



PPIC
STATEWIDE
SURVEY
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*Californians and
Their Government*

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***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 state and federal legislation nor does it endorse or support any political parties or candidates for public office.

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Preface

The PPIC Statewide Survey series is designed to provide 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 66,000 Californians.

The current survey is the thirteenth in our *Californians and Their Government* series, which is being conducted on a periodic basis throughout the state's election cycles. The series is focusing on the social, economic, and political trends that underlie public policy preferences and ballot choices. This report presents the responses of 2,004 adult residents throughout the state on a wide range of issues:

- The California state budget, including perceptions of the seriousness of the state's budget deficit, trust in the fiscal performance of state government, approval ratings for the governor and legislature on state budget and tax issues, perceptions of the factors and parties that are most responsible for the state's current budget deficit, preferences for the approach of the governor and Republican and Democratic legislators in handling the budget, and priorities for state program spending given the current budget deficit.
- Tax and spending proposals for addressing the state's budget issues, including general support for spending cuts and tax increases, and support for specific proposals such as raising the personal income tax, the state sales tax, the cigarette tax, the vehicle license fee, college and university fees, sales taxes on services and Internet sales, and support for requiring a cap on state government spending and changing the Proposition 13 tax limits.
- Economic and political trends, including the public's perceptions of the most important problem in California; general outlook for California and the state and regional economies; approval ratings of Governor Davis, the state legislature, President Bush, the U.S. Congress, and district members of the House of Representatives; attitudes toward the Bush Administration's handling of the situation with Iraq and Saddam Hussein and the federal budget and taxes.
- How growing regions and groups such as the Central Valley, Latinos, and independent voters affect overall statewide trends in public policy preferences.

This report presents the results of the thirty-third PPIC Statewide Survey. The surveys include a number of special editions focusing on particular regions and themes:

- The Central Valley (11/99, 3/01, 4/02)
- San Diego County (7/02)
- Orange County (9/01, 12/02)
- U.S.-Japan Relations (9/01)
- Population Growth (5/01)
- Land Use (11/01, 11/02)
- The Environment (6/00, 6/02)

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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CRISIS OF CONFIDENCE: PUBLIC CLASHES WITH LEADERS ON BUDGET, ECONOMY, IRAQ

Residents Concerned About State's Fiscal Calamity, But Few Back Solutions; Little Support for Bush Administration on Iraq, Tax Cut

SAN FRANCISCO, California, February 25, 2003 — It's beginning to look a lot like 1994. The new year finds Californians in a dark mood — deeply bearish about the state's economic prospects and acutely resentful of their elected representatives — according to a new survey released today by the Public Policy Institute of California (PPIC). And while they express profound concern about the state's fiscal condition, state residents are unwilling to make many sacrifices to help Sacramento balance the books.

By a wide margin, Californians today say the economy and jobs (28%) are the biggest problems facing the state, followed by the state budget and taxes (15%), education and schools (11%), and war and terrorism (10%). An overwhelming majority (71%) of state residents say they expect bad times financially in the coming year, compared to 47 percent one year ago (February 2002). More Californians today (60%) than in November 2002 (47%) believe their region of the state is in an economic recession. Economic angst is also taking its toll on residents' overall perceptions of the state: 60 percent say California is headed in the wrong direction, while only 28 percent believe it is headed in the right direction. One year ago, 56 percent said the state was headed in the right direction.

Consistent with their heightened anxiety, Californians' confidence in government has taken a beating. About one in three Californians (36%) say they can trust state government to do what is right "just about always or most of the time," while 58 percent say they trust the state government "only some of the time." In January 2002, nearly half of state residents (47%) said they could trust state government most of the time. And the percentage of residents who believe that state government wastes "a lot" of tax dollars has jumped to 55 percent from 38 percent in January 2002.

Approval ratings for Governor Gray Davis have also hit an all-time low. Today, 60 percent of Californians — and 72 percent of likely voters — say they disapprove of the way he is handling his job, compared to 43 percent who disapproved of his performance in October 2002. Nearly two in three residents (63%) disapprove of his handling of the state budget and taxes. The state legislature does not escape Californians' wrath: More residents disapprove than approve of the legislature's performance overall (45% to 36%) and of its handling of budget issues (57% to 26%).

"There is a great deal of concern and frustration out there," says survey director Mark Baldassare. "And Californians have never been shy about pointing fingers." Indeed, more Californians blame Davis (23%) for the budget crisis than any other cause, including population growth and immigration (17%), the state's economic downturn (16%), and the energy crisis (13%). When asked specifically about the role of government, 43 percent of state residents say Governor Davis and the legislature deserve "a lot" of the blame for the problem, and 38 percent say they deserve "some blame." Interestingly, when the state was running a budget surplus, state leaders received few kudos: In January 2000, only 12 percent of state residents gave the governor and state legislature a lot of credit for the surplus.

Message to State Leaders: Keep On Spending ...

Nearly all Californians (95%) say that the state's budget deficit is a big problem (74%) or somewhat of a problem (21%). Most residents (91%) are also very concerned (63%) or somewhat concerned (28%) that the fiscal crisis will cause severe cuts in areas like education, health care, and the environment. Consistent with these priorities, half of Californians (52%) say K-12 education should be the top priority for state spending, followed by health and social services (25%), higher education (7%), roads and infrastructure (6%), and corrections, including prisons (2%).

Although more residents (43%) say they would prefer to deal with the state budget deficit through a mix of spending cuts and tax increases — rather than cuts alone (32%) or taxes alone (7%) — it is not clear what spending reductions would receive public support. Indeed, despite the budget crisis, majorities still believe the state government should spend more money on K-12 education (65%) and health and human services (52%). And few residents want to see less money spent on any state program, including K-12 education (5%), public health (12%), higher education (15%), roads and infrastructure (21%), and environmental protection (23%). In fact, corrections and prisons — the only program area that saw an increase in the governor's budget — is also the only area where a significant number of state residents (42%) support a reduction in spending. In concept, however, residents like the idea of limiting spending: 52 percent say they would favor an amendment to the state constitution that limits spending increases.

... But Hands Off Our Wallets

If spending cuts are not palatable, is the public willing to support tax increases? Yes — for someone else. Californians support elements of the governor's proposal that would affect relatively few people, but reject measures that would spread the pain around:

- 74 percent favor, 25 percent oppose: raising cigarette taxes
- 52 percent support, 42 percent oppose: reinstating the top rates on the state income tax
- 44 percent favor, 52 percent oppose: raising the state sales tax from 6 to 7 percent

The same holds for alternative revenue options being considered by the state legislature:

- 56 percent favor, 39 percent oppose: taxing all internet commerce
- 39 percent support, 58 percent oppose: reinstating the full vehicle license fee (VLF)
- 37 percent favor, 60 percent oppose: extending the sales tax to include services
- 22 percent favor, 76 percent oppose: raising fees at public colleges and universities

Overall, Californians are divided about whose approach they prefer in balancing the state budget: 33 percent say they support the approach of the Democrats in the state legislature, 30 percent support the Republican approach, and 13 percent favor the governor's plan. But the split is even more fundamental: While 49 percent of residents would pay higher taxes to support a government that provides more services, 45 percent would rather pay lower taxes for a smaller government providing fewer services.

“If state leaders hope voters will make the hard choices, they are fooling themselves,” says Baldassare. “There is little consensus and even less will.” And voters could always be tempted to put the screws to state government again: 25 years after Proposition 13 — the most famous voter reprimand of state government's fiscal activities — state residents remain more positive (57%) than negative (21%) about its passage. While there is slim support for changing some elements of Proposition 13 — 52 percent favor eliminating limits on property tax assessments for commercial property — Californians remain opposed (60%) to allowing local special taxes to pass with a simple majority.

Californians Stand Apart on Iraq, Prefer Deficit Reduction to Tax Cut

State residents give President Bush his lowest ratings to date: 51 percent of Californians say they approve of his overall performance in office, lower than his national approval rating (63%) and significantly below his state approval rating just four months ago (60% in October 2002). There are also wide partisan differences: 84 percent of Republicans say they support the way the president is handling his job, while only 30 percent of Democrats and 48 percent of independents approve of his performance.

