

State Budget Fallout: L.A.'s Tough Choices

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Introduction

Thank you for inviting me to speak at Town Hall Los Angeles and for the special opportunity to moderate a discussion involving this distinguished group of panelists assembled here today. We share common goals and interests in the state's fiscal problems, the underlying economic and political situation, and the challenges and opportunities that these current conditions are creating for residents of Los Angeles County. For my part, I turn to the Los Angeles County Survey – a collaborative effort of the nonpartisan Public Policy Institute of California and the University of Southern California – which is supported by a three-year grant from the California Community Foundation. Public opinion data are critical to informing discussions on key issues and stimulating public debate, as we hope to do here today. The overall intent of this PPIC special survey series on Los Angeles County is to help guide the decisions of policymakers and the actions of public, nonprofit, and public-private partnerships charged with delivering local services and improving the quality of life of Los Angeles County residents.

PPIC Statewide Survey in Los Angeles County

This survey of 2,002 adult residents conducted from February 27th to March 9th includes several questions from earlier PPIC Statewide Surveys and a 1994 *Los Angeles Times* poll to provide us with comparisons over time and with the state as a whole. It was purposely conducted before and after the March 2nd primary to determine if Proposition 57 and 58 results changed public opinion. Our large sample size enabled us to consider differences across racial/ethnic groups, political affiliation, and the four geographic areas of the county. In this survey, we are especially interested in understanding the changing local conditions over the past decade and the challenges and opportunities created by the state government's current fiscal situation. Thus, we contrast residents' perceptions today with public opinion data collected in 1994—a year in which the state and county faced unprecedented economic, fiscal, social, and political challenges. We also analyze residents' attitudes toward the state's current budget deficit, including its perceived impact on local services and spending and tax preferences. [Note: see PPIC Statewide Survey: Special Survey of Los Angeles County, March 2004, pp. 19-20, for survey methodology and geographic areas.]

Changing Local Conditions

In placing today's challenges in their proper context, it is important to note that optimism about life in Los Angeles County has rebounded from the dark economic, political, and fiscal times of a decade ago. Residents today are more likely to say things are going in the right direction rather than being seriously off on the wrong track. The proportion who perceive things as going in the right direction has nearly doubled since 1994. Still, there are marked differences in perceptions by race/ethnicity: Latinos and Asians are especially upbeat. By contrast, more than half of blacks think things are on the wrong track.

Looking to the future, similar percentages expect the county to be a better place to live in the coming years than it is now (34%) as expect it will be a worse place to live (32%). Once again, optimism is greatest among Latino residents. Whites are most inclined to think it will get worse, and blacks are the least likely to think it will get better.

“Do you think that things in Los Angeles County are generally going in the right direction, or are they seriously off on the wrong track?”

	1994*	2004
Right direction	24%	45%
Wrong track	62	38
Don't Know	14	17

* Results are from a June 1994 *Los Angeles Times* poll.

2004 Survey	All Adults	Race/Ethnicity			
		Asian	Black	Latino	White
Right direction	45%	52%	36%	50%	43%
Wrong track	38	27	53	34	40
Don't know	17	21	11	16	17

Los Angeles County residents also feel more positively about their communities than they did a decade ago. Eight in 10 residents now say they are satisfied with their community, compared to 69 percent in 1994. However, while satisfaction with community is very high among Asians, Latinos, and white residents, it is markedly lower among blacks: One in three black residents say they are dissatisfied. The percentage of residents who see improvements in their community's quality of life has doubled in the past decade, but there are, once again, stark contrasts across racial and ethnic groups.

“Would you say you are satisfied or dissatisfied these days with the community in which you live?”

	1994*	2004
Satisfied	69%	80%
Dissatisfied	29	17
Don't know	2	3

* Results are from a June 1994 *Los Angeles Times* poll.

