisons. Only 30 percent of all adults and 32 percent of likely voters say that K-12 public schools get the biggest slice of the state budget pie. Nearly as many believe that health and human services get the biggest share. About one in four thinks that youth and adult corrections represents the largest area of state spending, while one in 10 says that higher education gets the largest share. Similar patterns were present in May 2005, when 29 percent named K-12 education as the largest spending category. Pluralities across party groups today mention K-12 public schools as the top spending category. The percentages correctly naming K-12 public education as the largest category for state spending is low across demographic groups, but increases with education and income.

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

	All Adults		Party	Likoly Votoro	
	All Adults	Dem	Rep	Ind	Likely Voters
K-12 public education	30%	29%	36%	34%	32%
Health and human services	28	26	32	27	29
Youth and adult corrections	23	26	18	19	23
Higher education	10	9	6	9	7
Don't know	9	10	8	11	9

The four major sources of revenues in the state budget, in order, are personal income taxes, the state sales tax, corporate taxes, and motor vehicle fees. When asked to name the largest revenue source in the state budget, only about three in 10 adults and fewer than four in 10 likely voters correctly identify personal income tax as the top revenue source. About one in four adults mentions the state sales tax, one in five mentions corporate taxes, and about one in 10 names motor vehicle fees as the primary source of state revenue. Similar trends were evident in May 2005, when 32 percent of adults named personal income tax as the leading source of revenues.

Indicative of Californians' level of knowledge about the basics of the state budget, only 10 percent of adults identify both the top spending category (K-12 public education) and largest revenue source (personal income tax) in the state budget. Among likely voters, a similar 12 percent correctly identify both the top spending and the top revenue categories.

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

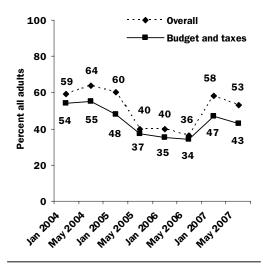
	All Adults		Party		Likely Voters
	All Adults	Dem	Rep	Ind	Likely voters
Personal income tax	31%	32%	34%	35%	37%
Sales tax	26	25	28	27	25
Corporate tax	21	20	24	19	22
Motor vehicle fees	12	12	7	10	7
Don't know	10	11	7	9	9

STATE POLICIES

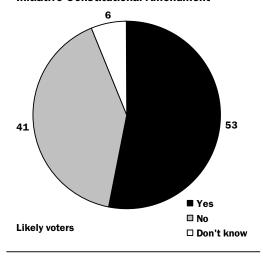
KEY FINDINGS

- Among all adults, overall job approval ratings are higher than ratings for handling budget issues, for both the governor (53%, 43%) and legislature (37%, 31%). (pages 18, 19)
- Two in three likely voters think it is a bad idea for the legislature and governor to make redistricting decisions, while 56 percent favor having a Citizens Redistricting Commission, and 42 percent favor having the Little Hoover Commission redraw voting districts. (page 20)
- Just over half of likely voters would vote yes on the Limits on Legislators' Terms in Office initiative, while six in 10 believe that the current term limits give state legislators the right amount of time in office. (page 21)
- Seven in 10 Californians think that prison overcrowding is a big problem today, and almost two in three say the nearly \$8 billion prison package agreed on by the governor and legislature is a good idea. (page 22)
- Fifty-five percent of Californians think the \$37 billion infrastructure bond package passed by voters in 2006 was a good idea. Eight in 10 favor developing a public information system to track how these bonds are spent. (page 23)
- Two in three residents support the governor's plan for \$43.3 billion in new infrastructure bonds. Six in 10 believe that the \$93 billion in state infrastructure bonds passed by California voters during the last 10 years is either too little or the right amount. (page 24)
- Sixty-four percent of Californians say they know very little or nothing about how bonds are paid for in California. Three in 10 adults would prefer surplus budget funds be used to increase funding for roads and other infrastructure projects, while just one in five prefers state bonds or user fees. (page 25)

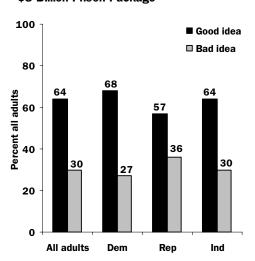
Approval of Governor Schwarzenegger



Limits on Legislators' Terms in Office Initiative Constitutional Amendment



\$8 Billion Prison Package



GOVERNOR'S APPROVAL RATINGS

Governor Schwarzenegger's overall approval ratings among all adults today remain slightly lower than in January (58%). Nonetheless, majorities of Californians (53%) and likely voters (61%) approve of the way he is handling his job as governor, similar to his ratings last month. Schwarzenegger's approval among all adults today is much higher than last May (36%) and May 2005 (40%), but well below what it was in May 2004 (64%).