President Bush receives less support for his handling of the situation with Iraq and Saddam Hussein: 50 percent disapprove and 46 approve of his performance in this area. Today's rating marks a modest decline from October 2002, when 51 percent approved of his handling of the crisis. It is also significantly lower than his national approval rating on Iraq (61%). When asked a more direct question about military involvement in Iraq, about half of state residents (53%) favor military action under certain circumstances, compared to 68 percent nationally. Twenty-nine percent favor military action even if our allies disagree, 20 percent favor action only if our allies agree, and 4 percent favor action but are uncertain about the conditions. Finally, despite the administration's recent high-profile efforts to make a case for intervention, state residents remain as divided as they were in October 2002 about whether or not officials have done enough to explain to the public why military action in Iraq may be necessary. Currently, 49 percent of Californians say the administration has not made a case, while 47 percent say it has.

Support for the president also falters when it comes to the federal budget: Similar to Americans generally, 47 percent of Californians disapprove and 45 percent approve of his handling of the federal budget and taxes. Specifically on the issue of taxes, half of state residents (50%) say they would prefer to have the federal government balance the budget instead of using the money to fund a tax cut, while 34 percent say they would take the tax reduction. Why so little support for the tax cut? State residents are divided about the fairness of the president's proposal: 47 percent say it is unfair to people like them, while 43 percent think it is fair. Nationally, 42 percent of Americans think the tax plan is unfair to people like them.

"The partisan differences are stark when it comes to support for the president and his policies," says Baldassare. "The post-September 11 unity is just a hazy memory." The partisan split is just one of many attitudinal divides in California today, including race, gender, and geography. On the president's handling of Iraq, for example, Latinos are more disapproving than whites (55% to 44%), women less supportive than men (53% to 47%), and residents of the coastal San Francisco Bay Area (55%) and Los Angeles (53%) more critical than the inland residents of the Central Valley (41%).

About the survey

The purpose of the PPIC Statewide Survey is to develop an in-depth profile of the social, economic, and political forces affecting California elections and public policy preferences. Findings of this survey are based on a telephone survey of 2,004 California adult residents interviewed from February 6 to February 17, 2003. Interviews were conducted in English or Spanish. The sampling error for the total sample is +/- 2%. The sampling error for the 1,461 registered voters is +/- 2.5% and for the 988 likely voters is +/- 3%. For more information on survey methodology, see page 19.

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This report will appear on PPIC's website (www.ppic.org) on February 25. See graphics next page. ###

California State Budget

The Budget Deficit – A Serious Problem?

Nearly three-quarters (74%) of residents think that the state’s budget deficit of around \$30 billion is a big problem, while another 21 percent see it as somewhat of a problem; only 3 percent say it is not a problem. Across all major regions of the state, and among all partisan groups, more than two-thirds of Californians view the budget deficit as a big problem. Whites (82%) are much more likely than Latinos (58%) to consider the deficit a big problem. Overwhelmingly, likely voters (86%) say the budget deficit represents a big problem for California. Public concern about the deficit increases with age, education, and income.

Nine in 10 Californians (91%) are concerned that the budget deficit will bring severe cuts in program areas such as education, health care, and the environment. Seventy percent of likely voters, and 63 percent of all residents, say they are *very* concerned about the possibility of severe cuts in government programs. A majority of Californians in every subgroup is concerned about the effects of the budget shortfall. Although there are only modest differences across age, education, and income categories, there is considerable difference across race/ethnicity, gender, political party, and political ideology: whites (64%), women (68%), Democrats (74%), and liberals (73%) are much more likely to say they are “very concerned” than are Latinos (57%), men (57%), Republicans (55%), and conservatives (52%).

Nearly two-thirds of Californians (62%) are very closely or fairly closely following the news about the state budget deficit, even as other national and world events, such as the economic slowdown, the conflict with Iraq and Saddam Hussein, and threats of terrorist attacks, compete for their attention.

“Do you think the size of the California state budget deficit is a big problem, somewhat of a problem, or not a problem for the state?”

	All Adults	Region				Latino
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Big problem	74%	81%	78%	68%	72%	58%
Somewhat of a problem	21	14	19	25	23	32
Not a problem	3	3	2	4	3	7
Don't know	2	2	1	3	2	3

“How concerned are you that the state budget deficit will cause severe cuts in areas like education, health care, and the environment?”

	All Adults	Party Registration			Gender	
		Dem	Rep	Ind	Male	Female
Very concerned	63%	74%	55%	61%	57%	68%
Somewhat concerned	28	21	30	29	29	26
Not very concerned	5	3	8	6	8	3
Not at all concerned	4	2	7	4	6	3

Assigning Blame

Public opinion is divided about where to assign blame for the state budget deficit. When Californians were asked to assign primary responsibility for the deficit, using a rotating list of possibilities, the highest percentage blamed Governor Davis (23%), followed by the state’s population growth and immigration (17%), the economic downturn (16%), and the energy crisis (13%). Fewer Californians say that the Democrats (6%) or Republicans (4%) in the state legislature should be assigned primary responsibility. Seven percent cite “all of the above.”

Forty percent of Republicans say that Governor Davis is mostly to blame for the state budget deficit, compared to 18 percent of Democrats and 21 percent of independents. Among likely voters, 28 percent blame the governor. The percentage of respondents who blame the governor increases with age, education, income, and is much higher among conservatives (30%) than among liberals (14%). Democrats are more likely than Republicans to place primary responsibility on economic conditions (21% to 11%) and the energy crisis (17% to 10%). San Francisco Bay Area residents are the most likely to focus the primary blame on the economy (27%), compared to those in Other Southern California (15%), the Central Valley (12%), and Los Angeles County (10%).

Twenty-nine percent of those who are closely following news about the state budget place primary responsibility for the deficit on the governor, compared to 22 percent of those who are following the news not too closely or not at all closely. Among those who follow the budget problem less closely, population growth and immigration get a plurality of mentions (24%).

“If you had to assign primary responsibility for the state budget deficit, would it be on ...”

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
Governor Davis	23%	18%	40%	21%	17%
Population growth and immigration	17	14	11	21	27
The state's economic downturn	16	21	11	15	7
The energy crisis	13	17	10	11	10
The Democrats in the state legislature	6	3	13	4	7
The Republicans in the state legislature	4	7	3	1	6
All of the above	7	6	6	11	6
Something else	4	6	2	7	3
Don't know	10	8	4	9	17

When asked specifically about the role of state government in the budget deficit, 43 percent of all adults say that Governor Davis and the legislature deserve a lot of blame for the problem, 38 percent say they deserve some blame, and only 14 percent say that the governor and legislature deserve very little or no blame for the deficit. When the state was running a budget surplus, the governor and state legislature got comparatively little credit. Our January 2000 survey, administered during flusher fiscal times, showed that only 12 percent of Californians gave the governor and legislature a lot of credit for the state surplus at that time, and 34 percent said that they deserved very little or no credit. Today, Republicans (67%) are much more likely than independents (46%) or Democrats (36%) to assign a lot of blame to the state government for its fiscal deficit.

Fiscal Approval Ratings

Nearly two-thirds (63%) of all Californians say they disapprove of the job that Governor Davis is doing in handling the state's budget and taxes. The governor's approval ratings in this area have declined markedly over the past few years, falling from 57 percent in 2000 to 53 percent in 2001, 42 percent in 2002, and 26 percent in the current survey.

Among likely voters, 73 percent disapprove of Davis' handling of the budget and taxes, and only 20 percent approve. Davis' approval ratings on the budget are generally low across party lines, and especially so among Republicans (84% disapprove) and independents (68% disapprove). Davis' negative ratings on the budget and taxes increase with education and income. In each of the state's major regions, fewer than three in 10 residents say they approve of the way the governor is handling the state's fiscal affairs. Latinos (37%) give a higher approval rating than whites (20%), and liberals (32%) give a higher rating than conservatives or moderates (both 23%); however, majorities across all of these groups give the governor negative ratings on his handling of the budget and taxes.

Californians are similarly negative in their assessment of the job the state legislature is doing on the budget and taxes. Twenty-six percent say they approve of how the legislature is handling these fiscal issues, while 57 percent disapprove. In September 2002, 29 percent approved and 54 percent disapproved of the legislature's handling of the budget and taxes.

