



**PPIC
STATEWIDE
SURVEY**

JUNE 2003

*Special Survey on the
California State Budget
in collaboration with
The James Irvine Foundation*

.....

*Mark Baldassare
Research Director & Survey Director*

**Public
Policy
Institute of
California**

The Public Policy Institute of California (PPIC) is a private operating foundation established in 1994 with an endowment from William R. Hewlett. The Institute is dedicated to improving public policy in California through independent, objective, nonpartisan research.

PPIC's research agenda focuses on three program areas: population, economy, and governance and public finance. Studies within these programs are examining the underlying forces shaping California's future, cutting across a wide range of public policy concerns, including education, health care, immigration, income distribution, welfare, urban growth, and state and local finance.

PPIC was created because three concerned citizens – William R. Hewlett, Roger W. Heyns, and Arjay Miller – recognized the need for linking objective research to the realities of California public policy. Their goal was to help the state's leaders better understand the intricacies and implications of contemporary issues and make informed public policy decisions when confronted with challenges in the future. PPIC does not take or support positions on any ballot measure or state and federal legislation nor does it endorse or support any political parties or candidates for public office.

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

Public Policy Institute of California

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

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

info@ppic.org • www.ppic.org

Preface

The PPIC Statewide Survey series provides policymakers, the media, and the general public with objective, advocacy-free information on the perceptions, opinions, and public policy preferences of California residents. Started in April 1998, the survey series has generated a database that includes the responses of more than 72,000 Californians.

The current survey is the first in a series of special surveys in the *California State Budget* series, which is being conducted in collaboration with The James Irvine Foundation. At the same time that the state government faces the immediate challenge of addressing a \$38 billion budget deficit, an array of structural reforms of the state and local finance system are also being considered to cope with long-term issues involved in balancing the state budget. Public opinion surveys offer the state's lawmakers an opportunity to consider the views of Californians on the fiscal proposals under consideration. Moreover, Californians have made fiscal decisions on their own through the initiative process—such as Proposition 13 tax reductions and Proposition 98 state funding guarantees for K-12 public schools—and voters will continue to have an important impact on the state and local fiscal system at the ballot box. This survey series seeks to raise public awareness, inform decisionmakers, and stimulate public discussions about the current state budget and the underlying state and local finance system. This report presents the responses of 2,003 adult residents throughout the state on a wide range of issues:

- The current state budget, including perceptions of the seriousness of the state's budget deficit, trust in the fiscal performance of state government, knowledge about state and local fiscal issues and perceptions of the factors most responsible for the state's current deficit, support for spending cuts in the major areas of state spending, support for tax increases, preferences for borrowing as a way to reduce the budget deficit, overall views on the size of government, and willingness to raise taxes to maintain K-12 school spending.
- The state's fiscal system, including support for state and local fiscal reforms such as requiring a cap on state government spending, taxes on Internet sales, changing the Proposition 13 property tax laws, and support for removing the two-thirds vote requirement for lawmakers passing state budgets and voters passing local special taxes. We also consider people's general views about the state and local tax system, spending and taxes, and trust in state government.
- The economic and political climate, including the public's perceptions of the most important problem in California; general outlook for the state and regional economies; approval ratings of Governor Davis, the state legislature, and President Bush; the Davis recall effort; and attitudes toward the Bush Administration's handling of the federal budget and tax cuts.
- The extent to which Californians may differ with regard to attitudes toward spending and taxes by party affiliation, demographics, race/ethnicity, and region of residence.

This is the 36th PPIC Statewide Survey, which has included a number of special editions:

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

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

Contents

Preface	i
Press Release	v
Current State Budget	1
The State's Fiscal System	7
Economic and Political Climate	13
Survey Methodology	19
Survey Questions and Results	21
Survey Advisory Committee	26

Press Release

Para ver este comunicado de prensa en español, por favor visite nuestra página de internet:
<http://www.ppic.org/main/pressreleaseindex.asp>

SPECIAL CALIFORNIA STATE BUDGET SURVEY

CALIFORNIANS BITTER, PARTISAN AS BUDGET CRISIS DRAGS

Little Support for Short- and Long-Term Fixes, But Willingness to Ante Up for Schools; Most Residents Believe Current Tax System is Fair

SAN FRANCISCO, California, June 12, 2003 — Still wary of a stagnant economy and caught between a rock and a hard place as they consider state budget options, Californians are lashing out at state leaders, according to a new survey released today by the Public Policy Institute of California (PPIC) and The James Irvine Foundation. Yet, while partisanship reigns over taxing and spending proposals, state residents remain surprisingly united and steadfast in their support for K-12 education.

Nearly all Californians (94%) say that the state's budget deficit is a big problem (73%) or somewhat of a problem (21%). Despite this overwhelming concern, they are unwilling to support many of the solutions proposed by Governor Gray Davis and the State Legislature. On the one hand, most Californians are opposed to spending cuts in the major programs that dominate the state budget, including K-12 education (82%), health and human services (71%), colleges and universities (69%), and transportation projects (61%). Majority support for spending cuts is apparent in only one area — prisons and corrections — and at 55 percent, this support is by no means overwhelming. On the other hand, residents also reject all but one proposed tax or fee increase:

- **Income Tax:** 45 percent support, 48 percent oppose changing the top rate of the state income tax from 9.3 percent to 10.3 percent. Support has fallen from 52 percent in February.
- **Sales Tax:** 46 percent favor, 52 percent oppose a one-half cent increase in the state sales tax.
- **Vehicle License Fee (VLF):** 38 percent support, 58 percent oppose reinstating the full VLF.
- **Cigarette Tax:** 71 percent favor, 28 percent oppose raising cigarette taxes.

Is there anything state residents will support? Borrowing, but with serious reservations. A majority of Californians say they favor authorizing a \$10.7 billion state bond issue proposed by the governor. As for repaying the bonds, there's a slight preference for using existing resources (54%) — the position of Republican leaders — rather than the governor's plan for increasing the sales tax to repay the bonds (50%). However, 61 percent of residents say they oppose the general concept of borrowing money as a way to reduce the deficit. "In the borrowing proposals, Californians have found the least offensive option," says survey director Mark Baldassare. "But make no mistake about it, they are resentful about the choices they are being asked to make."

Government Ratings Hit Lows

Coincident with the deepening budget crisis and their anger over proposed solutions, Californians' trust in government "to do what is right" is at its lowest level since the PPIC Statewide Survey began in 1998. Today, only 34 percent of all adults say that they trust the government in Sacramento to do what is right just about always or most of the time, while 60 percent say state government can be trusted only some of the time. A majority of Californians (52%) also think that the state government wastes a lot of the money it raises in taxes.

Approval ratings for Governor Davis also continue to drop. Today, 64 percent of Californians — and 75 percent of likely voters — say they disapprove of the way he is handling his job, compared to 60 percent who disapproved of his performance in February. Two in three residents (66%) — and 74 percent of

likely voters — dislike his handling of the state budget and taxes. If a recall election were held today, 48 percent of Californians would vote to recall the governor, while 41 percent would vote to keep him in office. Among likely voters, the margin of support for a Davis recall is 8 points (51% to 43%). Only 16 percent think that a successful recall would make the current budget crisis more difficult to solve, while 52 percent think it would have no effect on the state's ability to put its fiscal house in order. As in the governor's ratings, there is a strong partisan split over the recall question: 57 percent of Democrats oppose the recall while 75 percent of Republicans support it.

More residents also disapprove than approve of the legislature's performance overall (44% to 39%) and of its handling of budget issues (57% to 29%). It is interesting to note that more Californians agree than disagree (48% to 42%) that term limits in the state legislature make it more difficult to solve complex budget issues because representatives lack experience. Again, there are strong partisan differences: 54 percent of Democrats say term limits make it more difficult to resolve budget issues while 52 percent of Republicans disagree.

"This deep partisan split is evident almost across the board," says Baldassare. Although Democrats and Republicans disagree on current budget proposals, their more fundamental, ideological differences divide the state into two camps: While 49 percent of Californians would pay higher taxes to support a government that provides more services, 45 percent prefer to pay lower taxes for a small government that provides fewer services.

But Majority Still Willing to Dig Deep for Education

Despite the budget crisis and growing polarization, Californians remain loyal to a long-standing concern: K-12 education. Indeed, when residents are asked to rank the most important issue facing the state, schools (13%) and the state budget (13%) tie for second place behind the economy and jobs (31%). Overall, 62 percent of Californians want to spare K-12 spending when given the choice between that and preserving spending on health and human services (20%), higher education (10%), and corrections (6%).

Despite their aversion to taxes generally, 67 percent of Californians say they are willing to pay higher taxes to maintain current funding for K-12 public education. And 73 percent of adults and 65 percent of likely voters say they would vote yes on the \$12.3 billion Kindergarten to University Bond Act. The other major fiscal proposal on the 2004 ballot — the California Infrastructure Investment Fund — also receives majority support (59% all adults, 53% likely voters).

No Groundswell of Support for Major Structural Reforms

Given their frustration with the current budget debate, are Californians ready for reform? Yes and no. On some targeted proposals, residents are supportive:

- **Spending Limits:** 70 percent support the idea of limiting the amount of money by which state spending could increase each year.
- **Commercial Property Taxes:** 57 percent favor lifting limits on commercial property tax assessments.
- **Internet Sales:** 57 percent believe that taxing Internet sales is a good idea.

