



PPIC
STATEWIDE
SURVEY

JANUARY 2004

*Special Survey
on California's Fiscal System
in collaboration with
The James Irvine Foundation*

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*Mark Baldassare
Research Director & Survey Director*

***Public
Policy
Institute of
California***

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, including education, health care, immigration, income distribution, welfare, urban growth, and state and local finance.

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 parties or candidates for public office.

David W. Lyon is founding President and Chief Executive Officer of PPIC. Raymond L. Watson is Chairman of the Board of Directors.



500 Washington Street, Suite 800 • San Francisco, California 94111
Telephone: (415) 291-4400 • Fax: (415) 291-4401
info@ppic.org • www.ppic.org

Preface

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. Started in April 1998, the survey series has generated a database that includes the responses of more than 85,000 Californians.

The current survey is the second in a series of special surveys on the *California State Budget and Fiscal System*, conducted in collaboration with The James Irvine Foundation. At the same time that the state government faces the immediate challenge of addressing a current budget deficit, an array of structural reforms of the state and local finance system are also being considered to cope with long-term issues involved in balancing the state budget. Public opinion surveys offer the state's lawmakers an opportunity to consider the views of Californians on various fiscal proposals and underlying perceptions of spending and taxes. Moreover, Californians have made fiscal decisions on their own through the initiative process—such as Proposition 13 tax reductions and Proposition 98 state funding guarantees for K-12 public schools—and voters in the upcoming March primary will continue to have an important impact on the state and local fiscal system at the ballot box. This survey series seeks to raise public awareness, inform decisionmakers, and stimulate public discussions about the current state budget and the underlying state and local finance system. This report presents the responses of 2,002 adult residents throughout the state on a wide range of issues:

- The March 2nd primary, including Proposition 55 (\$12.3 billion education bond), Proposition 56 (state budget and voting requirements initiative), Proposition 57 (\$15 billion economic recovery bond), and Proposition 58 (California balanced budget act). In addition, we consider the Democratic presidential primary and the Republican U.S. Senate primary in California.
- The political and economic climate, including the public's perceptions of the most important problem in California, general direction of the state, and outlook for the state's economy; trust in state government officials and their handling of fiscal issues; overall approval ratings of Governor Schwarzenegger, the state legislature, and President Bush; and attitudes toward state and federal elected officials' handling of state and federal budget issues.
- State fiscal policy, including spending preferences, priorities for spending for specific services, support for increasing taxes to maintain the current level of services, perceptions of increasing the state debt, and knowledge of state bond financing; support for increasing the amount of revenues generated from various tax sources; support for structural fiscal reforms of the state budget process; and general attitudes toward the state's fiscal policymaking process.
- The extent to which Californians may differ with regard to attitudes toward spending and taxes by party affiliation, demographics, race/ethnicity, and region of residence.

This is the 42nd PPIC Statewide Survey, which has included a number of special editions:

- The Central Valley (11/99, 3/01, 4/02, 4/03)
- San Diego County (7/02)
- Orange County (9/01, 12/02, 12/03)
- Los Angeles County (3/03)
- Population Growth (5/01)
- Land Use (11/01, 11/02)
- Environment (6/00, 6/02, 11/03)
- California State Budget (6/03)

Copies of this report may be ordered by e-mail (order@ppic.org) or phone (415-291-4400). Copies of this and earlier reports are posted on the publications page of the PPIC web site (www.ppic.org). For questions about the survey, please contact survey@ppic.org.

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Press Release

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<http://www.ppic.org/main/pressreleaseindex.asp>

SPECIAL SURVEY ON CALIFORNIA'S FISCAL SYSTEM

WHERE THE RUBBER MEETS THE ROAD: WILL GOVERNOR'S POPULARITY TRANSLATE INTO POLITICAL CAPITAL?

\$15 Billion Economic Recovery Bond Falls Short of Majority Support; Dean Leads Presidential Challengers; Jones Ahead in Senate Primary Race

SAN FRANCISCO, California, January 15, 2004 — Will Governor Arnold Schwarzenegger's high popularity be enough to make voters rally around a critical piece of his budget recovery strategy? Currently, Proposition 57 – the \$15 billion bond proposal on the March 2nd primary ballot – does not have much support: Just over one-third (35%) of likely voters say they would vote yes on the measure, 44 percent would vote no, and 21 percent are undecided, according to a survey released today by the Public Policy Institute of California (PPIC) and The James Irvine Foundation.

Despite Schwarzenegger's robust approval ratings – 64 percent of likely voters approve of the way he is doing his job overall, and 58 percent approve of his handling of the budget and taxes – at this early stage, a majority (52%) say the governor's endorsement makes no difference in how they feel about the recovery bond. "Popularity does not necessarily translate into influence," says PPIC Statewide Survey Director Mark Baldassare. "Voters have to like the message not just the messenger. Given the bitter residue of this past year's financial fiasco, they are understandably wary about incurring more debt."

A second measure on the March ballot (Proposition 58) would require the state to pass a balanced budget, address fiscal emergencies, and establish a budget reserve. Voters clearly like this message, with the yes vote leading the no vote by 57 to 22 percent. However, as the bill is written, these fiscal reforms can take effect only if the recovery bond measure passes.

Talk Matters: Reaction to State of the State and Budget Plan

The public's upbeat view of Schwarzenegger is echoed in the positive reaction to two key events – his state of the state speech and the rollout of his budget proposal. Over half (53%) of likely voters say they were favorably impressed by the plans and policies set forth in the governor's first state of the state address, while 18 percent had an unfavorable impression. Voters are also far more satisfied (63%) than dissatisfied (28%) by the budget plan laid out on January 9th. A significant number of likely voters (44%) believe tax increases should have been included in the budget plan, although a majority (51%) do not. However, 67 percent are at least somewhat concerned about the effects of proposed spending cuts.

Schwarzenegger's high approval ratings changed little following the two events – from 61 percent before the state of the state, to 57 percent after the speech, to 58 percent after the budget announcement. (Similar breakdowns for most survey questions are available.)

State Golden Again? Public Mood Improving But Fiscal Environment Spells Trouble for School Bond, State Legislature

Whether or not it's prompted by enthusiasm for the governor or economic recovery, California's mood is improving. Prior to the recall election, far more residents said the state was headed in the wrong direction than in the right direction (67% to 24%). Four months later? More Californians now believe the state is on the right track (43%) than not (41%), although optimism remains lower than it was two years ago.

Republicans are most sanguine, with six in ten approving of the direction the state is headed. Fiscal expectations are also on the rise: 51 percent of likely voters anticipate good financial times in the coming year, including 67 percent of Republicans, 52 percent of independents, and 39 percent of Democrats.

But improved attitudes are not translating into a great willingness to spend, even on an issue near and dear to voters' hearts – education. There is slim majority support for a March ballot proposal to provide funding for education facilities through a \$12.3 billion bond (Proposition 55): Just half (50%) of likely voters back it, 38 percent are opposed, and 12 percent are undecided. “Until voters are more comfortable with the state’s finances, even education measures will face greater scrutiny,” says Baldassare. Support for the school bond diverges along party lines with Democrats (62% yes, 25% no) and independents (54% yes, 35% no) supporting it, and Republicans (35% yes, 54% no) opposing it.

Proposition 56, which would lower the majority required for the state legislature to pass a budget and budget-related bills from two-thirds to 55 percent, does not have majority support among likely voters (41% yes, 35% no, 24% undecided). In fact, three-fourths (73%) believe a two-thirds constitutional requirement for the legislature to pass a state budget is a good idea. “The legislature has some work to do to improve its standing with Californians, who are suspicious about giving lawmakers more leeway,” says Baldassare. Indeed, 50 percent disapprove of the job the legislature is doing generally and 58 percent disapprove of how it handles the state’s financial affairs. This distrust extends to state government as a whole: 58 percent of voters think the state government wastes a lot of taxpayers’ money.

Tolerable Taxation? Increases to Protect K-12 and Local Government Palatable to Voters

Californians express a willingness to accept tax increases to deal with the state’s financial crisis and protect valued programs. A majority of voters (53%) prefer to deal with the state’s multi-billion dollar gap between spending and revenue by using a mix of tax increases and spending cuts. Thirty percent prefer mostly spending cuts, while only 5 percent prefer to borrow money. There is a partisan divide over the preferred approach, with solid majorities of Democrats (63%) and independents (65%) supporting a mix of cuts and tax increases and a plurality of Republicans (47%) preferring mostly cuts in spending.

K-12 education continues to be a top priority for voters in California: Nearly two-thirds (64%) would be willing to pay higher taxes just to maintain current K-12 funding levels (77% Democrats, 70% independents, 50% Republicans). Support for K-12 outstrips other programs: 58 percent of voters are most concerned about protecting K-12; far fewer say their greatest concern is health and human services (21%), higher education (12%), or youth and adult corrections (6%).

Although Californians’ top priority is K-12 funding, majorities of voters are also willing to pay higher taxes to maintain funding for local government (57%) and health and human services (50%). Majorities of Democrats (62% and 66%) and independents (59% and 51%) say they would pay more taxes to support programs in these areas. Republicans are split over paying more for local government services (46% yes, 50% no), but a large majority (65%) is unwilling to pay more for health and human services.

What types of tax increases do Californians find most palatable? Sin taxes – higher prices for cigarettes and alcoholic beverages – are the favorite: 76 percent of likely voters approve of increasing taxes on these items. Seventy-one percent also favor raising the income tax for the wealthiest Californians (in June 2003, only 45 percent supported a proposal to change the top rate of the state income tax). Today, Republicans are split on the issue (48% favor vs. 50% oppose), while Democrats (84% vs. 13%) and independents (73% vs. 24%) register overwhelming support. Proposals to increase the state sales tax and vehicle license fee do not get majority support among voters of any party.

