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VOTERS EXPRESS VIEWS ON DEALING WITH THE STATE'S HUGE BUDGET DEFICIT.

By Mark DiCamillo and Mervin Field

A statewide survey undertaken collaboratively by the University of California, Berkeley and *The Field Poll* highlights some revealing findings about how registered voters would prefer dealing with the state's unprecedented \$25 billion budget deficit.

- ... There is no great willingness on the part of voters to increase taxes as a way of dealing with the huge budget deficit. However, majorities do support the idea of extending the temporary tax increases enacted by the state several years ago.
- ... A 61% majority prefer calling a special election to allow voters to decide on these issues rather than leaving it to the legislature to act.
- ... If a special election is called, by a 58% to 39% margin, voters endorse the governor's proposal to extend for five more years the one-cent increase in the state sales tax, the ½ percent increase in vehicle license fees and the ¼ percent increase in personal income taxes that the state enacted in 2009.
- ... Pluralities of voters do not support the idea of transferring to the state's general fund dedicated taxes approved by voters in previous elections as a way of mitigating the budget shortfall. These relate to approximately \$1 billion in taxes collected under Prop. 10 in the 1998 election now devoted to early childhood development programs and about \$861 million collected under Prop. 63 from the 2004 election that go to mental health services.
- ... While a majority of voters (52%) prefer eliminating the state budget deficit through a roughly equal mix of spending cuts and increases in tax revenues, voters have a hard time identifying which specific state program areas they would be willing to cut. When asked about fourteen areas of state spending, a majority goes along with cutbacks in just two areas to help reduce the deficit. They are spending for the courts/state judiciary and state prisons and correctional facilities.
- ... Small pluralities oppose cuts in six other spending areas – environmental regulations, state road building and repair, state parks and recreational facilities, public transportation, public assistance to low-income families with dependent children, and water storage and supply facilities.

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... There is much greater opposition, ranging from 61% to 74%, to cut six major spending areas – the k-12 public schools, law enforcement and police, health care programs for low income and disabled Californians, higher education including public universities, colleges and community colleges, spending for child care, and mental health services.

These findings are based on telephone interviews with 898 registered voters conducted in English and Spanish February 28-March 14. In addition to UC Berkeley, *The Field Poll* also received funding and support from the California HealthCare Foundation to permit the survey to examine voter priorities in relation to how cutbacks to health programs compare to cutbacks in other state program areas.

How to deal with the state's \$25 billion deficit

Voters generally do not favor simply increasing taxes as a way of dealing with the estimated \$25 billion budget deficit facing the state over the next eighteen months.

Just one in nine registered voters (11%) favor relying mostly on increases in tax revenue as the way to close the deficit. Nearly three times as many (32%) prefer mostly spending cuts as the remedy. The largest group (52%) opt for roughly an equal mix of spending cuts and increases in tax revenues.

Almost two in three Democrats (62%) think the deficit should be handled through an equal mix of spending cuts and tax increases. Twenty percent choose mostly spending cuts and 14% favor mostly tax increases.

The views of Republicans differ greatly from the positions of Democrats. Among GOP voters about half (51%) favor a budget solution based mostly on spending cuts. Another four in ten (40%) of Republicans would be amenable to an equal mix of spending cuts and tax increase. Very few (5%) favor resolving the deficit mostly through tax increases.

The opinions of voters who are registered with neither party fall about mid-way in between.

Table 1
Voter preferences on how state government should deal with its current \$25 billion deficit

	Through an equal mix of spending cuts and increases in tax revenue	Mostly through spending cuts	Mostly through increases in tax revenue	No opinion
Total registered voters	52%	32	11	5
<u>Party registration</u>				
Democrats	62%	20	14	4
Republicans	40%	51	5	4
Non-partisans/others	51%	30	13	6

Paying higher taxes vs. extending temporary tax increases

By a 55% to 43% margin Californians say they are not willing to pay higher taxes for the purpose of helping the state balance its budget. However, by a 61% to 37% margin voters agree with the statement, "I would be willing to extend the temporary tax increases enacted several years ago to help the state balance its budget."