2004 Survey	All Adults	Race/ Ethnicity			
		Asian	Black	Latino	White
Satisfied	80%	85%	62%	80%	86%
Dissatisfied	17	11	33	18	12
Don't know	3	4	5	2	2

Residents' perceptions of the most important problem facing their community have changed dramatically in a decade. Today, crime, gangs, schools and the economy and jobs all cluster together as the top community problems. In 1994, crime, gangs, and the economy received many more mentions than they do today, while fewer residents named schools ten years ago. Once again, there are significant differences across racial/ethnic groups and areas of the county. Blacks are more likely than others to name crime as the top problem in their community. Latinos and blacks mention gangs much more frequently than do Asians and whites. Asians and whites mention traffic as a top problem more often than do blacks and Latinos. Those in the Central/Southeast area are more likely to cite gangs (20%) than are residents elsewhere in the county. The mention of traffic and growth increases with education and income.

“What’s the most important problem facing your community today?” (Accepted up to two replies)*

	1994**	2004
Crime	34%	14%
Gangs	31	13
Education, schools	7	13
Economy, jobs, unemployment	16	10
Traffic	2	7
Housing, homelessness	5	7
Growth and development	3	6
Drugs	12	5
Graffiti	5	3

* Results do not add to 100 percent because first and second mentions are listed.

** Results are from a June 1994 *Los Angeles Times* poll.

2004 Survey	All Adults	Race/ Ethnicity			
		Asian	Black	Latino	White
Crime	14%	16%	21%	12%	13%
Gangs	13	6	24	20	5
Education, schools	13	15	19	11	15
Economy, jobs, unemployment	10	5	11	9	11
Traffic	7	13	2	5	10
Housing, homelessness	7	10	9	6	8
Growth and development	6	5	4	3	10
Drugs	5	2	13	6	3
Graffiti	3	1	3	5	2

Los Angeles County residents continue to be generally positive about their local public services, with little evidence that recent state budget problems have had any effects to date. Two in three rate their police protection as excellent or good; a similar percentage give high marks to public parks, beaches, and recreation; and a majority give a thumbs-up to the local streets and roads. Only public schools fail to draw favorable ratings from a majority of residents, with only four in 10 rating the local schools as excellent or good. These ratings are similar to those given in our 1998 survey

Percent rating local service as excellent or good	1998*	2004
Police protection	68%	67%
Parks, beaches, and recreation	69	63
Streets and roads	49	51
Public schools	40	43

* Results from the April 1998 PPIC Statewide Survey

There are notable differences across geographic areas and racial/ethnic groups. Roads and schools are rated most highly in the North Valleys, while recreation and police draw their highest ratings in the West. Residents in Central/Southeast Los Angeles are more negative about all of their local services. Those living in the San Fernando Valley give mixed ratings. Local service ratings are lower among black residents than they are among residents of other racial/ethnic groups. Fewer than half of blacks give positive ratings to their area's streets and roads, parks, and schools; and a bare majority are satisfied with their local police. Among Asians and Latinos, a majority gives good marks to all their local services. Among whites, satisfaction is markedly lower for schools than it is for other services.

2004 survey Percent rating local service as excellent or good	All Adults	Race/ Ethnicity			
		Asian	Black	Latino	White
Police protection	67%	66%	52%	65%	72%
Parks, beaches, and recreation	63	58	44	61	71
Streets and roads	51	57	40	56	51
Public schools	43	55	27	53	38

As for local transportation, while freeways and highways remain the top choice for public spending, nearly half (49%) of residents mention public transportation projects – including public buses, light rail, and the subway system – as top priority projects. There are differences in transportation priorities across racial/ethnic groups and geographic regions. Public buses are favored the most in the Central/Southeast area, while those in the West and North Valleys are most likely to support light rail. Buses are the top priority for blacks (23%) and Latinos (25%), while light rail is most favored by whites (23%).

The Metro Rail is a big hit in Los Angeles County, even if most residents continue to commute by driving alone in their automobiles. Seventy-three percent of adults say the metro rail system has been a good thing for the county's transportation system. Support for the system is solid across geographic areas, racial/ethnic groups, and political and demographic categories.

