

THE FIELD POLL

THE INDEPENDENT AND NON-PARTISAN SURVEY
OF PUBLIC OPINION ESTABLISHED IN 1947 AS
THE CALIFORNIA POLL BY MERVIN FIELD

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VOTERS VERY DISSATISFIED WITH STATE BUDGET NEGOTIATIONS. BLAME DAVIS AND BOTH PARTIES IN THE LEGISLATURE. THREE IN FOUR FEAR THE STATE IS SERIOUSLY OFF ON THE WRONG TRACK.

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by Mark DiCamillo and Mervin Field

With the state's political leaders late in coming up with a budget to deal with California's huge deficit, a growing proportion of voters (75%) fears that the state is seriously off on the wrong track.

A good deal of this negative assessment relates to the way voters view the job performance of the state legislature and the Governor. A record low proportion of voters (19%) approves of the job the state legislature is doing, while 67% disapprove. This negative assessment is slightly worse than the record low appraisal that voters have of Governor Gray Davis, who now receives a 23% approval rating, while 66% disapprove.

The Governor and the Democrats in the legislature have favored a combination of program cuts, short-term loans and tax increases to resolve the budget deficit. Republicans, on the other hand, have been standing fast against raising taxes and have proposed deeper program cuts than the Democrats. When voters are asked whether they believe taxes will have to be raised to resolve the deficit, 53% think taxes will have to be raised, while 37% think the budget can be balanced without tax hikes. This is down from a 62% to 31% margin who felt this way in April.

However, voters are not supportive of some of the specific tax increase plans that the Democrats have been proposing. For example, voters oppose by a 57% to 40% margin the Governor's proposal to borrow money through a \$10.7 billion bond to be re-paid by increasing the state sales tax by 1/2 cent. They also believe, by a 67% to 28% margin, that the administration was unjustified when it increased the state's vehicle licensing fees to an average of \$158 per vehicle. One tax increase proposal that is supported relates to increasing the top tax rate paid by the state's top income earners. Statewide, 52% favor this idea, while 45% are opposed.

Voters are also very concerned about the possibility that major cutbacks will be forthcoming in state and local government services. Voter concerns are greatest about potential major cuts in the

K-12 schools (69% very concerned), health care services and programs (62%) and police and law enforcement (61%).

One of the reasons budget negotiations in the legislature have been prolonged is that a two-thirds vote is required to pass the budget. Over the years there have been proposals to amend California's constitution to change this two-thirds vote requirement. In the current survey, voters were asked about the possibility of reducing the proportion of legislators needed to pass a budget to a 55% majority. Opinions about this are mixed, with 40% favoring the idea and 45% opposed.

On the other hand, another structural change to freeze state government spending at its current level and limit future growth to annual increases in the state's population and inflation rate is approved by a 55% to 27% margin.

These are some of the findings from the latest *Field Poll* conducted among a random sample of 1,040 registered voters July 1-13.

Increasingly pessimistic view of the overall direction of the state

Currently, 75% of the state's registered voters believe that California is seriously off on the wrong track. Just 18% see the state heading in the right direction. This sentiment represents an increasingly pessimistic appraisal of general conditions in the state and is the most dismal assessment given by voters since 1993.

	<u>Right direction</u>	<u>Wrong track</u>	<u>No opinion</u>
July 2003	18%	75	7
April 2003	26%	65	9
September 2002	33%	54	13
July 2002	37%	51	12
January 2002	41%	50	9
2001	43%	50	7
2000	58%	35	7
1999	52%	34	14
1998	48%	42	10
1997	36%	54	10
1996	39%	49	12
1995*	32%	57	11
1994*	21%	70	9
1993	11%	83	6
1992	7%	90	3
1989*	50%	42	8
1988*	52%	43	5

* Surveys in 1988, 1989, 1994 and 1995 were conducted among all California adults.

Record low appraisal of the state legislature

The proportion of voters who approves of the job the state legislature is doing is at the lowest level ever registered in a statewide *Field Poll*. At present, just 19% approve of the job the legislature is doing overall, while 67% disapprove and 14% have no opinion. The previous record low appraisal for the state legislature was in July 1992, when 23% approved of its performance.