Majorities of Democrats will be willing to take either step. However, Republicans make a clear distinction between the two alternatives. By an overwhelming 78% to 20% margin, they oppose the idea of paying higher taxes. Yet, when it comes to extending the previously enacted temporary tax increases, Republicans are opposed by a narrower five to four margin (55% to 44%).

The views of non-partisan voters on these issues are similar to those of Democrats.

Table 2
Willingness of voters to extend temporary tax increases vs. paying higher taxes to help the state balance its budget

	Agree	Disagree	No opinion
<i>"I would be willing to extend the temporary tax increases enacted several years ago to help the state balance its budget."</i>			
Total registered voters	61%	37	2
<u>Party registration</u>			
Democrats	69%	29	2
Republicans	44%	55	1
Non-partisans/others	69%	27	4
<i>"I would be willing to pay higher taxes to help the state balance its budget."</i>			
Total registered voters (March 2011)	43%	55	2
April 2009	40%	58	2
<u>Party registration (March 2011)</u>			
Democrats	53%	45	2
Republicans	20%	78	2
Non-partisans/others	53%	45	2

Note: Extending temporary tax increases not asked in previous measures.

Special election preferred over having the legislature deal with the deficit

Governor Jerry Brown is proposing to call a statewide special election in June to ask voters to approve a number of tax proposals to deal with budget deficit. Voters in this survey were asked whether they favored calling a special election to deal with these proposals or leaving the matter to the Democrats and Republicans in the state legislature to come to an agreement on a budget.

Overall, about six in ten (61%) prefer calling a special election to settle the budget issues. Just 36% prefer leaving it to the legislature to decide.

Large majorities of Democrats (62%) and non-partisans (65%) favor calling a special election. Republicans also support calling a special election 56% to 42%.

Table 3
California voter opinions about calling a special election on taxes vs. having the legislature agree on a budget without a special election

	Favor calling special election	Prefer legislature agreeing on budget without special election	No opinion
Total registered voters	61%	36	3
<u>Party registration</u>			
Democrats	62%	35	3
Republicans	56%	42	2
Non-partisans/others	65%	30	5

Brown’s tax extension proposal endorsed five to three

Voters in the survey were asked to react to the governor’s main proposal to increase tax revenues in a special election. The question was posed in this manner:

“The governor is proposing to extend for five more years the one-cent increase in the state sales tax, the ½ percent increase in vehicle license fees and the ¼ percent increase in personal income taxes that the state enacted in 2009. Some of the money would be transferred to local governments for schools, public safety and other services. If the statewide special election were held today, would you vote yes to approve this extension of taxes or no to return these taxes to their previous levels?”

In this setting, by a 58% to 39% margin, voters say they would vote yes to support the governor’s proposal.

Democratic voters (69%) and non-partisans (66%) heavily endorse the governor’s proposal. This is in sharp contrast to the views of Republicans, who are opposed 61% to 35%.

Table 4
If a special election is held, voter preferences on the governor’s proposal to extend the temporary tax increases enacted in 2009 for another five years

	Would vote Yes	Would vote No	No opinion
Total registered voters	58%	39	3
<u>Party registration</u>			
Democrats	69%	29	2
Republicans	35%	61	4
Non-partisans/others	66%	29	5

Voters cool to two other budget-related plans

Two other proposals are being considered as ways for the state to increase its general fund tax revenues.

One would transfer to the state general fund about \$1 billion in taxes collected under Prop. 10 from the 1998 election that are currently devoted to early childhood development programs. By a narrow 46% to 41% margin voters are against this proposal. Democrats divide 48% in favor and 44% against. Republicans are opposed 54% to 30%, while non-partisans are about evenly divided.

The other proposal would transfer to the state general fund about \$861 million in taxes collected under Prop. 63 from the 2004 election that are devoted to mental health services. Voter sentiment toward this proposal is quite negative, with voters opposed 54% to 37%. Majorities of all partisan subgroups are opposed to this proposal.

