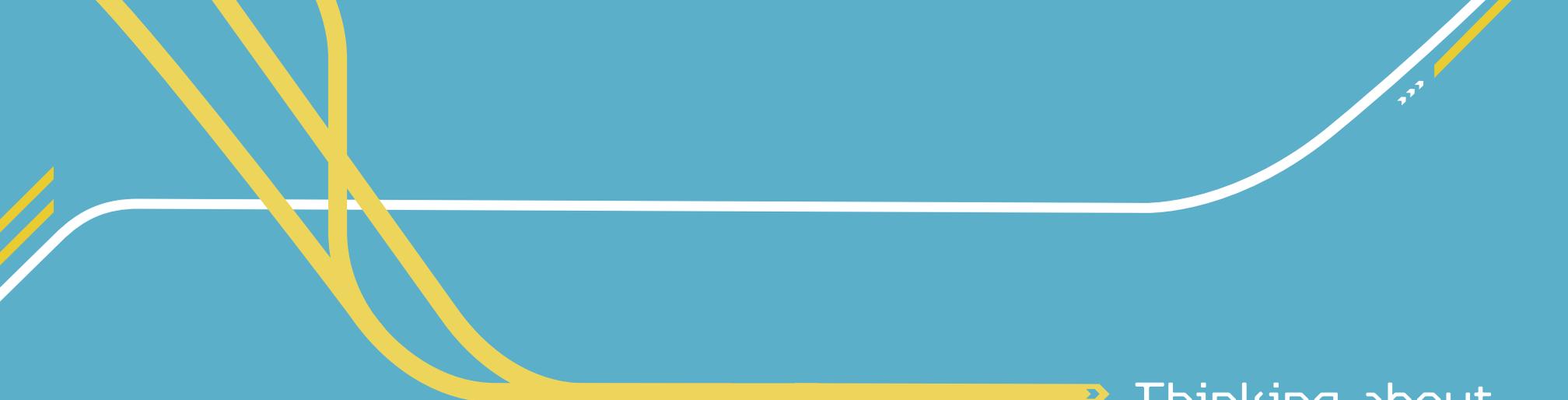


# California's Future

In Your Hands



## Thinking about California's future, did you know...

- By 2025, the state will add a population about the size of Ohio. Only 14 percent of Californians believe such growth is good for them and their families.
- California is not likely to have enough college-educated workers to meet the future economy's demands. A majority (58%) of Californians say the quality of education is a big problem.
- Transportation investment has seriously lagged behind use and population growth. Most state residents (74%) believe traffic conditions will get even worse in the next 20 years.
- Californians' trust in government to handle major problems is near an all-time low. Only 12 percent have great confidence that state government can plan for growth and the future.
- Most Californians believe that the important decisions about future growth should be made by voters at the ballot box, but only 35 percent of eligible California adults went to the polls in the last statewide election.

## How can we tackle these challenges?

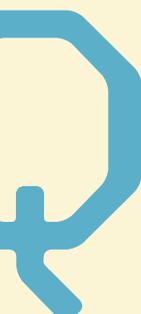
Are you planning to vote this November? Are you registered? Are you paying attention to what the candidates are saying and what policymakers are doing about the challenges California faces in building a livable future? Where do you stand on the state bond measures and citizens' initiatives on the ballot? Population growth and other challenges are huge—and we all have a stake in the outcome. If we want to enhance—or simply preserve—our quality of life, Californians will need to plan for it. California's future is in your hands, and the conversation is under way. Will you be part of it?

Here are 10 critical questions to ask yourself—and the people who want your vote. >>>

## What can government do to accommodate huge population growth?

As a state, we have not adequately prepared our education, transportation, and water facilities for the population that we have today, let alone the 11 million more we may add over the next two decades. Early in 2006, Governor Schwarzenegger announced an ambitious plan to shore up and expand California's infrastructure. Following suit, the state legislature put the largest package of bonds in the state's history on the November 2006 ballot.