However, Californians are much less ready to make or agree about more fundamental fixes: Many Californians are reluctant to change the two-thirds supermajority requirements in favor of allowing the legislature to pass the budget with a 55 percent vote (46% to 43%) or enabling voters to pass local special taxes with a 55 percent majority (46% to 45%). "Californians are angry about the current budget crisis, but there is no reservoir of discontent over larger structural issues," says Baldassare. Why is it so hard to make the case for reform? First, although residents are engaged — 61 percent say they are closely following news about the state budget — few residents know much about the budget process in California. Only 15 percent of Californians say they know a lot about how their state and local governments raise and spend money. Moreover, residents are more likely to blame the crisis on external factors — population growth (22%), the economy (18%), the energy crisis (16%) — than on factors involving the fiscal system itself, such as spending increases (9%) or revenue declines (8%).

Second, Californians are not outraged by the current tax system: 66 percent of state residents believe the local and state tax system is fair, and about half think they pay the right amount (47%) or too little (4%) in taxes.

Federal Fiscal Leadership Also Found Lacking

Californians find little to like at the federal level when it comes to budget and tax issues. Although 57 percent of Californians approve of President George W. Bush's overall job performance — compared to 64 percent nationally — his rating remains far more mixed on federal budget and tax issues specifically: 48 percent of state residents approve and 44 percent disapprove of his handling of fiscal policy. Why the gap? Many Californians question the wisdom of tax cuts at a time of deficits and economic uncertainty:

- By a two-to-one margin, state residents say they would rather have the federal government spend more money on domestic programs than have a tax cut (62% to 29%).
- Nearly six in 10 respondents believe that the better way to improve the national economy is to reduce the deficit rather than cut taxes (58% to 34%).

“As unhappy as they are with Sacramento, Californians don't see Washington as a model for fiscal leadership,” says Baldassare. “They are unhappy with their choices across the board.” Predictably, there are strong partisan differences in attitudes about President Bush and budget issues: While a majority of Californians (62%) believe the federal government should provide financial assistance to states facing budget deficits, Democrats (74%) are far more likely than Republicans (40%) to support federal aid.

Other Key Findings

- **Consumer Confidence: A Glimmer of Hope?** (page 14)
Although many Californians (57%) continue to say the state is headed in the wrong direction, and 61 percent believe their region is in an economic recession, there is hope: The percentage of residents expecting bad economic times in the next year has fallen to 58 percent from 71 percent in February.
- **Most Hated Tax** (page 10)
The income tax (35%) beats out property taxes (26%), vehicle license fees (21%), and sales taxes (14%) as Californians' most disliked tax.

About the Survey

The California State Budget Survey — a collaborative effort of the Public Policy Institute of California and The James Irvine Foundation — is a special edition of the PPIC Statewide Survey. It is the first survey in a series intended to raise public awareness, inform decisionmakers, and stimulate public discussions about the current state budget and the underlying state and local finance system. Findings of the survey are based on a telephone survey of 2,003 California adult residents interviewed from May 22 to June 1, 2003. Interviews were conducted in English or Spanish. The sampling error for the total sample is +/- 2%. The sampling error for the 1,424 registered voters is +/- 2.5% and for the 961 likely voters is +/- 3%. For additional information on survey methodology, see page 19.

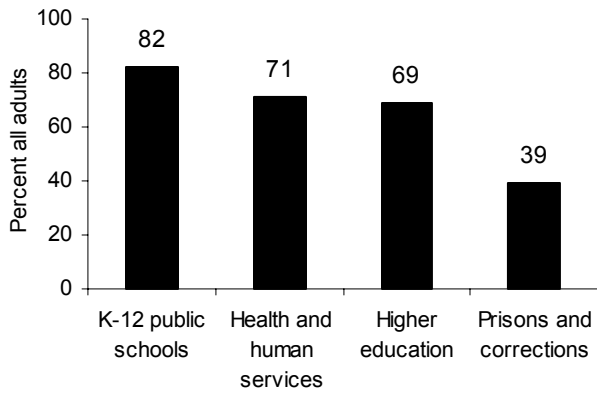
Mark Baldassare is research director at PPIC, where he holds the Arjay and Frances Fearing Miller Chair in Public Policy. He is founder and director of the PPIC Statewide Survey. His most recent book, *A California State of Mind: The Conflicted Voter in a Changing World*, is available at www.ppic.org.

PPIC is a private, nonprofit organization dedicated to improving public policy through objective, nonpartisan research on the economic, social, and political issues that affect Californians. The institute was established in 1994 with an endowment from William R. Hewlett. PPIC does not take or support positions on any ballot measure or state and federal legislation nor does it endorse or support any political parties or candidates for public office.

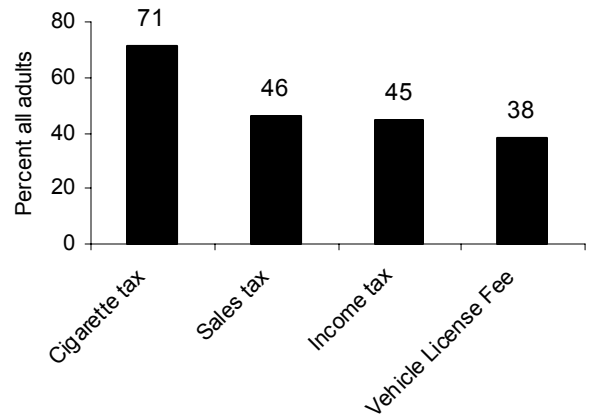
This report will appear on PPIC's website (www.ppic.org) on June 12, 2003.

###

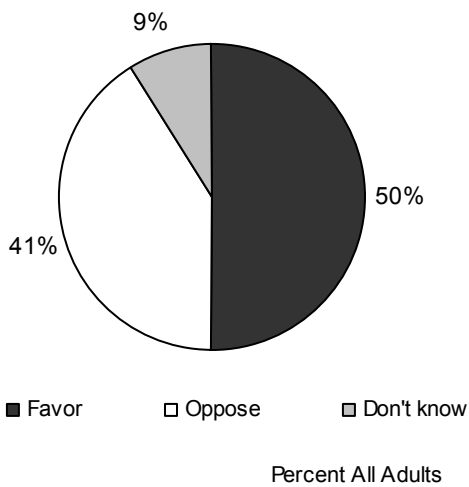
Percent opposed to spending cuts in ...



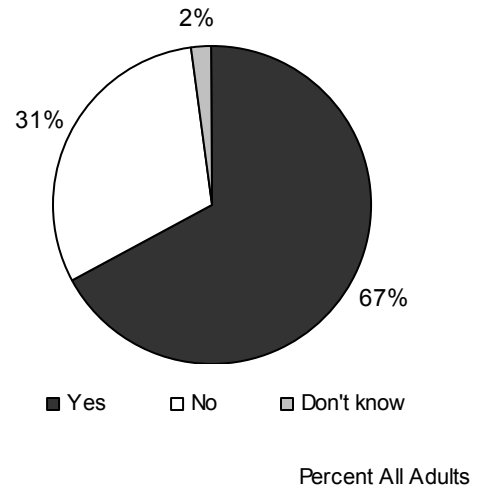
Percent supporting revenue increases through ...



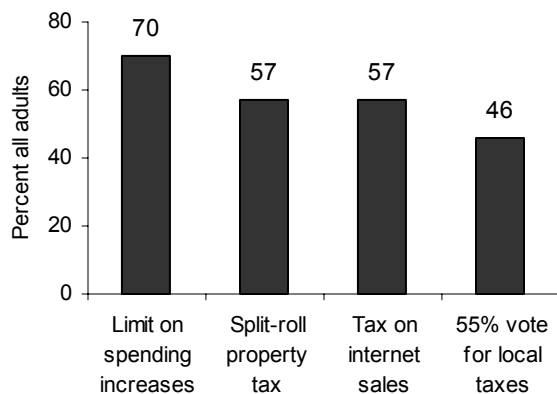
Reduce deficit with \$10.7 billion bonds using half-cent sales tax



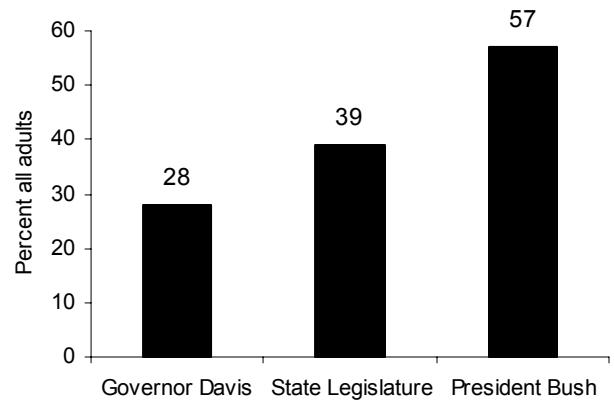
Raise taxes to maintain K-12 school funding



Percent who say these structural reforms are a "good idea"



Percent overall approval for elected officials



Current State Budget

High Awareness

There is nearly unanimous consensus on one issue in California today: The state government’s record-setting budget deficit of \$38 billion spells trouble for Californians. Nine in 10 residents consider the deficit a big problem (73%) or somewhat of a problem (21%)—similar to the levels of concern registered in our February 2003 survey. Serious concern about the budget deficit is found among large majorities in all demographic groups and regions of the state. However, there are some important differences: Whites (80%) are much more likely than Latinos (59%), San Francisco Bay Area residents (80%) are more likely than Central Valley residents (70%), and Republicans (85%) are more likely than Democrats (77%) or independents (75%) to consider the deficit a big problem for the people of California today.