Table 5
Voter preferences regarding two other budget-related proposals

	Favor	Oppose	No opinion
<i>Transferring to the state general fund about \$1 billion in taxes collected under Prop. 10 from 1998 now devoted to early childhood development programs</i>			
Total registered voters	41%	46	13
<u>Party registration</u>			
Democrats	48%	44	8
Republicans	30%	54	16
Non-partisans/others	43%	41	16
<i>Transferred to state general fund about \$861 million in taxes collected under Prop. 63 from 2004 now devoted to mental health services</i>			
Total registered voters	37%	54	9
<u>Party registration</u>			
Democrats	38%	53	9
Republicans	36%	55	9
Non-partisans/others	38%	56	6

Majority supports cutting only two of fourteen state spending categories.

The survey finds that voters overall are disinclined to support cutbacks to most state programs and services. There is majority support among voters for reducing just two of fourteen spending categories. These relate to courts and state judiciary (59%) and spending for state prisons and correctional facilities (59%).

Relatively small pluralities of voters oppose making cuts to six other state spending categories. These are environmental regulation, state road and highway building and repair, state parks and recreational facilities, public transportation, water storage and supply facilities, and public assistance to low-income families with dependent children. Previous *Field Poll* surveys showed larger majorities opposed to cutting each of these services than do so at the present time.

Table 6a			
State spending categories where 40% or more support cutting to help reduce the state budget deficit (among registered voters)			
	Favor cuts to this area	Oppose cuts to this area	No opinion
The courts and state judiciary			
March 2011	59%	33	8
State prisons and correctional facilities			
March 2011	59%	35	6
Late April 2009	59%	38	3
May 2008	46%	50	4
July 2002	46%	49	5
Environmental regulation			
March 2011	47%	49	4
Late April 2009	40%	56	4
May 2008	39%	56	5
July 2002	40%	55	5
State road and highway building and repair			
March 2011	46%	49	5
Late April 2009	43%	54	3
May 2008	36%	62	2
July 2002	37%	59	4
State parks and recreational facilities			
March 2011	45%	52	3
Late April 2009	51%	47	2
May 2008	38%	59	3
July 2002	41%	55	4
Public transportation			
March 2011	45%	53	2
Late April 2009	43%	55	2
May 2008	30%	67	3
July 2002	34%	62	4
Public assistance to low-income families with dependent children			
March 2011	44%	50	6
Water storage and supply facilities			
March 2011	40%	49	11
Late April 2009	31%	63	6
May 2008	29%	64	7
July 2002	27%	65	8

Note: "Public assistance to low income families with dependent children" and "The courts and state judiciary" not measured in previous surveys.

Heavy opposition to cutting six major spending areas

Large majorities of voters, ranging from 61% to 74%, oppose cuts in six major state spending categories. They include the public schools (74%), law enforcement and police (69%), healthcare programs for low income Californians and the disabled (69%), higher education, including public universities, colleges and community colleges (64%), child care programs (62%) and mental health programs (61%).

Current voter opinion against spending reductions in these six budget categories is generally similar to what was reported in previous *Field Poll* surveys conducted in 2002, 2008, and 2009.

Table 6b
State spending categories that large majorities oppose cutting to help reduce the state budget deficit (among registered voters)

	Oppose cuts to this area	Favor cuts to this area	No opinion
The public schools			
March 2011	74%	24	2
Late April 2009	73%	25	2
May 2008	80%	20	*
July 2002	78%	20	2
Law enforcement and police			
March 2011	69%	28	3
Late April 2009	74%	23	3
May 2008	71%	26	3
July 2002	74%	23	3
Health care programs for low income Californians and the disabled			
March 2011	69%	28	3
Late April 2009	72%	26	2
May 2008	77%	20	3
July 2002	76%	21	3
Higher education, including public universities, colleges and community colleges			
March 2011	64%	34	2
Late April 2009	67%	31	2
May 2008	71%	28	1
July 2002	66%	32	2
Child care programs			
March 2011	62%	36	2
Late April 2009	66%	30	4
May 2008	70%	26	4
July 2002	70%	25	5
Mental health programs			
March 2011	61%	33	6
Late April 2009	66%	31	3
May 2008	73%	24	3
July 2002	72%	25	3

* Less than 1/2 of 1%.