Governor Schwarzenegger's approval ratings are considerably higher among Republicans (71%) than independents (56%) and Democrats (49%). Approval is highest in the Central Valley (58%) and the Other Southern California region (57%), followed by the San Francisco Bay Area (53%) and Los Angeles (48%). Whites (64%) are far more likely than Latinos (37%), and men (56%) are more likely than women (50%) to approve of the governor. His approval rises with age, education, and income.

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

	All Adults		Party		Likely Vetero
		Dem	Rep	Ind	Likely Voters
Approve	53%	49%	71%	56%	61%
Disapprove	34	41	20	30	29
Don't know	13	10	9	14	10

The governor's ratings drop on the issue of budget and taxes. In the wake of the May budget revision, about four in 10 residents (43%) and half of likely voters approve of his performance in this area. These ratings are somewhat lower than in January, when 47 percent of California adults approved of the way he was handling the state budget and taxes. However, his ratings among all adults on this issue remain higher today than in May 2006 (34%) and May 2005 (37%), although they are lower than in May 2004 (55%).

Today, Republicans (61%) are more likely than independents (45%) and especially Democrats (35%) to approve of Schwarzenegger's handling of the state budget and taxes. Residents of the Other Southern California region (46%), the Central Valley (46%), and the San Francisco Bay Area (45%) are more favorable toward his fiscal performance than are those in Los Angeles (38%). His approval on this issue is higher among whites than Latinos (50% to 34%) and among men than women (48% to 39%), and approval increases with age, education, and income.

"Do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of the state budget and taxes?"

	All Adults		Party		Likely Voters
	All Adults —	Dem	Rep	Ind	- Likely Voters
Approve	43%	35%	61%	45%	50%
Disapprove	39	49	25	36	35
Don't know	18	16	14	19	15

LEGISLATURE'S APPROVAL RATINGS

Approval of the California legislature continues to lag well behind the governor's ratings, with 37 percent of adults and 36 percent of likely voters giving state lawmakers a positive performance review, while 44 percent of adults and 51 percent of likely voters disapprove. The legislature's ratings today are similar to those earlier this year (40% January, 41% March, 38% April), but reflect an 11-point increase from May 2006 and May 2005 (26% each), while they are similar to May 2004 (40%).

California Democrats (44%) today are more likely than independents (34%) and Republicans (30%) to approve of the state legislature's performance. San Francisco Bay Area (43%) and Central Valley (41%) residents are more positive than are those in Los Angeles (36%) and the Other Southern California region (31%). The legislature's approval is also higher among Latinos (42%) than whites (35%).

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

	All Adults		Party		Likely Vetero
		Dem	Rep	Ind	Likely Voters
Approve	37%	44%	30%	34%	36%
Disapprove	44	40	58	50	51
Don't know	19	16	12	16	13

Californians are less generous about the legislature's handling of the state budget and taxes, with about three in 10 adults (31%) and likely voters (30%) approving and 50 percent of adults and 55 percent of likely voters disapproving of its performance. This approval rating among all adults is eight points higher than the last time we asked this question in August 2005 (23%) and is similar to May 2004 (32%).

Similar to the legislature's overall approval ratings, Democrats (36%) are more likely than independents (27%) and Republicans (26%) to approve of its handling of the state budget and taxes. About one in three residents in each of California's major regions approves of the legislature's performance in this area. Latinos (36%) are more likely than whites (30%) to approve, and approval of the legislature on this dimension declines with age and education.

"Do you approve or disapprove of the way that the California legislature is handling the issue of the state budget and taxes?"

	All Adults		Party		Likely Voters
	All Adults –	Dem	Rep	Ind	Likely Voters
Approve	31%	36%	26%	27%	30%
Disapprove	50	47	61	55	55
Don't know	19	17	13	18	15

LEGISLATIVE REDISTRICTING

With at least one redistricting initiative likely headed for the February 2008 ballot, what do Californians think about the redistricting process? After being told what redistricting entails, six in 10 adults (59%) and two in three likely voters (67%) think it's a bad idea for the legislature and governor to make the decisions about redistricting. These views are similar to September 2005: 61 percent thought it was a bad idea when a redistricting initiative was headed for the November 2005 ballot. Solid majorities in all parties and regions think it's a bad idea for the legislature and governor to make redistricting decisions. Whites are much more negative than Latinos (66% to 44%), and the proportion calling it a bad idea rises with age, education, and income.

"Do you think it is a good idea or a bad idea for the California legislature and governor to make the decisions about redistricting?"

