

CALIFORNIANS' VIEWS OF THE STATE-LOCAL FISCAL SYSTEM

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► California's complex state-local fiscal system is now undergoing major revisions.

Governor Brown's January 2011 budget proposal included the realignment of certain state and local responsibilities such as corrections, as well as phasing out local redevelopment agencies and enterprise zones. As of October 1, local governments have taken on new public safety responsibilities, and more changes to the state-local relationship may be on the way.

► Proposition 13 remains popular, but there are mixed opinions about its effect on local services.

The state-local relationship has been shaped by many factors, but perhaps none have influenced this relationship more than Proposition 13, passed in 1978. Today, most Californians think Proposition 13 (which limits property taxes to 1 percent of property valuation until the property is sold) has been good for the state. But they are less in agreement about how this proposition has affected local services (24% good effect, 25% bad effect, 32% no effect). And although a majority of Californians favor the feature of Proposition 13 that requires a two-thirds vote to pass local special taxes, 54% believe that this requirement should be lowered to 55%.

► Californians trust local governments more than the state government.

A majority of Californians (54%) have a favorable impression of their local governments, while only 31% have a favorable impression of state government (55% have an unfavorable impression). In comparisons between local and state government, fewer Californians believe that local government is run by a few big interests (54% local, 67% state) or that people in local government waste a lot of taxpayer money (38% local, 54% state). Seven in 10 Californians also say that local governments should have the most control in deciding how state money is spent at the local level; and in particular, more than eight in 10 prefer local control of state money in local schools.

► Most support a realignment of certain state and local responsibilities.

Most Californians say that the relationship between state and local government needs changes (52% major changes; 32% minor changes). Only one in 10 thinks that the relationship is fine the way it is. After the governor proposed realigning responsibilities in January 2011, 71% of Californians favored shifting some tax dollars and fees from state to local government so that local governments could take on the responsibility of running certain programs currently run by the state. Support declined to 61% in September before rebounding to 69% in December. Today, 66% express support, with widespread agreement across parties.

► Confidence in local government overall is higher than confidence in its ability to handle public safety.

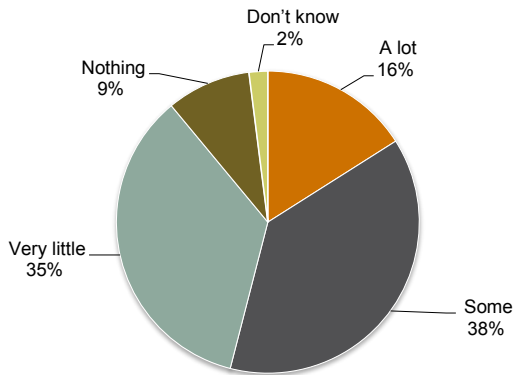
When asked about confidence in their local governments' ability to assume responsibility for certain programs currently run by the state, most Californians were at least somewhat confident (10% very confident, 49% somewhat confident). However, when asked specifically about local governments' ability to handle the shift of lower-risk inmates from state prisons to county jails, they were somewhat less confident (12% very confident, 38% somewhat confident), with the largest drops coming among Republicans (64% overall, 48% in the prisoner shift) and independents (63% overall, 50% in the prisoner shift), as well as residents of the Central Valley (55% overall, 41% in the prisoner shift) and the Other Southern California region (61% overall, 48% in the prisoner shift).

► Opinion on taxes is a challenge for reform efforts.

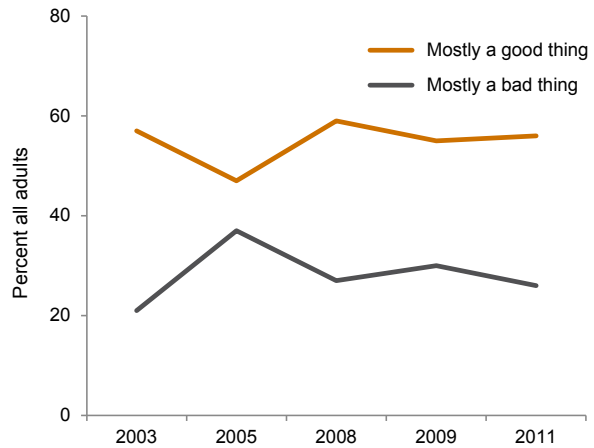
Most residents describe the state and local tax system as very (7%) or moderately (50%) fair. Californians are divided about whether they pay about the right amount (47%) or pay more than they should (46%) in taxes to state and local governments. And, nearly all adults think the tax system needs major (62%) or minor (24%) changes.