Only 20 percent of likely voters approve of the legislature's performance in handling fiscal affairs. The legislative body is also subject to high levels of disapproval across party lines, although Republicans (69%) and independents (63%) are more likely than Democrats (57%) to register their disapproval. Whites and conservatives (both at 61%) are more likely to disapprove of the legislature's performance than are Latinos (47%) and liberals (54%). Disapproval increases with education and income. In all of the state's major regions less than one-third of residents say they approve of the job the legislature is doing on the budget and taxes; however, approval ratings are significantly higher in Los Angeles (31%) than in the Central Valley (22%).

Among those who are closely following the news about the state budget, relatively few say they approve of the performance by the governor (19%) or the legislature (20%) in handling the budget and taxes. Similarly, among those who rate the state budget deficit as a big problem, few say they approve of the governor (18%) or the legislature (19%) when it comes to the state's fiscal affairs.

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
<i>Do you approve or disapprove of the way Governor Davis is handling the state budget and taxes?"</i>					
Approve	26%	32%	11%	24%	37%
Disapprove	63	57	84	68	51
Don't know	11	11	5	8	12
<i>Do you approve or disapprove of the way the California legislature is handling the state budget and taxes?</i>					
Approve	26%	27%	18%	23%	39%
Disapprove	57	57	69	63	47
Don't know	17	16	13	14	14

Confidence in State Government

Californians today express little confidence in the ability of state government to solve problems and spend money wisely. About one in three Californians (36%) say they trust the state government in Sacramento to do what is right just about always or most of the time. Nearly six in 10 (58%) say they trust the state government only some of the time, and 4 percent volunteer that they cannot trust the state government at all. By contrast, in both our January 2001 (46%) and January 2002 (47%) surveys, nearly half of Californians said they could trust the state government to do what is right just about always or most of the time.

Likely voters (28%) are even less inclined to say that they trust the government in Sacramento to do what is right. Whites (29%) are less likely than Latinos (49%), Republicans (25%) are less likely than Democrats (36%), and conservatives (30%) are less likely than liberals (38%) to trust the state government to do what is right at least most of the time. Trust in the state government declines with age, education, and income.

Solid majorities of all Californians (55%) and likely voters (60%) also believe that the state government wastes a lot of taxpayer money. Indeed, the percentage of Californians who believe that there is a lot of waste in state government spending has increased substantially from our surveys in January 2001 (47%) and January 2002 (38%). Whites (59%) are more likely than Latinos (49%), and Republicans (71%) are more likely than Democrats (50%), to say that the state government wastes a lot of taxpayer money. Majorities in each of the major regions of the state think that there is a lot of wasteful spending in Sacramento, but Central Valley residents are significantly more likely than Californians elsewhere in the state to think that the state government squanders tax revenues: Sixty-eight percent of Valley residents think that the state government wastes a lot of money, compared to just over half of the populations in Los Angeles (52%), Other Southern California (52%), and the San Francisco Bay Area (51%) who feel this way.

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

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
Just about always / Most of the time	36%	36%	25%	29%	49%
Only some of the time	58	61	68	63	45
None of the time	4	3	6	7	2
Don't know	2	0	1	1	4

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

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
A lot	55%	50%	71%	58%	49%
Some	35	41	24	36	35
Not much	6	7	3	3	10
Don't know	4	2	2	3	6

Spending Priorities

Survey respondents were asked to choose their number-one priority for public funding, given the state’s limited funds. From a list of five of the major program areas in the state budget – Kindergarten through 12th grade public schools; public health and social services; public colleges and universities; corrections, including prisons; roads and other infrastructure projects; or any other state program that they wanted to name – more than half of all Californians (52%) say K-12 public schools are their first priority for state spending. One in four (25%) mention public health and social services, and fewer than one in 10 residents name public colleges (7%), roads and other infrastructure (6%), and corrections and prisons (2%). Five percent name something else.

The spending priorities for likely voters are similar to those for all adults. And both Latinos and whites choose K-12 public schools and public health as their top choices for state spending, although Latinos are more likely than whites to name public health (31% to 22%) and public colleges (10% to 4%) as their top priority. In each of the major regions of the state, among all partisan groups, and across political ideologies, K-12 public schools are mentioned as the first priority and public health as the second. The percentage of respondents who name K-12 public schools as the number-one priority for state spending increases with education and income, declines with age, and is higher among those with children under 18 at home than among those with no children in the home (57% to 48%).

K-12 education is also voiced as the number-one priority for public spending by those who rank the state budget as a big problem (53%), and among those who say they are very (49%) or fairly (57%) closely following the news about the state budget deficit.

“Which of the following should be the number-one priority for public spending in the state budget?”

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
K-12 public schools	52%	54%	50%	55%	50%
Public health and social services	25	30	18	20	31
Public colleges and universities	7	6	5	8	10
Roads and other infrastructure projects	6	3	9	8	3
Corrections, including prisons	2	1	3	1	2
Something else	5	4	9	6	3
Don't know	3	2	6	2	1

We also asked respondents if they think the state government should spend more money, less money, or the same amount of money in six areas – K-12 public schools, public health and social services, public colleges and universities, corrections and prisons, roads and infrastructure, and environmental programs. Majorities of all Californians would like to see more money spent by the state government on K-12 public schools (65%) and public health (52%), while lower percentages want more spending on public colleges (37%), the environment (32%), roads and other infrastructure (27%), and prisons (13%). Despite the current budget deficit, few want to see less money spent on K-12 public schools (5%), public health (12%), public colleges (15%), roads and infrastructure (21%), or the environment (23%). Only prisons and corrections – at 42 percent – represent a state program area where a relatively high percentage of Californians would prefer reduced government spending.

Latinos are more likely than whites to want to spend more on K-12 public schools (71% to 60%), public colleges (55% to 27%), public health (68% to 44%), and the environment (42% to 26%). Republicans are less likely than Democrats to want to spend more on K-12 public schools (50% to 69%), public colleges (21% to 40%), public health (28% to 64%), and the environment (15% to 42%). Similarly, liberals and conservatives have

widely divergent preferences about whether there should be more, less, or the same amount of spending on K-12 public schools, public health, and public colleges. The state’s likely voters are somewhat less inclined than those “not likely to vote” to favor higher spending on any of the programs except roads and other infrastructure, for which likely and non-likely voters are nearly equally likely to support increased or decreased spending.

“Do you think the state government should spend more money than it does now, the same amount as now, or less money than now on ...?”

	<u>All Adults</u>			
	More money	Same amount	Less money	None / Don't know
K-12 public schools	65%	28%	5%	2%
Public health and human services	52	32	12	4
Public colleges and universities	37	45	15	3
Environmental protection	32	42	23	3
Roads and other infrastructure projects	27	49	21	3
Corrections, including prisons	13	39	42	6

Whose Approach Is Best?

When asked whose approach they would most prefer when it comes to the tough choices involved in the state budget, 33 percent say they prefer the approach taken by the Democrats in the state legislature, and 30 percent prefer the approach of the Republicans in the legislature. Only 13 percent say they prefer Governor Davis’ approach, including only 14 percent of Democrats, 14 percent of independents, and a mere 5 percent of Republicans. Democrats (59%) strongly prefer the Democratic legislators’ approach, while Republicans (72%) solidly support the Republican legislators’.

Latinos are more likely than whites to prefer the governor’s approach (22% to 10%), while whites are more likely than Latinos to prefer the legislative Republicans’ approach (39% to 17%). Across regions, the Democratic-leaning San Francisco Bay Area (42%) and Los Angeles County (38%) are most likely to prefer the approach of the Democratic legislators, while the more GOP-leaning Central Valley and Other Southern California regions (both 37%) tend to prefer the approach of the Republican legislators. Fewer than one in six residents in any of the state’s major regions prefer Governor Davis’ approach to the tough choices to be made on the state budget, taxes, and spending.

“When it comes to the tough choices involved in the state budget, whose approach do you most prefer?”

	All Adults	<u>Party Registration</u>			Latino
		Dem	Rep	Ind	
Democrats' in the legislature	33%	59%	8%	26%	34%
Republicans' in the legislature	30	9	72	32	17
Governor Davis'	13	14	5	14	22
None	7	5	7	10	6
Don't know	17	13	8	18	21

Revenue and Spending Options

The Governor's Revenue Proposals

To help solve the state budget deficit, Governor Davis has proposed shifting responsibility for \$8 billion worth of health and social services from the state to local governments. To help local government pay for these services, which are now paid for by the state, the governor's budget proposes several tax increases: an increase in the state's excise tax on cigarettes, a reinstatement of the 10 and 11 percent state income tax rates, and an increase in the state sales tax. How do Californians feel about these revenue measures?