	All Adulto		Party		Likely Vetere
	All Adults	Dem	Rep	Ind	Likely Voters
Good idea	30%	25%	27%	24%	25%
Bad idea	59	67	64	64	67
Don't know	11	8	9	12	8

In recent months several proposals have been suggested to address redistricting. One of these involves the creation of an independent Citizens Redistricting Commission to redraw voting districts. Majorities of Californians and likely voters are in favor of this proposal, while about one in three is opposed. Support is greater among Republicans (59%), followed by independents (55%) and Democrats (51%). Majorities in all regions favor this proposal. Whites (56%) and Latinos (54%) voice similar support, while men (56%) are slightly more likely than women (52%) to favor this idea. Support is lower among those 55 years and older. Majorities of both those who think it's a good idea (58%) to have the legislature and governor make redistricting decisions and those who call it a bad idea (56%) favor this proposal.

Another redistricting reform proposal, which would have voting districts redrawn by members of the Little Hoover Commission—a bipartisan independent state oversight agency that includes nine citizens and four legislators, receives less support. About four in 10 Californians (40%) and likely voters (42%) favor this idea. Support is similar across parties and regions, with about four in 10 in all groups in favor. Men (43%) are more likely than women (37%) and Latinos (45%) are more likely than whites (40%) to favor this proposal. Similar proportions of those who think it's a good idea (43%) for the legislature and governor to make redistricting decisions and those who say it's a bad idea (41%) favor this proposal.

"Several proposals have been suggested to address redistricting. For each of the following please tell me if you favor or oppose the proposal."

		All Adults		Party		Likely
		All Adults	Dem	Rep	Ind	Voters
What if voting districts were redrawn by an independent Citizens Redistricting Commission?	Favor	54%	51%	59%	55%	56%
	Oppose	35	41	32	35	36
Orizens Redistricting Commission:	Don't know	11	8	9	10	8
What if voting districts were redrawn by members of the Little	Favor	40	40	40	41	42
Hoover Commission, a bipartisan independent state oversight	Oppose	46	48	48	48	48
agency comprised of 9 citizens and 4 legislators?		14	12	12	11	10

LEGISLATIVE TERM LIMITS

Only one percent of California adults and likely voters know that 14 years is the maximum period that a legislator may hold elected office in the State Assembly (6 years) and Senate (8 years). The most common belief is that legislators may hold office for a total of eight years (20% adults, 26% likely voters), while many admit that they don't know the current term limits provision (21% adults, 17% likely voters).

How would residents vote on the Limits on Legislators' Terms in Office initiative currently in circulation for qualification on the February 2008 ballot? For new legislators, this initiative would reduce the total amount of time they can serve from 14 years to 12 years, but it allows them to serve all their years either in one house or in a combination of both the Senate and Assembly. Current legislators would be allowed to remain in their present house for 12 years, regardless of prior service. When read the title and summary, 52 percent of adults and 53 percent of likely voters say they would vote yes, while about four in 10 in each group would vote no, and fewer than one in 10 in each group is undecided.

About half or more of residents across political parties, racial/ethnic groups, regions, and demographic groups would vote yes on this measure. Of those who approve of the legislature's job performance, a majority would vote yes (61%), while of those who disapprove, opinion is divided (45% yes, 47% no).

"The Limits on Legislators' Terms in Office Initiative Constitutional Amendment...

If the election were held today would you vote yes or no on this measure?"*

	All Adults		Party		Likely Voters
	All Adults —	Dem	Rep	Ind	Likely Votels
Yes	52%	53%	57%	50%	53%
No	40	41	38	43	41
Don't know	8	6	5	7	6

^{*}For complete text of proposition question, see p.33.

After they were asked about the proposed initiative, respondents were informed of the current rules for term limits. Six in 10 adults and likely voters (61% each) believe current term limits give legislators the right amount of time in office. Nineteen percent of adults and 23 percent of likely voters think the allowed maximum is too little, while 16 percent of adults and 12 percent of likely voters say it is too much. The proportion of residents saying the amount of time is too much has doubled since this question was last asked in February 2002 (8% to 16%), when two in three said it was the right amount. Republicans (69%) are more likely than independents (60%) or Democrats (58%) today to say current term limits give legislators the right amount of time in office. At least half in all demographic groups believe the permitted time in office is the right amount. Majorities of those who say the current maximum is the right amount (56%) and those who call it too little (54%) would vote yes on the initiative. However, only 42 percent of those who believe current term limits are too long support the proposed measure.

"Legislative term limits now allow members of the state assembly to serve up to three two-year terms and members of the state senate to serve up to two four-year terms. Do you think the current term limits give state legislators too little, too much, or the right amount of time in office?"