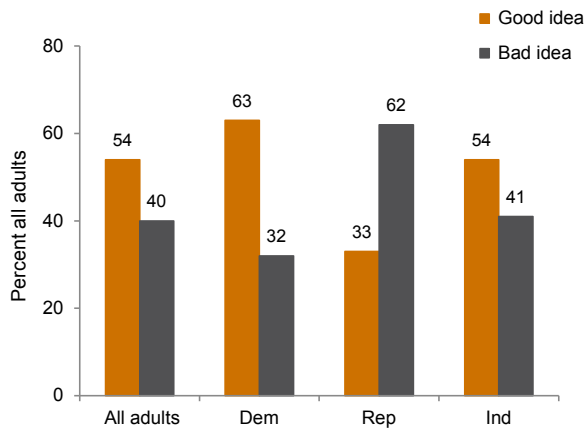
Knowledge of state and local fiscal matters



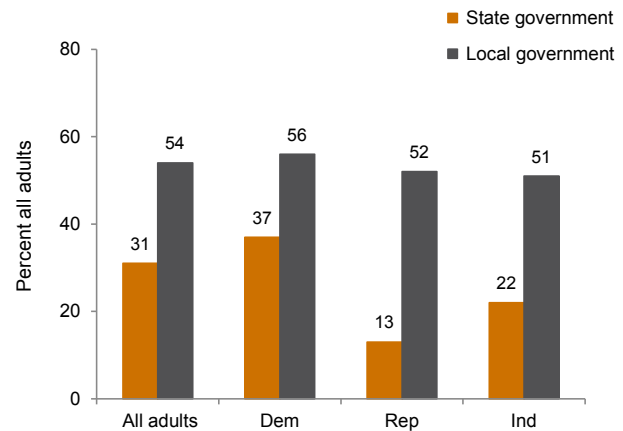
Views on Proposition 13



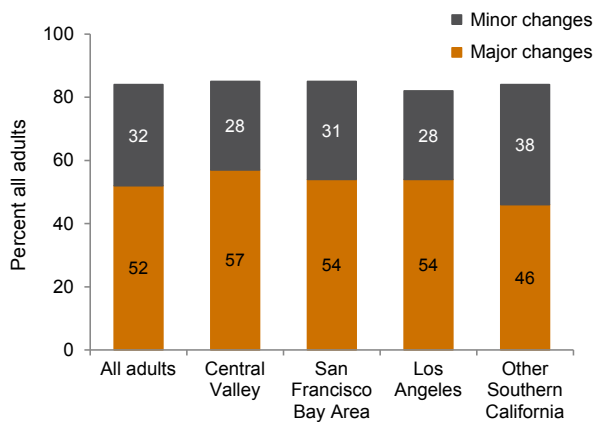
Replace 2/3 vote requirement with 55% vote for local special taxes



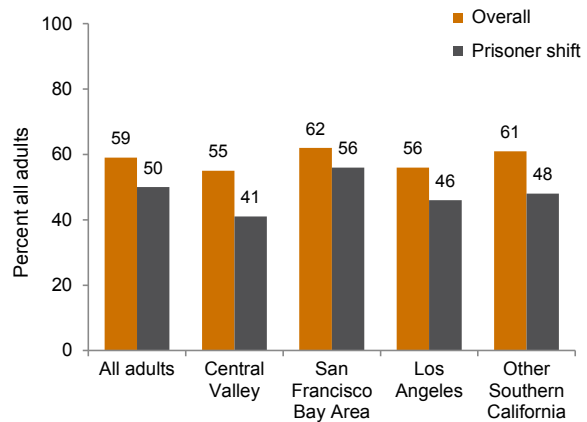
Favorable impressions of state and local government



Changes needed to the state-local relationship



Confidence in local government handling realignment



Sources: PPIC Statewide Surveys: February 2003 (includes 2,004 adults); May 2005 (includes 2,003 adults); May 2008 (includes 2,003 adults); September 2009 (includes 2,006 adults); January 2011 (includes 2,004 adults); March 2011 (includes 2,000 adults); April 2011 (includes 2,504 adults); May 2011 (includes 2,005 adults); September 2011 (includes 2,002 adults); December 2011 (includes 2,003 adults); and January 2012 (includes 2,002 adults).

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