Seventy-four percent favor the governor's proposal to increase the per-pack excise tax on cigarettes from 87 cents to \$1.97. Although large majorities of Californians across party lines support the cigarette tax increase, support is higher among Democrats (79%) than among Republicans (65%). Support is also higher among Latinos (82%) than among whites (69%).

There is less support for the governor's proposal to reinstate the top rates in the state income tax. Fifty-two percent of state residents and 55 percent of likely voters favor raising the rates for the top 2 to 3 percent of wage earners. However, this proposal does not have the universally high support accorded the cigarette tax increase. It has strong support among Democrats (65%), more narrow support among independents (57%), and is opposed by a majority of Republicans (59%). Support also varies across income categories: The measure is approved by a plurality in the under \$40,000 income category (47%) and by majorities in the \$40,000 to \$80,000 (62%) and the \$80,000 and higher (57%) categories.

The proposal to raise the state's sales tax from 6 to 7 percent has even less support: Forty-four percent of Californians and 49 percent of likely voters are in favor of the increase. A slim majority of Democrats (53%) support it, but majorities of Republicans (59%) and independents (52%) oppose it. Only 39 percent of Californians from households with incomes under \$40,000 favor the sales tax increase, while 50 percent of those with incomes of \$40,000 or higher favor the measure.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about raising the state excise tax on cigarettes from 87 cents per pack to \$1.97 per pack?</i>					
Favor	74%	79%	65%	71%	72%
Oppose	25	19	33	28	26
Don't know	1	2	2	1	2
<i>How about reinstating the top rates on the state income tax, changing the top rate of 9.3 percent to 10 or 11 percent for the top 2 to 3 percent of wage earners in California?</i>					
Favor	52%	65%	39%	57%	55%
Oppose	42	30	59	41	42
Don't know	6	5	2	2	3
<i>How about raising the state sales tax from 6 to 7 percent?</i>					
Favor	44%	53%	39%	47%	49%
Oppose	52	43	59	52	48
Don't know	4	4	2	1	3

Alternative Revenue and Spending Options

Besides the governors’ revenue proposals, the state legislature might consider other options for raising revenue to help reduce the budget deficit and pay for state and local services. Proposals discussed in Sacramento include imposing a state sales tax on all items sold over the Internet, restoring the vehicle license fee (VLF) to its higher pre-1999 levels, and extending the sales tax to currently untaxed services such as accounting and legal services, auto repairs, and haircuts.

A highly publicized idea is extending the state sales tax to *all* sales over the Internet. Fifty-six percent of Californians and 61 percent of likely voters favor requiring all companies that sell items on the Internet to collect state sales tax from their customers. Majorities of Democrats (65%), independents (58%), and Republicans (54%) favor this proposal. Californians aged 55 and older (63%) are more likely than those aged 35 and under (53%) to think that all Internet sales should be taxed.

Restoring the VLF to its pre-1999 levels is perhaps the most politically controversial of these proposals. Only 39 percent of Californians favor this idea. Although support varies widely across party, ideological, and regional lines, very few subgroups give it majority support. Democrats (45%) are more in favor than Republicans (28%), and liberals (52%) are more in favor than conservatives (32%) of the VLF increase. Across the state, San Francisco Bay Area residents (48%) are the most likely to support this proposal and those who live in Other Southern California are the least likely (33%).

Californians are less supportive of extending the state sales tax to services that are not currently covered. Only 37 percent of the state’s residents favor an extension of the sales tax to services, while 60 percent oppose it. Independents (41%) and Democrats (39%) are more likely than Republicans (30%) to support taxing services. San Francisco Bay Area residents (45%) are more likely than residents of Los Angeles (37%), the Central Valley (36%), and Other Southern California (35%) to favor this proposal.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about requiring all companies that sell items over the Internet to collect state sales tax from their customers?</i>					
Favor	56%	65%	54%	58%	61%
Oppose	39	32	43	39	36
Don't know	5	3	3	3	3
<i>How about reinstating the vehicle license fee (VLF) – the annual fee paid to the state to register vehicles – that has been reduced the past few years?</i>					
Favor	39%	45%	28%	39%	40%
Oppose	58	52	70	60	58
Don't know	3	3	2	1	2
<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>					
Favor	37%	39%	30%	41%	35%
Oppose	60	57	68	56	62
Don't know	3	4	2	3	3

Another option on the table is raising student fees at public colleges and universities. It has even lower support than the tax proposals. Overall, only 22 percent of Californians favor raising student fees. Support for the fee increase is lower among Democrats (20%) than Republicans (32%), among Latinos (12%) than whites (27%), and among residents who have not gone beyond high school (14%) than college graduates (29%). It also varies by income: People with household incomes under \$40,000 are less likely (16%) than those with incomes of \$80,000 and higher (29%) to favor the fee increase.

“How about raising student fees at public colleges and universities?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Favor	22%	20%	32%	33%	27%
Oppose	76	77	68	65	70
Don't know	2	3	0	2	3

Spending Limit

In addition to measures for increasing revenue, there is a proposal to cap the amount by which state spending can grow annually. Current discussions center on ACA 6, a constitutional amendment that would impose increase-limits tied to population growth and the California Consumer Price Index. A majority of Californians (52%) favor such an amendment. However, support varies along party and ideological lines: Republicans (63%) and conservatives (55%) are much more likely than Democrats (48%) and liberals (42%) to favor this amendment. White Californians (56%) are more likely than the state’s Latino residents (44%) to support it.

Support also varies across regions: A majority of residents in the Central Valley (57%) and Other Southern California (55%) support a cap on state spending increases, while less than half of San Francisco Bay Area and Los Angeles County residents (both 48%) are for it. Residents who support the amendment are only moderately less likely than those who oppose it to think that the state should *increase* spending on public health and social services and public colleges and universities. However, the pro- and anti-cap groups are equally likely to support spending increases in K-12 public schools, corrections and prisons, roads and infrastructure, and environmental programs.

“Would you favor or oppose an amendment to the state constitution that limited the amount of money that state spending could increase each year?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Favor	52%	48%	63%	55%	56%
Oppose	40	44	32	40	38
Don't know	8	8	5	5	6

Proposition 13: 25 Years Later

This year marks the 25th anniversary of Proposition 13, the much praised and reviled 1978 constitutional amendment that limits the property tax rate to 1 percent of assessed value at time of purchase and restricts annual property tax increases to no more than 2 percent. Proposition 13 is often referred to by proponents and opponents alike as the “third rail” of California politics—“touch it and you die.” How does the public view Proposition 13 and its consequences?

Overall, support for Proposition 13 remains high. In the immediate aftermath of its passage, according to the 1979 California Tax Revolt Study, 58 percent of Californians felt that Proposition 13 turned out to be mostly a good thing for the state. Today, 25 years after it passed, a similar 57 percent of Californians agree, and likely voters (65%) are even more likely to think that Proposition 13 turned out to be mostly a good thing.

Assessment of Proposition 13 divides along party and ideological lines: Republicans (76%) and conservatives (66%) are much more likely than Democrats (55%) and liberals (45%) to think that the passage of Proposition 13 turned out mostly well for California. There are also modest regional differences: Other Southern California residents are the most positive (61%) and San Francisco Bay Area residents are the least (52%). However, in all regions, a majority of residents thinks that Proposition 13 turned out to be mostly a good thing for the state.

Because Proposition 13’s cap on annual property tax increases benefits the state’s homeowners more than its renters, it is not surprising that homeowners (65%) are much more likely than renters (45%) to say that passing Proposition 13 turned out to be mostly a good thing. Because the benefits of Proposition 13’s assessment formula increase with length of ownership, homeowners in residence for 20 or more years (78%) are much more likely than homeowners who have lived at their address for fewer than 5 years (61%) to say that passing Proposition 13 has been mostly a good thing for the state.

“Overall, do you feel that passing Proposition 13 turned out to be mostly a good thing for California or mostly a bad thing?”