Despite this rare moment of bipartisan harmony, no one really believes this bond package will or could be enough to resolve all the growth-related challenges facing the state. It is just a down payment (and a borrowed one at that) on building a better future. Few would deny that more money and other resources will be needed to ensure a strong economy and a high quality of life. You should be asking the people who are currently in office and the candidates who want your vote in November how we go about accommodating so many Californians.



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## Will California have the educated workforce that the new economy will demand?

With the continuing shift away from manufacturing and toward a service economy, the state will need more college-educated workers in the future. At the same time, demographic trends will make Latinos the largest group of workers. Latinos are making big gains in education, and they want their children to have a college education. But today, Latinos have less education than the population at large. To avoid a mismatch between workers' education and workplace demands, high school graduation rates will need to increase and more students will need to go to college.

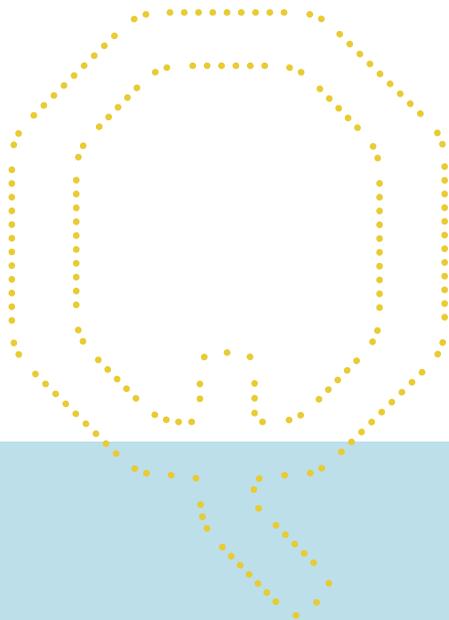
Among other things, this means making serious improvements in K-12 education. This isn't just about raising or maintaining standards; it's about closing the resource gap between schools in low- and high-income neighborhoods to help student test scores in reading and math improve and the high school dropout rate decline. It's also about ensuring that there is enough room in the state's colleges for all who want to attend. All this will take a considerable amount of money and the political will to confront failing schools and policies. Above all, this means investing over the long term—not just in good years, like this one, when the state is flush with cash.

## How do we plan for the state's future in an unequal society?



In California, the rich are getting richer, the poor are getting poorer, and the middle class may be shrinking away. We need to start thinking hard about what can be done to head off this drift toward an increasingly unequal society—or we will face an even more daunting future. To address these trends, our leaders and would-be leaders should be considering policy goals such as these:

Investing more heavily in education in lower-income areas than elsewhere to ensure better outcomes for the least well-off students. Building more roads, schools, and parks in the inland regions of the state, where incomes and job growth are lagging behind the coast. Finding ways to keep young, middle-class residents from moving out of state to realize the American Dream of owning their own homes. Planning so that lower-income areas are not burdened with pollution-related health problems from living near freeways, seaports, agriculture and industry, power plants, and waste dumps.



## How can we encourage economic development while preserving the environment?

California is the eighth largest economy in the world and a major hub of economic growth for the United States and the Pacific Rim. We need tough-minded strategies to remain competitive with other states and countries. We also need to put incentives in place that encourage new, innovative businesses to start up and grow here. Just as important, we need to find ways to encourage development and create jobs—and still protect the environment. This is one of the most critical tensions in the state's future.

On the one hand, residents' well-being depends on good job opportunities, and government depends on a healthy business climate to generate the revenues to pay for education, roads, and social programs for the poor. On the other hand, a bustling economy has helped create some of the worst air pollution in the nation and some of the most congested roadways. One of the biggest challenges is to keep pollution and congestion under control without implementing regulations that might inhibit economic development. Beyond regulation on businesses, Californians need to ask themselves how much they are willing to change their lifestyles to help protect the environment. For example, pollution might be reduced if more Californians opted for smaller dwellings closer to jobs, shopping, and public transportation rather than large, single-family homes and the long commutes they often entail.