	All Adulto	Party			I Hada Watana
	All Adults	Dem	Rep	Ind	Likely Voters
Too little	19%	26%	16%	16%	23%
Too much	16	13	13	19	12
Right amount	61	58	69	60	61
Don't know	4	3	2	5	4

PRISON REFORM

The California Department of Corrections and Rehabilitation currently houses more than 170,000 inmates in facilities that were designed to accommodate about 100,000. Federal judges have said they will impose prison population caps beginning in June unless the state does something to relieve overcrowding. Do residents recognize this problem? The answer is yes: Nine in 10 adults believe that prison overcrowding is a big (69%) or somewhat of a problem (21%) in California. At least six in 10 likely voters (72%), Democrats (75%), Republicans (69%), independents (65%), and residents across regions and demographic groups believe prison overcrowding is a big problem. Women (74%) are more likely than men (64%) and whites (72%) are more likely than Latinos (66%) to say prison overcrowding is a big problem, and this perception increases with age.

"Do you think prison overcrowding in California is a big problem, somewhat of a problem, or not really a problem?"

	All Adulto	Party			I Hashi Watawa
	All Adults	Dem	Rep	Ind	Likely Voters
Big problem	69%	75%	69%	65%	72%
Somewhat of a problem	21	17	22	24	20
Not really a problem	8	5	7	9	6
Don't know	2	3	2	2	2

The governor and legislature recently agreed on a nearly \$8 billion prison bond package that would increase space for prison and jail beds and provide additional funding for rehabilitation programs. Although only one in three (32%) residents believes the state should spend more money on the corrections system, more than six in 10 adults (64%) and likely voters (62%) believe this prison funding package is a good idea. Majorities across political and demographic groups agree, although Democrats (68%) are more likely than independents (64%) or Republicans (57%) to call the package a good idea, and Los Angeles residents (68%) are more supportive than Central Valley (64%), Other Southern California (64%), or San Francisco Bay Area (58%) residents. Latinos are more likely than whites to say the prison package is a good idea (71% to 62%). Of those who think the state should spend more on corrections, 79 percent say this new prison bill is a good idea, while of those who think the state should spend less, 50 percent say it is a good idea and 45 percent call it a bad idea.

"Recently the governor and the legislature agreed on a nearly \$8 billion prison package financed mostly through lease revenue bonds that will ease overcrowding and increase rehabilitation opportunities. Do you think this is a good idea or a bad idea?"

	All Adulto		Party		
	All Adults	Dem	Rep	Ind	Likely Voters
Good idea	64%	68%	57%	64%	62%
Bad idea	30	27	36	30	31
Don't know	6	5	7	6	7

Californians are divided about what the primary purpose of prisons should be. More say protecting the public from crime (35% all adults, 36% likely voters), while many others say punishment (26% all adults, 27% likely voters) and rehabilitation (25% all adults, 23% likely voters). Democrats (30%) are more likely than Republicans (12%) and independents (22%) to say rehabilitation, while Republicans (40%) are more likely than Democrats or independents (32% each) to say protecting the public from crime.

NOVEMBER 2006 INFRASTRUCTURE BONDS

In last November's general election, California voters passed a \$37 billion infrastructure bond package to increase funding for transportation, education facilities, water systems and flood control, and affordable housing. Six months later, as more infrastructure bonds are being proposed, majorities of adults (55%) and likely voters (58%) still think that \$37 billion bond package was a good idea. In our November 2006 survey of election voters, 61 percent said the bond package was a good idea.

Across political parties, majorities of Republicans (58%) and Democrats (54%) say the infrastructure bonds were a good idea, compared to 49 percent of independents. Positive assessments are highest in the Central Valley (58%) followed by the San Francisco Bay Area (56%), the Other Southern California region (54%) and Los Angeles (52%). Men are more likely than women (59% to 50%) to think the bond package was a good idea, and this perception increases with age and income. Of those who approve of the governor's job performance, 61 percent say the bond package was a good idea, while of those who disapprove, about half agree (48%). Similarly, of those who approve of the state legislature's performance, 65 percent call the bond package a good idea, while of those who disapprove, half agree (51%).

"Last November voters passed a \$37 billion infrastructure bond package that was placed on the ballot by the governor and legislature. In general, do you think the infrastructure bonds package was a good idea or a bad idea?"

	All Adults	Party			Likely Voters
	All Adults	Dem	Rep	Ind	Likely voters
Good idea	55%	54%	58%	49%	58%
Bad idea	26	25	25	28	24
Don't know	19	21	17	23	18

Given the historic dollar amount of the infrastructure bond package passed last November, some people have advocated the development of a public information system to track how these bond funds are being spent. Overwhelming majorities of adults (81%), likely voters (83%), and residents across all political parties believe this type of oversight system is a good idea. Support is similarly high across all regions and demographic groups. Of those who think the bond package passed last November was a good idea, 86 percent also believe a public information tracking system is a good idea. Of those who think the bond package was a bad idea, 73 percent still favor setting up a system to track these dollars.

"Some people have proposed developing a public information system to track how the \$37 billion in bonds are being spent. Do you think this is a good idea or a bad idea?"