	All Adults	Party Registration			Homeownership	
		Dem	Rep	Ind	Own	Rent
Mostly a good thing	57%	55%	76%	55%	65%	45%
Mostly a bad thing	21	30	13	22	21	22
Mixed	2	2	1	2	2	2
Don't know	20	13	10	21	12	31

Californians are less positive about the effect Proposition 13 has had on local government services: 27 percent think it has had a good effect on those services (as compared to the 57 percent who see it as “mostly a good thing for California”), 21 percent say it has had a bad effect, and 29 percent believe it has had no effect at all. Five years ago, in better economic times for the state and local governments, 38 percent of Californians felt that the measure had had a good effect. Today, Republicans (33%) and conservatives (31%) are somewhat more likely than Democrats (25%) and liberals (23%), and homeowners (29%) are more likely than renters (20%), to say that Proposition 13 has had a good effect on local government services.

Reforming Proposition 13?

Despite high overall support for Proposition 13, there is apparent dissatisfaction with certain aspects of the measure – for example, the fact that homeowners with similar houses in the same neighborhood pay drastically different property taxes depending on when they purchased their homes. Fifty-two percent of Californians oppose this feature of the measure. However, likely voters (51%) are almost as likely to favor it as all adults are to oppose it. Fifty percent of homeowners think that differential property tax rates are fine, while 64 percent of renters oppose them. Only 28 percent of Latinos are in favor of the differential rates, compared to 47 percent of whites.

Another aspect of Proposition 13 that might be challenged is its application to **commercial** property. Fifty-two percent of Californians and 51 percent of likely voters favor eliminating the limits on property tax assessments for commercial property. Under this proposal, all commercial property would be taxed at its current market value. Majorities of both Democrats (60%) and independents (52%) support this proposal, while 50 percent of Republicans oppose it. Latinos (55%) and renters (57%) are more likely than whites (50%) and homeowners (49%) to favor this change.

“How about eliminating limits on property tax assessments for commercial property as specified under Proposition 13, which would make all commercial property taxed at its current market value?”

	All Adults	Party Registration			Homeownership	
		Dem	Rep	Ind	Own	Rent
Favor	52%	60%	42%	52%	49%	57%
Oppose	38	33	50	38	43	31
Don't know	10	7	8	10	8	12

Proposition 13 not only limits property taxes on residential and commercial property, but also requires that new local taxes for specific purposes pass by a two-thirds majority vote. Californians are not too keen on seeing this requirement change. Only 32 percent of the state’s residents and 33 percent of likely voters would support changing the two-thirds requirement to a simple majority – 50 percent plus one vote. When asked about changing the requirement from two-thirds to a 55 percent majority vote, response was very similar: 32 percent of all adults and 30 percent of likely voters favored the 55 percent majority vote.

“Under Proposition 13, a two-thirds vote at the ballot box is required to pass any new local special tax. Would you favor or oppose allowing local special taxes to pass with a simple majority (50 percent plus 1 vote) instead of a two-thirds vote?”

	All Adults	Homeownership		Likely Voters
		Own	Rent	
Favor	32%	31%	35%	33%
Oppose	60	66	51	63
Don't know	8	3	14	4

Spending Cuts and Tax Increases

How would Californians prefer to deal with the state’s large budget deficit? Most (43%) say they prefer a mixture of spending cuts and tax increases. Fewer residents (32%) prefer dealing with the deficit through spending cuts alone, and fewer than one in 10 thinks that it is okay to run a deficit (9%) or to deal with the deficit primarily through tax increases (7%). There are significant partisan differences on this issue. Nearly half of all Republicans (49%) think the deficit should be handled mostly through spending cuts, but only 37 percent of independents and 19 percent of Democrats agree. Democrats are more likely than Republicans to think that the state budget deficit should be dealt with mostly through tax increases (10% to 3%) or that it is okay to run a deficit (8% to 4%).

“How would you prefer to deal with the state budget deficit – mostly through spending cuts; mostly through tax increases; a mix of spending cuts and tax increases; or do you think that it is okay for the state to run a budget deficit?”

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
Mix of spending cuts and tax increases	43%	55%	37%	43%	35%
Mostly through spending cuts	32	19	49	37	30
Okay to run a deficit	9	8	4	6	17
Mostly through tax increases	7	10	3	7	8
Don't know / Other	9	8	7	7	10

To understand these public attitudes on spending cuts and tax increases, it is important to examine general attitudes toward government. Californians are divided over whether they would prefer to pay higher taxes for a larger government that provides more services (49%) or pay lower taxes to support a smaller government that provides fewer services (45%). Again, there are significant partisan and ideological differences: Democrats (60%) are most likely to be willing to pay higher taxes for more services, Republicans are most likely (74%) to want to pay lower taxes for fewer services, and independents are about evenly split on the issue. Sixty-seven percent of liberals but only 36 percent of conservatives want bigger government. Sixty-five percent of the Latino population would prefer to pay higher taxes for a larger government that provides more services; in contrast, 55 percent of whites would prefer to pay lower taxes for a smaller government that provides fewer services.

“In general, which of the following statements do you agree with more – I’d rather pay higher taxes to support a larger government that provides more services, or I’d rather pay lower taxes and have a smaller government that provides fewer services?”

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
Higher taxes and more services	49%	60%	23%	49%	65%
Lower taxes and fewer services	45	34	74	46	27
Don't know	6	6	3	5	8

Economic and Political Trends

Most Important Issue

Asked what they consider to be the most important issue facing the state today, Californians list the economy, jobs, and unemployment (28%) as the biggest problem, followed by the state budget and taxes (15%), education and schools (11%), and war and terrorism (10%). Fewer than 5 percent identify other issues such as crime (4%), health care (3%), and immigration (2%). Although this survey found no single overarching issue on the minds of Californians, the percentage of residents concerned about economic issues has risen significantly since December 2001, the last time the general “most important issue” question was asked. At that time, 15 percent of Californians considered the economic issues to be most important, 14 percent mentioned the electricity crisis and its attendant costs (today, only 2 percent names electricity or energy issues), and 12 percent noted education and schools.

Californians across demographic and political groups are relatively consistent in their assessment of the most important issue facing the state. However, there are some noteworthy differences in opinion. Regionally, San Francisco Bay Area residents are more concerned than residents of other regions about the economy and jobs (41%). Latinos are more likely than whites to rank war and terrorism as the most important problem (18% to 7%), and less likely than whites to view the state budget as their biggest concern (8% to 20%). One in four Republicans (25%) and 15 percent of Democrats say that the budget and taxes tops the list of California’s problems. The percentages of respondents who list economic issues or the state budget and taxes as the most important issue increase with education and income.

“What do you think is the most important issue facing people in California today?”

	All Adults	Region				Latino
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Economy, jobs, unemployment	28%	24%	41%	24%	23%	21%
State budget, deficit, taxes	15	19	15	13	17	8
Education, schools	11	10	13	11	11	9
War and terrorism	10	9	6	12	12	18
Crime, gangs	4	2	1	10	3	10
Health care, health costs, HMO reform	3	3	3	4	4	3
Housing costs, housing availability	2	2	3	2	2	3
Legal and illegal immigration	2	2	1	3	3	2
Electricity costs, energy crisis	2	3	3	2	3	2
Population growth and development	2	3	1	2	1	1
Drugs	2	1	1	2	3	4
Environment, pollution, water	2	3	2	2	2	1
Something else	12	13	8	6	12	9
Don't know	5	6	2	7	5	9

Overall Mood

Six in 10 residents say that the state is headed in the wrong direction. This is the most pessimistic Californians have been since the first PPIC Statewide Survey was conducted in 1998. One year ago, 56 percent of Californians thought that the state was heading in the right direction, and as recently as this past November, 49 percent thought so; today, only 28 percent register satisfaction with the direction the state is taking.

The majority of Californians across age, income, education, and political parties believes things are going in the wrong direction; however, some groups are slightly less pessimistic. For example, Latinos are more likely than whites (33% to 25%) to say that California is going in the right direction, as is a higher percentage of Democrats (30%) compared to Republicans (19%). Concern that the state is headed in the wrong direction increases with age, education, and income.

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

	<u>All Adults</u>					
	Apr 98	Jan 99	Feb 00	Jan 01	Feb 02	Feb 03
Right direction	55%	63%	65%	62%	56%	28%
Wrong direction	36	28	27	29	36	60
Don't know	9	9	8	9	8	12

Turning to economic conditions, seven in 10 residents think that the state will face financially bad times over the next 12 months. While perceptions of the economy are generally negative, some Californians appear more optimistic than others. Men are more likely than women (23% to 16%), and Latinos are more likely than whites (24% to 18%), to think good economic times lie ahead. The percentages of respondents who believe that the future will bring bad times financially increase with education and income. Democrats (74%) and Republicans (74%) are equally pessimistic in their forecast of the state’s economy. San Francisco Bay area residents are the least likely to think there will be good times ahead (16%), while Other Southern Californians (23%) are the most likely to believe that better times are coming.