If we can't build  
our way out of  
the infrastructure  
problem, what can  
we do to fix it?

Almost everyone agrees that we need to repair and expand current transportation, water, and education facilities. We also know that the resources for building are finite. We need to use what we have more efficiently—but this, like protecting the environment, means that some sacrifices will have to be made by current users, and lifestyles may have to change.

For example, we could use water markets to allocate existing supply more effectively between agriculture and residential uses. We could install water meters in homes to discourage waste, at a fraction of the cost of building new dams and water storage. We could maximize the capacity of existing roads by encouraging the use of high-occupancy vehicle and carpool lanes and travel in off-peak hours, and by charging fees for solo drivers who commute during rush hours. We could use K-12 and college facilities year round and for more hours daily to avoid the time and expense of building new schools. We could encourage more public-private partnerships to provide funding for building toll roads, prisons, water facilities, and schools.

To make such changes, government will have to challenge consumers, commuters, students, public employees, and businesses to reject the status quo and become more, and differently, involved in tackling the future.

## Do we want bigger or smaller government in the future?

California voters are divided, and deeply split along party lines, about what they want from state government. When asked in a May 2006 PPIC Statewide Survey, roughly half of likely voters said they prefer a larger government with higher taxes for more services, and slightly less than half said they prefer a smaller government with fewer services and lower taxes. Republicans and Democrats disagreed on where government's role should be expanded—for instance, greater involvement in social and moral issues or in health and welfare issues. And California remains divided between “red and blue” counties—with Los Angeles and the Bay Area often politically at odds with other regions.

Elected representatives are suffering from partisan gridlock on so many issues that it is often difficult to reach the two-thirds vote required on fiscal issues in the legislature. Some say the latest redistricting has polarized the legislature even more: There are few competitive districts left, and many legislative seats are decided in partisan primaries where independent and moderate voices are largely unheard. We cannot tackle the future without consensus about what we want and need from government—and how we're going to pay for it. The quality of California's future depends on getting beyond political polarization to find common ground and the political will to act.

## Is our state government up to the task of future planning?



Since 1990, the state's legislature has been under term limits imposed by the voters. Members of the assembly must leave after three two-year terms; members of the senate are gone after two four-year terms. This means that roughly one-third of the legislature turns over every two years. Although voters remain committed to term limits, critics claim that the desire to rid state government of career politicians has created a system of legislative musical chairs. They also question whether legislators have the time or motivation to consider what will happen a decade or more ahead in California.

Compounding this potential short-sightedness, the state has not created strong incentives for local governments to take a broader, longer-term view of issues such as housing and development. Local officials often make decisions about these issues based on the interests of their local constituencies. But the consequences of these decisions don't stop at their community's doorstep: Residents may live in one city or county but work in another and shop in yet another. The people in and running for state office should be thinking and talking about how the state could provide incentives for local governments to act with larger regional interests in mind.

What can we do to make the state's fiscal system more transparent and accountable?

Voters are constantly being asked to increase spending and support new taxes—when they often don't know where the money is coming from or how it is being spent. In a May 2005 PPIC Statewide Survey, only 11 percent of Californians correctly identified both the largest revenue source (personal income tax) and the biggest spending category (K-12 public education) in the state budget. This lack of clarity largely results from the current state-local fiscal system, which was built in response to the Proposition 13 tax limits passed nearly 30 years ago. That system needs overhauling—if only to let residents see where their property tax dollars are going and what their local and state governments are doing to provide infrastructure and other services.

At the state level, “earmarking” limits what government can do with public dollars. At the county level, governments are not only highly dependent on state funding, but most of their funding goes to services, such as public health, that the state mandates. These arrangements create a lack of transparency and accountability that leads people to ask, “What happened to the money you spent in the past?” Until average voters can “follow the money,” they won't fully commit to investing in the future. The existing system encourages people to oppose new spending and fuels the conviction that money lost to waste, fraud, and inefficiency could be used to expand existing programs and start new projects.