“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 people of California?”

	All Adults	Region				Latinos
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Big problem	73%	70%	80%	71%	69%	59%
Somewhat of a problem	21	24	15	19	24	28
Not a problem	4	4	3	5	5	7
Don't know	2	2	2	5	2	6

In these days following the public release of the governor’s May budget revisions, six in ten residents (61%) are following the news about the state budget deficit either very closely or fairly closely (fewer than one in five are following the issue very closely). The public’s attention to this issue remains as high today as it was in our February 2003 survey. Roughly six in 10 residents in all the major regions of the state are closely following the news on this issue. Attention to news on this topic increases with age, education, and income and is significantly higher among whites than among Latinos.

Although the state’s budget deficit in 2003 has generated a high level of awareness and a great deal of concern, the public does not appear to be as alarmed about this issue as it was with the state’s electricity crisis in 2001. In our July 2001 survey, 81 percent were closely following the news about electricity (39% very closely), and 94 percent said electricity was a problem (78% a big problem) for the state.

“How closely are you following the news about the state budget deficit?”

	All Adults	Region				Latinos
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Very closely	18%	24%	20%	17%	17%	14%
Fairly closely	43	42	49	39	44	43
Not too closely	25	20	23	27	26	33
Not at all closely	14	14	8	17	13	10

The Knowledge Gap

Although most residents are closely following the state’s budget crisis, relatively few seem to have a deep understanding of how California’s complex state and local finance system works. Only 15 percent of residents say they know a lot about how their local and state governments raise and spend money, while more than four in 10 residents (44%) admit that they know very little or nothing about state and local finance. Higher percentages of registered voters (63%) and likely voters (75%) than the public at large (56%) claim to know a lot or something about the fiscal system in California. Republicans express more knowledge about state and local budgets than Democrats or independent voters, and knowledge tends to increase with age, education, and income. Latinos (57%) are more likely than whites (37%) to say they know very little or nothing about state and local finance.

“How much would you say you know about how your state and local governments spend and raise money?”

	All Adults	Party Registration			Voters	
		Dem	Rep	Ind	All Registered	Likely
A lot	15%	13%	21%	12%	16%	21%
Some	41	46	49	49	47	54
Very little	32	34	24	32	30	21
Nothing	12	7	6	7	7	4

When asked to name the primary cause for the state’s budget deficit, residents most often mention factors outside the fiscal system itself. Four issues top the list: Population growth and immigration (22%) the state economy (18%), the energy crisis (16%), and the state’s elected officials (14%). Spending increases (9%) and declining revenues (8%), which are often mentioned in reports and analyses of the \$38 billion state budget deficit, are mentioned by fewer than one in 10 residents as the primary cause for the state’s budget crisis. Democrats are more likely to name the state’s economic slump (21%), while Republicans and independents are more likely to point the finger at the state’s elected officials (both 20%). The mention of growth and immigration is higher among Latinos (30%) than whites (19%) and declines with education and income. College graduates and upper-income residents are more likely than others to point to revenue declines and spending increases as the cause of the state budget deficit, but even in these groups, the issues of growth and the economy are the dominant responses when fixing blame.

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

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Population growth and immigration	22%	17%	24%	11%	19%
The state’s economy	18	21	12	10	16
The energy crisis	16	20	14	17	18
The state’s elected officials	14	10	20	20	16
Spending increases	9	6	15	15	9
Revenue declines	8	11	5	18	10
Something else	6	7	7	5	7
Don’t know	7	8	3	4	5

Spending Cuts

The governor’s budget plan to reduce the \$38 billion deficit calls for spending cuts across many program areas. However, Californians are not enthusiastic about this approach to reducing the deficit. We asked if there was support or opposition for spending cuts in four major program areas: Kindergarten through 12th grade public schools, health and human services, public colleges and universities, and prisons and corrections. In addition, we asked about respondents’ willingness to support cuts in transportation projects, which are a small part of the current budget but which shed light on Californians’ willingness to postpone long-term funding on the state’s infrastructure.

An overwhelming majority are opposed to spending fewer dollars on K-12 public schools (82%)—only 16 percent support cuts in this area. About seven in 10 don't want to see a reduction in spending on health and human services (71%) or public colleges and universities (69%). Majority support for spending cuts is apparent in only one area—prisons and corrections—and at 55 percent, this support is by no means overwhelming. Even when it comes to providing fewer dollars for transportation programs, only 35 percent are in favor while 61 percent are opposed (not shown in table).

Likely voters are similar to the public at large in strongly opposing budget cuts in public programs. Democrats (88%) are more likely than Republicans (73%) to oppose reductions in spending on K-12 public schools, and the partisan differences are even stronger with respect to health and human services (81% to 52%) and public colleges and universities (78% to 54%). Republicans (46%) and conservatives (44%) are more likely than Democrats (38%) and liberals (35%) to oppose spending cuts for prisons. Latinos and whites show similar levels of opposition to spending less on schools. Opposition to K-12 spending cuts is strong across all age, education, and income categories and among both those with children at home (86%) and those without children at home (79%).

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about cutting spending on K-12 public schools?</i>					
Support	16%	11%	23%	18%	18%
Oppose	82	88	73	81	80
Don't know	2	1	4	1	2
<i>How about cutting spending on health and human services?</i>					
Support	26%	17%	42%	24%	31%
Oppose	71	81	52	72	65
Don't know	3	2	6	4	4
<i>How about cutting spending on colleges and universities?</i>					
Support	28%	20%	42%	28%	30%
Oppose	69	78	54	71	67
Don't know	3	2	4	1	3
<i>How about cutting spending on prisons and corrections?</i>					
Support	55%	58%	48%	67%	56%
Oppose	39	38	46	28	39
Don't know	6	4	6	5	5

Revenue Increases

We asked residents whether they support four tax and fee increases that are part of the governor’s proposal to reduce the state’s budget deficit—increasing the top rate of the state income tax, raising the tax on cigarettes, increasing the state sales tax, and reinstating the vehicle license fee. Republican legislative leaders have expressed opposition to raising taxes to reduce the budget deficit.

Californians are most supportive of raising the state excise tax on cigarettes, with 71 percent in favor and 28 percent opposed to this proposal. There are slightly more adults opposed than in favor of increasing the income tax (48% to 45%) and raising the sales tax (52% to 46%). The greatest opposition comes in the case of reinstating the vehicle license fee, with 38 percent in support and 58 percent opposed. Public opposition to increasing the vehicle license fee is today similar to the opposition expressed in our February 2003 survey (58%), while we see a marginal change in support for increases in the sales tax (46% for a half cent vs. 44% for one cent) and cigarette tax (71% vs. 74%). Support for increasing the state income tax has declined from 52% to 45%.

For the most part, likely voters hold similar views to all adults on revenue increases. Republicans and conservatives are more likely than Democrats and liberals to oppose increasing all four kinds of taxes, although partisan differences are especially dramatic when it comes to raising the income tax rate. As might be expected, opposition to the income tax increase is highest in the \$80,000 or more income bracket (53%), and cigarette smokers (37%) are much less likely than nonsmokers (78%) to support an increase in cigarette taxes.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about changing the top rate of the state income tax from 9.3 percent to 10.3 percent?</i>					
Support	45%	55%	32%	50%	46%
Oppose	48	37	65	44	49
Don't know	7	8	2	6	5
<i>How about raising the state excise tax on cigarettes from 87 cents per pack to \$1.50 per pack?</i>					
Support	71%	74%	60%	74%	67%
Oppose	28	25	39	25	32
Don't know	1	1	1	1	1
<i>How about raising the state sales tax by one-half cent?</i>					
Support	46%	53%	40%	48%	48%
Oppose	52	45	59	52	51
Don't know	2	2	1	0	1
<i>How about reinstating the Vehicle License Fee?</i>					
Support	38%	44%	27%	34%	37%
Oppose	58	52	70	63	60
Don't know	4	4	3	3	3

State Borrowing

A controversial but important element of the governor’s proposal to reduce the \$38 billion state budget deficit is a \$10.7 billion state bond issue. This level of borrowing would allow the state to balance the budget and avoid deep spending cuts and steep tax hikes. The governor wants the bond debt to be paid for by a temporary increase of one-half cent in the sales tax, while Republican legislative leaders have proposed that the debt expenses be paid for out of existing revenue sources. A majority of Californians say they favor authorizing the \$10.7 billion in state bonds, with a slight preference for using existing resources (54%) rather than an increase in the sales tax to repay the bonds (50%).

Clearly, either of these choices on the bond measure would face an uncertain future at the ballot box, where all bond issues must be approved. Among likely voters, less than a majority would support using existing revenues to repay the debt (47%), while even less support is evident for the half-cent sales tax increase (44%). While majorities of Democrats support the use of borrowing paid for either by existing revenues (58%) or a half-cent sales tax increase (58%), fewer than half of Republicans support the use of existing revenues (44%), and only one in three favors a half-cent sales tax to repay the bonds (35%).