Field of Boxer Challengers Wide Open; Dean on Top in California

The Republican race to challenge incumbent Senator Barbara Boxer in next November’s election is up for grabs: 73 percent of voters who are registered as Republicans are undecided about which GOP candidate to support on the March 2nd primary ballot. Currently, Bill Jones (17%) leads Howard Kaloogian (5%), Toni Casey (3%), and Rosario Marin (2%). If the November 2004 election were held today, California

voters would select Boxer by a 7-point margin (47% to 40%). Not surprisingly, Democrats and Republicans stand in almost perfect opposition: Democrats support Boxer over the Republican nominee 81 to 7 percent, while Republicans support the GOP candidate over Boxer 83 to 7 percent.

Among likely voters, Howard Dean (31%) commands a solid lead over Wesley Clark (14%), Joe Lieberman (8%), John Kerry (6%), and Dick Gephardt (5%) in the Democratic presidential primary. Californians are evenly divided between President George W. Bush and the Democratic nominee, with 45 percent of likely voters supporting the Democrat and 45 percent preferring President Bush. The president retains positive approval ratings in the state: A majority (53%) of likely voters approve of the way he is doing his job, although fewer (47%) support his handling of the federal budget and taxes.

More Key Findings

- ***Power To The People*** (page 18)
Nearly two-thirds (62%) of voters say going to the ballot box is the best way to reform the budget process, while less than one-third (31%) say the governor and legislature should pass new laws.
- ***Commercial Limitations: Prop. 13 Under Fire?*** (page 17)
A strong majority (60%) of likely voters think it is a good idea to tax commercial property according to current market value, something that is now strictly limited by Proposition 13.
- ***Spanning Generations*** (page 15)
Over half of likely voters (52%) are very concerned about passing state debt on to future generations, but residents age 45 and older (51%) are more concerned than 18 to 44 year olds (38%).

About the Survey

The California State Budget and Fiscal System Survey – a collaborative effort of the Public Policy Institute of California and The James Irvine Foundation – is a special edition of the PPIC Statewide Survey. This is the second in a series intended to raise public awareness, inform decisionmakers, and stimulate public discussions about the current budget and the underlying state and local finance systems. Findings are based on a telephone survey of 2,002 California adult residents interviewed between January 3 and January 11, 2004. Interviews were conducted in English or Spanish. The sampling error for the total sample is +/- 2% and for the 912 likely voters is +/- 3%. For more information on methodology, see page 21.

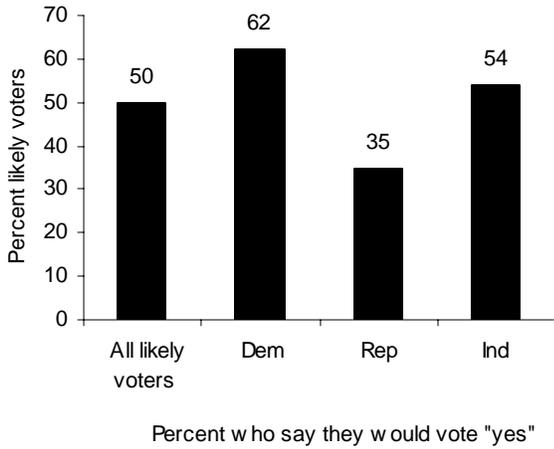
Mark Baldassare is research director at PPIC, where he holds the Arjay and Frances Fearing Miller Chair in Public Policy. He is founder of the PPIC Statewide Survey, which he has directed since 1998. His most recent book, *A California State of Mind: The Conflicted Voter in a Changing World*, is available at www.ppic.org.

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.

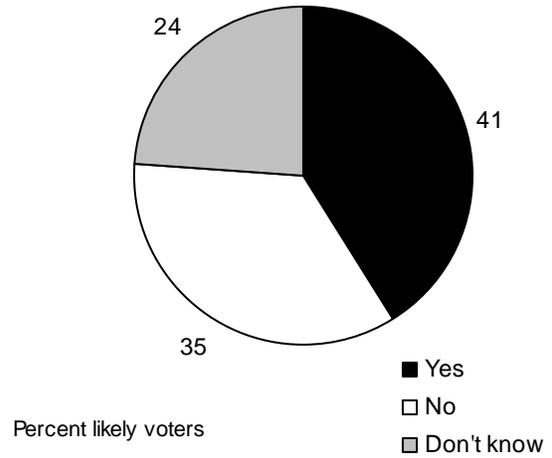
This report will appear on PPIC's website (www.ppic.org) on January 15.

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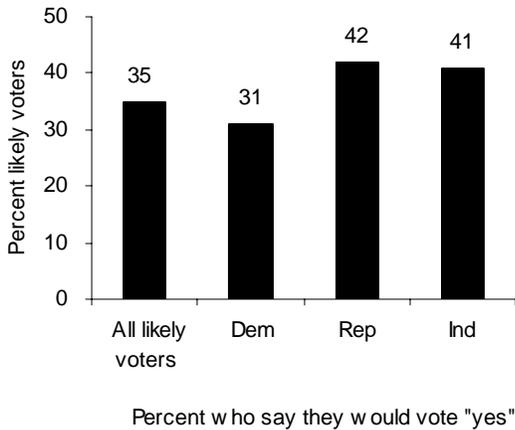
**Proposition 55:
Public Education Facilities Bond Act**



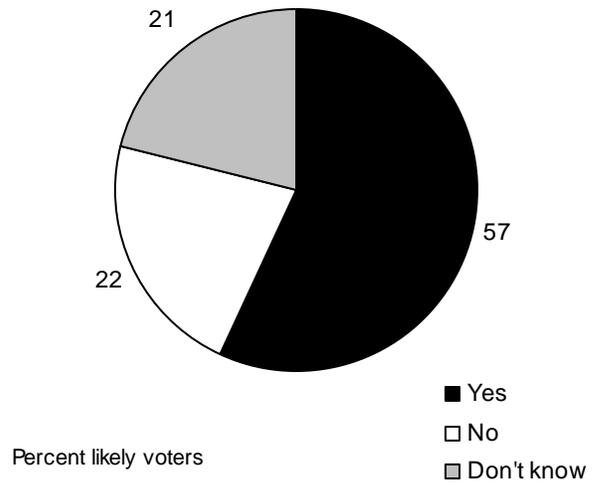
**Proposition 56:
State Budget, Related Taxes,
Reserve, Voting Requirements**



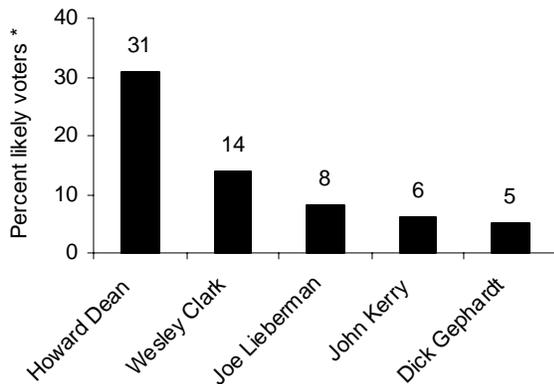
**Proposition 57:
Economic Recovery Bond Act**



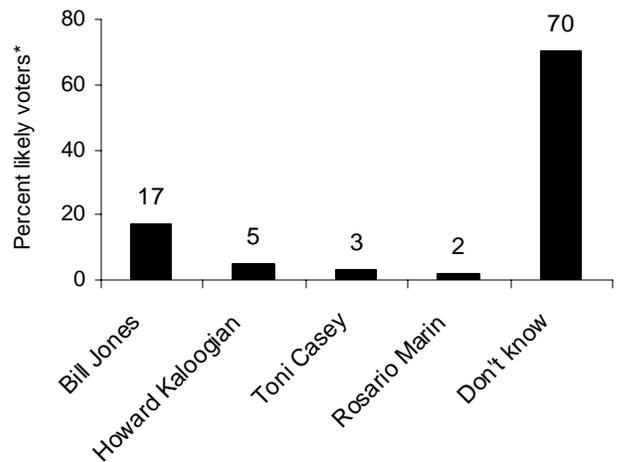
**Proposition 58:
California Balanced Budget Act**



Democratic Presidential Primary



Republican U.S. Senate Primary



*registered Democrats and Democratic-leaning independents

*registered Republicans and Republican-leaning independents

March 2nd Primary Election

Proposition 55: The \$12.3 Billion Public Education Facilities Bond Act

The March primary ballot will include four state propositions (55, 56, 57, and 58) that would directly affect the state’s fiscal policies and condition. Proposition 55 is a \$12.3 billion bond issue that would provide funding for public education facilities from kindergarten through university. This bond measure, which the legislature put on the ballot before the recall election in October, currently has a slim majority of support: Fifty percent of likely voters support it, 38 percent are opposed, and 12 percent are not sure.

Support for Proposition 55 varies by party, region, and racial/ethnic group. Democrats and independents favor it, and Republicans are opposed. It has majority support in the San Francisco Bay Area and Los Angeles but not elsewhere. Latinos (59%) are more likely than whites (48%) to favor it. To put these numbers in perspective, Proposition 47—the \$13 billion education facilities bond on the November 2002 ballot—was supported by 59 percent of likely voters in September and 63 percent in October; it passed by 59 percent in November 2002.

Support correlates with perceptions about the adequacy of local public school funding. Sixty percent of likely voters believe that the current state funding for their local schools is inadequate. Of that group, 65 percent say they would vote yes on Proposition 55.

“If the election were held today, would you vote yes or no on Proposition 55?”

	Likely Voters
Yes	50%
No	38
Don't know	12

“If the election were held today, would you vote yes or no on Proposition 55?”

Likely Voters	Party Registration			Region				Latinos
	Dem	Rep	Ind	Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Yes	62%	35%	54%	47%	53%	54%	44%	59%
No	25	54	35	39	33	34	46	30
Don't know	13	11	11	14	14	12	10	11

“Do you think the current level of state funding for your local public schools is more than enough, just enough, or not enough?”