## Can we rebuild trust and confidence in our government?

Since the eve of the 2003 governor's recall, PPIC Statewide Surveys have found that Californians' confidence in their state government "to do what is right" has been near an historical low point. Nothing that politicians do or say seems to help them regain that trust. More than ever, the people believe special interests dominate decisions in Sacramento. Confidence is further eroded by government's inability to make progress on the state's complex problems and by leaders' apparent lack of vision about the state's future. The huge costs of political campaigns, and their nastiness, contribute to a perception that state politicians are wealthy individuals buying office, are for sale to special interests, care more about getting elected than serving the state, or are oblivious to the issues that matter to residents.

As trust and confidence erode, more voters stay away from the polls, further undermining the mandate of elected officials. This dire situation has elicited many suggestions for reform—for example, publicly financed campaigns, more restrictions on campaign fundraising, taking political redistricting out of the hands of legislatures, requiring candidates to run in open primaries, and using television as a vehicle for debates and town hall meetings rather than for 30-second paid commercials. However, not much has been done, and without trust and confidence, residents have little belief that we can plan for a better tomorrow.

## Has an exclusive electorate been given the reins of government?

Over the last several decades, the ballot box has been used to make more and more-important policy decisions, and the state's voters are not very representative of the state's increasingly diverse population. Worse yet for a democracy, most adults don't vote, and a large percentage who don't vote can't—because they don't register.

Consequently, in November, about 4 million voters—15 percent of California's adult population—will be the majority needed to decide everything from who will be governor to whether the state will assume \$37 billion in infrastructure debt. The voters in state elections today are mostly white, older, homeowners with more education and higher incomes than most Californians. There is no guarantee that they will have the interests of all Californians at heart. Even if they do, the fact that a small group of voters is making the decisions about elected representatives and public policy raises questions about how “democratic” the system really is.

Are the people in office and political candidates comfortable with this situation? Ask them about what can be done to encourage political participation and a more representative electorate, about the growing use of the ballot box to make policy, about means other than voting to increase public input—for example, citizens' assemblies and town hall meetings. Whatever it takes, California's sleeping majority needs to wake up and get to the polls if it wants to have any hand in shaping the state's future.

## Do we have the will?

California faces important choices if we want a future as full of opportunity as our past has been. Almost a century ago, the state's leaders held the voters in such high esteem that they gave subsequent generations of Californians the responsibility not only to elect their state representatives but also to make new laws and change policies at the ballot box.

Come November, voters will make big decisions on whose leadership they will follow and what the state needs to borrow and spend to get ready for the future. But it's also time for citizens and officials to think "outside the box" about tomorrow's needs in this growing and changing state. California has always been a bellwether for the nation and a symbol of hope for the world. Can we muster the will and find the way to carry on this tradition?

Your future.  
Your choice.

PPIC's extensive  
research on  
California's future  
can be found on  
our website at  
[www.ca2025.org](http://www.ca2025.org)



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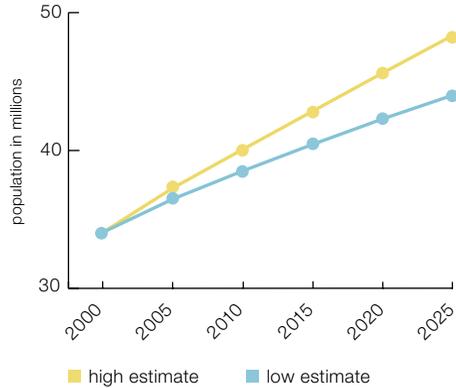
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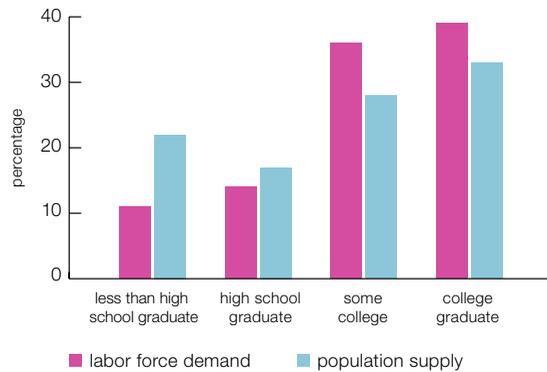
# FIGURES