	All Adulto	Party			Likely Veters
	All Adults	Dem	Rep	Ind	Likely Voters
Good idea	81%	84%	78%	77%	83%
Bad idea	15	13	18	18	14
Don't know	4	3	4	5	3

PAST AND FUTURE INFRASTRUCTURE BONDS

When told that during the last 10 years, voters have approved about \$93 billion in state bonds, six in 10 residents say this is the right amount (46% all adults, 43% likely voters) or too little (16% all adults, 16% likely voters). Nearly three in 10 in each group say \$93 billion in bonds is too much and about 10 percent are unsure.

While about half of Democrats and independents (48% each) say \$93 billion in bonds is the right amount, Republicans are more divided (41% right amount, 37% too much). Residents in the Central Valley (49%) and the Other Southern California region (48%) are more likely than those in Los Angeles and the San Francisco Bay Area (44% each) to believe this is the right amount of state bonds. Among those who think the November 2006 bonds were a good idea, about half (53%) say that \$93 billion bond total is the right amount. Of those who think the November 2006 bonds were a bad idea, 44 percent think the 10-year amount of \$93 billion is too much.

"In the last 10 years California voters have approved about \$93 billion in state bonds for transportation, school facilities and other infrastructure projects. Do you think this bond amount is too much, too little, or just the right amount?"

	All Adults	Party			Likely Vetero
	All Adults	Dem	Rep	Ind	Likely Voters
Too much	27%	21%	37%	21%	28%
Too little	16	18	11	18	16
Just the right amount	46	48	41	48	43
Don't know	11	13	11	13	13

In January, the governor emphasized the importance of funding additional infrastructure projects and proposed a new \$43.3 billion bond package to increase funding for education facilities, corrections and prisons, water storage and flood control, and courthouses. More than six in 10 adults (67%) and likely voters (64%) favor this new bond plan, as do majorities of Democrats (71%), independents (64%), and Republicans (60%). Support has increased since our January survey (63% all adults, 58% likely voters).

Central Valley (71%) and Los Angeles (70%) residents today are more likely than Other Southern California (66%) and San Francisco Bay Area (65%) residents to favor the new infrastructure bonds. Support is higher among Latinos than whites (75% to 64%), and support decreases with age, education, and income. Nevertheless, majorities across all regions and demographic groups would favor this plan. Of those who think the November 2006 bonds were a good idea, 78 percent would also favor this new plan, and even of those who think the 2006 bonds were a bad idea, 51 percent favor the new bonds.

"In January, the governor presented a plan for \$43.3 billion in new infrastructure bonds to increase funding for education facilities, corrections and prisons, water storage and flood control, courthouses, and other infrastructure projects. Do you favor or oppose this proposal?"

	All Adulto	Party			Likely Vetero
	All Adults	Dem	Rep	Ind	Likely Voters
Favor	67%	71%	60%	64%	64%
Oppose	25	21	33	28	28
Don't know	8	8	7	8	8

STATE BONDS: KNOWLEDGE AND PREFERENCE

Residents may have positive opinions about current, past, and future bond proposals, but nearly two in three adults concede they know very little (43%) or nothing (21%) about how state bonds are paid for in California. About half of likely voters say they know very little (43%) or nothing (9%). The proportion of adults today saying they know very little or nothing about state bond financing has increased six points since 2004 (58%) and 10 points since 2002 (54%). Majorities in all parties, regions and demographic groups say they know very little or nothing about bond finance, with more than one in four Latinos and younger, less educated, and lower-income residents saying they have no knowledge at all.

"Some people know a lot about state finance, and others do not. How much do you know about how state bonds are paid for in California—a lot, some, very little, or nothing?"

	All Adults	Party			Liliaha Wakawa
	All Adults	Dem	Rep	Ind	Likely Voters
A lot	5%	5%	6%	7%	6%
Some	29	33	41	30	41
Very little	43	46	42	45	43
Nothing	21	15	11	17	9
Don't know	2	1	0	1	1

Despite support for bonds to fund infrastructure projects, more residents would actually prefer that the state government pay for these projects with surplus budget funds. While there is a lack of consensus on how to fund infrastructure projects, 30 percent say the government should use only surplus budget funds, 21 percent say the state should increase user fees, and 21 percent say the state should issue bonds. Increasing taxes for all residents is the least popular option (14%). Findings were similar in January 2006 after the governor proposed the first set of infrastructure bonds (31% surplus budget funds, 24% bonds, 17% user fees, 14% taxes), although support for user fees has risen.

Pluralities of Republicans and independents and residents in Los Angeles, the Other Southern California region, and the Central Valley favor using surplus budget funds to pay for infrastructure projects over other options. Democrats and San Francisco Bay Area residents are divided between using surplus budget funds and increasing user fees. The highest support for issuing bonds to pay for infrastructure projects comes from the Central Valley (25%). Relying on surplus budget funds is the top choice in nearly all demographic groups except among college graduates, who prefer increasing user fees.