	Likely Voters
More than enough	12%
Just enough	23
Not enough	60
Don't know	5

Proposition 56: State Budget, Related Taxes, and Reserve, Voting Requirements

Proposition 56 is a citizens’ initiative and constitutional amendment on the March ballot that lowers the majority required for the state legislature to pass a budget and budget-related bills from two-thirds to 55 percent. It also imposes penalties: For each day the budget is late, the governor and legislature would lose salary and expenses, and the legislature would be required to stay in session until the budget passed. Proposition 56 currently does not have majority support among likely voters: If the election were held today, 41 percent would vote yes, 35 percent would vote no, and 24 percent are undecided.

Independents (53%) are more likely than Republicans (39%) or Democrats (42%) to support Proposition 56. It has higher support in the Central Valley and San Francisco Bay Area than in the Southern California regions. Support also increases somewhat with income and is higher among homeowners than among renters (42% to 37%). There are no significant differences by age, race/ethnicity, or level of education.

The lukewarm support for Proposition 56 may reflect voters’ preference for requiring a two-thirds vote to pass the state budget: Seventy-three percent of likely voters believe that this requirement is a good thing. Of that group, 37 percent would vote yes on Proposition 56 and 41 percent would vote no. This preference for the two-thirds majority is persistent: As in the September 2002 survey, about three in four likely voters said they believe it is a “good thing” that the California constitution requires a budget to pass with a two-thirds vote.

“If the election were held today, would you vote yes or no on Proposition 56?”

	Likely Voters
Yes	41%
No	35
Don't know	24

“If the election were held today, would you vote yes or no on Proposition 56?”

Likely Voters	Party Registration			Region				Latinos
	Dem	Rep	Ind	Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Yes	42%	39%	53%	48%	43%	36%	37%	41%
No	32	41	32	35	31	40	35	35
Don't know	26	20	15	17	26	24	28	24

“In general, do you think it is a good thing or a bad thing that the California state constitution requires that two-thirds of the state legislature agree to a state budget for it to pass?”

	Likely Voters
Good thing	73%
Bad thing	20
Don't know	7

Proposition 57: The Economic Recovery Bond Act

Following the recall election, Governor Arnold Schwarzenegger and the state legislature placed two fiscal measures on the state ballot, Propositions 57 and 58. They must both pass in order for either to take effect. Proposition 57, the Economic Recovery Bond Act, would allow the issuance and sale of a one-time state bond of up to \$15 billion for paying off accumulated state budget debt. Among likely voters, 35 percent would currently vote yes, 44 percent would vote no, and 21 percent are undecided.

Republicans (42%) and conservative voters (43%) are more likely than Democrats (31%) and liberals (26%) to say they would support Proposition 57. Support for it falls well below 50 percent in every region, does not vary much by education, homeownership, or race/ethnicity, and increases somewhat with age and income.

Does Gov. Schwarzenegger’s endorsement of Proposition 57 affect voters’ attitudes toward this bond measure? At this point, about half say the governor’s endorsement makes no difference to them. For 32 percent of likely voters, the governor’s support makes them feel more favorably toward the measure, but it has the reverse effect for 14 percent. Of the 44 percent who would currently vote no on this measure, 15 percent say they look upon this measure more favorably and 21 percent see it less favorably because the governor supports it. Among the undecided 21 percent, his endorsement makes 39 percent view the measure more favorably and 13 percent view it less favorably.

“If the election were held today, would you vote yes or no on Proposition 57?”

	Likely Voters
Yes	35%
No	44
Don't know	21

“If the election were held today, would you vote yes or no on Proposition 57?”

Likely Voters	Party Registration			Region				Latinos
	Dem	Rep	Ind	Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Yes	31%	42%	41%	36%	31%	35%	39%	40%
No	50	37	42	41	49	44	42	44
Don't know	19	21	17	23	20	21	19	16

“Does knowing that the governor supports the measure make you feel more favorably about the measure, less favorably about the measure, or does it not make a difference either way?”

	Likely Voters
More favorably	32%
Less favorably	14
No difference either way	52
Don't know	2

Proposition 58: California Balanced Budget Act

Proposition 58 would require the state to pass a balanced budget, address fiscal emergencies, and establish a budget reserve. Again, these fiscal reforms would take effect only if Proposition 57 also passes.

At this stage, the yes vote on Proposition 58 leads the no vote among likely voters by 57 percent to 22 percent, while 21 percent are undecided. The measure is supported by majorities of independents (63%), Republicans (62%), and Democrats (52%). It has wider margins of support among moderates (59% to 20%) and conservatives (60% to 18%) than among liberals (52% to 27%). Support increases somewhat with education and is slightly higher among Latinos (63%) than among whites (56%). There is no relationship between the level of support this proposition receives and age or income. Majorities of residents across regions support the measure, with the highest percentages of support in the Central Valley (61%) and Los Angeles (60%).

Does Gov. Schwarzenegger’s support of Proposition 58 change attitudes about this reform measure? Three in 10 likely voters say that his support makes them view it more favorably. Eleven percent of those who oppose the measure and 32 percent of those who are undecided think more favorably toward Proposition 58 knowing that Schwarzenegger supports it.

“If the election were held today, would you vote yes or no on Proposition 58?”

	Likely Voters
Yes	57%
No	22
Don't know	21

“If the election were held today, would you vote yes or no on Proposition 58?”

Likely Voters	Party Registration			Region				Latinos
	Dem	Rep	Ind	Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Yes	52%	62%	63%	61%	53%	60%	56%	63%
No	27	16	21	18	26	20	20	25
Don't know	21	22	16	21	21	20	24	12

“Does knowing that the governor supports the measure make you feel more favorably about the measure, less favorably about the measure, or does it not make a difference either way?”

	Likely Voters
More favorably	33%
Less favorably	10
No difference either way	55
Don't know	2

U.S. Presidential Race

On the same ballot with the four fiscally-oriented state propositions, Democrats and independents who select the Democratic ballot will be voting on the Democratic presidential primary. If that election were held today, 31 percent of likely voters would vote for Howard Dean, 14 percent for Wesley Clark, 8 percent for Joe Lieberman, 6 percent for John Kerry, and 5 percent for Dick Gephardt. Other candidates are supported by fewer than 5 percent of Democratic primary likely voters. Since our September 2003 survey, support among likely Democratic voters has risen 10 points for Dean and 11 points for Clark, and the percentage of undecided voters has declined by 8 points.

If the 2004 presidential election were held today, 45 percent of California likely voters would vote for the Democratic nominee and 45 percent for President Bush; 10 percent are undecided. According to a recent national *Washington Post*/ABC News poll, 51 percent of Americans would vote to re-elect Bush and 41 percent would vote for the Democratic nominee. There are large partisan differences in this race. Regionally, support for a Democrat is strongest in the San Francisco Bay Area (64%) and Los Angeles (48%). Among Latinos, 54 percent favor a Democrat, while 49 percent of whites favor Bush.

“If the election were held today, would you vote for ...”

	Likely Voters*	Democrats Only
Howard Dean	31%	31%
Wesley Clark	14	14
Joe Lieberman	8	8
John Kerry	6	6
Dick Gephardt	5	5
Carol Moseley Braun	3	3
John Edwards	2	2
Al Sharpton	2	2
Dennis Kucinich	1	1
Someone else	3	3
Don't know	25	25

*Likely voters include respondents who are registered as Democrats and those who are registered as “decline to state” and lean toward the Democratic Party.

“If the 2004 presidential election were being held today, would you vote for ...?”

	All Likely Voters	Party Registration			Region				Latinos
		Dem	Rep	Ind	Central Valley	SF Bay Area	Los Angeles	Other Southern California	
George W. Bush, Republican	45%	13%	85%	45%	57%	27%	41%	59%	40%
Democratic nominee	45	80	7	43	35	64	48	31	54
Don't know / Other answer	10	7	8	12	8	9	11	10	6

U.S. Senate Race

California voters in the March Republican Primary will also choose the Republican nominee for the U.S. Senate race against incumbent Democratic U.S. Sen. Barbara Boxer. At this stage, Bill Jones (17%) leads Howard Kaloogian (5%), Toni Casey (3%), and Rosario Marin (2%) among the Republicans and Republican-leaning independents who are most likely to vote in March. However, seven in 10 likely voters remain undecided in the GOP Senate primary, including 73 percent of the likely voters who are registered as Republicans.

If the November 2004 election were held today, California likely voters would support Sen. Boxer over the Republican nominee by a 7-point margin (47% to 40%), while 13 percent are undecided. Boxer has strong support within her party, while the Republican nominee has equally strong support among GOP voters. Independent voters favor Boxer over the Republican nominee (44% to 36%). Liberals support Boxer over the GOP nominee by a wide margin (80% to 11%), as do moderates by a two-to-one margin (51% to 27%). Conservatives favor the GOP nominee by a large margin (75% to 17%). Across the state, Boxer has the strongest support in the San Francisco Bay Area (61%) and Los Angeles (55%), while a majority in Other Southern California (53%) and a near majority in the Central Valley (49%) say they would vote for the Republican nominee. Support for Boxer is higher among women than men (52% to 41%) and among Latinos than whites (61% to 43%).

“I’m going to read a list of people who are running in the Republican U.S. Senate primary on March 2nd. If the election were held today, would you vote for ...”

	Likely Voters*	Republicans Only
Bill Jones	17%	17%
Howard Kaloogian	5	4
Toni Casey	3	2
Rosario Marin	2	2
Someone else	3	2
Don’t know	70	73

*Likely voters include respondents who are registered as Republicans and those who are registered as “decline to state” and lean toward the Republican Party.

“If the 2004 U.S. Senate election were being held today, would you vote for ...?”