How harmful would additional cuts be to major state programs

The survey asked voters how harmful they believe it would be to make additional cuts in five spending areas in the event that legislators or voters do not approve of the governor’s tax proposals.

In response, 62% of voters feel additional cuts to k-12 public schools would be very harmful, while another 22% say they would be somewhat harmful.

Slightly more than half of voters (51%) say that further cuts to health care programs for low income Californians and the disabled would be very harmful, and 35% view them as somewhat harmful.

For higher education 43% believe further cuts would be very harmful and 36% somewhat harmful.

Thirty-nine percent think it would be very harmful to the program of public assistance to low income families with dependent children, and another 42% view them as somewhat harmful.

Less than one in five (19%) think that additional spending reductions in state prisons and corrections would be very harmful, while 37% feel they would be somewhat harmful..

Relatively small proportions of voters feel it would not be too harmful to make additional budget reductions to the k-12 public schools, health care programs, higher education and public assistance. However, in one category, spending for state prisons and corrections, four in ten (40%) think additional cutbacks would not be too harmful.

Table 7
How harmful would additional spending cuts be to various areas of state spending if the legislature or voters do not approve of the governor’s tax proposals (among registered voters)

	Very harmful	Somewhat harmful	Not too harmful	No opinion
K-12 public schools	62%	22	15	1
Health care programs for low income Californians and the disabled	51%	35	12	2
Higher education	43%	36	20	1
Public assistance to low income families with dependent children	39%	42	17	2
State prisons and corrections	19%	37	40	4

Awareness of past actions taken to reduce budget deficits

The state enacted a temporary increase in the state sales tax, vehicle license fees and state income tax in 2009. More than two in three voters (68%) say that they are aware of this action, while less than one third say they are not. Fewer voters (51%) report being aware of the fact that the state has reduced general fund spending by about \$16 billion over the past three years.

Table 8		
Awareness of past actions taken by state government to reduce its budget deficits (among registered voters)		
	Temporarily increasing the state sales tax, vehicle license fees, and state income tax in 2009	Cutting state general fund spending by \$16 billion over past three years
Yes, aware	68%	51%
No, not aware	32	49

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Information About The Survey

Methodological Details

The findings in this report are based on a survey conducted collaboratively by UC Berkeley and *The Field Poll*. Additional funding and support was provided by the California HealthCare Foundation.

The survey was completed February 28 – March 14, 2011 among a random sample of 898 registered voters in California. In order to cover a broad range of issues and minimize respondent fatigue, some of the questions were asked of random subsamples of either 454 or 444 voters each.

Interviewing was conducted by telephone in English and Spanish using live interviewers working from Field Research Corporation’s central location telephone interviewing facilities. Up to six attempts were made to reach, screen and interview each randomly selected voter on different days and times of day during the interviewing period.

Interviewing was completed on either a voter’s landline phone or a cell phone depending on the source of the telephone listing from the voter file. After the completion of interviewing, the overall registered voter sample was weighted to *Field Poll* estimates of the characteristics of the registered voter population in California by region, age, gender, race/ethnicity and party registration.

Sampling error estimates applicable to the results of any probability-based survey depend on sample size as well as the percentage distribution being examined. The maximum sampling error estimates for results based on the overall registered voters sample is +/- 3.4 percentage points at the 95% confidence level, while findings based on the random subsample of voters have a sampling error of +/- 4.8 percentage points. The maximum sampling error is based on results in the middle of the sampling distribution (i.e., percentages at or near 50%). Percentages at either end of the distribution (those closer to 10% or 90%) have a smaller margin of error. Findings from subgroups of the overall sample have somewhat larger sampling error levels.