The proposed \$9.95 billion state bond measure to build the high-speed train linking Los Angeles to San Francisco that has qualified for the November ballot also draws solid support among all adults (60% to 32%). There is also majority support for the high-speed train among likely voters (52% to 40%). Both Democrats (56%) and Republicans (51%) and majorities in all demographic groups say they would vote yes on the multibillion dollar bond measure to build the train system.

As for the economic outlook, the proportion of residents who think their community is in a recession today has declined sharply from a decade ago. While 45 percent see their local economy as in a recession today, 67 percent held this view in 1994. As for geographic differences in ratings of the local economy, 52 percent of residents in the Central/Southeast area think their community is in a recession, compared to 44 percent in the West, 43 percent in the San Fernando Valley, and 38 percent in the North Valleys. In terms of racial/ethnic differences,

most blacks (58%) and Latinos (50%) see their local area as being in a recession – a perception shared by only 44 percent of Asians and 38 percent of whites.

“Do you think your community is in an economic recession or not?”
(if yes: “Do you think it is in a serious, a moderate, or a mild recession?”)

	1994*	2004
Yes, serious recession	23%	12%
Yes, moderate recession	28	22
Yes, mild recession	16	11
No	26	47
Don't Know	7	8

* Results are from a June 1994 *Los Angeles Times* poll

Although the perception of the community’s economy is better today than it was a decade ago, the county’s economy receives relatively low ratings. Today, only one in four rate the county’s economy as excellent or good, while nearly three in 10 residents say the economy is in poor shape. Once again, there are differences by geographic area and race/ethnicity. Residents in Central/Southeast Los Angeles are most likely to rate the county’s economy as poor, and blacks (38%) and Latinos (30%) are more inclined than Asians (24%) and whites (22%) to see the county’s economy as being in poor shape.

State’s Fiscal Conditions

The passage of Propositions 57 and 58 on March 2nd did not change perceptions in Los Angeles County that the state’s budget deficit is a problem. Seven in 10 county residents believe that the state’s multibillion dollar gap between state revenue and state spending is a big problem; seventy-one percent felt this way before the primary and 69 percent after the vote. Among likely voters, an even larger percentage (81%) rate the state’s budget deficit as a big problem. Large majorities of Democrats (78%), Republicans (76%), and independents (73%) think the state’s deficit is a big problem. In January 2004, a similar 70 percent of Californians rated the state deficit as a big problem.

“As you may know, the state government has an annual budget of around \$100 billion and currently faces a multibillion dollar gap between state spending and state revenue. Do you think that this deficit is a big problem, somewhat of a problem, or not a problem?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Big problem	70%	78%	76%	73%	81%
Somewhat of a problem	22	17	21	21	16
Not a problem	4	3	2	4	2
Don't Know	4	2	1	2	1

While most county residents (66%) and likely voters (71%) think that spending cuts should be included in dealing with the state's deficit, voters are divided overall and deeply split along partisan lines about whether tax increases should also be part of the state's fiscal plans. Thirty percent of residents think that the state should deal with its deficit mostly through spending cuts, and 36 percent think that the state should use a mixture of spending cuts and tax increases. A plurality of Republicans (44%) would prefer to deal with the state's deficit mainly through spending cuts, while pluralities of independents (44%) and Democrats (42%) would prefer a mixture of spending cuts and tax increases. The percentage of county residents that prefer a mixture of spending cuts and tax increases did not change significantly following the March 2nd primary and the passage of Propositions 57 and 58.

“How would you prefer to deal with the state's deficit?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Mixture of spending cuts and tax increases	36%	42%	33%	44%	41%
Mostly through spending cuts	30	21	44	32	30
Okay for the state to borrow money and run a budget deficit	11	10	9	9	7
Mostly through tax increases	10	14	3	8	11
Other answer	4	5	5	3	5
Don't know	9	8	6	4	6

Governor Arnold Schwarzenegger's first state budget includes the use of \$1.3 billion in property tax money previously allocated to local governments to reduce the state's budget deficit. Los Angeles County residents are evenly divided on this part of the governor's budget plan: Forty-four percent approve of the use of these property tax monies, and 45 percent disapprove. Among the county's likely voters, 40 percent approve and 50 percent disapprove. However, there are strong partisan differences: Sixty-four percent of Republicans approve of the use of these property taxes in the governor's budget, while 57 percent of Democrats disapprove of this plan, and independents are evenly divided (47% approve; 46% disapprove).