	Likely Voters	Party Registration			Region				Latinos
		Dem	Rep	Ind	Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Barbara Boxer, Democrat	47%	81%	7%	44%	41%	61%	55%	29%	61%
Republican nominee	40	7	83	36	49	24	36	53	27
Don't know / Other answer	13	12	10	20	10	15	9	18	12

Political and Economic Climate

Governor's Ratings

Two months into his term as governor, six in 10 California adults approve of the way that Arnold Schwarzenegger is handling his new role, while only one in five disapproves. Republicans overwhelmingly approve of Schwarzenegger's performance (87%), while 62 percent of independent voters and 46 percent of Democrats are also positive. There is a significant racial/ethnic gap in Schwarzenegger's approval ratings: Two in three whites (68%) approve of his performance compared to under half of Latinos (43%). While a majority of men and women alike have favorable views of the new governor, men are more positive than women (65% to 53%). A majority of residents in all regions except for those in the San Francisco Bay Area (46%) approve of the governor's job performance.

By contrast, in September 2003, one month before he was recalled from office, former Gov. Gray Davis's job approval rating was only 31 percent, with 65 percent of Californians saying they disapproved of the job he was doing as governor. In September 1999, when Davis was in the first year of his first term as governor, 51 percent of Californians said he was doing an excellent or good job. But by February 2003, as Davis embarked on his second term, his approval ratings had dropped to 33 percent.

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

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	59%	46%	87%	62%	64%
Disapprove	22	27	3	18	17
Don't know	19	27	10	20	19

Schwarzenegger's approval ratings on handling the state budget and taxes are almost as strong as his overall approval ratings. Democrats are most likely to have misgivings about the governor's performance in this area, with 38 percent expressing disapproval. Among Republicans, an overwhelming 81 percent approve. Last September, by comparison, only 23 percent approved of Davis's handling of state fiscal issues, and 70 percent disapproved. Again, whites are more favorable than Latinos toward Schwarzenegger's fiscal policies (60% to 45%) and men more than women (59% to 49%). Schwarzenegger's approval rating on the budget and taxes falls below 50 percent in the San Francisco Bay Area (42%), while majorities of residents in other regions of the state express approval.

“Overall, do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of the state budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	54%	40%	81%	57%	58%
Disapprove	26	38	6	24	25
Don't know	20	22	13	19	17

Legislature’s Ratings

Compared to the governor’s ratings, Californians’ assessments of the state legislature are much lower. Only 36 percent approve of the overall job the state legislature is doing, while 45 percent disapprove. However, these current evaluations of the state legislature represent a significant improvement since August 2003, when 28 percent of Californians approved of the legislature and 58 percent disapproved.

Among likely voters, 50 percent have a negative view of the state’s governing body. The overall disapproval ratings are high in all political parties, but especially among Republicans and independents (both 51%). Negative evaluations of the legislature’s overall performance are near 50 percent or higher among whites (48%), men (49%), residents age 55 and older (49%), college graduates (52%), and those making \$80,000 or more a year (55%).

“Overall, do you approve or disapprove of the job the California legislature is doing at this time?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	36%	36%	33%	36%	34%
Disapprove	45	44	51	51	50
Don't know	19	20	16	13	16

The legislature’s approval rating is even lower on the issue of the state budget and taxes, with a majority (52%) disapproving and only 28 percent approving of its performance in these areas. However, these ratings are an improvement over August 2003, when 71 percent disapproved and 19 percent approved of the legislature’s performance on fiscal issues.

Among likely voters, six in 10 disapprove of the legislature’s handling of the state’s financial affairs. A majority in all political parties disapprove of the legislature’s handling of budget and taxes: Republicans (58%), Democrats (53%), and independents (56%). Disapproval is also higher among men than women (56% to 48%), among whites than Latinos (55% to 44%), and among homeowners than renters (56% to 48%), as well as among college graduates (58%) and those with incomes of \$80,000 or more (64%) compared to those with less education and lower incomes.

“Overall, do you approve or disapprove of the way that the California legislature is handling the issue of the state budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	28%	27%	26%	29%	26%
Disapprove	52	53	58	56	58
Don't know	20	20	16	15	16

Most Important Issue

California’s budget issues are clearly perceived by residents as the top priority for state leaders’ attention this year. Three in 10 residents (31%) say that fiscal concerns (the state budget, deficit, and taxes) are the most important issue for the governor and state legislature to work on in 2004, followed by the economy and jobs (21%), and education and schools (15%). Fewer than one in 10 mention other specific issues, including immigration (8%) and health care (5%).

Over time, there has been a steady increase in the public’s concern over the fiscal issues confronting the state. In the February 2003 survey, Californians were most likely to name the economy, jobs, and unemployment (28%) as the state’s most important issue, followed by the state budget, deficit, and taxes (15%), and education and schools (11%). In the January 2002 survey, Californians most wanted the governor and legislature to work on the issues of schools (20%), the state’s electricity problems (14%), and the economy, jobs, and unemployment (14%), followed by the budget and taxes (7%).

The state budget and taxes are considered the most important issue by respondents in all political parties, but more so by Republicans than Democrats (43% to 33%). By contrast, Democrats are considerably more likely than Republicans to rate schools as the most important issue (19% to 10%). Budget issues are also rated more important by whites than Latinos (39% to 14%) and by those age 55 and older (39%) than by younger residents. The economy and jobs are mentioned equally by Democrats and Republicans (22% to 20%), and Latinos and whites (21% to 19%). This issue is cited more frequently in the San Francisco Bay Area (24%), Los Angeles (23%), and Other Southern California (20%) than in the Central Valley (16%). Women are more likely than men to name schools as the top issue for 2004 (20% to 11%).

Seven in 10 residents describe the state’s budget situation as a big problem, while 24 percent say it is somewhat of a problem and only 3 percent say it is not a problem. The perception that the multibillion dollar gap between spending and revenues—the so-called structural deficit—is a big problem is shared across party lines, regions of the state, and racial/ethnic, age, and socioeconomic groups.

“Which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2004?”

	All Adults	Region				Latinos
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
State budget, deficit, taxes	31%	41%	29%	25%	30%	14%
Economy, jobs, unemployment	21	16	24	23	20	21
Education, schools	15	14	18	16	14	18
Immigration, illegal immigration	8	8	5	10	9	13
Health care/costs, HMOs	5	3	4	6	4	6
Crime, gangs	2	2	0	2	2	4
Other (specify)*	9	7	11	10	11	10
Don't know	9	9	9	8	10	14

*No single issue mentioned by more than 1 percent of Californians.

Overall Mood

California’s mood has undergone a remarkable turnaround, and today similar numbers of state residents say the state is going in the right direction (43%) and the wrong direction (40%). In September 2003, prior to the recall election, 67 percent of all Californians said the state was headed in the wrong direction, and only 24 percent thought things were going in the right direction. Still, the overall mood in the Golden State is less optimistic than it was two years ago, when a majority of residents thought the state was headed in the right direction.

Republicans are the most ebullient today, with six in 10 saying things are going in the right direction. In contrast, a plurality of Democrats (48%) and independents (42%) say things are still headed in the wrong direction, and only 34 percent of Democrats and 39 percent of independents express a positive outlook. Still, the degree of pessimism about the state of the state has declined across all political groups since last fall.

Optimism is greater in the Central Valley (48%), Los Angeles (41%), and Other Southern California (47%) than in the San Francisco Bay Area (36%). Latinos (41%) and whites (45%) are equally likely to have a positive outlook about the state. Pessimism is higher among college graduates (43 percent still think the state is heading in the wrong direction) than among residents who have less education.

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

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Right direction	43%	34%	59%	39%	44%
Wrong direction	40	48	28	42	40
Don't know	17	18	13	19	16

Looking to the next 12 months, Californians have somewhat positive expectations for the state’s economy, with 49 percent expecting times to be good and 36 percent anticipating unfavorable conditions. The percentage predicting good economic times has climbed 17 points since September 2003, while the percentage expecting bad economic conditions has dropped by 14 points. There is much more enthusiasm about the state’s economy coming from Republicans, among whom 67 percent forecast good financial times; fewer than half of Democrats (39%) and about half of independents (52%) express such a positive view.

Optimism about the state’s short-term economic future is brighter among men than women (55% to 44%) and in Other Southern California (55%) than in Los Angeles (44%), the San Francisco Bay Area (50%), and the Central Valley (50%). Still, fewer than half in all of the major regions and demographic groups expect bad economic times for California over the next year.

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

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Good times	49%	39%	67%	52%	51%
Bad times	36	45	19	36	34
Don't know	15	16	14	12	15

Distrust in State Government

Despite their approval of the job performance of their newly elected governor, Californians remain skeptical about the state government in Sacramento, with just 27 percent saying it can be trusted to do what is right just about always or most of the time. The perception that the state government in Sacramento can be counted on just about always or most of the time is the same as last September (27%), when we reported that it was at an historic low for our survey series. Although trust is low across all partisan lines, Democrats (28%) are somewhat more likely than Republicans (23%) or independents (22%) to say they trust the government in Sacramento to do what is right just about always or most of the time.

“How much of the time do you trust the state government in Sacramento to do what is right?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Just about always	5%	5%	4%	2%	4%
Most of the time	22	23	19	20	22
Only some of the time	64	66	66	71	66
None of the time, not at all (volunteered)	6	5	9	6	7
Don't know	3	1	2	1	1

Fifty-six percent of Californians think the state government wastes a lot of the money paid in taxes, while another 35 percent think it wastes some. This perception is most prevalent among Republicans, of whom seven in 10 think a lot of tax money is wasted. A majority of independents (56%) also think that the state government wastes a lot of money, as do 50 percent of Democrats. Large majorities of residents across the state’s major regions and in all demographic groups think that the state government wastes at least some money.