"How would you most prefer that the state government increase the level of current funding for roads and other infrastructure projects?"

	All Adults	Party			- Likely Voters
	All Adults	Dem	Rep	Ind	Likely voters
Use only surplus budget funds	30%	25%	34%	31%	29%
Increase user fees and charges	21	25	22	21	23
Issue state bonds	21	21	21	22	21
Increase taxes for all Californians	14	17	9	14	15
Should not increase current level of funding (vol)	3	2	3	2	3
Other (specify)	4	4	5	4	5
Don't know	7	6	6	6	4

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 in research and writing from Dean Bonner, project manager for this survey, and survey research associates Jennifer Paluch and Sonja Petek. This survey was conducted with funding from The James Irvine Foundation and benefited from discussions with foundation staff and grantees and other policy experts; however, survey methods, questions, and content of this report were solely determined by Mark Baldassare.

The findings in this report are based on a telephone survey of 2,005 California adult residents interviewed from May 15th to 22nd, 2007. Interviewing took place on weekday nights and weekend days, using a computer-generated random sample of telephone numbers that ensured that both listed and unlisted numbers were called. All telephone exchanges in California were eligible. Telephone numbers in the survey sample were called up to 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. Each interview took an average of 20 minutes to complete. Interviewing was conducted in English or Spanish. *Accent on Languages* translated the survey into Spanish with assistance from Renatta DeFever. Schulman, Ronca & Bucuvalas, Inc. conducted the telephone interviewing.

We used recent U.S. Census and state data to compare the demographic characteristics of the survey sample with characteristics of California's adult population. The survey sample was closely comparable to census and state figures. The survey data in this report were statistically weighted to account for any demographic differences.

The sampling error for the total sample of 2,005 adults is \pm percent at the 95 percent confidence level. This means that 95 times out of 100, the results will be within 2 percentage points of what they would be if all adults in California were interviewed. The sampling error for subgroups is larger: For the 1,456 registered voters, it is \pm percent; for the 986 likely voters it is \pm 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.

Throughout the report, 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. However, sample sizes for these less populated areas are not large enough to report separately in tables and text. We present specific results for Latinos because they account for about 30 percent of the state's adult population and constitute one of the fastest growing voter groups. The sample sizes for African Americans and Asian Americans are not large enough for separate analysis. We do compare the opinions of registered Democrats, Republicans, and independents (those who are registered to vote as "decline to state"). We also include the responses of "likely voters"— those who are most likely to vote in the state's elections based on past voting, current interest, and voting intentions. We compare current PPIC Statewide Survey responses to those in earlier PPIC Statewide Surveys.

QUESTIONNAIRE AND RESULTS

CALIFORNIANS AND THEIR GOVERNMENT

May 15-22, 2007 2,005 California Adult Residents: English, Spanish

MARGIN OF ERROR +/-2% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE

 First, thinking about the state as a whole, what do you think is the most important issue facing people in California today?

[code, don't read]

- 23% immigration, illegal immigration
- 11 gasoline prices
- 11 jobs, economy
- 8 education, schools
- 6 health care, health costs
- 5 crime, gangs, drugs
- 5 environment, pollution
- 4 housing costs, housing availability
- 3 traffic, transportation, infrastructure
- 3 state budget, deficit, taxes
- 14 other
- 7 don't know
- 2. Overall, do you approve or disapprove of the way that Arnold Schwarzenegger is handling his job as governor of California?

53% approve

- 34 disapprove
- 13 don't know
- 3. Do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of the state budget and taxes?

43% approve

- 39 disapprove
- 18 don't know

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

37% approve

44 disapprove

19 don't know

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

31% approve

50 disapprove

19 don't know

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

46% right direction

46 wrong direction

8 don't know

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

38% good times

50 bad times

12 don't know

- 8. On another topic, 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?
 - 44% big problem
 - 43 somewhat of a problem
 - 6 not a problem
 - 7 don't know
- 9. In the past two years, do you think the state budget situation has improved, gotten worse, or stayed the same?
 - 26% improved
 - 29 gotten worse
 - 37 stayed the same
 - 8 don't know
- 10. Do you think the way the governor and legislature go about state spending in California is in need of major changes, minor changes, or is it fine the way it is?
 - 52% major changes
 - 35 minor changes
 - 8 fine the way it is
 - 5 don't know

Now, I am going to ask about specific areas where the state of California spends money. For each area, please tell me if you think that the state government should spend more money than it does now, the same amount as now, or less money than now.