**FIGURE 1. POPULATION PROJECTIONS FOR CALIFORNIA**



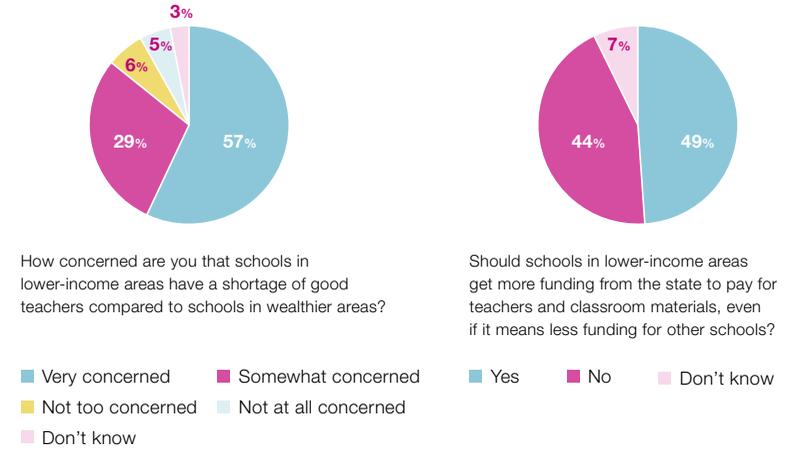
Source: CA2025: It's Your Choice

**FIGURE 2. POPULATION DISTRIBUTION BY EDUCATIONAL ATTAINMENT, 2020**



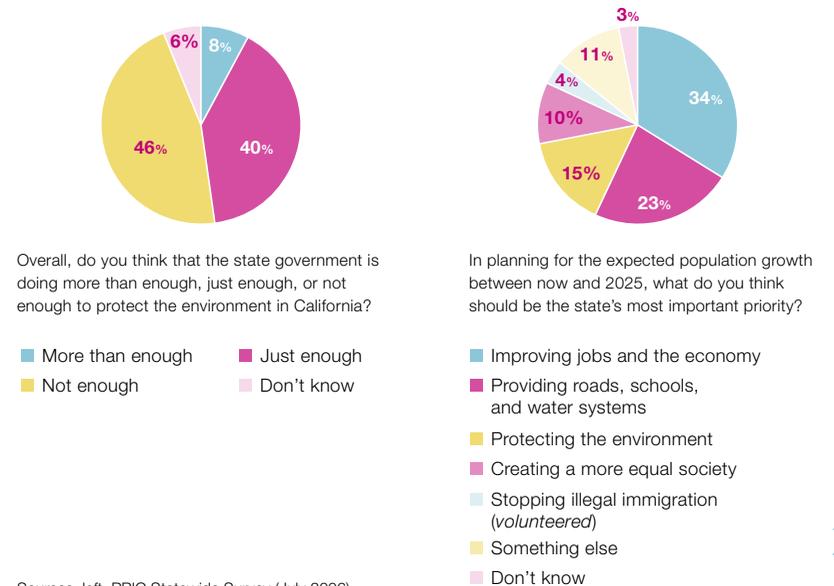
Source: CA2025: It's Your Choice

**FIGURE 3. INEQUITIES IN EDUCATIONAL RESOURCES**



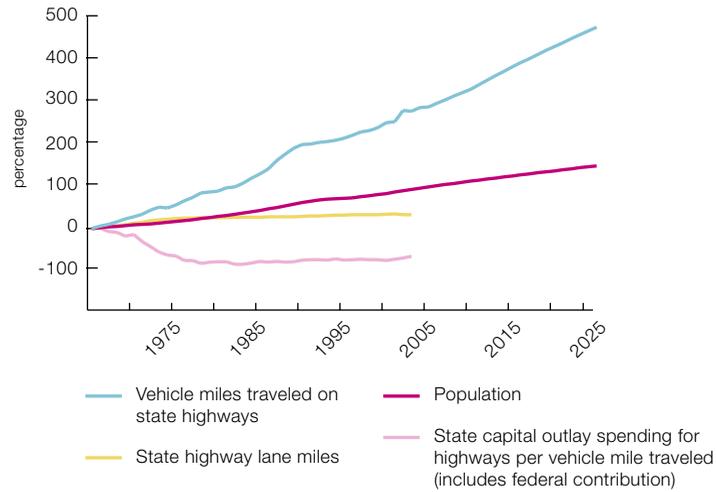
Source: PPIC Statewide Survey (April 2006)

**FIGURE 4. STATE GOVERNMENT AND THE ENVIRONMENT**



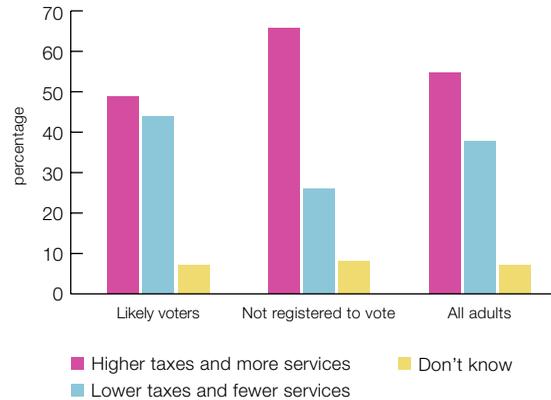
Sources: left, PPIC Statewide Survey (July 2006)  
right, PPIC Statewide Survey (August 2006)

**FIGURE 5. HIGHWAY INVESTMENT HAS SERIOUSLY LAGGED BEHIND USE AND POPULATION GROWTH**



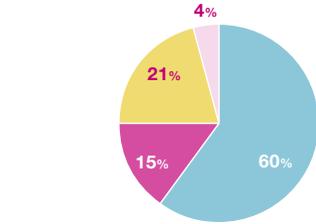
Source: CA2025: Taking on the Future

**FIGURE 6. THE PREFERENCE GAP ON ROLE OF GOVERNMENT**



Source: PPIC Statewide Survey (May 2006)

**FIGURE 7. ATTITUDES TOWARD TERM LIMITS**



Do you think that term limits are a good thing or a bad thing for California, or do they make no difference?

- Good thing
- Bad thing
- No difference
- Don't know

Source: PPIC Statewide Survey (May 2006)