There are other potential sources of error in surveys besides sampling error. However, the overall design and execution of the survey sought to minimize these other possible sources of error.

The Field Poll was established in 1947 as *The California Poll* by Mervin Field, who is still an active advisor. The Poll has operated continuously since then as an independent, non-partisan survey of California public opinion. The poll receives annual funding from media subscribers of *The Field Poll*, from several California foundations, and from the University of California and California State University systems, who receive the raw data files from each *Field Poll* survey shortly after its completion for teaching and secondary research purposes.

Questions Asked

State government is facing a budget deficit estimated to be about 25 billion dollars over the next 18 months. How would you prefer that the state deal with this deficit? Should the state deal with the deficit mostly by reducing the amount it spends on services, mostly through increases in taxes or through a roughly equal mix of spending cuts and tax increases?

I am going to read some areas of state government spending. For each, please tell me whether you favor or oppose making cuts to this area as a way to reduce the state budget deficit. (ITEMS READ IN RANDOM ORDER) Do you favor or oppose making cuts to this area in order to reduce the state budget deficit? (SEE RELEASE FOR ITEMS READ) (EACH ASKED OF A RANDOM SUBSAMPLE OF VOTERS)

Please tell me whether you agree or disagree with each of the following statements (STATEMENTS READ IN RANDOM ORDER) Do you agree or disagree?

I would be willing to pay higher taxes to help the state balance its budget

I would be willing to extend the temporary tax increases enacted several years ago to help the state balance its budget

Because the state faced budget deficits in previous years, to help balance its budget, in 2009 the governor and the state legislature temporarily increased for two years the state sales tax by one cent, increased fees on vehicle licenses by one-half of one percent, and increased state personal income taxes by one-quarter of one percent. Before I mentioned this, were you aware that the state had temporarily increased taxes in this manner in 2009 or not? (ASKED OF A RANDOM SUBSAMPLE)

Because the state faced budget deficits in previous years, over the past three years the governor and the state legislature reduced general fund spending by about 16 billion dollars, from 103 billion dollars to 87 billion dollars last year. Before I mentioned this, were you aware that the state had reduced its general fund spending in recent years or not? (ASKED OF A RANDOM SUBSAMPLE)

Governor Brown is proposing to call a statewide special election this June to ask voters to approve a number of tax proposals to deal with the budget deficit. Do you favor calling a special election where voters decide on taxes or would you prefer that Democrats and Republicans in the legislature agree on a budget without this special election?

The governor is proposing to extend for five more years the one-cent increase in the state sales tax, the one-half percent increase in vehicle license fees and the one-quarter percent increase in personal income taxes that the state enacted in 2009. Some of the money collected would be transferred to local governments for schools, public safety and other services. If the statewide special election were held today, would you be vote yes to approve this extension of taxes or no to return these taxes to their previous level?

If a special election were held, voters would also be asked to vote on a proposal to transfer to the state's general fund about one billion dollars collected under Proposition 10 of 1998 that are now devoted to early childhood development programs under the California Children and Families Program. If the special election were held today, would you vote yes to approve or no to reject this proposal?

If a special election were held, voters would also be asked to vote on a proposal to transfer to the state's general fund about 861 million dollars collected under Proposition 63 of 2004 that now is devoted to mental health services under the Mental Health Services Act. If the special election were held today, would you vote yes to approve or no to reject this proposal?

If the state legislature or voters do not approve the governor's proposals to increase tax revenues, in order to balance its budget the state would have to make large additional spending cuts to the general fund on top of those already proposed by the governor. I am going to read some of the state's largest program areas that would likely be cut if this were to happen. For each, please tell me how harmful you feel additional spending cuts would be to these programs. (ITEMS READ IN RANDOM ORDER) How harmful would additional spending cuts be to (ITEM) – very harmful, somewhat harmful, or not too harmful? (SEE RELEASE FOR ITEMS READ)