“Governor Schwarzenegger's budget plan for the next fiscal year includes no new taxes, while it reduces the deficit through spending cuts in state programs and the use of \$1.3 billion in local government property tax money. In general, do you approve or disapprove of the governor's plan to use local government tax money to reduce the deficit?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	44%	33%	64%	47%	40%
Disapprove	45	57	25	46	50
Don't Know	11	10	11	7	10

The governor's budget plan to reduce the state's deficit also includes no new taxes, which is an element that 45 percent of Los Angeles county residents and likely voters say is very important to them. Fifty-five percent of Republicans say that the "no new taxes" part of the governor's plan is very important to them, and only 11 percent of Republicans think that it is not too important or not at all important. By contrast, 42 percent of Democrats think that the no new taxes platform is very important, while 26 percent say that it is not too or not at all important to them. The importance of no new taxes is similar across the county's geographic areas, increases with age, and decreases with education.

While spending cuts may be part of the preferred solution in dealing with the state's budget deficit, Los Angeles County residents also recognize that this may have negative consequences on local services. Sixty-five percent of residents are very concerned that the state's budget deficit will cause severe cuts in K-12 public education in the county, and 21 percent are somewhat concerned. Sixty percent are very concerned, and 26 percent are somewhat concerned, about severe cuts in funding for health and human services in the county. Fifty percent of residents are very concerned about severe cuts in local government services such as parks and recreation, police and public safety, and roads and transportation, and another 37 percent are somewhat concerned about severe cuts in these areas.

Overall, consistently higher percentages of Democrats than Republicans are "very concerned" that there may be severe cuts in local public services because of the state's budget deficit. Seventy-six percent of Democrats, compared to 43 percent of Republicans, are very concerned about the possibility of severe cuts in K-12 public education. Three in four Democrats (74%) are very concerned about cuts in funding in health and human services in the county, compared to fewer than four in 10 Republicans (36%). Sixty-three percent of Democrats, while only 29 percent of Republicans, are very concerned that the state's budget deficit will cause severe cuts in various local government services.

Usage of specific local services heightens concerns about the impacts of the state budget deficit. For example, 74 percent of residents with a child in the public school system are very concerned that the state's deficit will cause severe cuts in K-12 public education. Similarly, 69 percent of adults who have used, or had an immediate family member use, the public health care system are very concerned that the state's budget deficit will cause severe cuts in health and human services in Los Angeles County.

Many county residents appear to be willing to back up their concerns about severe cuts to local services by paying higher state taxes to maintain current funding. The public's support for raising state taxes varies by the service that they are seeking to maintain, differs sharply across party lines, and is considerably skewed by the current use and perceived utility of particular local public services.

**“What if the state said it needed more money just to maintain current funding for _____?
Would you be willing to pay higher state taxes for this purpose?”**

		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
<i>K-12 public education</i>	Yes	61%	66%	44%	62%	56%
	No	35	31	52	33	40
	Don't know	4	3	4	5	4
<i>Health and human services provided by county government</i>	Yes	50%	56%	34%	52%	48%
	No	44	38	62	44	47
	Don't know	6	6	4	4	5
<i>Local government services such as parks and recreation, police and public safety, and roads and transportation</i>	Yes	49%	54%	39%	52%	50%
	No	46	41	56	43	45
	Don't know	5	5	5	5	5

Six in 10 residents (61%) say they would be willing to pay higher taxes for K-12 public education if the state said it needed more money just to maintain current funding in this area. A majority of Democrats (66%) say they would be willing to pay more money for public education, whereas a majority of Republicans (52%) say they would not. Residents with children in their household are more likely to be willing to pay higher taxes for public schools than those without children (68% to 54%).