[rotate questions 11 to 15]

- 11. How about the state's corrections system, including prisons?
 - 32% more money
 - 31 same amount of money
 - 31 less money
 - 6 don't know

- 12. How about the K-12 public education system?
 - 72% more money
 - 18 same amount of money
 - 8 less money
 - 2 don't know
- 13. How about public colleges and universities?
 - 59% more money
 - 28 same amount of money
 - 10 less money
 - 3 don't know
- 14. How about health and human services?
 - 65% more money
 - 21 same amount of money
 - 12 less money
 - 2 don't know
- 15. How about roads and other infrastructure projects?
 - 54% more money
 - 36 same amount of money
 - 9 less money
 - 1 don't know
- 16. Governor Schwarzenegger proposed a budget plan for the general fund in the next fiscal year that includes increased spending on K-12 public education, health and human services, higher education, and corrections and prisons. The plan includes no new taxes, while prepaying some of the state's bond debt. In general, are you satisfied or dissatisfied with the governor's budget plan?
 - 62% satisfied
 - 28 dissatisfied
 - 4 haven't heard anything about the budget (volunteered)
 - 6 don't know

[rotate questions 17 and 18]

17. In the governor's recently proposed budget plan, most of the increases in spending go to education instead of increasing spending in other budget areas. Do you think this is a good idea or a bad idea?

72% good idea

22 bad idea

6 don't know

18. The governor's recently proposed budget plan calls for prepaying the state's bond debt instead of increasing spending in health and social services and public transportation. Do you think this is a good idea or a bad idea?

50% good idea

38 bad idea

12 don't know

Spending reforms have been proposed to address 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.

19. How about eliminating the requirements for minimum state spending in state programs such as K-12 public education?

36% good idea

54 bad idea

10 don't know

20. How about strictly limiting the amount of money that state spending could increase each year?

53% good idea

39 bad idea

8 don't know

21. When it comes to the tough choices involved in the state budget, both in deciding how much Californians should pay in taxes and how to fund state programs, whose approach do you most prefer—[rotate] (1) Governor Schwarzenegger's, (2) the Democrats' in the legislature, [or] (3) the Republicans' in the legislature?

33% Democrats' in the legislature

23 Governor Schwarzenegger's

21 Republicans' in the legislature

5 none (volunteered)

2 other (specify)

16 don't know

22. 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?

52% higher taxes and more services

39 lower taxes and fewer services

9 don't know

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

[rotate questions 23 and 24]

23. How about replacing the two-thirds vote requirement with a 55 percent majority vote for voters to pass local special taxes?

44% good idea

48 bad idea

8 don't know

24. How about replacing the two-thirds vote requirement with a 55 percent majority vote for the state legislature to pass a budget?

43% good idea

48 bad idea

9 don't know

Revenue increases could be used to help reduce the state's large gap between spending and revenues. For each of the following, please say if you favor or oppose the proposal.

[rotate questions 25 and 26]

25. How about extending the state sales tax to services that are not currently taxed, such as legal and accounting services, auto repairs, and haircuts?

31% favor

65 oppose

4 don't know

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

59% favor

36 oppose

5 don't know

[rotate questions 27 and 28]

27. 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.

[read rotated list]

30% K-12 public education (correct answer)

28 health and human services

23 youth and adult corrections

10 higher education

9 don't know

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

[read rotated list]

31% personal income tax (correct answer)

26 sales tax

21 corporate tax

12 motor vehicle fees

10 don't know

[questions 29 and 30 not asked]

As you may know, redistricting is the process in which the physical boundaries of voting districts are changed.

31. Do you think it is a good idea or a bad idea for the California Legislature and governor to make the decisions about redistricting?

30% good idea

59 bad idea

11 don't know

Several proposals have been suggested to address redistricting. For each of the following please tell me if you favor or oppose the proposal.

[rotate questions 32 to 34]

32. What if voting districts were redrawn by an independent citizens' redistricting commission?

54% favor

35 oppose

11 don't know

33. What if voting districts were redrawn by members of the Little Hoover Commission, a bipartisan, independent state oversight agency comprised of nine citizens and four legislators?

40% favor

46 oppose

14 don't know

[question 34 not asked]

35. The California Legislature has operated under term limits since 1990, meaning that members of the state senate and state assembly are limited in the number of terms they can hold their elected office. As far as you know, what is the maximum number of years a California legislator can hold their office?

[code, don't read]

- 2% less than 1 year
- 5 2 years
- 3 3 years
- 15 4 years
- 2 5 years
- 13 6 years
- 1 7 years
- 20 8 years
- 1 9 years
- 3 10 years
- 10 12 years
- 1 14 years (correct answer)
- 1 16 years
- 2 no limit/as long as they want (volunteered)
- 21 don't know

[question 36 not asked]

37. The Limits on Legislators' Terms in Office Initiative Constitutional Amendment reduces the total amount of time a person may serve in the state legislature from 14 years to 12 years. It allows a person to serve a total of 12 years either in the assembly, the senate, or a combination of both. It provides a transition period to allow current members to serve a total of 12 consecutive years in the house in which they are currently serving, regardless of any prior service in another house. There would be no direct fiscal impact on state and local governments. If the election were held today would you vote yes or no on this measure?