Partisans on both sides of the aisle are unified in their disapproval of the state legislature's job performance. About two-thirds (65%) of the Democrats and non-partisans (62%) do not approve of the legislature's job performance, while an even larger proportion (74%) of Republicans disapproves.

Table 2
Trend of voter appraisals of the job the state legislature is doing
(among registered voters)

	<u>Approve</u>	<u>Disapprove</u>	<u>No opinion</u>
July 2003	19%	67	14
April 2003	31%	51	18
September 2002	35%	46	19
July 2002	45%	36	9
April 2002	39%	41	24
January 2002	40%	36	24
<u>Highest reading prior to 2002</u>			
February 1998	57%	37	6
<u>Lowest reading prior to 2002</u>			
July 1992	23%	73	4
<u>Party (July 2003)</u>			
Democrats	22%	65	13
Republicans	13%	74	13
Non-partisans/others	21%	62	17

Note: Poll measurements prior to 1997 were conducted using a different rating scale but were converted to the current approve/disapprove scale.

Continuing highly negative appraisal of Governor Davis

Two years into Davis’s first term, during the spring and summer of 2000, large majorities of California voters gave the Governor a positive overall job rating. For example, in a *Field Poll* taken in February 2000, 62% of the state's voters approved of the job Davis was doing and just 20% disapproved. Those readings have completely turned around, with 66% now disapproving and 23% approving.

Only a meager 6% of all Republican voters approve of Davis’s performance in office, while 90% disapprove. Davis is also downrated by members of his own party, with 50% of Democrats disapproving and just 36% approving. Non-partisans/others are also more negative than positive by a 59% to 28% margin.

Table 3
Trend of job appraisals of Davis as Governor
(among registered voters)

	<u>Approve</u>	<u>Disapprove</u>	<u>No opinion</u>
July 2003	23%	66	11
April 2003	24%	65	11
September 2002	39%	49	12
July 2002	41%	49	10
April 2002	39%	54	7
January 2002	39%	53	8
December 2001	38%	51	11
September 2001	38%	52	10
May 2001	36%	55	9
January 2001	57%	34	9
August 2000	56%	28	16
June 2000	61%	24	15
February 2000	62%	20	18
October 1999	54%	27	19
August 1999	59%	26	15
March 1999	54%	15	31
<u>Party (July 2003)</u>			
Democrats	36%	50	14
Republicans	6%	90	4
Non-partisans/others	28%	59	13

Voters downrate all participants in their efforts to try to resolve the budget deficit

Just 14% of the state's voters believe that Davis is doing a very good or good job in his attempts to resolve the state's budget deficit, and similar low proportions say this about the Democrats in the state legislature (17%) and the Republicans in the legislature (18%).

More than six in ten voters (61%) say that Davis is doing a poor or very poor job in trying to resolve the state's budget deficit. Republicans are particularly critical (83% disapproving and 4% approving). But Democrats are also negative about Davis's efforts in his budget deficit dealings (41% disapproving and 23% approving).

The views that voters have of the job that Democrats and Republicans in the legislature are doing in trying to come up with a budget are highly partisan, with Democratic voters especially critical of Republican legislators, while GOP voters are about as critical of the Democrats in the legislature.

Table 4
Job each is doing in trying to resolve the state's budget deficit
(among registered voters)

	<u>Very good/ good</u>	<u>Fair</u>	<u>Poor/very poor</u>	<u>No opinion</u>
<u>Governor Gray Davis – Total</u>	<u>14%</u>	<u>22</u>	<u>61</u>	<u>3</u>
Democrats	23%	32	41	4
Republicans	4%	10	83	3
Non-partisans/others	9%	19	66	6
<u>Democrats in the state legislature – Total</u>	<u>17%</u>	<u>29</u>	<u>47</u>	<u>7</u>
Democrats	29%	32	31	8
Republicans	6%	24	64	6
Non-partisans/others	10%	30	52	8
<u>Republicans in the state legislature – Total</u>	<u>18%</u>	<u>28</u>	<u>46</u>	<u>8</u>
Democrats	8%	25	59	8
Republicans	27%	34	30	9
Non-partisans/others	23%	25	46	6

High level of concern about major cutbacks in state and local government services

Voters are very concerned about the possibility that major cutbacks will be made in state and local government services because of budget problems.