If the state said it needed more money to maintain current funding for health and human services provided by the county government, half of Los Angeles residents say they would be willing to pay higher taxes for this purpose. A majority of Democrats (56%) would support a tax increase for this purpose, while a majority of Republicans (62%) would not. Fifty-seven percent of county residents who say they have used the public health care system or might use it would be willing to pay higher taxes to maintain these services, while a majority of those who have never used and do not think they will ever use county health care services would not (53%).

County residents (49% to 46%) and likely voters (50% to 45%) are fairly evenly divided on the question of paying higher taxes to maintain funding for local government services such as parks, police, and transportation. On this issue, the partisan divide is again evident: Most Democrats (54%) are willing while most Republicans (56%) are unwilling to pay higher taxes to maintain local services.

State tax and fee increases could help reduce the state’s multibillion dollar gap between spending and revenue. Seven in 10 county residents favor raising the top rate of the state income tax paid by the wealthiest Californians. A large majority of Democrats (79%) and a slimmer majority of Republicans (55%) support the proposal to tax the rich. Los Angeles County residents are less enthusiastic about raising the state portion of the sales tax by one-half cent: Fifty-three percent of all adults favor this proposal, including 59 percent of Democrats and 50 percent of Republicans. By contrast, seven in 10 residents (72%) oppose increasing the vehicle license fee to reduce the state’s large gap between spending and revenue, including most Republicans (79%) and Democrats (66%).

As for local tax increases, a proposed county ballot to increase the sales tax by one-half cent to fund police protection and public safety would receive close to the two-thirds majority vote needed to pass a local sales tax measure (65% of all adults; 63% of likely voters). A solid majority of Democrats (69%) and a substantial percentage of Republicans (56%) would vote to increase the local sales tax for this purpose. Across the county, such a ballot measure would receive the highest support in the Central/Southeast area (70%) and somewhat lower support in the West (64%), the North Valleys (62%), and the San Fernando Valley (60%). Latinos (72%) are more likely to say they would vote yes on the sales tax measure for funding police and public safety than blacks (63%), whites (61%), or Asians (60%).

“What if there were a measure on the county ballot to increase the local sales tax for _____ by one-half cent? Would you vote yes or no?”

		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
Police protection and public safety	Yes	65%	69%	56%	62%	63%
	No	32	29	41	34	34
	Don't know	3	2	3	4	3
Local transportation projects	Yes	55%	61%	49%	60%	55%
	No	40	35	47	37	40
	Don't know	5	4	4	3	5

If there were a measure on the county ballot to increase the local sales tax for local transportation projects by one-half cent, it would fall shy of the two-thirds majority that is needed to pass a local tax hike (55% of all adults; 55% of likely voters). A majority of Democrats (61%) and independents (60%) say they would vote yes, while Republicans are split on increasing taxes for this purpose (49% yes; 47% no). Support for increasing the sales tax for local transportation projects does not vary significantly across geographic areas or racial/ethnic, age, education, or income groups.

Seven in 10 county residents (69%) would vote yes if their local school district had a bond measure on the November ballot to pay for school construction projects, including 60 percent of likely voters. Local school bonds for construction projects require a 55 percent majority to pass. Seven in 10 Democrats (70%) and independents (69%) say they would vote yes, while Republicans are evenly divided (49% yes; 47% no). Residents of the Central/Southeast (75%) express the highest support for a local school bond measure, although majorities in all areas of the county would vote yes. Residents with children at home are more likely than those with no children to say they would vote yes (79% to 60%).

Local and State Governance Issues

When asked to rate the job performance of their state elected officials, the majority of Los Angeles County residents say they approve of Governor Arnold Schwarzenegger’s overall performance in office. Across political party lines, Republicans are overwhelmingly positive in their evaluations of the GOP governor, and a majority of independents and a plurality of Democrats also think he’s doing a good job. Among the county adults who are most likely to vote, positive ratings outnumber negative ratings by a two-to-one margin. Whites (64%) and

Asians (59%) are more positive than blacks (43%) and Latinos (39%) about Governor Schwarzenegger. His approval ratings increase with age, education, and income.