Opposition to a sales tax increase to repay the bonds is higher among whites (47%) than Latinos (28%) and increases with age, income, and homeownership. Supporters of the borrowing proposals outnumber opponents in all of the major regions of the state. Support for the use of existing state revenues to repay the bonds is higher among Latinos (66%) than whites (49%) and higher among those who are 18 to 34 years old (61%) than those ages 55 and older (45%); support tends to decline with higher income and more education.

“How about authorizing \$10.7 billion in state bonds to reduce the budget deficit, using a half-cent increase in the sales tax to repay these bonds over a five-year period. Do you favor or oppose this proposal?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Favor	50%	58%	35%	41%	44%
Oppose	41	35	58	49	49
Don't know	9	7	7	10	7

“How about authorizing \$10.7 billion in state bonds to reduce the budget deficit, using existing revenues the state collects to repay these bonds over a five-year period. Do you favor or oppose this proposal?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Favor	54%	58%	44%	53%	47%
Oppose	34	32	43	36	42
Don't know	12	10	13	11	11

Although a majority of Californians support issuing state bonds, it is important to note that when asked to consider a variety of revenue proposals for dealing with the state deficit, a majority (52%) indicate opposition to a half-cent sales tax increase as a stand-alone measure. Moreover, only 33 percent say they favor the general concept of borrowing money as a way to reduce the state budget deficit—61 percent oppose the idea. Clearly, some of those Californians who oppose the half-cent sales tax increase for reducing the deficit, and the concept of borrowing to reduce a budget deficit, find these particular \$10.7 billion bond proposals acceptable in the context of the prospect of tax increases and spending cuts.

Schools, Services, and Higher Taxes

What happens when Californians’ anti-tax sentiments collide with their strong desire to provide adequate funding for public schools? Apparently, education wins out. Two in three Californians say they are willing to pay higher taxes for the specific purpose of maintaining current funding for K-12 public education. Support for a tax increase to maintain state spending for public schools is almost as high among all registered voters (65%) and likely voters (62%) as it is for the general public (67%). Public support for a tax increase varies only modestly across the state’s major regions, from 63 percent in the Central Valley to 71 percent in the San Francisco Bay Area. However, there are partisan differences, with half of Republicans (50%) but more than seven in 10 Democrats (74%) and independent voters (72%) supporting a tax increase to maintain school spending. There are only small differences of opinion across education and income groups. Younger voters are more likely than older voters to support a tax increase for schools (ages 18 to 34, 76%; ages 35 to 54, 64%; ages 55 and older, 56%). Both adults with children at home (73%) and those without children at home (62%) are willing to pay more taxes to support public education.

“If the state said it needed more money just to maintain current funding for K-12 public education, would you be willing to pay higher taxes for this purpose?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Yes	67%	74%	50%	72%	75%
No	31	24	47	25	22
Don't know	2	2	3	3	3

While they strongly support schools, Californians are deeply divided when it comes to the issue of size of government, higher taxes, and public services. Nearly equal percentages of Californians say they would rather pay higher taxes for a larger government with more services (49%) as say they would rather pay lower taxes for a smaller government with fewer services (45%). The desire for a smaller government increases with age, education, income, and homeownership and is stronger among whites (56%) than Latinos (24%). Sixty-one percent of Democrats support a larger government, while 76 percent of Republicans favor a smaller government; independent voters are nearly evenly split on the issue (45% for a larger government, 47% for a smaller government). Of special significance in understanding the state’s electorate: Registered voters (50%) and likely voters (54%) are more likely than all adults to lean toward paying lower taxes and having a smaller government with fewer services. By contrast, Californians who are not registered to vote prefer a larger government to a smaller government by a two-to-one margin.

“Which statement do you agree with more: I’d rather pay higher taxes to support a larger government that provides more services, or lower taxes and have a smaller government that provides fewer services?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Higher taxes, more services	49%	61%	18%	45%	73%
Lower taxes, fewer services	45	31	76	47	24
Don't know	6	8	6	8	3

The State's Fiscal System

Spending and Tax Reforms

Beyond the current budget crisis, there is newfound emphasis in policymaking circles on fundamental fiscal reform. Among the proposals under consideration in the state is a constitutional limit on increases in state spending, taxes on all goods sold over the Internet, and a relaxing of the Proposition 13 restrictions on property taxes for commercial property. This survey indicates that these structural reform proposals all have substantial public support.

Seven in 10 Californians think that limiting increases in the amount of money the state can spend each year is a good idea. In February 2003, a slim majority (52%) said they would favor an amendment to the state constitution that limited annual increases in state spending. Today, 80 percent of Republicans, 70 percent of independents, and 64 percent of Democrats think that spending limits is a good idea.

Nearly six in 10 Californians (57%), including a majority of likely voters (53%), think that commercial properties should be taxed according to their current market values. As in February 2003, when 52 percent of state residents felt that Proposition 13 restrictions on commercial property tax assessments should be removed, there are significant partisan divisions on this proposed measure. Sixty-three percent of Democrats and 57 percent of independents say that taxing commercial property at current market value is a good idea, while 50 percent of Republicans say it is a bad idea.

Fifty-seven percent of Californians say that it is a good idea to tax *all* goods sold over the Internet. Similarly, in February 2003, 56 percent of residents favored requiring all companies that sell items over the Internet to collect state sales tax from their customers. Today, as in February, majorities of Democrats (60%), independents (54%), and Republicans (53%) support extending the sales tax to all Internet sales. Two-thirds (66%) of those who do not ever go on-line to purchase goods or services think that this is a good idea, compared to only 48 percent of those who do shop on the Internet.

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about limiting the amount of money by which state spending could increase each year?</i>					
Good idea	70%	64%	80%	70%	70%
Bad idea	24	29	14	25	24
Don't know	6	7	6	5	6
<i>Under Proposition 13, residential and commercial property taxes are <u>both</u> strictly limited. What do you think about having commercial properties taxed according to their current market values?</i>					
Good idea	57%	63%	44%	57%	53%
Bad idea	37	31	50	36	41
Don't know	6	6	6	7	6
<i>How about taxing all goods sold over the Internet?</i>					
Good idea	57%	60%	53%	54%	55%
Bad idea	38	34	42	43	39
Don't know	5	6	5	3	6

Changing the Supermajority Requirements

One path that fiscal reform might take is to alter the rules and procedures that underlie the budgeting process and the implementation of new taxes. In California, supermajority requirements mandate that two-thirds of each house of the legislature must vote to pass a state budget and new taxes and that two-thirds of the voters in local elections must agree in order to pass local special taxes. These requirements, passed into law through citizens' initiatives, are one of the core structural features underlying California's fiscal landscape, and changing them would require a constitutional amendment passed by a majority of state voters. Some argue that these requirements make it too difficult to pass budgets or raise revenue and that a lower threshold for enactment should be implemented. Many Californians are reluctant to change the two-thirds supermajority requirements, and passing such structural reforms today would indeed be a challenge, based on the reactions of likely voters.

Less than half of all residents (46%) and only 42 percent of the state's likely voters think that it would be a good idea to replace the two-thirds vote requirement with a 55 percent requirement in order for the legislature to pass a budget. Half of all Democrats (50%) think that relaxing the requirement is a good idea, while majorities of Republicans (56%) and independents (51%) think it is a bad idea. Support for the two-thirds requirement is unrelated to how closely people are following news about the budget crisis or to how much they know about state and local finance.

Support for replacing the two-thirds vote requirement with a 55 percent requirement for voters to pass local special taxes also gets lukewarm support. Forty-six percent of residents say that changing the local vote requirement would be a good thing, and 45 percent think it would be a bad thing. Among likely voters, a majority (52%) think it is a bad idea. Again, there is a large partisan gap on this question: A majority of Democrats (51%) think changing the vote threshold is a good idea, a majority of Republicans (61%) think it is a bad idea, and independents are slightly less likely to say that it is a good idea than a bad idea (45% vs. 48%).

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>How about replacing the two-thirds requirement for the legislature to pass the budget with a 55 percent majority vote?</i>					
Good idea	46%	50%	37%	42%	42%
Bad idea	43	40	56	51	50
Don't know	11	10	7	7	8
<i>How about replacing the two-thirds requirement for voters passing local special taxes with a 55 percent majority vote?</i>					
Good idea	46%	51%	34%	45%	42%
Bad idea	45	42	61	48	52
Don't know	9	7	5	7	6

2004 Fiscal Ballot Measures

While California is facing a large budget deficit this year, voters will be asked to consider two major fiscal proposals on the 2004 ballot. How do they currently respond to ballot measures to borrow several billion dollars in state bonds for education and to permanently set aside funds for infrastructure spending? Seventy-three percent of adults and 65 percent of likely voters say they would vote yes on the \$12.3 billion Kindergarten to University Bond Act. Fifty-nine percent of all adults and 53 percent of likely voters would also vote yes on a measure creating a dedicated California Infrastructure Investment Fund.