The three areas where voters are most concerned relate to the budgets of the K-12 schools (69% very concerned), health care services and programs (62%) and police and law enforcement (61%). About half of all voters also reports being very concerned about possible cutbacks in higher education (51%), mental health programs (50%) and public assistance programs for low income families and the disabled (47%).

The state spending areas where there is somewhat less concern about possible cutbacks are in state corrections and prisons, and state road and highway building and repair.

Table 5
Degree of voter concern about major cutbacks to specific areas of state and local government spending due to budget problems (among registered voters)

	<u>Very concerned</u>	<u>Somewhat concerned</u>	<u>Not concerned</u>	<u>No opinion</u>
K – 12 schools	69%	18	13	*
Health care services and programs	62%	26	11	1
Police and law enforcement	61%	27	12	1
Higher education	51%	31	18	*
Mental health programs	50%	37	13	*
Public assistance programs for low income families and the disabled	47%	36	17	*
State road and highway building and repair	26%	48	26	*
State corrections and prisons	26%	36	37	1

* Less than 1/2 of 1%

Tax increase?

By a 53% to 37% margin voters believe that a tax increase will be necessary to resolve this year's budget deficit. This represents a decline in the proportion of voters who feel this way from April, when 62% of voters felt that there would have to be a tax increase for the budget to be resolved.

Currently, 61% of Democrats and 56% of non-partisans/others take the view that a boost in taxes will be required to meet the state's funding needs. On the other hand, by a 51% to 41% margin, rank-and-file Republicans now believe that the budget can be balanced without having to raise taxes.

Table 6			
Can the state's budget deficit be resolved this year without a tax increase or will taxes have to be raised? (among registered voters)			
	Taxes will have to be raised	Can be resolved without raising taxes	No opinion
July 2003	53%	37	10
April 2003	62%	31	7
Party (July 2003)			
Democrats	61%	28	11
Republicans	41%	51	8
Non-partisans/others	56%	32	12

Two in three believe recent hike in state's vehicle licensing fees was unjustified

As a way of raising additional revenue, the Davis administration several weeks ago increased vehicle license fees to where they were a few years ago. The effect of this increase was to triple the vehicle license fee to an average of about \$158 per vehicle. When asked about this, 67% of voters feel this recent fee hike was unjustified, while just 28% say it was justified.

Republicans are most likely to believe increasing the vehicle registration fee was unjustified, with 81% feeling this way and just 13% saying it was justified. However, even majorities of Democrats (56%) and non-partisans/others (64%) do not believe the fee increase was justified.

Table 7			
Was the Davis administration justified or not justified in tripling the state's vehicle license fees to an average of \$158 per vehicle? (among registered voters)			
	Not justified	Justified	No opinion
Statewide	67%	28	5
Party			
Democrats	56%	39	5
Republicans	81%	13	6
Non-partisans/others	64%	30	6

Mixed view of two other tax increase proposals

State’s lawmakers are considering raising the top income tax rate affecting individuals earning more than \$100,000 a year and couples earning more than \$200,000 as a way to generate more tax revenue. By a narrow 52% to 45% margin, voters favor this approach. Democrats are most supportive and favor it by a 65% to 32% margin. Non-partisans/others are also in favor 54% to 41%. However, Republicans are opposed more than two to one (67% to 31%).

Another proposal designed to help get the state past the current huge shortfall is to borrow \$10.7 billion in a bond issue to be re-paid by increasing the state sales tax by 1/2 cent over a five year period. Voters oppose this idea by a 57% to 40% margin. Opinions on this approach are highly partisan, with a majority (58%) of Democrats in favor, and 72% of Republicans and 65% of non-partisans/others in opposition.