By contrast, the California legislature receives more mixed reviews, with about as many approving as disapproving of the lawmakers' overall job performance. Likely voters are even more negative than all adults in their evaluations of the state legislature. Democrats and Republicans are similarly disapproving of the performance of the Democratic-controlled legislature. In contrast to the governor's approval scores, the legislature's disapproval ratings increase with age, education, income, and homeownership.

		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
<i>Do you approve or disapprove of the way that Arnold Schwarzenegger is handling his job as governor of California?</i>	Approve	51%	45%	80%	53%	56%
	Disapprove	33	36	10	32	28
	Don't know	16	19	10	15	16
<i>Do you approve or disapprove of the job the California legislature is doing at this time?</i>	Approve	40%	36%	39%	45%	35%
	Disapprove	42	49	49	40	52
	Don't know	18	15	12	15	13

Los Angeles County residents express more approval for their city governments than the county government when it comes to solving problems. However, excellent or good ratings fall short of a majority across all regions and groups for both levels of local government.

How do Los Angeles County residents perceive the role of immigrants in their county today, particularly in light of a slowdown in economic growth and fiscal problems in state government? When asked which of two opinions is closest to their own view, a majority say that immigrants today are a benefit because of their economic contributions, and about one in three say they are a burden because they use public services. The perceived impact of immigrants continues to be a polarizing issue. Latinos (70%) and Asians (68%) are more likely than blacks (38%) and whites (44%) to think that immigrants today are a benefit to the county. Democrats (58%) are more likely to say that immigrants are a benefit, and Republicans (58%) are more likely to say that immigrants are a burden.

<i>Which of these two views is closest to your own ...</i>	All Adults	Citizenship			Likely Voters
		U.S.-born citizens	Foreign-born, U.S. citizens	Foreign-born, non-U.S. citizens	
Immigrants today are a benefit to L.A. County because of their hard work and job skills	55%	47%	62%	75%	48%
Immigrants today are a burden to L.A. County because they use public services	36	43	29	22	43
Don't know	9	10	9	3	9

A decade ago, the 1994 *Los Angeles Times* poll asked about the effects of illegal immigration in the county. This was in the context of statewide economic and fiscal problems and Proposition 187, the citizens' initiative that sought to deny public services to illegal immigrants. Proposition 187 passed in November 1994 but was later invalidated by the courts. In 1994, about half of Los Angeles County residents said that illegal immigration into the county was a big problem, and seven in 10 residents thought that it was at least a moderate-sized problem. Today, a similar proportion of Los Angeles County residents describe illegal immigration as a big problem or at least a moderate-sized problem. The public's perceptions of illegal immigration into Los Angeles County are also largely shaped by citizenship status, race/ethnicity, and partisanship. U.S.-born residents (52%) are more likely than foreign-born citizens (42%) and non-citizens (36%) to say that illegal immigration is a big problem. Likewise, blacks (60%) and whites (54%) are more likely than Asians (40%) and Latinos (36%) to call illegal immigration a big problem. Republicans (66%) are more likely than Democrats (44%) to hold this point of view.

While a plurality of Los Angeles County residents continue to believe that illegal immigration is a big problem, most are now opposed to denying access to public health care based on an immigrant's status. Six in 10 county residents say that illegal immigrants and their children should have access to public health care. A majority of likely voters also support this policy. While there are variations by citizenship status, a solid majority of U.S.-born citizens support providing public health care to illegal immigrants and their children, and majorities in every racial/ethnic group also support this policy (whites 51%, blacks 52%, Asians 55%, and Latinos 74%). Fifty-three percent of Republicans think illegal immigrants and their children should be denied access to public health care, while a large majority of Democrats (69%) say that public health care should be provided to these immigrants and their children.