The Kindergarten to University Bond Act follows up a bond (Proposition 47) passed by 59 percent of state voters in November 2002. The new bond would provide additional monies for K-12 public school, college, and university facilities. Support for the bond measure is strong across the state's major regions, with more than 70 percent of those in the Central Valley, San Francisco Bay Area, Los Angeles County, and Other Southern California saying they would vote yes. Eighty-three percent of Democrats and 72 percent of independents would vote yes on this bond, compared to a slim majority (52%) of Republicans. Most Californians ages 18 to 34 (86%) would vote yes on the measure, as would 79 percent of those who have children in the household.

The California Infrastructure Investment Fund would dedicate money each year for infrastructure projects. Half of the money would go toward state projects and half toward local projects. Majorities of residents in all of the state's major regions support this measure, but support varies widely by party registration, age, and household income. Solid majorities of independents (64%) and Democrats (62%) say they would vote yes on this measure, compared to only 47 percent of Republicans. Nearly 70 percent of Californians under age 35 want to create this fund, compared to 53 percent of those ages 55 and older. Among those from households with incomes of \$80,000 and higher, 53 percent would vote yes, while over six in ten of those with lower incomes support the measure.

"If the election were held today, would you vote yes or no ..."

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
<i>The Kindergarten to University Public Education Facilities Bond is a \$12.3 billion bond, which would provide funding for K-12 public schools, colleges, and university facilities.</i>					
Yes	73%	83%	52%	72%	65%
No	22	13	42	24	29
Don't know	5	4	6	4	6
<i>The California Infrastructure Investment Fund would dedicate money each year for infrastructure projects. Half of the money would go for state projects and half would go to local projects.</i>					
Yes	59%	62%	47%	64%	53%
No	27	25	38	21	32
Don't know	14	13	15	15	15

Overall Spending and Tax Preferences

Clearly, many residents are opposed to reductions in state spending on public programs, but given the current deficit, which state program are they most concerned about saving from the budget ax? For most Californians, the answer is kindergarten through 12th grade public education. Overall, 62 percent of Californians (and 63 percent of likely voters) want to spare K-12 spending when given the choice between that and preserving spending on health and human services (20%), higher education (10%), and youth and adult corrections (6%).

Public support for saving the schools from funding cuts is strong across voter groups. Still, there are significant variations in program priority across the major regions of the state and among demographic groups. Women are more likely than men (65% to 58%) to want to protect K-12 spending, as are those with children at home compared to those without (68% to 57%). There is also interesting regional variation: In Los Angeles County—where the lowest percentage of residents (56%) most wants to protect K-12 education—a regional high of 25 percent of residents support sparing health and human services. One-third of California residents ages 55 and older most want to protect health and human services from spending cuts, compared to only 19 percent of those between the ages of 35 and 54 and 14 percent of those under 35 years old. Health and human services is also mentioned more by those with household incomes under \$40,000 (24%) than by those with household incomes of \$80,000 or more (14%).

“Thinking about these four areas of state spending, I'd like you to name the one you most want to protect from spending cuts ...”

	All Adults	Party Registration			Children at Home	
		Dem	Rep	Ind	Yes	No
K-12 public education	62%	63%	61%	68%	68%	57%
Health and human services	20	25	19	12	16	23
Higher education	10	6	9	11	9	10
Youth and adult corrections	6	4	8	6	5	7
Don't know	2	2	3	2	2	3

Asked to name their most disliked tax, 35 percent of Californians indicate income taxes, 26 percent say property taxes, 21 percent give the nod to vehicle license fees, and only 14 percent say sales taxes. Among these four taxes, sales taxes are the least likely to be mentioned across partisan groups and major regions of the state, except in the San Francisco Bay Area, where vehicle license fees receive slightly fewer mentions than sales taxes (15% to 17%).

“No one likes to pay taxes, but thinking about these four taxes, I'd like you to name the one you dislike the most ...”

	All Adults	Household Income			Latinos
		Under \$40K	\$40K to \$80K	\$80K and up	
Income taxes	35%	29%	36%	44%	27%
Property taxes	26	25	28	28	29
Vehicle license fees	21	27	20	14	26
Sales taxes	14	14	13	11	13
Don't know	4	5	3	3	5

State and Local Tax Burden and Fairness

The public's perceptions of the equity or fairness of the taxes they are paying can tell us a great deal about their desire to make sweeping reforms of the state and local tax system. Overall, two-thirds of Californians think that the state and local tax system is either very (6%) or moderately (60%) fair. Majorities across the political spectrum think the system is at least moderately fair, although Democrats (71%) and independents (67%) are much more likely than Republicans (55%) to see the system as fair. Moreover, 20 percent of Republicans think that the state and local tax system is not at all fair, compared to only 9 percent of independents and 8 percent of Democrats. Liberals (73%) are much more likely than conservatives (59%) to think that the system is fair.

Seventy-three percent of Latinos and 63 percent of whites think that the state and local tax system is at least moderately fair. Californians under 35 years old are the most likely (75%) to see the tax system as fair; only 60 percent of those ages 55 and older think the system is fair. Among the various income categories, we find only moderate variation in opinion about the fairness of the system.

“Overall, how fair do you think our present state and local tax system is ...”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Very / moderately fair	66%	71%	55%	67%	62%
Not too fair	19	18	23	21	21
Not at all fair	12	8	20	9	14
Don't know	3	3	2	3	3

When asked to think about their personal state and local tax burdens, nearly half of all residents (47%) think that they pay about the right amount in taxes. However, almost half of all Californians think that they pay somewhat (25%) or much more (22%) than they should. Only 4 percent of the state's residents say that they pay too little in state and local taxes. Again, there is a significant partisan split on this question: Sixty percent of Republicans say that they pay more than they should, compared to roughly 45 percent of independents and Democrats. Fifty-four percent of Latinos and 47 percent of whites say that they pay about the right amount in state and local taxes. While 39 percent of those with annual household incomes under \$40,000 think that they pay more than they should in state and local taxes, 55 percent of those with incomes \$80,000 and higher say that they pay more than they should. Thirty percent of those with household incomes higher than \$100,000 say that they pay *much* more than they should in state and local taxes.

“When you combine all the taxes you pay to state and local governments, do you feel that you pay much more than you should, somewhat more, about the right amount, or less than you should?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Much more	22%	19%	32%	22%	26%
Somewhat more	25	24	28	24	24
About right	47	50	36	50	44
Less than should	4	6	2	4	5
Don't know	2	1	2	0	1

Distrust in State Government

The public's confidence in state officials' ability or willingness to address problems in an effective manner could ultimately influence Californians' reactions to governmental proposals for reforming the state's fiscal system. Coincident with the deepening state budget crises, trust in state government "to do what is right" is at its lowest level since the PPIC Statewide Survey began in 1998. Today, only 34 percent of all adults, and 31 percent of likely voters, say that they trust the government in Sacramento to do what is right just about always or most of the time. Sixty percent of Californians now think that the state government can be trusted to do what is right only some of the time, and another 4 percent volunteered that the state government can be trusted none of the time. In 2001 and early 2002, nearly half of Californians thought that the state government could be trusted to do what is right almost all of the time or most of the time.

Once again, there is a strong partisan divide, although confidence is low across party lines. Thirty-nine percent of Democrats say that they trust the state government to do what is right just about always or most of the time, a position shared by even fewer independents (30%) and Republicans (26%). Californians under age 35 are more likely to trust the government than those 55 and older (39% to 28%); and continuing one of our surveys' consistent findings, Latinos are much more trusting than whites of the state government: Forty-five percent of Latinos today say that they trust the government in Sacramento to do what is right all or most of the time, compared to only 31 percent of whites.

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

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Just about always / Most of the time	34%	39%	26%	30%	45%
Only some of the time	60	58	67	65	49
None of the time / not at all (volunteered)	4	2	6	3	2
Don't know	2	1	1	2	4

A slim majority (52%) of Californians think that the state government wastes a lot of the money they pay in taxes. The percentage of Californians who think that the state wastes a lot of money is no higher than it has been in previous surveys, but it is significant across the state's major geographic regions and partisan groups. A plurality of residents throughout the state think that people in state government waste a lot of money; the percentage is highest in the Central Valley, where 57 percent say that the state wastes a lot of the money they pay in taxes. Two-thirds of Republicans, 50 percent of Democrats, and 49 percent of independents say that the state government wastes a lot of money.

"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?"

	All Adults	Party Registration			Latino
		Dem	Rep	Ind	
A lot	52%	50%	66%	49%	43%
Some	39	40	31	42	43
Not much	7	8	2	8	11
Don't know	2	2	1	1	3

Economic and Political Climate

Most Important Problem

While residents clearly recognize the seriousness of the state government's budget deficit, they continue to believe that there are more pressing issues facing California. When asked to name the most important problem facing the state, residents' number-one concern is "the economy, jobs, and unemployment." This issue is mentioned by one in three people (31%), while 13 percent mention the state budget deficit and taxes and another 13 percent mention education and schools. Fewer than 5 percent name any other single issue.

Compared to our February 2003 survey, this survey shows little change in the public's focus on the economy (28% to 31%), the state budget (15% to 13%), or schools (11% to 13%) as the most important issue facing Californians today. The most dramatic change in the short term has been the decline in the percentage of people who are concerned about war and terrorism (10% to 3%). Looking back to the January 2001 survey, we can see how much the state's priorities have shifted for residents in two years' time: We see sharp increases in references to the economy (4% to 31%) and the state budget and taxes (4% to 13%) and far fewer references to schools as the most important problem (26% to 13%).