“Do you think the people in state government waste a lot of the money we pay in taxes, waste some of it, or don't waste very much of it?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
A lot	56%	50%	70%	56%	58%
Some	35	41	27	41	35
Not very much	5	6	2	2	4
Don't know	4	3	1	1	3

Two in three Californians (65%) see the state government as pretty much run by a few big interests looking out for themselves, while only 25 percent think it is run for the benefit of all of the people. At least two in three voters across party lines think that the state is run for and by a few big interests. The percentage of residents who today think the state government is run by and for a few big interests is higher than in the January 2002 survey (54%) or January 2001 survey (60%).

President's Ratings

While not as high as Gov. Schwarzenegger's numbers, George Bush's job ratings are in positive territory, with a majority of Californians (54%) approving of the way he is performing his duties as president. These ratings are similar to California's ratings in September 2003, when 51 percent approved of the job the president was doing and 44 percent disapproved, and in February 2003 (51% approval, 45% disapproval). However, they reflect a 10-point decline in the president's ratings since September 2002 (64% approval, 32% disapproval). Californians are less glowing than the nation as a whole about the president's overall performance: Sixty percent of Americans approve of the way Bush is handling his job, and 35 percent disapprove, according to an early January 2004 Gallup/CNN/USA Today survey.

In California, Republicans are overwhelmingly positive about President Bush, with 88 percent approving of the job he is doing. Among Democrats, nearly seven in 10 disapprove. Independents are split in their opinion. The president's ratings are much higher in the Central Valley (65%) and Other Southern California (66%) than in Los Angeles (50%) and the San Francisco Bay Area (39%). President Bush has similar ratings among men and women (56% to 52%) and among those age 35 and older (55%) and those under age 35 (53%).

“Overall do you approve or disapprove of the way that George W. Bush is handling his job as president of the United States?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	54%	28%	88%	47%	53%
Disapprove	42	68	9	48	44
Don't know	4	4	3	5	3

The president's ratings are lower on the specific issue of the federal budget and taxes, with only 46 percent approving of his performance and 44 percent disapproving. Although Republicans remain overwhelmingly positive, approval of the president's actions on fiscal issues is 10 points lower than his overall ratings among the GOP. Seven in 10 Democrats and a plurality of independents (46%) disapprove of the president's handling of fiscal matters. His ratings on this issue are especially low in the San Francisco Bay Area (33%) and Los Angeles (43%), while a majority in the Central Valley (52%) and Other Southern California (56%) approve. Men are more positive than women (50% to 42%). The president's most vocal critics on his handling of the budget and taxes are college graduates (52% disapproval). The current ratings are similar to the president's approval scores for handling the federal budget and taxes in the February 2003 survey (45% approval, 47% disapproval).

“Do you approve or disapprove of the way that President Bush is handling the federal budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	46%	24%	78%	43%	47%
Disapprove	44	68	16	46	46
Don't know	10	8	6	11	7

State Fiscal Policy

Approaching the Deficit

How should the state government approach the budget deficit according to the public? Today, 50 percent of Californians say the state should deal with its structural deficit—which is defined as the multibillion dollar gap between state spending and state revenue—through a mix of spending cuts and tax increases. Twenty-eight percent think the state should deal with its structural deficit mostly through spending cuts, and 7 percent say mostly through tax increases.

This is a highly partisan issue: Significant majorities of independents (65%) and Democrats (63%) think that a mix of spending cuts and tax increases is the best way to deal with the deficit. Republicans are more in favor of using mostly spending cuts (47%) than a mix of cuts and taxes (40%).

**“How would you prefer to deal with the state's structural deficit
(the multibillion dollar gap between state spending and state revenue) ...”**

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Mixture of spending cuts and tax increases	50%	63%	40%	65%	53%
Mostly through spending cuts	28	16	47	20	30
Okay for the state to borrow money and run a budget deficit	8	6	6	3	5
Mostly through tax increases	7	8	4	6	6
Don't know / Other answer	7	7	3	6	6

Altogether, 78 percent of Californians say that spending cuts should be part of the plan to deal with the deficit. This belief that spending cuts are a necessary ingredient of the solution is consistent with the fact that 67 percent of residents think the state government could spend less and still provide the same level of services as it does today. Large majorities of Republicans (78%), independents (75%), and Democrats (59%) share this belief. Fifty-five percent of those who think the state could cut spending say that the state could cut less than 20 percent—while 31 percent say the state could cut more than 20 percent—without reducing services.

“In general, do you think the state government could spend less and still provide the same level of services?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Yes, could spend less	67%	59%	78%	75%	67%
No, could not spend less	27	33	18	23	27
Don't know	6	8	4	2	6

As in previous surveys, Californians are divided when asked to choose between paying lower taxes and having a smaller state government that provides fewer services (48%) or paying higher taxes to support a larger government that provides more services (43%). Also as noted throughout last year's surveys, Democrats (55%) more than Republicans (19%), and Latinos (56%) more than whites (37%), would prefer to pay higher taxes for a larger state government with more services.

Taxes and Maintaining Services

When asked which of the four largest areas of state spending they would most want to protect from spending cuts, a majority of Californians (59%) choose K-12 public education. Fewer choose health and human services (19%), higher education (13%), or youth and adult corrections (5%).

“What one area of state spending would you most want to protect from spending cuts ...”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
K-12 public education	59%	55%	62%	63%	58%
Health and human services	19	23	16	17	21
Higher education	13	13	12	12	12
Youth and adult corrections	5	5	6	4	6
Don't know	4	4	4	4	3

Californians support for K-12 public education is also manifest in their willingness to pay higher taxes to maintain school funding. If the state said that it needed more money just to maintain current K-12 education funding, 67 percent of all Californians, and 64 percent of likely voters, say that they would be willing to pay higher taxes for this purpose. Democrats (77%) and independents (70%) are more supportive than Republicans, who are rather evenly divided about whether they would (50%) or would not (47%) be willing to pay higher taxes for this purpose. In households with public school children, 75 percent would be willing to pay higher taxes for this purpose, compared to 53 percent of those with children in private school and 62 percent of those without children at home.

Majorities of Californians are also willing to pay higher taxes just to maintain state funding for local government services (56%) and for health and human services (54%). Majorities of Democrats and independents would pay higher taxes to keep current state funding in both of these areas. Although Republicans are almost evenly split over paying higher taxes to maintain state funding for local government services (46% to 50%), a large majority (65%) of them would *not* be willing to pay higher taxes to maintain state funding for health and human services.

“Would you be willing to pay higher taxes just to maintain current funding for ...”

		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
K-12 public education	Yes	67%	77%	50%	70%	64%
	No	30	20	47	27	33
	Don't know	3	3	3	3	3
Local government services	Yes	56%	62%	46%	59%	57%
	No	40	35	50	36	39
	Don't know	4	3	4	5	4
Health and human services	Yes	54%	66%	31%	51%	50%
	No	41	27	65	42	44
	Don't know	5	7	4	7	6

State Indebtedness

Californians' general attitudes toward state borrowing is a significant issue, as voters face specific fiscal decisions at the ballot box this March. As a starting point, few residents have deep knowledge about how the state pays for bonds. Only 6 percent of all adults (8 percent of likely voters) say they know a lot about this; 58 percent (43 percent of likely voters) say that they know very little or nothing. There are no major differences in knowledge about bond financing across party lines. However, there is a significant knowledge gap by educational attainment: Fifty-six percent of college graduates know a lot or something about bond financing, compared to only 27 percent of those with at most a high school diploma. Among the latter group, 73 percent say they know very little or nothing.

“How much do you know about how state bonds are paid for in California?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
A lot	6%	7%	8%	7%	8%
Some	36	40	45	42	49
Very little	39	41	37	38	34
Nothing	19	12	10	13	9

Despite how few understand bond financing, Californians are concerned about passing state debt on to future generations: Eighty-four percent are either very (44%) or somewhat (40%) concerned. Among the state's likely voters, 52 percent say they are very concerned. Californians with children in their households are no more likely than those without to be concerned about passing on debt to future generations. Residents 45 years of age and older are somewhat more likely (51%) than residents under age 45 (38%) to be very concerned about this, just as liberals (51%) are somewhat more likely than moderates (46%) and conservatives (37%) to be very concerned.

“How concerned are you about passing state debt to future generations of Californians?”

	All Adults	Age		Likely Voters
		18 to 44	45 +	
Very concerned	44%	38%	51%	52%
Somewhat concerned	40	44	34	35
Not too concerned	11	13	9	9
Not at all concerned	5	5	6	4

In general, many residents have difficulty accepting the concept that borrowing money is a good idea when the state faces a budget deficit. Today, 31 percent of Californians are in favor of the state's borrowing money to help reduce the structural deficit while 61 percent are opposed. Among likely voters, a similar 30 percent favor and 63 percent oppose the idea. Republicans (34%) and independents (33%) are somewhat more likely than Democrats (25%) to support this approach. In June 2003, when asked in a more general way about state budget conditions, a similar 33 percent of Californians said they favor the general concept of the state's borrowing money as a way to reduce the budget deficit while 61 percent were opposed.

State Tax Increases

Californians hold some strong opinions about the kinds of state tax increases they favor and oppose. Seventy-six percent of Californians favor increasing taxes on the purchase of cigarettes and alcoholic beverages to help reduce the state’s deficit. Seventy-one percent support raising the top rate on the state income tax paid by the wealthiest Californians. However, only 37 percent favor raising the state portion of the sales tax, and an even lower percentage (27%) support increasing the vehicle license fee (VLF) to help fund local government services.