<i>Which of these two views is closest to your own ...</i>	All Adults	Citizenship			Likely Voters
		U.S.-born citizens	Foreign-born, U.S. citizens	Foreign-born, non-U.S. citizens	
Illegal immigrants and their children should have access to public health care	61%	55%	68%	72%	55%
Illegal immigrants and their children should be denied access to public health care	33	37	26	26	37
Don't know	6	8	6	2	8

On the related issue of service use, a substantial percentage of adults (45%) say that they or an immediate family member has at one time used the public health care system in Los Angeles County. The use of public health care varies dramatically by citizenship status (U.S.-born 40%, foreign-born citizen 45%, non-citizen 60%) and race/ethnicity (whites 32%, Asians 34%, blacks 57%, Latinos 58%) and declines sharply with age, education, and income. All together, about six in 10 residents say that they or a family member either has used the public health care system or expects to do so in the future.

The importance of the public health care system in Los Angeles County translates into a willingness to raise local taxes to fund health services. Three in four adult residents would support a measure on the county ballot for new taxes on alcoholic beverages and cigarettes to

fund such services. There is overwhelming support for raising new taxes for this purpose among likely voters (76%), Democrats (81%), and Republicans (67%) and across racial/ethnic and demographic groups.

One in five Los Angeles County adults say they are not covered by any form of private health insurance or by a government health plan. While nearly nine in 10 Asians, whites, and blacks say they have some form of health care coverage, about one in three Latino adults say they do not have any form of health coverage. Moreover, while more than eight in 10 adult citizens are covered by health insurance or a health plan, about four in 10 noncitizens say they currently have no health care coverage.

The public’s worries about health care today go beyond the issue of insurance coverage. Nearly two in three county adults say they are very concerned about being able to afford the necessary health care when a family member gets sick, and eight in 10 are at least somewhat concerned. Among likely voters, more than half say they are very concerned about the affordability of necessary health care. While concern varies by citizenship status and across racial/ethnic groups, majorities in all categories express at least some concern about this issue.

Last year, state law SB2 was passed by the legislature and signed by then-Governor Gray Davis. This law requires large and medium-sized employers to buy health insurance coverage for their employees by specified dates (2006 and 2007, respectively). More recently, signatures have been gathered to place a referendum on the state ballot to repeal this law. Los Angeles County residents, as well as the county’s likely voters, strongly oppose efforts to repeal SB2 – by a two-to-one margin. Democrats strongly oppose repealing SB2, while Republicans have more mixed views on this state referendum. Strong support for keeping SB2 is found in all age, education, income, citizenship status, and racial/ethnic groups.

**“How about a referendum to repeal or remove state law SB2 that was passed last year requiring large employers to buy health insurance for their workers and families by 2006, and medium-size employers to buy health insurance for their workers and families by 2007?
Would you vote yes to repeal or remove SB2 or no to keep SB2?”**

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Yes, repeal / remove	30%	24%	40%	29%	30%
No, keep	64	70	54	65	63
Don't know	6	6	6	6	7

How do voters respond to one of the citizens’ initiatives currently being proposed by a member of the state legislature that would impose a 1 percent additional tax on income over \$1 million and earmarking these new revenues specifically for mental health services? Currently, this fiscal proposal enjoys solid public support: More than two in three adults and likely voters support the idea of raising taxes in this fashion, and a majority of both Democrats (76%) and Republicans (56%) support the proposal. Public support runs 60 percent or more in all racial/ethnic and demographic groups.

There is also an effort under way to qualify a measure for the state ballot that would change some of the property tax limits that have been in place since voters passed Proposition

13 in 1978. This citizens' initiative calls for providing additional funding for K-12 public education and establishing a voluntary universal preschool program with funds provided through additional taxes on commercial and residential property that produces income. While six in 10 adult residents approve of this measure, it leads by a narrower margin among likely voters (52% to 44%). There is a deep partisan divide on this issue, with Republicans strongly opposed (57%) and Democrats strongly in favor (64%) of this effort to reform the Proposition 13 tax limits. Support is lower among whites (52%) than among Latinos (77%), blacks (60%), and Asians (64%).