The economy is rated as the top issue across all regions and demographic and political groups. It is mentioned much more often in the San Francisco Bay Area (43%) than in any other region. More Latinos than whites rate crime and gangs as their top concern (10% to 2%). The issue of the state budget deficit and taxes is mentioned more often by Republicans than by Democrats (22% to 15%), while the economy, jobs, and unemployment is the issue named more often by Democrats than by Republicans (34% to 27%).

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

	All Adults	Region				Latinos
		Central Valley	SF Bay Area	Los Angeles	Other Southern California	
Economy, jobs, unemployment	31%	28%	43%	31%	26%	30%
Education, schools	13	11	16	12	13	9
State budget, deficit, taxes	13	21	13	12	12	6
Crime, gangs	4	2	1	6	6	10
Health care, health costs, HMOs	4	4	4	3	3	5
War, terrorism, security issues	3	3	1	4	2	6
Immigration, illegal immigration	2	2	2	2	4	3
Electricity costs, energy crisis	2	2	2	2	3	1
Environment, pollution	2	3	2	1	2	1
Government regulations	2	3	1	2	1	1
Housing costs, housing availability	2	0	1	1	5	2
Population growth, too much development, sprawl	2	2	0	3	2	1
Other answer	14	14	9	14	16	14
Don't know	6	5	5	7	5	11

Overall Mood

Californians’ assessment of the state economy remains gloomy. By a two-to-one margin, people believe that their state is currently headed in the wrong direction (57%) rather than in the right direction (30%). Similarly, most residents report that their state will be facing bad economic times (58%) rather than good economic times (32%) over the next 12 months.

While the numbers on the overall direction of the state have not changed much from earlier this year, there are signs of a modest improvement in respondents’ outlook on the future of the California economy. The percentage of Californians expecting bad economic times in the next year has declined from 71 percent in February 2003 to 59 percent in this survey. A comparison of today’s survey with the January 2001 survey indicates how much the mood has changed in the Golden State: Over the past two years, there has been a dramatic decline in the percentage of residents saying the state is headed in the right direction (62% in 2001 to 30% in 2003) and that California will have good economic times financially in the next 12 months (51% to 32%). Expectations about the state’s economic future over the next 12 months are lower in the San Francisco Bay Area (27%) than elsewhere in the state, and economic optimism declines with age, education, and income.

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

	All Adults	Region			
		Central Valley	SF Bay Area	Los Angeles	Other Southern California
Good times	32%	31%	27%	35%	34%
Bad times	58	59	63	53	58
Don't know	10	10	10	12	8

Six in 10 residents describe their own region as in an economic recession today. About half of the state’s residents describe the economic slowdown as either “moderate” (30%) or “serious” (21%). The public’s perception of their regional economy has not changed much since the February 2003 survey. However, Californians today are considerably more likely to say their region is in a recession than they were in the November 2002 survey (61% to 47%). Ratings of the regional economy vary greatly across regions, with San Francisco Bay Area residents continuing to lead the way in negative perceptions: Seventy-one percent of the region’s residents consider the Bay Area in a recession, and 32 percent are calling it a serious recession. While there is little variation across age and education groups, the perception that their region is in economic recession is more common among Latinos than whites (74% to 54%) and among lower-income than upper-income adults.

**“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?”**

	All Adults	Region			
		Central Valley	SF Bay Area	Los Angeles	Other Southern California
Yes, serious recession	21%	18%	32%	22%	14%
Yes, moderate recession	30	26	31	30	29
Yes, mild recession	10	11	8	11	10
No	36	41	27	32	44
Don't know	3	4	2	5	3

Governor's Ratings

Governor Gray Davis' job approval ratings continue to drop. Today, 28 percent of California adults approve of the governor's overall job performance, while 64 percent disapprove. By comparison, Davis' approval ratings among the general public were higher in February 2003 (33%) and October 2002 (52%). Among likely voters in the state, only one in five (21%) approves of the way Davis is handling his job, while 75 percent disapprove.

Although a higher percentage of Democrats (38%) than of independents (21%) or Republicans (8%) approve of the job performance of the Democratic governor, a majority of Democrats (56%), as well as of Republicans (88%) and independent voters (71%), say they disapprove of Davis' performance in office. Davis is viewed more positively in the predominately-Democratic regions of the state; nonetheless, only one in three residents in Los Angeles (32%) and the San Francisco Bay Area (31%) say they approve of the governor's performance in office. Dissatisfaction with the governor increases with age, education, income, and homeownership. As in earlier surveys, Latinos are more likely to approve of the governor's job performance than are whites (41% to 19%), but disapproval ratings outnumber approval ratings across all racial and ethnic groups today.

“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	28%	38%	8%	20%	21%
Disapprove	64	56	88	71	75
Don't know	8	6	4	9	4

Californians are no more impressed with the governor's performance on state budget and tax issues than they are with his overall performance in office. Only one in four respondents approve of Davis' performance on state fiscal issues, while two in three express disapproval. Among likely voters, only 20 percent approve while 74 percent disapprove of the governor's handling of the state budget and taxes.

Solid majorities in all age, education, income categories, and across racial/ethnicity groups say they disapprove of the governor's handling of fiscal issues. An overwhelming majority of Republicans (89%) say they disapprove of the governor's performance, as do large majorities of Democrats (60%) and independent voters (70%). Across the state's major regions, fewer than three in 10 residents approve of the job that Davis is doing on the budget and taxes.

The fiscal approval ratings for Davis are nearly identical to those he received in February 2003 (26%), and they are considerably lower than the ratings he received in 2000 (57%), 2001 (53%), and 2002 (42%).

“Do you approve or disapprove of the way that Governor Davis is handling the state budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	23%	31%	7%	20%	20%
Disapprove	66	60	89	70	74
Don't know	11	9	4	10	6

Governor’s Recall

Even though Governor Davis won reelection in November, he now faces the threat of being removed from office by the voters: Efforts are now under way to collect enough signatures to qualify a recall election. If a recall election were held today, 48 percent of Californians would vote to recall Davis, while 41 percent would vote to keep the governor in office—a difference of 7 percentage points. Eleven percent of all adults are currently undecided about the matter. Among likely voters, the margin of support for a Davis recall is 8 points (51% to 43%), while among all registered voters, the margin of support for a recall is 10 points (51% in favor to 41% opposed).

By state law, a recall election requires a ballot that includes both a “yes” and a “no” vote on the recall question and a vote for one of a list of candidates to replace the current officeholder. We did not measure support for a list of possible alternatives to Governor Davis, and when the actual candidate list is certified, it may influence how people respond to the recall question. Still, two issues are worth noting regarding the current recall effort: A substantial percentage of likely voters support the concept of a recall of Davis, *and*, although 64 percent of Californians indicate that they disapprove of the governor’s job performance, only 48 percent indicate that they would support a recall.

“There is an effort under way to remove Governor Gray Davis from office in a recall election. If a special election to recall Governor Davis were held today, would you vote yes to remove Davis as governor or no to keep Davis as governor?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Yes, remove Davis as governor	48%	35%	75%	47%	51%
No, keep Davis as governor	41	57	20	41	43
Don't know	11	8	5	12	6

Voter support for a recall is strongly related to partisanship and ideology. Three in four Republicans support the recall effort, compared to one in three Democrats, while independent voters are nearly evenly divided. Similarly, liberals are strongly opposed to a Davis recall, and conservatives are strongly in favor, while moderates are evenly divided. Latinos are more likely than whites to want to keep Davis in office (46% to 37%). It is interesting to note that higher-propensity voters are closely divided on whether to recall the governor or keep him in office—college graduates (44% to 48%), upper-income residents (50% to 44%), and those ages 55 and older (45% to 45%). Majorities of residents in the San Francisco Bay Area and Los Angeles want to keep Davis in office, while majorities in the Central Valley and Other Southern California want to remove him from office.

Only 16 percent of all Californians think that the removal of Governor Davis from office would make the current state budget crisis more difficult to solve. Indeed, a majority of Californians (52%) believe that a successful recall would have no effect on the state's ability to solve its fiscal problems. However, nearly one in four California adults believes that a resolution of the deficit issue would be easier with Davis out of office. Among all registered voters and among likely voters, the percentages holding these perspectives are similar to those in the overall adult population. While 40 percent of Republicans say that removing Davis would make fiscal matters easier to resolve, only 15 percent of Democrats agree.

“Do you think that removing Governor Davis from office would make the state's budget deficit harder to solve, easier to solve, or would it make no difference?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Harder to solve	16%	22%	8%	11%	17%
Easier to solve	24	15	40	26	26
Would make no difference	52	57	47	55	52
Don't know	8	6	5	8	5

State Legislature's Ratings

Forty-four percent of Californians and nearly six in 10 likely voters (58%) say they disapprove of the overall performance of the state legislature. While Democrats are evenly divided on the performance of the Democratic-controlled legislature, two in three Republicans (65%) and a plurality of independents (49%) disapprove of the governing body's overall performance. With regard to the legislature's handling of the state budget and tax issues, views are decidedly more negative: Twenty-nine percent of Californians approve and 57 percent disapprove of the legislature's handling of fiscal affairs. Among likely voters, 20 percent approve and 69 percent disapprove. The legislature receives negative ratings on its handling of fiscal issues across party lines. Its ratings on both overall performance and fiscal issues are similar to those in the February 2003 survey and distinctly more negative than in fall 2002.