Democrats are more likely than Republicans to favor all four of these potential tax increases, and independents fall between. Eighty percent of Democrats, 80 percent of independents, and 66 percent of Republicans support increased cigarette and alcohol taxes. Eighty-four percent of Democrats, 73 percent of independents, and 48 percent of Republicans favor raising the top rate on the state income tax. There is no partisan majority support for increasing either the state portion of the sales tax or the VLF. However, there are significant partisan differences in both areas. Forty-four percent of Democrats, 38 percent of independents, and 34 percent of Republicans favor increasing the sales tax. Similarly, 38 percent of Democrats, 28 percent of independents, and only 15 percent of Republicans favor increasing the VLF to pay for local government services.

“Do you favor or oppose ...”

		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
<i>Increasing taxes on the purchase of cigarettes and alcoholic beverages?</i>	Favor	76%	80%	66%	80%	75%
	Oppose	23	18	32	19	23
	Don't know	1	2	2	1	2
<i>Raising the top rate of the state income tax paid by the wealthiest Californians?</i>	Favor	71%	84%	48%	73%	69%
	Oppose	26	13	50	24	28
	Don't know	3	3	2	3	3
<i>Raising the state portion of the sales tax?</i>	Favor	37%	44%	34%	38%	40%
	Oppose	60	53	63	59	56
	Don't know	3	3	3	3	4
<i>Increasing the vehicle license fee or so-called “car tax” to pay for local government services?</i>	Favor	27%	38%	15%	28%	29%
	Oppose	71	60	84	70	69
	Don't know	2	2	1	2	2

Raising the top rate in the state income tax tier is the only option that elicits different responses by income. Californians across income categories favor raising the top rate, but support is significantly higher among those with household incomes under \$40,000 (79%) than it is among those with household incomes of \$40,000 to \$80,000 (69%) or \$80,000 or more (59%). More highly educated Californians are more likely than those with less education to support raising the VLF and the state sales tax.

Structural Fiscal Reforms

Californians are somewhat receptive to spending and tax reforms designed to address the structural issues in the state budget. For instance, 60 percent of state residents think that the state should change the way it taxes ordinary Californians, and 33 percent say these should be “major” changes.

When the general concepts are explained, two proposals for structural fiscal reform enjoy strong public support. Large majorities of state residents (70%) and of Republicans (74%), independents (74%), and Democrats (67%) favor a spending limit that would tie state spending to a formula including current spending levels, economic growth, and population growth. Slightly smaller majorities of all adults (60%), Democrats (69%), and independents (56%) favor a proposal to split the property tax roll and remove Proposition 13 protections from commercial property. Republicans are more evenly divided about whether this is a good idea or a bad idea (50% to 44%).

In general, Californians are less supportive of two other structural reform measures. Forty-five percent of state residents think that replacing the two-thirds ballot requirement to raise local taxes with a 55 percent majority vote is a good idea; 47 percent think it is a bad idea. Opposition to this change is higher among Republicans (59%) than among Democrats (45%) and independents (49%). Although 37 percent of state residents think it is a good idea to extend the state sales tax to services that are currently not subject to the tax (e.g., legal and accounting services, auto repairs, haircuts), 59 percent think this is a bad idea. Sixty-six percent of Republicans, 58 percent of Democrats, and 53 percent of independents oppose extending the state sales tax to services.

		All Adults	Party Registration			Likely Voters
			Dem	Rep	Ind	
<i>How about strictly limiting the amount of money that state spending could increase each year by a formula that considers the current spending levels, economic growth, and population growth?</i>	Good idea	70%	67%	74%	74%	71%
	Bad idea	20	23	18	21	20
	Don't know	10	10	8	5	9
<i>Under Proposition 13, residential and commercial property taxes are both strictly limited. What do you think about having commercial properties taxed according to their current market value?</i>	Good idea	60%	69%	50%	56%	60%
	Bad idea	33	24	44	37	34
	Don't know	7	7	6	7	6
<i>How about replacing the two-thirds requirement for voters to pass local special taxes with a 55 percent majority vote?</i>	Good idea	45%	47%	36%	46%	43%
	Bad idea	47	45	59	49	51
	Don't know	8	8	5	5	6
<i>How about extending the state sales tax to services that are not currently taxed, such as legal and accounting services, auto repairs, haircuts, etc.?</i>	Good idea	37%	38%	31%	44%	35%
	Bad idea	59	58	66	53	61
	Don't know	4	4	3	3	4

Fiscal Policymaking Process

When it comes to the tough choices involved in the current state budget, whose strategies do Californians prefer? Thirty-three percent prefer Governor Schwarzenegger’s approach, 27 percent prefer the Democratic legislators’, and 17 percent the Republican legislators’ approach. Schwarzenegger’s approach to deciding how much Californians should pay in taxes and how to fund state programs is favored by 50 percent of Republicans, 36 percent of independents, and 23 percent of Democrats. In February 2003, only 13 percent favored then-Governor Gray Davis’s approach to the budget relative to the legislative Democrats’ (33%) and Republicans’ (30%) approach.

“When it comes to the tough choices involved in the current 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 Registration			Likely Voters
		Dem	Rep	Ind	
Governor Schwarzenegger's	33%	23%	50%	36%	35%
Democrats' in the legislature	27	50	2	27	28
Republicans' in the legislature	17	5	34	11	18
Other answer (<i>specify</i>)	3	3	2	4	3
Don't know	20	19	12	22	16

Overall, the recent recall of Davis and the election of Schwarzenegger has made 49 percent of Californians feel more optimistic about finding a solution to the state’s budget problems. The recall made 85 percent of Republicans, 51 percent of independents, and 33 percent of Democrats more optimistic. Only 21 percent of Californians say that the recall has left them more pessimistic, and 26 percent say that it makes no difference either way.

Thinking about the long-term issues of reforming the state budget process, 65 percent of all Californians, and 62 percent of the state’s likely voters, would prefer that California voters decide at the ballot box how to change the way the state taxes and spends money. Only 27 percent of residents would prefer that the governor and the legislature make these decisions by passing new laws. Significant majorities of Californians across partisan lines and age, education, income, and racial/ethnic groups want to maintain direct ballot box control over reforming the budget process.

“When it comes to long-term issues of reforming the state budget process, both in terms of changing the way the state taxes and the state spends money, which approach do you most prefer ...”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
California voters should decide at the ballot box	65%	65%	67%	58%	62%
Governor and legislature should pass new laws	27	29	26	36	31
Other answer (<i>specify</i>)	2	2	3	2	2
Don't know	6	4	4	4	5

Schwarzenegger's State of the State Address

On Tuesday, January 6th, Schwarzenegger delivered his first state of the state speech as governor of California. We asked Californians for their overall impressions of this major address in the survey interviews that we conducted from Tuesday night after the governor's speech through the completion of the survey on Sunday night. Among residents who heard of the speech, the response was mostly positive. Overall, 44 percent of Californians are favorably impressed by the plans and policies the governor presented, while 18 percent have an unfavorable impression. However, 30 percent say they have not heard about the speech, and 8 percent have not made up their minds about it. Among likely voters, positive ratings outnumber negative ratings by a three-to-one margin (53% to 18%). Majorities of Republicans (71%) and independents (51%) have favorable impressions, while Democrats are more evenly split between favorable (35%) and unfavorable (27%) reactions.

“Overall, do you have a favorable or an unfavorable impression of the plans and policies for California that Governor Schwarzenegger presented in his ‘state of the state’ speech on Tuesday night?”*

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Favorable	44%	35%	71%	51%	53%
Unfavorable	18	27	4	18	18
Haven't heard about the speech (<i>volunteered</i>)	30	28	20	27	23
Don't know	8	10	5	4	6

* This question was asked in 1,253 interviews after the State of the State address (i.e., January 6-11).

Did the highly publicized events of the state of the state speech and the governor's budget plan change opinions about him? Dividing the survey interviews into three time periods shows that the governor's approval ratings among adults did not change significantly following the state of the state address on January 6th or the presentation of his first budget on January 9th. Public opinion toward the governor's job performance remains positive throughout this time period. There were also no major shifts in likely voters' opinions toward state Propositions 57 and 58, which the governor supports.

		All Adults	Survey Dates*		
			Before State of State	After State of State	After Budget Proposal
<i>Do you approve or disapprove of the way that Arnold Schwarzenegger is handling his job as governor of California?</i>	Approve	59%	61%	57%	58%
	Disapprove	22	18	23	25
	Don't know	19	21	20	17
<i>Do you approve or disapprove of the way that Governor Schwarzenegger is handling the state budget and taxes?</i>	Approve	54%	55%	54%	53%
	Disapprove	26	25	26	28
	Don't know	20	20	20	19

* The survey dates include 749 interviews “Before State of the State” on January 6th (i.e., January 3, 4, 5), 747 interviews “After State of the State” and before the release of the budget proposal on January 9th (i.e., January 6, 7, 8), and 506 interviews “After Budget Proposal” (i.e., January 9, 10, 11).

Schwarzenegger's Budget Proposal

On Friday January 9th, Schwarzenegger released his budget plan for the 2004-2005 fiscal year. The governor proposed several fiscal actions in response to an expected deficit of \$14 billion next year, including spending cuts in transportation, health and human services, and general government, the deferral of public education funding increases, and the use of local government property tax money. The plan assumes the passage of the economic recovery bond act and it contains no new taxes. We included a brief description of the governor's budget plan, followed by three general questions in our post-budget release interviews in order to elicit the public's initial reactions. In general, 57 percent of Californians are satisfied with the budget plan, and 30 percent are dissatisfied. Eighty-six percent of Republicans, 60 percent of independents, and 44 percent of Democrats are satisfied with the plan. How does the public feel about no new taxes? Four in 10 Californians said they would have preferred to see tax increases in the budget plan, while 51 percent would not. The proportion of residents favoring new taxes also varies across party lines (Democrats 58%; Republicans 31%; independents 32%). At this point, 68 percent of residents are concerned about the effects of the budget cuts in the governor's plan, and 26 percent are *very* concerned. Opinions about the effects of the budget plan may change in the weeks ahead as the public learns more of the specific details.