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

	<u>All Adults</u>			
	Feb 00	Jan 01	Feb 02	Feb 03
Good times	78%	51%	46%	20%
Bad times	15	38	47	71
Don't know	7	11	7	9

Six in 10 residents (60%) believe that their region is in an economic recession: 21 percent of these residents think that it is a serious recession, 28 percent are calling it moderate, and 11 percent consider it mild. The percentage of Californians that thinks their region is in recession has risen considerably since November 2002, when 47 percent said that their part of California was in some sort of economic recession (at that time, 13 percent felt that their region was in a serious recession). Today, as in last November’s survey, residents across the state’s major regions vary in their assessment of the seriousness of the recession affecting their regions. Thirty-nine percent of San Francisco Bay Area residents say their region is in a serious economic recession, while in other regions residents are more likely to say the recession is mild or moderate.

State Officials' Approval Ratings

Governor Gray Davis' job approval ratings have slipped significantly since last October. Today, only one in three Californians (33%) approve of the governor's overall job performance, a nearly 20-point drop from October 2002, when 52 percent of Californians approved of the way he was handling his job as governor. Among likely voters, only one in four (24%) approve of the way Davis is handling his job, while 72 percent disapprove.

As in earlier surveys, Latinos are more likely to approve of the governor's job performance than are whites (44% to 28%). There are also, as in past surveys, significant partisan differences in respondent's ratings of Davis' job performance: Republicans are much more likely to disapprove (83%) than are independents (68%) or Democrats (54%). Across the state, Central Valley residents are the most likely to disapprove of the governor's performance (68%), while Los Angeles residents are the least likely to disapprove (56%). Davis' approval ratings decline with age, education, and income.

"Do you approve or disapprove of the way that Gray Davis is handling his job as governor of California?"

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	33%	41%	14%	27%	24%
Disapprove	60	54	83	68	72
Don't know	7	5	3	5	4

The state legislature's approval ratings have also slipped significantly. Today, 36 percent of all residents and 29 percent of likely voters approve of the way the California legislature is handling its job. Last September, 45 percent of Californians approved of the job the legislature was doing. In the current survey, Latinos are much more supportive of their elected officials: Half (51%) approve of the legislature's job performance, compared to 29 percent of whites. Roughly two-thirds of Republicans (62%) disapprove of how the state legislature is handling its job, compared to 50 percent of independents and 42 percent of Democrats. Across the state's major regions, Los Angeles residents (41%) are the most approving of the state legislature, followed by residents in Other Southern California (35%), the San Francisco Bay Area (34%), and the Central Valley (31%). Disapproval increases with age, education, and income.

"Do you approve or disapprove of the job that the California legislature is doing at this time?"

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	36%	40%	22%	35%	29%
Disapprove	45	42	62	50	55
Don't know	19	18	16	15	16

Bush Approval Ratings

Californians give the president his lowest approval rating since May 2001. Fifty-one percent of Californians say they approve of President Bush's overall performance in office, which is lower than his national approval rating (63% in a recent *Washington Post*/ABC News poll). In California, as in the rest of the country, there are wide partisan differences in opinion about Bush's job performance: Only 30 percent of Democrats say they approve of his performance, compared to 84 percent of Republicans and 48 percent of independents. Among likely voters, the president's approval rating is the same (51%). A majority of San Francisco Bay Area residents (60%) disapprove of the president's performance, while nearly half of Los Angeles residents (47%) and a majority of Central Valley residents (60%) and Other Southern California residents (59%) approve of the way he is handling his job.

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
<i>Do you approve or disapprove of the way that George W. Bush is handling his job as president of the United States?</i>					
Approve	51%	30%	84%	48%	49%
Disapprove	45	65	15	49	43
Don't know	4	5	1	3	8
<i>Do you approve or disapprove of the way that President Bush is handling the situation with Iraq and Saddam Hussein?</i>					
Approve	46%	31%	77%	41%	39%
Disapprove	50	64	19	58	55
Don't know	4	5	4	1	6

In assessing the president's handling of the situation with Iraq and Saddam Hussein, slightly less than half of all Californians (46%) say they approve of the way he is handling the issue, and 50 percent disapprove. Today's figures mark a modest decline from October 2002, when 51 percent of Californians approved of the way the president was handling this international problem. On the national level, the president's approval rating on this issue is higher: According to a recent ABC/*Washington Post* poll, 61 percent of Americans say they approve of Bush's approach on Iraq.

In California, women are more likely than men (53% to 47%) to say they disapprove of the president's stance on this issue. By a similar margin, Latinos are more disapproving than whites (55% to 44%). There are again striking partisan differences in respondents' ratings of Bush's handling of the situation: Seventy-seven percent of Republicans approve, compared to 41 percent of independents and only 31 percent of Democrats. Among likely voters, Bush receives a slightly higher approval rating (50%) than among all adults (46%). Across the state, the majority of residents in the Central Valley (56%) and half of Other Southern Californians (50%) approve of Bush's approach to Iraq and Saddam Hussein, while a majority of the residents in the San Francisco Bay Area (55%) and Los Angeles (53%) disapprove. Bush's approval ratings on Iraq are higher among older, more educated, and higher-income adults.

Iraq and Saddam Hussein

Asked a more direct question about potential military involvement in Iraq, more than half of all Californians (53%) favor taking military action in Iraq to end Saddam Hussein's rule. Twenty-nine percent favor military action even if our allies disagree, 20 percent favor attacking Iraq only if our allies agree to participate, and another 4 percent favor an attack but have not made up their minds about whether this should be with or without allied support. These numbers are significantly lower than in the nation as whole, where, according to a January 2003 survey by the Pew Research Center, 68 percent favor military action. The balance between those who would support the war with or without our allies is also different in the nation than in California, with 26 percent in favor of the war even if our allies do not join us and 37 percent saying that we should engage in conflict only if we have allied support.

“Would you favor or oppose taking military action in Iraq to end Saddam Hussein’s rule?” (if favor: “Should we attack Iraq only if our major allies agree to join us, or attack Iraq even if allies do not want to join us?”)

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
Favor, only if allies agree	20%	24%	18%	24%	25%
Favor, even if allies disagree	29	16	52	26	20
Favor, don't know	4	3	6	5	2
Oppose	42	53	18	40	49
Don't know	5	4	6	5	4

Forty-seven percent of all Californians think the Bush administration has done enough to explain why the United States might take military action in Iraq, and 49 percent think it has not. Californians' attitude about the administration's explanation is virtually unchanged from October 2002, when 49 percent said that the administration had done enough to explain military action and 47 percent said it had not.

Within California, men are more likely than women (52% to 42%) and whites are more likely than Latinos (52% to 43%) to think the administration has given sufficient explanation. Again, there are significant partisan and regional differences. Most Democrats think the administration has not done enough (62%), while almost three-fourths of Republicans (73%) think it has. A majority of San Francisco Bay Area and Los Angeles residents (54% each) say the administration has not done enough to explain military action in Iraq. In contrast, 57 percent of Central Valley residents think the administration has justified such efforts.

“Do you think that the Bush administration has or has not done enough to explain to the American public why the U.S. might take military action to remove Saddam Hussein from power?”

	All Adults	Region			
		Central Valley	SF Bay Area	Los Angeles	Other Southern California
Has done enough	47%	57%	43%	42%	49%
Has not done enough	49	40	54	54	46
Don't know	4	3	3	4	5

Bush and the Federal Tax Cut

Forty-five percent of the state’s residents and 49 percent of likely voters say they approve of the way Bush is handling the federal budget and taxes. Nationwide, 45 percent approve of his handling of fiscal affairs, according to a recent ABC News/ *Washington Post* poll. Residents with household incomes between \$40,000 and \$80,000 (53%) are more approving of the president’s handling of taxes and the budget than those with higher (44%) and lower (40%) incomes. Support for Bush on this issue is lower among college graduates (40%) than among those with only some college education (52%) or those with a high school diploma or less (45%). There are significant differences by region. A majority of Central Valley (55%) and Other Southern California residents (51%) voice their approval, while a majority in the San Francisco Bay Area (64%) and nearly half of the residents in Los Angeles (48%) say they disapprove. Californians with children in their homes are more likely to approve of Bush’s job on this issue than those without children in their homes (49% to 42%).