“Do you approve or disapprove of the way that the California Legislature is handling the issue of the state budget and taxes?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	29%	29%	19%	24%	20%
Disapprove	57	58	71	68	69
Don't know	14	13	10	8	11

Nearly half of Californian adults (48%) agree that legislative term limits make it more difficult for the state legislature to resolve budget issues. A majority of Democrats (54%) think legislative term limits make the solution of complex problems more difficult, while 52 percent of Republicans disagree with this point of view. Likely voters (43%) are less likely than the public at large to say that term limits make solving the state budget deficit more difficult. Older, upper income, and college-educated residents are the least likely to say that term limits make it more difficult solve fiscal problems.

“Do you agree or disagree: Legislative term limits in the State Senate and Assembly make it more difficult to solve complex issues such as the budget deficit because our representatives lack experience in office?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Agree	48%	54%	41%	46%	43%
Disagree	42	37	52	47	50
Don't know	10	9	7	7	7

President Bush and Federal Fiscal Policy

The percentage of Californians who approve of President Bush’s job performance is the same today as it was in May 2001. Now, as then, 57 percent of Californians say they approve of the president’s overall performance in office—an approval rating lower than his most recent national approval rating (64% in a CNN/*USA Today*/Gallup Poll conducted at the same time as this survey). This most recent approval rating for Bush, although somewhat higher than in February 2003 (51%), is lower than the approval ratings (60% to 80%) he received in the wake of the September 11th terrorist attacks and through fall 2002. While 89 percent of Republicans support the GOP president, about half of all independent voters (48%) and one in three Democrats (35%) approve of the job he is doing today. In line with the partisan differences in statewide voting, only half of the residents in Los Angeles (50%) and fewer than half in the San Francisco Bay Area (41%) voice their overall approval of the president, compared to two in three residents living elsewhere in the state. Latinos (56%) are nearly as likely as whites (62%) to approve of President Bush’s performance in office.

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

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Approve	57%	37%	89%	48%	56%
Disapprove	39	59	9	50	41
Don't know	4	4	2	2	3

Forty-eight percent of Californians approve of the president’s handling of federal budget and tax issues, and 44 percent disapprove. While most Republicans (83%) approve of Bush’s performance on fiscal issues, nearly two in three Democrats and independents disapprove. Support for the president’s fiscal performance increases with age, declines with education, and is similar across income groups. This division over the president’s handling of fiscal issues may stem from his support for a federal tax cut. By a two-to-one margin, Californians say they would rather have the federal government spend more money on domestic programs than to have a tax cut (62% to 29%), and nearly six in 10 respondents believe that the better way to improve the national economy is to reduce the deficit rather than to cut taxes (58% to 34%). However, there are strong partisan differences, with few Democrats expressing positive opinions about the federal tax cut and the majority of Republicans expressing their support.

By a two-to-one margin, Californians think that the federal government should provide financial aid to state governments facing budget deficits. Majority support is evident across regions of the state and across racial/ethnic groups and age, education, and income categories. A slight majority of Republicans oppose federal financial aid, while it is strongly supported by Democrats and independents.

“Do you think the federal government should provide financial aid to states facing budget deficits?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Should	62%	74%	40%	59%	55%
Should not	31	19	53	34	39
Don't know	7	7	7	7	6

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 survey was conducted with partial funding from The James Irvine Foundation, and it benefited from discussions with Irvine staff and grantees and discussions at meetings facilitated by the foundation; however, the survey methods, questions, and content of the report were solely determined by Mark Baldassare.

The findings of this survey are based on a telephone survey of 2,003 California adult residents interviewed between May 22 and June 1, 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 six 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 18 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 2,003 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 1,424 registered voters is +/- 2.5 percent. The sampling error for the 961 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, El Dorado, Fresno, Glenn, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba Counties. “SF Bay Area” includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. “Los Angeles” refers to Los Angeles County, and “Other Southern California” includes the mostly suburban regions of Orange, Riverside, San Bernardino, and San Diego Counties. These four regions were chosen for analysis because they are the major population centers of the state, accounting for approximately 90 percent of the state population.

We present specific results for Latinos because they account for about 28 percent of the state’s adult population and constitute one of the fastest growing voter groups. The sample sizes for the African American and Asian subgroups are not large enough for separate statistical analysis. We do compare 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 Kaiser Family Foundation and the CNN/*USA Today*/Gallup Poll. We used earlier PPIC Statewide Surveys to analyze trends over time in California.

**PPIC STATEWIDE SURVEY: SPECIAL SURVEY ON THE CALIFORNIA STATE BUDGET
MAY 22—JUNE 1, 2003
2,003 CALIFORNIA ADULT RESIDENTS; ENGLISH AND SPANISH
MARGIN OF ERROR +/- 2% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE**

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

- 31% economy; jobs; unemployment
- 13 education; schools
- 13 state budget; deficit; taxes
- 4 crime; gangs
- 4 health care; health costs; HMO reform
- 3 war and terrorism
- 2 electricity costs; energy crisis
- 2 environment; pollution
- 2 government regulations
- 2 housing costs; housing availability
- 2 immigration; illegal immigration
- 2 population growth; development
- 1 drugs
- 1 poverty; the poor
- 1 homelessness
- 1 moral decay
- 1 traffic; transportation
- 1 water quality and availability
- 8 other
- 6 don't know

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

- 30% right direction
- 57 wrong direction
- 13 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?

- 32% good times
- 58 bad times
- 10 don't know

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

- 18% very closely
- 43 fairly closely
- 25 not too closely
- 14 not at all closely

5. In general, how much would you say you know about how your state and local government spends and raises money—a lot, some, very little, or nothing?

- 15% a lot
- 41 some
- 32 very little
- 12 nothing

6. As you may know, the state government has an annual budget of around 100 billion dollars and currently faces a budget deficit estimated to be about 38 billion dollars. Do you think that the state budget deficit is a big problem, somewhat of a problem, or not a problem for the people of California today?

- 73% big problem
- 21 somewhat of a problem
- 4 not a problem
- 2 don't know

[rotate questions 7-11 and 13-16 as blocks]

[block 1 introduction] Spending cuts could be used to help reduce the state budget deficit. For each of the following, please indicate whether you support or oppose the proposal. *(rotate questions 7 through 11)*

7. How about cutting Kindergarten through 12th grade school spending, which currently makes up 40 percent of the state's general fund spending—do you support or oppose this proposal?

- 16% support
- 82 oppose
- 2 don't know

8. How about cutting spending on public colleges and universities, which currently makes up 13 percent of the state's general fund spending—do you support or oppose this proposal?

- 28% support
- 69 oppose
- 3 don't know

9. How about cutting spending on health and human services, which currently makes up 28 percent of the state's general fund spending—do you support or oppose this proposal?

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

10. How about cutting spending on major transportation projects, which currently makes up 1 percent of the state's general fund spending—do you support or oppose this proposal?

35% support
61 oppose
4 don't know

11. How about cutting spending on prisons and corrections, which currently makes up 7 percent of the state's general fund spending—do you support or oppose this proposal?

55% support
39 oppose
6 don't know

12. *[if respondent does not support any of the program cuts in questions 7-11]* You've said that none of these cuts are acceptable ways to reduce the deficit. Could you name another state program that you think could or should be cut to help reduce the deficit?

34% yes
46 no
20 don't know

[block 2 introduction] Tax and fee increases could be used to help reduce the state budget deficit. For each of the following, please indicate whether you support or oppose the proposal. *(rotate questions 13 through 16)*

13. How about reinstating the annual vehicle license fee (VLF) that was reduced a few years ago—do you support or oppose this proposal?

38% support
58 oppose
4 don't know

14. How about changing the top rate of the state income tax from 9.3 percent to 10.3 percent at \$150,000 for single filers and \$300,000 for joint filers in California—do you support or oppose this proposal?

45% support
48 oppose
7 don't know

15. How about raising the state excise tax on cigarettes from 87 cents to \$1.50 per pack—do you support or oppose this proposal?

71% support
28 oppose
1 don't know

16. How about raising the state portion of the sales tax by one-half cent—do you support or oppose this proposal?

46% support
52 oppose
2 don't know

17. *[if respondent does not support any of the tax or fee increases in questions 13-16]* You've said that none of these tax and fee increases are acceptable ways to reduce the deficit. Could you name another tax or fee that you would be willing to raise to help reduce the deficit?

23% yes
66 no
11 don't know

Borrowing money with state bonds could also be used to help reduce the budget deficit.

18a. *[half sample]* How about authorizing 10.7 billion dollars in state bonds to reduce the budget deficit and using existing revenues the state collects to repay these bonds over a five-year period—do you favor or oppose this proposal?

54% favor
34 oppose
12 don't know

18b. *[half sample]* How about authorizing 10.7 billion dollars in state bonds to reduce the budget deficit, and using a one-half cent increase in the state sales tax to repay these bonds over a five-year period—do you favor or oppose this proposal?