52% yes

40 no

8 don't know

38. Legislative term limits now allow members of the state assembly to serve up to three two-year terms and members of the state senate to serve up to two four-year terms. Do you think the current term limits give state legislators too little, too much, or the right amount of time in office?

19% too little

16 too much

61 right amount

4 don't know

39. On another topic, do you think prison overcrowding in California is a big problem, somewhat of a problem, or not really a problem?

69% big problem

21 somewhat of a problem

8 not really a problem

2 don't know

40. Next, people have different ideas about the purpose of prisons. If you had to say, would the primary purpose of prisons be [rotate] (1) rehabilitation, (2) punishment, (3) protecting the public from crime, (4) deterrence, or something else?

35% protecting the public from crime

26 punishment

25 rehabilitation

6 deterrence

5 something else (specify)

3 don't know

41. Recently the governor and the legislature agreed on a nearly \$8 billion prison package financed mostly through lease revenue bonds that will ease overcrowding and increase rehabilitation opportunities. Do you think this is a good idea or a bad idea?

64% good idea

30 bad idea

6 don't know

[question 42 not asked]

43. Changing topics, last November voters passed a \$37 billion infrastructure bond package that was placed on the ballot by the governor and legislature. In general, do you think the infrastructure bonds package was a good idea or a bad idea?

55% good idea

26 bad idea

19 don't know

[question 44 not asked]

45. Some people have proposed developing a public information system to track how the \$37 billion in bonds are being spent. Do you think this is a good idea or a bad idea?

81% good idea

15 bad idea

4 don't know

46. Next, in January, the governor presented a plan for \$43.3 billion in new infrastructure bonds to increase funding for education facilities, corrections and prisons, water storage and flood control, courthouses, and other infrastructure projects. Do you favor or oppose this proposal?

67% favor

25 oppose

8 don't know

47. More generally, in the last 10 years
California voters have approved about \$93
billion in state bonds for transportation,
school facilities, and other infrastructure
projects. Do you think this bond amount is
too much, too little, or just the right amount?

27% too much

16 too little

46 just the right amount

11 don't know

48. How would you most prefer that the state government increase the level of current funding for roads and other infrastructure projects [rotate] (1) increase taxes for all Californians; (2) increase user fees and charges; (3) issue state bonds paid for through the state's general fund [or] (4) use only surplus budget funds?

30% use only surplus budget funds

21 increase user fees and changes

21 issue state bonds

14 increase taxes for all Californians

3 should not increase current level of funding (volunteered)

4 other (specify)

7 don't know

49. And some people know a lot about state finance, and others do not, how much do you know about how state bonds are paid for in California?

5% a lot

29 some

43 very little

21 nothing

2 don't know

50. On another topic, some people are registered to vote and others are not. Are you absolutely certain that you are registered to vote?

73% yes [ask q50a]

26 no [skip to q51f]

1 don't know [skip to q51f]

50a. Are you registered as a Democrat, a Republican, another party, or as an independent?

43% Democrat [ask q51a]

34 Republican [skip to q51b]

2 another party (specify) [skip to q52]

21 independent [skip to q51c]

51a. Would you call yourself a strong Democrat or not a very strong Democrat?

57% strong

41 not very strong

2 don't know

[skip to q52]

51b. Would you call yourself a strong Republican or not a very strong Republican?

51% strong

46 not very strong

3 don't know

[skip to q52]

51c. Would you join a political party if it was a good reflection of your political views or do you prefer to be unaffiliated with any specific party?

29% join a political party

69 remain unaffiliated

2 don't know

51d.And were you previously registered with a major party or have you always been an independent?

34% previously registered [ask 51e]

65 always been an independent [skip to 51f]

1 don't know [skip to 51f]

51e. And what party were you previously registered with?

[code, don't read]

42% Republican Party

52 Democratic Party

2 Green Party

3 Libertarian

1 American Independent

51f.Do you think of yourself as closer to the Republican Party or Democratic Party?

23% Republican Party

42 Democratic Party

27 neither (volunteered)

8 don't know

52. How closely are you following news about candidates for the 2008 presidential election?

19% very closely

38 fairly closely

27 not too closely

15 not at all closely

1 don't know

53. Would you consider yourself to be politically:

[read list, rotate order]

9% very liberal

20 somewhat liberal

28 middle-of-the-road

25 somewhat conservative

13 very conservative

5 don't know

54. Generally speaking, how much interest would you say you have in politics?

21% great deal

39 fair amount

32 only a little

8 none

[d1-d11: demographic questions]

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