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
<i>Do you approve or disapprove of the way that President Bush is handling the federal budget and taxes?</i>					
Approve	45%	26%	77%	43%	46%
Disapprove	47	67	19	53	43
Don't know	8	7	4	4	11

More specifically on the issue of taxes, one in two Californians (50%) would prefer that the federal government focus on balancing the national budget rather than proceed with its proposed \$670 billion tax cut, which is supported by only about one-third of the state's residents (34%). Similarly, fifty-five percent of likely voters prefer to balance the budget. The majority of Democrats (64%) and independents (54%) are more interested in trying to balance the budget, while the majority of Republicans prefer the tax cut (55%). State residents are divided as to the fairness of the proposed tax reduction: Forty-seven percent think it would be unfair to people like them, while 43 percent think it would be fair. Nationwide, 42 percent think it would be unfair, according to a January Fox News survey. Women are much more likely than men to think it unfair (51% to 42%). A majority of Latinos think the proposed tax cut is unfair to people like them (56%), while a near majority of whites think it is fair (49%). Fifty-one percent of residents with incomes of \$80,000 and higher think that the proposed tax cut is fair, compared to 47 percent of those with incomes between \$40,000 and \$80,000, and 35 percent of those with incomes under \$40,000.

“Do you prefer to have the president’s proposed tax cut or to use this money to help balance the budget?”

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
Have the federal government use the money to help balance the budget	50%	64%	36%	54%	45%
Have the tax cut	34	22	55	35	33
Both	3	4	2	3	4
Neither	3	5	1	2	3
Don't know	10	5	6	6	15

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 Dorie Apollonio and Eliana Kaimowitz, survey research associates.

The findings of this survey are based on a telephone survey of 2,004 California adult residents interviewed between February 6 and February 17, 2003. 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 2,004 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 1,461 registered voters is +/- 2.5 percent. The sampling error for the 988 likely voters is +/- 3 percent, and the sampling error for each of the half samples is also +/- 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, 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 were chosen for analysis because they are the major population centers of the state, accounting for approximately 90 percent of the state population; moreover, the growth of the Central Valley and “Other Southern California” regions have given them increasing political significance.

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 *The Washington Post/ABC News*, the Pew Hispanic Center & Kaiser Family Foundation, Fox News, Gallup, and the 1979 California Tax Revolt Study at the University of California, Berkeley. We used earlier PPIC Statewide Surveys to analyze trends over time in California.

PPIC STATEWIDE SURVEY: CALIFORNIANS AND THEIR GOVERNMENT

FEBRUARY 6—FEBRUARY 17, 2003

2,004 CALIFORNIA ADULTS RESIDENTS; ENGLISH AND SPANISH

MARGIN OF ERROR +/- 2% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE; +/- 3% FOR HALF SAMPLE

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

28% economy, jobs, unemployment
15 state budget, deficit, taxes
11 education, schools
10 possibility of war, Iraq, terrorism
4 crime, gangs
3 health care
2 electricity costs, energy crisis
2 drugs
2 housing
2 immigration
2 population growth
2 environment, pollution, water
1 government regulations
1 poverty
1 race relations
1 Governor Gray Davis
1 traffic; transportation
1 moral decay
6 other (*specify*)
5 don't know

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

28% right direction
60 wrong direction
12 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?

20% good times
71 bad times
9 don't know

4. How closely are you following news about the California state budget—very closely, fairly closely, not too closely, or not at all closely?

20% very closely
42 fairly closely
26 not too closely
12 not at all closely

5. As you may know, this year the state government faces a large budget deficit, estimated to be around \$30 billion. Do you think that the size of the California state budget deficit is a big problem, somewhat of a problem, or not a problem for California today?

74% big problem
21 somewhat of a problem
3 not a problem
2 don't know

6. Given the state's limited funds, which of the following should be the number-one priority for public spending in the state budget? (*rotate list*).

52% K to 12 public schools
25 public health and social services
7 public colleges and universities
6 roads and other infrastructure projects
2 corrections, including prisons
5 other (*specify*)
3 don't know

7. How would you prefer to deal with the state budget deficit—mostly through spending cuts; mostly through tax increases; a mix of spending cuts and tax increases; or do you think that it is ok for the state to run a budget deficit?

43% mix of spending cuts and tax increases
32 mostly through spending cuts
7 mostly through tax increases
9 ok to run a deficit
3 other (*specify*)
6 don't know

8. How concerned are you that the state budget deficit will cause severe cuts in areas like education, health care, and the environment—very concerned, somewhat concerned, not very concerned, or not at all concerned?

63% very concerned
28 somewhat concerned
5 not very concerned
4 not at all concerned

9. How important do you think it is to volunteer to help community organizations, given the economic challenges facing California—very important, somewhat important, not very important, or not at all important?

- 55% very important
- 38 somewhat important
- 3 not very important
- 2 not at all important
- 2 don't know

I am going to ask about specific areas where the state of California spends money. For each area, tell me if you think that the state government should spend more money than it does now, the same amount as now, or less money than now? (*rotate questions 10 through 14*)

10. How about the state's corrections system, including prisons?

- 13% more money
- 39 same amount of money
- 42 less money
- 1 should spend no money at all
- 5 don't know

11. How about the K through 12 public education system?

- 65% more money
- 28 same amount of money
- 5 less money
- 2 don't know

12. How about public colleges and universities?

- 37% more money
- 45 same amount of money
- 15 less money
- 3 don't know

13. How about health and human services?

- 52% more money
- 32 same amount of money
- 12 less money
- 4 don't know

14a. [*half sample*] How about environmental protection?

- 32% more money
- 42 same amount of money
- 23 less money
- 1 should spend no money at all
- 2 don't know

14b. [*half sample*] How about roads and other infrastructure projects?

- 27% more money
- 49 same amount of money
- 21 less money
- 3 don't know

15. (*If answered "more money" in any question 10 through 14*) You've said that the state government should spend more in some areas. Would you still favor this if it meant you would have to pay more taxes?

- 57% yes, unqualified
- 11 yes, but only if designated for specific programs or activities
- 6 yes, if it is a small increase
- 23 no
- 2 other (*specify*)
- 1 don't know

As you may know, the governor proposed several tax increases to reduce part of the current budget deficit by setting aside money from these new taxes to help local governments deliver health and social services. Would you favor or oppose a proposal for the following taxes? (*rotate questions 16 through 18*)

16. How about raising the state sales tax from 6 to 7 percent?

- 44% favor
- 52 oppose
- 4 don't know

17. How about reinstating the top rates on the state income tax, changing the top rate of 9.3 percent to 10 or 11 percent for the top 2 to 3 percent of wage earners in California?

- 52% favor
- 42 oppose
- 6 don't know

18. How about raising the state excise tax on cigarettes from 87 cents per pack to \$1.97 per pack?

- 74% favor
- 25 oppose
- 1 don't know

In addition to the governor's proposed revenue measures, there are other options that the state legislature might consider to raise revenue to help reduce the budget deficit and pay for state and local services. Would you favor or oppose the following proposals? (*rotate questions 19 through 22*).

19a. [*half sample*] 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% favor
60 oppose
3 don't know

19b. [*half sample*] How about requiring all companies that sell items over the Internet to collect state sales tax from their customers?

56% favor
39 oppose
5 don't know

20. How about eliminating limits on property tax assessments for commercial property as specified under Proposition 13, which would make all commercial property taxed at its current market value?

52% favor
38 oppose
10 don't know

21. How about reinstating the vehicle license fee (VLF) (the annual fee paid to the state to register vehicles) that has been reduced the past few years?

39% favor
58 oppose
3 don't know

22a. [*half sample*] How about raising student fees at public colleges and universities?

22% favor
76 oppose
2 don't know

22b. [*half sample*] How about raising student fees at public colleges and universities, even if this means that fewer students have access to a public higher education?

19% favor
79 oppose
2 don't know

23. Changing subjects, would you favor or oppose an amendment to the state constitution that limited the amount of money that state spending could increase each year?