“How about providing additional funding for K-12 public education and establishing a voluntary universal preschool program with funds provided through additional taxes on commercial and residential property that produces income? Would you vote yes or no?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Yes	63%	64%	40%	63%	52%
No	33	31	57	32	44
Don't know	4	5	3	5	4

Another policy issue that might appear on the November ballot in the form of a citizens' initiative is the reform of the state's workers' compensation system. While business interests have been calling for systemic reforms because of rising employer costs and their impacts on job creation, other groups have raised concerns about the impacts of these reforms on injured workers. The voters' response to workers' compensation reform may depend on how this policy debate is framed. Two in three likely voters say they favor policies that reduce employer costs for workers' compensation. However, there is substantial opposition to reducing employer costs if it means reducing the benefits for employees who are injured at work. While most Republicans continue to favor reducing employer costs, even if employee benefits are reduced, support from Democratic voters falls off sharply under this contingency.

<i>Would you vote yes or no?</i>		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
<i>How about reducing employer costs for workers' compensation by requiring employees to prove an injury took place at work, removing employer liability for previous job-related injuries, and establishing medical treatment guidelines?</i>	Yes	64%	59%	74%	69%	67%
	No	28	33	20	23	25
	Don't know	8	8	6	8	8
<i>How about reducing employer costs for workers' compensation even if it meant fewer benefits for employees who are injured at work?</i>	Yes	37%	33%	59%	35%	42%
	No	56	61	36	58	49
	Don't know	7	6	5	7	9

Local officials throughout California face revenue cuts as the state government seeks ways to reduce the gap between spending and revenues. Some have proposed a citizens' initiative that would require voter approval for the state government to reduce local

government revenues. Two in three likely voters support this proposal in concept. However, there is a sharp decline in support if local government funding guarantees come at the expense of funding for state programs. State and local tax reforms that call for local governments to keep more property tax funds in exchange for sending more sales tax and vehicle license fees to the state government also had a mixed response from Los Angeles County voters.

<i>Would you vote yes or no?</i>		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
<i>How about requiring a two-thirds vote of the legislature and voter approval for any reduction of local government revenues?</i>	Yes	60%	62%	63%	61%	66%
	No	30	29	30	28	26
	Don't know	10	9	7	11	8
<i>How about requiring a two-thirds vote of the legislature and voter approval for any reduction of local government revenues even if it meant less funding for state government services?</i>	Yes	48%	48%	54%	54%	53%
	No	41	43	34	38	36
	Don't know	11	9	12	8	11

Conclusions and Implications

In closing, here are some of the conclusions and implications that we draw from the findings of our current Los Angeles County survey:

- **Changing Local Conditions** – Residents are much more upbeat about the state of the county and their local communities than they were a decade ago when California was in the midst of the last fiscal and economic downturn, and at a time when Los Angeles County faced racial tensions and political conflict over immigration policy. Still, there are major racial and ethnic disparities in local service ratings and varying degrees of community problems noted by blacks, Latinos, Asians, and whites.
- **State’s Fiscal Conditions** – Most residents continue to see the state’s multibillion-dollar gap between spending and revenues as a big problem, despite the passage of Propositions 57 and 58. While most agree that spending cuts are inevitable, many are concerned about their impacts on local services. There are sharp partisan divisions on almost every aspect of state and local fiscal policy, including the governor’s plans to use local government funds and support for various state and local tax increases.
- **Local and State Governance Issues** – Residents rate the job performance of their new governor very favorably, while the state legislature and city and county governments receive mixed reviews. While concerns about illegal immigration are as strong as they were a decade ago, most of the public now perceives immigrants as a net plus for Los Angeles, and they strongly support access to public health care for illegal immigrants and their children. The public’s concerns about health care costs lead to their strong support for extending health care coverage. While economic and fiscal policy reforms are supported, we find that opinions are volatile and can vary sharply along partisan lines.

In sum, the November ballot is shaping up as one of the longest, most significant, and complex in the last decade. Town Hall and forums with leaders such as our panelists today can play a major role in enlightening the voters on the pros and cons of the critical policy decisions they are being asked to make – choices with the potential to shape local conditions and the quality of life for the next decade.

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