**FIGURE 8. PERCEPTIONS OF PUBLIC SPENDING**



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.

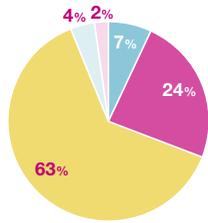
- Personal income tax
- Sales tax
- Corporate tax
- Motor vehicle fees
- Other
- Don't know

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
- Youth and adult corrections
- Health and human services
- Higher education
- Other
- Don't know

Source: PPIC Statewide Survey (May 2005)

**FIGURE 9. PUBLIC TRUST IN GOVERNMENT**

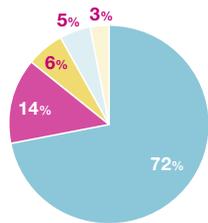


How much of the time do you think you can trust the government in Sacramento to do what is right?

- Just about always
- Most of the time
- Only some of the time
- None of the time (volunteered)
- Don't know

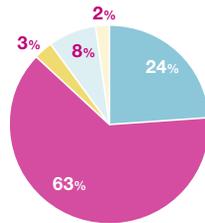
Source: PPIC Statewide Survey (August 2006)

**FIGURE 10. VOTERS DO NOT REFLECT THE STATE'S RACIAL DIVERSITY**



Likely Voters

- White
- Black
- Other
- Latino
- Asian



Not Registered to Vote

- White
- Black
- Other
- Latino
- Asian

Source: PPIC Statewide Survey (May 2005–May 2006)

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