52% favor
40 oppose
8 don't know

24. In general, which of the following statements do you agree with more—I'd rather pay higher taxes to support a larger government that provides more services, or I'd rather pay lower taxes and have a smaller government that provides fewer services?

49% higher taxes and more services
45 lower taxes and fewer services
6 don't know

This year marks the 25th anniversary of Proposition 13, the 1978 ballot measure that limits the property tax rate to 1 percent of assessed value at time of purchase and annual tax increases to no more than 2 percent until the property is sold.

25. Overall, do you feel passing Proposition 13 turned out to be mostly a good thing for California or mostly a bad thing?

57% mostly a good thing
21 mostly a bad thing
2 mixed
20 don't know

26. And, overall, do you think the property tax limitations imposed by Proposition 13 have had a good effect or a bad effect or no effect on local government services provided to residents in the state of California?

27% good effect
21 bad effect
29 no effect
23 don't know

27. As a result of Proposition 13 and increases in home prices in California, a homeowner who recently purchased a home will pay much higher property taxes than a homeowner who purchased a similar home several years ago in the same neighborhood. Do you favor or oppose this feature of Proposition 13?

40% favor
52 oppose
8 don't know

28a. [*half sample*] Under Proposition 13, a two-thirds vote at the ballot box is required to pass any new local special tax. Would you favor or oppose allowing local special taxes to pass with a simple majority (50 percent plus 1 vote) instead of a two-thirds vote?

32% favor
60 oppose
8 don't know

28b. [half sample] Under Proposition 13, a two-thirds vote at the ballot box is required to pass any new local special tax. Would you favor or oppose allowing local special taxes to pass with a 55 percent majority vote instead of a two-thirds vote?

32% favor
60 oppose
8 don't know

29. Changing topics, do you approve or disapprove of the way that George W. Bush is handling his job as president of the United States?

51% approve
45 disapprove
4 don't know

30a. [half sample] Do you approve or disapprove of the way that President Bush is handling the situation with Iraq and Saddam Hussein?

46% approve
50 disapprove
4 don't know

30b. [half sample] Do you approve or disapprove of the way that President Bush is handling the federal budget and taxes?

45% approve
47 disapprove
8 don't know

31a. [half sample] Do you think that the Bush administration has or has not done enough to explain to the American public why the U.S. might take military action to remove Saddam Hussein from power?

47% has done enough
49 has not done enough
4 don't know

31b. [half sample] Would you favor or oppose taking military action in Iraq to end Saddam Hussein's rule? (if favor: Should we attack Iraq only if our major allies agree to join us, or attack Iraq even if allies do not want to join us?)

20 favor, only if allies agree
29 favor, even if allies disagree
4 favor, don't know
42 oppose
5 don't know

32a. [half sample] As you may know, President Bush has proposed cutting federal taxes by a total of 670 billion dollars over the next 10 years. What is your preference: [rotate] to have this tax cut, or to have the federal government use the money to help balance the federal budget?

50% balance the federal budget
34 tax cut
3 both
3 neither
10 don't know

32b. [half sample] Based on what you know about President Bush's economic plan, do you think the president's proposed tax cuts are fair or unfair to people like you?

43% fair
47 unfair
10 don't know

33a. [half sample] Overall, how do you rate the job performance of the U.S. Congress at this time—excellent, good, fair, or poor?

4% excellent
28 good
45 fair
20 poor
3 don't know

33b. [half sample] Overall, at this time how do you rate the job performance of the representative to the U.S. House of Representatives from your congressional district—excellent, good, fair, or poor?

8% excellent
32 good
34 fair
11 poor
15 don't know

34. Turning to the state, overall do you approve or disapprove of the way that Gray Davis is handling his job as governor of California?

33% approve
60 disapprove
7 don't know

35. And do you approve or disapprove of the way that Governor Davis is handling the state budget and taxes?

26% approve
63 disapprove
11 don't know

36. Do you approve or disapprove of the way that the California legislature is handling its job?

36% approve
45 disapprove
19 don't know

37. And do you approve or disapprove of the way that the California legislature has been handling the issue of the state budget and taxes?

26% approve
57 disapprove
17 don't know

Now let's talk about the way government in general operates, regardless of whether Republicans or Democrats are in office.

38. How much of the time do you think you can trust the government in Washington to do what is right—just about always, most of the time, or only some of the time?

7% just about always
31 most of the time
56 only some of the time
4 none of the time/not at all
2 don't know

39. Turning to the state—how much of the time do you think you can trust the government in Sacramento to do what is right—just about always, most of the time, or only some of the time?

7% just about always
29 most of the time
58 only some of the time
4 none of the time/not at all
2 don't know

40. Do you think that 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?

55% a lot
35 some
6 not much
4 don't know

41a. [half sample] How much blame do you think Governor Davis and the legislature deserve for the state budget deficit this year—a lot, some, very little, or none?

43% a lot
38 some
11 very little
3 none
5 don't know

41b. [half sample] If you had to assign primary responsibility for the state budget deficit, would it be on ... (rotate list).

23% Governor Davis
17 population growth and immigration
16 the state's economic downturn
13 the energy crisis
6 Democrats in the state legislature
4 Republicans in the state legislature
7 all of the above
4 other (specify)
10 don't know

42. When it comes to the tough choices involved in the state budget, both in deciding how much Californians should pay in taxes and how to fund state programs, whose approach do you most prefer: [rotate] Governor Davis', the Democrats' in the legislature, or the Republicans' in the legislature?

33% Democrats' in the legislature
30 Republicans' in the legislature
13 Governor Davis'
7 none
17 don't know

43. When you combine all the taxes you pay to federal, 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?

26% much more
24 somewhat more
44 about right
3 less than should
1 don't pay taxes
2 don't know

Now I'd like to ask about the ways in which you or someone in your immediate family may be affected by government. (rotate questions 44 through 46)

44. Do you or anyone in your immediate family work as a public employee or receive a pension as a former public employee—that is for federal, state, or local government, a state college or university, or a public school?

28% yes
72 no

45. Have you or anyone in your immediate family received any type of public assistance in the past two years—such as unemployment insurance, disability assistance, food stamps, welfare, or SSI? (This does not include social security retirement benefits.)

27% yes
73 no

46. Have you or anyone in your immediate family received MediCare, MediCal, or any other government help for medical or hospital care in the past two years? (This includes payment of medical bills for disabled people.)

40% yes
60 no

47. On another topic, would you say that your region is in an economic recession or not? (*if yes: Do you think it is in a serious, a moderate, or a mild recession?*)

21% yes, serious recession
28 yes, moderate recession
11 yes, mild recession
35 no
5 don't know

48. 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
26 only a little
7 none

49. Some people are registered to vote and others are not. Are you absolutely certain that you are registered to vote? (*if yes: Are you registered as a Democrat, a Republican, another party, or as an independent?*)

33% yes, Democrat
25 yes, Republican
10 yes, independent
3 yes, other party
3 yes, don't know party
26 no, not registered to vote

50a. (*if independent*) Do you think of yourself as closer to the Republican Party or Democratic Party?

25% Republican party
38 Democratic party
28 neither (volunteered)
9 don't know

50b. (*if Democrat*) Would you call yourself a strong Democrat or not a very strong Democrat?

46% strong
52 not very strong
2 don't know

50c. (*if Republican*) Would you call yourself a strong Republican or not a very strong Republican?

56% strong
43 not very strong
1 don't know

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

46% always
22 nearly always
9 part of the time
4 seldom
19 never

52. On another topic, would you consider yourself to be politically very liberal, somewhat liberal, middle-of-the-road, somewhat conservative, or very conservative?

8% very liberal
20 somewhat liberal
31 middle-of-the-road
27 somewhat conservative
11 very conservative
3 don't know

53. Have you volunteered in your community during the past 12 months? (*if yes: On average, about how many hours per week do you spend volunteering—1 to 2 hours, 3 to 5 hours, 6 to 10 hours, or more?*)

21% yes, 1 to 2 hours
12 yes, 3 to 5 hours
6 yes, 6 to 10 hours
8 yes, more than 10 hours
53 no, have not volunteered in past 12 months

54. And given the economic challenges facing California, would you say that you are willing to volunteer more, less, or about the same in the next 12 months?

34% more
56 same
6 less
4 don't know

[55-65: demographic questions]

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