"The governor recently proposed a budget that includes [spending cuts, defers spending increases, and uses local property taxes (see q. 49 in questionnaire)]. In general, are you satisfied or dissatisfied with this budget plan?"*

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Satisfied	57%	44%	86%	60%	63%
Dissatisfied	30	42	10	17	28
Don't know	13	14	4	23	9

"Do you think that tax increases should have been included in the budget plan?"*

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Yes, should have	42%	58%	31%	32%	44%
No, should not have	51	34	67	62	51
Don't know	7	8	2	6	5

"How concerned are you about the effects of the spending cuts in the budget plan?"*

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Very concerned	26%	40%	14%	20%	28%
Somewhat concerned	42	41	32	48	39
Not too concerned	21	11	39	21	24
Not at all concerned	9	5	13	9	7
Don't know	2	3	2	2	2

* These questions were asked in 506 interviews after the governor's budget plan was released on January 9th.

Survey Methodology

The PPIC Statewide Survey is directed by Mark Baldassare, research director at the Public Policy Institute of California, with assistance in research and writing from Jon Cohen, survey research manager, and Renatta DeFever and Eliana Kaimowitz, survey research associates.

The findings of this survey are based on a telephone survey of 2,002 California adult residents interviewed between January 3 and January 11, 2004. 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 telephone numbers were called. All telephone exchanges in California were eligible for calling. Telephone numbers in the survey sample were called up to ten 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 by 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. Casa Hispana translated the survey into Spanish, and Schulman, Ronca & Bucuvalas, Inc. conducted the telephone interviewing.

We used recent U.S. Census and state figures to compare the demographic characteristics of the survey sample with characteristics of California’s adult population. The survey sample was closely comparable to the 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 2,002 adults is +/- 2 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. The sampling error for the 1,489 registered voters is +/- 2.5 percent, and the sampling error for the 912 likely voters is +/- 3 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 refer to four geographic regions. “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. “SF 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 the mostly suburban regions of Orange, Riverside, San Bernardino, and San Diego Counties. These four regions are the major population centers of the state, accounting for approximately 90 percent of the state population.

We present specific results for Latinos because they account for about 28 percent of the state’s adult population and constitute one of the fastest growing voter groups. The sample sizes for the African American and Asian subgroups are not large enough for separate statistical analysis. We do contrast the opinions of registered Democrats, Republicans, and independents. The “independents” category includes only those who are registered to vote as “decline to state.”

In some cases, we compare PPIC Statewide Survey responses to responses recorded in national surveys conducted by Gallup/CNN/*USA Today*, *Washington Post*/ABC News, and Princeton Survey Research Associates for the Consumer Federation of America. We use earlier PPIC Statewide Surveys to analyze trends over time in California.

**PPIC STATEWIDE SURVEY: SPECIAL SURVEY ON CALIFORNIA'S FISCAL SYSTEM
JANUARY 3—JANUARY 11, 2004
2,002 CALIFORNIA ADULT RESIDENTS; ENGLISH AND SPANISH
MARGIN OF ERROR +/- 2% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE**

1. Which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2004? *[open-ended question]*

- 31% state budget, deficit, and taxes
- 21 economy and jobs
- 15 education, schools
- 8 immigration, illegal immigration
- 5 health care, health costs, HMO reform
- 2 crime, gangs
- 9 other *(specify)*
- 9 don't know

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

- 43% right direction
- 40 wrong direction
- 17 don't know

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

- 49% good times
- 36 bad times
- 15 don't know

4. How closely are you following news about the March 2nd primary election in California—very closely, fairly closely, not too closely, or not at all closely?

- 14% very closely
- 28 fairly closely
- 34 not too closely
- 24 not at all closely

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

- 75% yes *[ask q. 5a]*
- 25 no *[skip to q. 19]*

5a. Are you registered as a Democrat, a Republican, another party, or as an independent?

- 44% Democrat *[ask q. 6b]*
- 35 Republican *[ask q. 6c]*
- 4 other party *(specify) [ask q. 9]*
- 17 independent *[ask q. 6a]*

6a. Do you think of yourself as closer to the Republican Party or Democratic Party?

- 27% Republican party *[ask q. 7]*
- 35 Democratic party *[ask q. 7]*
- 31 neither *(volunteered) [ask q. 7]*
- 7 don't know *[ask q. 7]*

6b. Would you call yourself a strong Democrat or not a very strong Democrat?

- 51% strong *[ask q. 7]*
- 45 not very strong *[ask q. 7]*
- 4 don't know *[ask q. 7]*

6c. Would you call yourself a strong Republican or not a very strong Republican?

- 62% strong *[skip to q. 8]*
- 34 not very strong *[skip to q. 8]*
- 4 don't know *[skip to q. 8]*

[Responses recorded for question 7 are from likely voters registered as Democrats and Democratic-leaning independents.]

7. I'm going to read a list of people who are running in the Democratic presidential primary on March 2nd. If the election were held today, would you vote for ... *[read rotated list, then ask "or someone else?"]*

- 31% Howard Dean
- 14 Wesley Clark
- 8 Joe Lieberman
- 6 John Kerry
- 5 Dick Gephardt
- 3 Carol Moseley Braun
- 2 John Edwards
- 2 Al Sharpton
- 1 Dennis Kucinich
- 3 someone else *(specify)*
- 25 don't know

[Responses recorded for question 8 are from likely voters registered as Republicans and Republican-leaning independents.]

8. I'm going to read a list of people who are running in the Republican U.S. Senate primary on March 2nd. If the election were held today, would you vote for ...
[read rotated list, then ask "or someone else?"]

- 17% Bill Jones
- 5 Howard Kaloogian
- 3 Toni Casey
- 2 Rosario Marin
- 3 someone else (*specify*)
- 70 don't know

[Responses recorded for questions 9 through 18 are from likely voters only. All other responses are from all adults]

9. If the 2004 presidential election were being held today, would you vote for: *[rotate]* George W. Bush (the Republican) or for the Democratic nominee?

- 45% George W. Bush, the Republican
- 45 Democratic nominee
- 2 other answer (*volunteered*) (*specify*)
- 8 don't know

10. If the 2004 U.S. Senate election were being held today, would you vote for: *[rotate]* Barbara Boxer (the Democrat) or the Republican nominee?

- 47% Barbara Boxer, the Democrat
- 40 Republican nominee
- 1 other answer (*specify*)
- 12 don't know

11. The March ballot also includes Proposition 55—the Kindergarten to University Public Education Facilities Bond Act of 2004. This 12.3 billion dollar bond issue will provide funding for necessary education facilities to relieve overcrowding and to repair older schools. The projected fiscal impact includes a state cost of about 24.7 billion dollars to pay off the costs of the bonds, with annual payments of about 823 million dollars. If the election were held today, would you vote yes or no on Proposition 55?

- 50% yes
- 38 no
- 12 don't know

12. Do you think that the current level of state funding for your local public schools is more than enough, just enough, or not enough?

- 12% more than enough
- 23 just enough
- 60 not enough
- 5 don't know

13. Also on the March ballot is Proposition 56—the State Budget, Related Taxes, and Reserve, Voting Requirements and Penalties Initiative Constitutional Amendment. This measure permits the legislature to pass budget and budget-related tax and appropriation bills with a 55 percent vote. It also requires that the legislature and governor lose compensation for each day the budget is late. This measure will have varying fiscal impacts, including changes in spending and potentially significant increases in state tax revenues in some years. If the election were held today, would you vote yes or no on Proposition 56?

- 41% yes
- 35 no
- 24 don't know

14. In general, do you think it is a good thing or a bad thing that the California state constitution requires that two-thirds of the state legislature agree to a state budget for it to pass?

- 73% good thing
- 20 bad thing
- 7 don't know

15. Proposition 57 on the March ballot is the Economic Recovery Bond Act. This is a one-time bond of up to 15 billion dollars to retire state deficit. The fiscal impact of this measure is a one-time increase of up to 4 billion dollars to reduce the state's budget shortfall and annual debt-service savings over the next few years. These effects would be offset by higher annual debt-service costs in future years due to this bond's longer term and larger size. If the election were held today, would you vote yes or no on Proposition 57?

- 35% yes
- 44 no
- 21 don't know

16. Proposition 57 is a part of the budget plan that Governor Schwarzenegger has proposed for the state government to deal with the current deficit. Does knowing that the governor supports the measure make you feel more favorably about the measure, less favorably about the measure, or does it not make a difference either way?