50% favor
41 oppose
9 don't know

19. In general, would you favor or oppose the state's borrowing money as a way to help reduce the budget deficit?

33% favor
61 oppose
6 don't know

Spending and tax reforms have been proposed to address the structural issues in the state budget. For each of the following, please indicate whether you think this is a good idea or a bad idea. *(rotate questions 20 through 24)*

20. How about taxing all goods sold over the Internet—is this a good idea or a bad idea?

57% good idea
38 bad idea
5 don't know

21. How about limiting the amount of money that state spending could increase each year— is this a good idea or a bad idea?

70% good idea
24 bad idea
6 don't know

22. How about replacing the two-thirds requirement for the legislature to pass the budget with a 55 percent majority vote— is this a good idea or a bad idea?

46% good idea
43 bad idea
11 don't know

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

46% good idea
45 bad idea
9 don't know

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

57% good idea
37 bad idea
6 don't know

Changing topics, we have a few questions about state measures on the March 2004 ballot. (*rotate questions 25 and 26*)

25. The California Infrastructure Investment Fund would dedicate money each year for infrastructure projects. Half of the money would go for state projects and half would go to local projects. If the election were held today, would you vote yes or no on this measure?

59% yes
27 no
14 don't know

26. The Kindergarten to University Public Education Facilities Bond is a 12.3 billion dollar bond that would provide funding for K-12 public schools, colleges, and university facilities. If the election were held today, would you vote yes or no on this measure?

73% yes
22 no
5 don't know

27. Changing subjects, some of the largest areas for state spending are (*rotate order*: K-12 public education, higher education, health and human services, and youth and adult corrections). Thinking about these four areas of state spending, I'd like you to name the one you most want to protect from spending cuts.

62% K-12 public education
20 health and human services
10 higher education
6 youth and adult corrections
2 don't know

28. Changing subjects, some of the biggest state and local taxes that individuals have to pay are (*rotate order*: income taxes, sales taxes, property taxes, and vehicle license fees). No one likes to pay taxes, but thinking about these four taxes, I'd like you to name the one you dislike the most.

35% income taxes
26 property taxes
21 vehicle license fees
14 sales taxes
4 don't know

29. Changing subjects, if the state said it needed more money just to maintain current funding for K-12 public education, would you be willing to pay higher taxes for this purpose?

67% yes
31 no
2 don't know

30. 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

31. And overall, how fair do you think our present state and local tax system is—would you say that our state tax system is very fair, moderately fair, not too fair, or not fair at all?

6% very fair
60 moderately fair
19 not too fair
12 not at all fair
3 don't know

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

- 22% much more
- 25 somewhat more
- 47 about right
- 4 less than should
- 1 don't pay taxes (*volunteered*)
- 1 don't know

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

- 57% approve
- 39 disapprove
- 4 don't know

34a. [*half sample*] And do you approve or disapprove of the way that President Bush is handling the federal budget and taxes?

- 48% approve
- 44 disapprove
- 8 don't know

34b. [*half sample*] Do you think that the federal government should or should not provide financial aid to state governments facing budget deficits?

- 62% should
- 31 should not
- 7 don't know

35a. [*half sample*] As you may know, President Bush has proposed cutting federal taxes by about 700 billion dollars over the next 10 years. What is your preference: (*rotate*) to have this tax cut or to have the federal government spend more on domestic programs such as education, health care, and Social Security?

- 29% tax cut
- 62% domestic programs
- 2 both (*volunteered*)
- 3 neither (*volunteered*)
- 4 don't know

35b. [*half sample*] Which do you think is the better way to improve the national economy: (*rotate*) cutting taxes or reducing the federal budget deficit?

- 34% cutting taxes
- 58 reducing the federal budget deficit
- 8 don't know

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

- 28% approve
- 64% disapprove
- 8 don't know

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

- 23% approve
- 66 disapprove
- 11 don't know

38. On another topic, there is an effort under way to remove Governor Gray Davis from office in a recall election. If a special election to recall Governor Davis were held today, would you vote yes to remove Davis as governor or no to keep Davis as governor?

- 48% yes, remove Davis as governor
- 41 no, keep Davis as governor
- 11 don't know

39. Do you think that removing Governor Davis from office would make the state's budget deficit harder to solve or easier to solve or would it make no difference?

- 16% harder to solve
- 24 easier to solve
- 52 would make no difference
- 8 don't know

40. Overall, do you approve or disapprove of the way that the California legislature is handling its job?

- 39% approve
- 44 disapprove
- 17 don't know

41a. [*half sample*] And do you approve or disapprove of the way that the California legislature has been handling the issue of the state budget and taxes?

- 29% approve
- 57 disapprove
- 14 don't know

41b. [*half sample*] Some people say that legislative term limits in the State Senate and Assembly makes it more difficult to solve complex state issues such as the budget deficit because our representatives lack experience in office. Do you agree or disagree?

- 48% agree
- 42 disagree
- 10 don't know

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

42. 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?

- 5% just about always
- 29 most of the time
- 60 only some of the time
- 4 none of the time/not at all (*volunteered*)
- 2 don't know

43. 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?

- 52% a lot
- 39 some
- 7 not much
- 2 don't know

44. If you had to assign a primary cause for the state budget deficit, would it be on ... (*rotate list, then ask "or something else"*)

- 22% population growth and immigration
- 18 the state's economy
- 16 the energy crisis
- 14 the state's elected officials
- 9 spending increases
- 8 revenue declines
- 6 other (*specify*)
- 7 don't know

I'd like to ask about the ways in which you or someone in your immediate family may be affected by government. (*rotate questions 45 through 47*)

45. 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?

- 27% yes
- 73 no

46. 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? [*note: does not include social security retirement benefits*]

- 27% yes
- 73 no

47. 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? [*includes payment of medical bills for disabled people*]

- 36% yes
- 64 no

48. 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
- 30 yes, moderate recession
- 10 yes, mild recession
- 36 no
- 3 don't know

[49-65: *demographic questions*]

PPIC STATEWIDE SURVEY

Advisory Committee

Angela Blackwell

President
Policy Link

Paul Brest

President
The William and Flora Hewlett Foundation

Mollyann Brodie

Vice President
Kaiser Family Foundation

Bruce E. Cain

Director
Institute of Governmental Studies
University of California, Berkeley

James E. Canales

President
The James Irvine Foundation

Matt Fong

Chairman
Pension Benefit Guaranty Corporation
Advisory Committee

William Hauck

President
California Business Roundtable

Sherry Bebitch Jeffe

Senior Scholar
School of Policy, Planning, and Development
University of Southern California

Monica Lozano

President and Chief Operating Officer
La Opinión

Donna Lucas

Executive Vice President
Porter Novelli

Max Neiman

Director
Center for Social and
Behavioral Research
University of California, Riverside

Dan Rosenheim

News Director
KPIX-TV

Richard Schlosberg

President and CEO
The David and Lucile
Packard Foundation

Carol Stogsdill

President
Stogsdill Consulting

Cathy Taylor

Vice President and Editorial
Commentary Director
Orange County Register

Raymond L. Watson

Vice Chairman of the Board
The Irvine Company

Carol Whiteside

President
Great Valley Center

PUBLIC POLICY INSTITUTE OF CALIFORNIA

Board of Directors

Raymond L. Watson, *Chairman*

Vice Chairman of the Board
The Irvine Company

William K. Coblentz

Senior Partner
Coblentz, Patch, Duffy & Bass, LLP

Edward K. Hamilton

Chairman
Hamilton, Rabinovitz & Alschuler, Inc.

Walter B. Hewlett

Director
Center for Computer Assisted Research
in the Humanities

David W. Lyon

President and CEO
Public Policy Institute of California

Cheryl White Mason

Chief, Civil Liability Management
Los Angeles City Attorney's Office

Arjay Miller

Dean Emeritus
Graduate School of Business
Stanford University

Ki Suh Park

Design and Managing Partner
Gruen Associates

A. Alan Post

Former State Legislative Analyst
State of California

Constance L. Rice

Co-Director
The Advancement Project

Thomas C. Sutton

Chairman & CEO
Pacific Life Insurance Company

Cynthia A. Telles

Department of Psychiatry
UCLA School of Medicine

Carol Whiteside

President
Great Valley Center

Harold M. Williams

President Emeritus
The J. Paul Getty Trust
and Of Counsel
Skadden, Arps, Slate,
Meagher & Flom LLP

Advisory Council

Mary C. Daly

Research Advisor
Federal Reserve Bank of San Francisco

Clifford W. Graves

General Manager
Department of Community Development
City of Los Angeles

Elizabeth G. Hill

Legislative Analyst
State of California

Hilary W. Hoynes

Associate Professor
Department of Economics
University of California, Davis

Andrés E. Jiménez

Director
California Policy Research Center
University of California
Office of the President

Daniel A. Mazmanian

C. Erwin and Ione Piper Dean and Professor
School of Policy, Planning, and Development
University of Southern California

Dean Misczynski

Director
California Research Bureau

Rudolf Nothenberg

Chief Administrative Officer (Retired)
City and County of San Francisco

Manuel Pastor

Professor, Latin American & Latino Studies
University of California, Santa Cruz

Peter Schrag

Contributing Editor
The Sacramento Bee

James P. Smith

Senior Economist
RAND

PUBLIC POLICY INSTITUTE OF CALIFORNIA

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

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

www.ppic.org • info@ppic.org