- 32% more favorably
- 14 less favorably
- 52 no difference either way
- 2 don't know

17. Proposition 58—the California Balanced Budget Act—requires the passage of a balanced budget, addresses fiscal emergencies, and establishes a budget reserve. Fiscal effects are unknown and will vary by year, depending in part on actions of future legislatures. Reserve provisions may smooth state spending, with reductions during economic expansions and increases during downturns. The provisions requiring balanced budgets and limiting borrowing could result in more immediate actions to correct budgetary shortfalls. If the election were held today, would you vote yes or no on Proposition 58?
- 57% yes
 - 22 no
 - 21 don't know
18. Proposition 58 is also part of the budget plan that Governor Schwarzenegger has proposed for the state government to avoid future budget deficits. Does knowing that the governor supports the measure make you feel more favorably about the measure, less favorably about the measure, or does it not make a difference either way?
- 33% more favorably
 - 10 less favorably
 - 55 no difference either way
 - 2 don't know
19. On another topic: As you may know, the state government has an annual budget of around 100 billion dollars and currently faces a multibillion dollar gap between state spending and state revenue, which has been called a structural deficit. Do you think that this deficit is a big problem, somewhat of a problem, or not a problem for the people of California today?
- 70% big problem
 - 24 somewhat of a problem
 - 3 not a problem
 - 3 don't know
20. In general, which of the following statements do you agree with more—I'd rather pay higher taxes to support a larger state government that provides more services, *or* I'd rather pay lower taxes and have a smaller state government that provides fewer services?
- 43% higher taxes and more services
 - 48 lower taxes and fewer services
 - 9 don't know
21. In general, how much of the time do you trust the state government in Sacramento to do what is right—just about always, most of the time, or only some of the time?
- 5% just about always
 - 22 most of the time
 - 64 only some of the time
 - 6 none of the time, not at all (*volunteered*)
 - 3 don't know
22. Do you think the people in state government waste a lot of the money we pay in taxes, waste some of it, or don't waste very much of it?
- 56% a lot
 - 35 some
 - 5 not very much
 - 4 don't know
23. Would you say the state government is pretty much run by a few big interests looking out for themselves, or that it is run for the benefit of all of the people?
- 65% a few big interests
 - 25 benefit of all people
 - 10 don't know
24. How would you prefer to deal with the state's structural deficit (multibillion dollar gap between state spending and state revenue): mostly through spending cuts, mostly through tax increases, through a mix of spending cuts and tax increases, *or* do you think that it is okay for the state to borrow money and run a budget deficit?
- 50% mixture of spending cuts and tax increases
 - 28 mostly through spending cuts
 - 8 okay for the state to borrow money and run a budget deficit
 - 7 mostly through tax increases
 - 2 other answer (*specify*)
 - 5 don't know
25. In general, do you think the state government could spend less and still provide the same level of services?
- 67% yes, could spend less [*ask q. 25a*]
 - 27 no, could not spend less [*skip to q. 26*]
 - 6 don't know [*skip to q. 26*]
- 25a. How much could the state government cut its spending without reducing services? [*read list*]
- 15% under 10 percent
 - 40 10 percent to under 20 percent
 - 20 20 percent to under 30 percent
 - 11 30 percent or more
 - 14 don't know

26. Some of the largest areas for state spending are:
[rotate order] K-12 public education, higher education, health and human services, and youth and adult corrections. Thinking about these four areas of state spending, I'd like you to name the one you most want to protect from spending cuts.

- 59% K-12 public education
- 13 higher education
- 19 health and human services
- 5 youth and adult corrections
- 4 don't know

[rotate questions 27 to 29]

27. What if the state said it needed more money just to maintain current funding for K-12 public education. Would you be willing to pay higher taxes for this purpose?

- 67% yes
- 30 no
- 3 don't know

28. What if the state said it needed more money just to maintain current funding for local government services such as parks and recreation, police and public safety, and roads and transportation? Would you be willing to pay higher taxes for this purpose?

- 56% yes
- 40 no
- 4 don't know

29. What if the state said it needed more money just to maintain current funding for health and human services? Would you be willing to pay higher taxes for this purpose?

- 54% yes
- 41 no
- 5 don't know

30. In general, would you favor or oppose the state's borrowing money as a way to help reduce the structural budget deficit (multibillion dollar gap between state spending and state revenue)?

- 31% favor
- 61 oppose
- 8 don't know

31. How concerned are you about passing state debt on to future generations of Californians—very concerned, somewhat concerned, not too concerned, or not at all concerned?

- 44% very concerned
- 40 somewhat concerned
- 11 not too concerned
- 5 not at all concerned

32. 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?

- 6% a lot
- 36 some
- 39 very little
- 19 nothing

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

[rotate questions 33 to 36]

33. How about raising the top rate of the state income tax paid by the wealthiest Californians? (Do you favor or oppose this proposal?)

- 71% favor
- 26 oppose
- 3 don't know

34. How about increasing taxes on the purchase of cigarettes and alcoholic beverages? (Do you favor or oppose this proposal?)

- 76% favor
- 23 oppose
- 1 don't know

35. How about raising the state portion of the sales tax? (Do you favor or oppose this proposal?)

- 37% favor
- 60 oppose
- 3 don't know

36. How about increasing the vehicle license fee or so-called "car tax" to pay for local government services? (Do you favor or oppose this proposal?)

- 27% favor
- 71 oppose
- 2 don't know

37. In general, when you combine all the taxes you pay to state and local governments, do you feel that you pay much more than you should, somewhat more, about the right amount, or less than you should?

- 22% much more
- 24 somewhat more
- 47 about the right amount
- 5 less than I should
- 2 don't know

38. In your opinion, should the state change the way it taxes ordinary Californians? (if yes: Should the state make major or only minor changes?)

- 33% yes, major changes
- 27 yes, minor changes
- 28 no, no changes
- 12 don't know

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

[rotate questions 39 to 42]

39. How about strictly limiting the amount of money that state spending could increase each year by a formula that considers the current spending levels, economic growth, and population growth—is this a good idea or a bad idea?

- 70% good idea
- 20 bad idea
- 10 don't know

40. How about replacing the two-thirds requirement for voters to pass local special taxes with a 55 percent majority vote—is this a good idea or a bad idea?

- 45% good idea
- 47 bad idea
- 8 don't know

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

- 37% good idea
- 59 bad idea
- 4 don't know

42. Under Proposition 13, residential and commercial property taxes are both strictly limited. What do you think about having commercial properties taxed according to their current market value? Is this a good idea or a bad idea?

- 60% good idea
- 33 bad idea
- 7 don't know

43. When it comes to the tough choices involved in the current 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] Governor Schwarzenegger's, the Democrats' in the legislature, or the Republicans' in the legislature?

- 33% Governor Schwarzenegger's
- 27 Democrats'
- 17 Republicans'
- 3 other answer (specify)
- 20 don't know

44. When it comes to long-term issues of reforming the state budget process, both in terms of changing the way the state taxes and the state spends money, which approach do you most prefer: [rotate] the governor and legislature should pass new laws, or the California voters should decide at the ballot box?

- 65% California voters should decide at the ballot box
- 27 governor and legislature should pass new laws
- 2 other answer (specify)
- 6 don't know

45. Did the recent recall of Governor Gray Davis and the election of Governor Schwarzenegger make you more optimistic or less optimistic about finding a solution to the state's budget issues, or did it not make a difference either way?

- 49% more optimistic
- 21 less optimistic
- 26 no difference either way
- 4 don't know

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

- 59% approve
- 22 disapprove
- 19 don't know

47. Overall, do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of the state budget and taxes?

- 54% approve
- 26 disapprove
- 20 don't know

[Question 48 was asked January 6—11]

48. Overall, do you have a favorable or an unfavorable impression of the plans and policies for California that Governor Schwarzenegger presented in his “state of the state” speech [“this evening” or “on Tuesday night”]?
- 44% favorable
 - 18 unfavorable
 - 30 haven’t heard about the speech (*volunteered*)
 - 8 don’t know

[Questions 49 to 51 were asked January 9—11]

49. Governor Schwarzenegger recently proposed a budget plan for the next fiscal year that reduces the structural deficit through spending cuts in transportation, health and human services, and general government; defers spending increases for public education; and uses local government property tax money. The plan assumes the passage of the Economic Recovery Bond on the March ballot and includes no new taxes. In general, are you satisfied or dissatisfied with the governor’s budget plan?
- 57% satisfied
 - 30 dissatisfied
 - 13 don’t know

[rotate questions 50 and 51]

50. Do you think that tax increases should have been included in the budget plan?
- 42% yes
 - 51 no
 - 7 don’t know
51. How concerned are you about the effects of the spending cuts in the budget plan—very concerned, somewhat concerned, not too concerned, or not at all concerned?
- 26% very concerned
 - 42 somewhat concerned
 - 21 not too concerned
 - 9 not at all concerned
 - 2 don’t know
52. Overall, do you approve or disapprove of the job the California legislature is doing at this time?
- 36% approve
 - 45 disapprove
 - 19 don’t know

53. Overall, do you approve or disapprove of the way that the California legislature is handling the issue of the state budget and taxes?
- 28% approve
 - 52 disapprove
 - 20 don’t know
54. Overall do you approve or disapprove of the way that George W. Bush is handling his job as president of the United States?
- 54% approve
 - 42 disapprove
 - 4 don’t know
55. Do you approve or disapprove of the way that President Bush is handling the federal budget and taxes?
- 46% approve
 - 44 disapprove
 - 10 don’t know
56. Are you or is anyone in your immediate family a member of a labor union? (*if yes: Is that person you or another person in your family?*)
- 8% yes, respondent
 - 10 yes, another person in the family
 - 3 yes, both
 - 77 no
 - 2 don’t know
57. When you get a credit card bill, do you usually pay the minimum amount that is due, usually pay off the whole amount so that you have no unpaid balance, or do you pay something in between the minimum and the whole amount?
- 6% pay minimum
 - 41 pay whole amount
 - 39 pay something in between
 - 14 don’t have a credit card (*volunteered*)
58. On another topic, would you consider yourself to be politically very liberal, somewhat liberal, middle-of-the-road, somewhat conservative, or very conservative?
- 9% very liberal
 - 19 somewhat liberal
 - 32 middle-of-the-road
 - 24 somewhat conservative
 - 12 very conservative
 - 3 don’t know

59. Generally speaking, how much interest would you say you have in politics—a great deal, a fair amount, only a little, or none?

- 23% great deal
- 43 fair amount
- 27 only a little
- 6 none
- 1 don't know

60. How often would you say you vote—always, nearly always, part of the time, seldom, or never?

- 52% always
- 21 nearly always
- 7 part of the time
- 3 seldom
- 17 never

61. Do you plan to vote in the primary election on March 2nd? (*if yes: Will you vote at your local polling place or by absentee ballot?*)

- 55% yes, local polling place
- 20 yes, absentee ballot
- 19 no, not planning to vote
- 6 don't know

[62-71: demographic questions]

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RAND

PUBLIC POLICY INSTITUTE OF CALIFORNIA

500 Washington Street, Suite 800 • San Francisco, California 94111

Phone: (415) 291-4400 • Fax: (415) 291-4401

www.ppic.org • info@ppic.org