Table 8
Opinions of two tax increase proposals that would help
reduce the state budget deficit
(among registered voters)

	<u>Favor</u>	<u>Oppose</u>	<u>No opinion</u>
<hr/>			
Temporarily raise the state’s income tax from 9.3% to 11% for individuals earning more than \$100,000 a year and couples earning more than \$200,000			
<hr/>			
<u>Total</u>	<u>52%</u>	<u>45</u>	<u>3</u>
Democrats	65%	32	3
Republicans	31%	67	2
Non-partisans/others	54%	41	5
<hr/>			
Borrow money through a \$10.7 billion bond to be re-paid by increasing the state sales tax by ½ cent over a five-year period			
<hr/>			
<u>Total</u>	<u>40%</u>	<u>57</u>	<u>3</u>
Democrats	58%	40	2
Republicans	24%	72	4
Non-partisans/others	29%	65	6
<hr/>			

One of two structural changes to the state’s budgeting process supported

As has been the case in many prior budget deliberations, the legislature has failed to reach a budget agreement by its constitutionally mandated June 15 deadline. While Democrats hold a majority of seats in both the Assembly and Senate and also hold the governorship, their margin in the legislature is short of a needed two-thirds majority to pass a budget in both houses. California is one of just three states that require a two-thirds majority for budget passage. This means that Republicans in the legislature have thus far been able to block passage of any Democratic-sponsored budget plan.

Over the years there has been proposals and discussions about changing California’s constitution to reduce the state’s super-majority requirement to a lesser margin. In today’s survey, when asked about the possibility of reducing the proportion of legislators needed to pass a state budget to a 55% majority, voters divide almost evenly. Currently, 40% of voters favor this approach, but 45% are opposed. Opinions are split along partisan lines, with Democrats in favor, while Republicans and non-partisans/others are opposed.

Another budget reform that has been proposed is to change the state’s constitution to freeze state government spending at its current level and tie any future increases to the annual growth in the state’s population and inflation. Voters support this proposal two to one (55% to 27%). While Republicans favor this idea overwhelmingly (68% to 18%), pluralities of Democrats and non-partisans/others also support it.

Table 9
Voter opinions about two possible structural reforms
relating to the state budget
(among registered voters)

	<u>Favor</u>	<u>Oppose</u>	<u>No opinion</u>
<hr/>			
Reduce the proportion of legislators required to pass a state budget from its current 67% level to a 55% level			
<u>Total</u>	<u>40%</u>	<u>45</u>	<u>15</u>
Democrats	47%	38	15
Republicans	36%	53	11
Non-partisans/others	34%	48	18
<hr/>			
Freeze state government spending at its current level and limit future growth to annual increases in state’s population and inflation			
<u>Total</u>	<u>55%</u>	<u>27</u>	<u>18</u>
Democrats	47%	34	19
Republicans	68%	18	14
Non-partisans/others	49%	29	22

Information About the Survey

Sample Details

The results in this report are based on a telephone survey conducted in English and Spanish among a random sample of California registered voters. Interviews were completed during the period July 1 – 13, 2003 among a representative sample of 1,500 adults, of whom 1,040 reported being registered to vote. In order to cover a large number of issues and still minimize possible respondent fatigue, the overall sample was divided into two approximately equal sized random subsamples of 550 and 490 voters each on most questions.

Voters were sampled using random digit dialing, with numbers drawn from all operating telephone exchanges within all area codes serving California in proportion to population. Within each exchange a random sample of telephone numbers are created by adding random digits to the telephone exchange selected, permitting access to all telephone numbers both listed and unlisted.

According to statistical theory, 95% of the time results from the overall registered voter sample would have a sampling error of +/- 3.2 percentage points. Findings based on each of the two statewide voter subsamples have a sampling error of +/- 4.5 percentage points.

There are other possible sources of error in any survey other than sampling variability. Different results could occur because of differences in question wording, sampling, or sequencing or through undetected omissions or errors in interviewing or data processing. Extensive efforts were made to minimize such potential errors.

Questions Asked

(QUESTIONS ASKED OF SUBSAMPLE A)

Thinking about this state, do you think things in California are generally going in the right direction or do you feel things are seriously off on the wrong track?

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

Overall, do you approve or disapprove of the way the California state legislature is doing its job?

As you know, by law a state budget is supposed to be approved by the legislature no later than June 15 of each year. However, this year because of a budget deficit of about 38 billion dollars, a state budget has not yet been passed.

Do you think that the state's projected budget deficit can be resolved without having to raise taxes or do you think that taxes will have to be raised for the state budget to be balanced this year?

Two ideas have been proposed to help avoid the legislative deadlocks and large deficits that have occurred with state budgets recently (ITEMS READ IN RANDOM ORDER). (The first one) (The other proposal) calls for reducing the proportion of legislators required to pass a state budget from its current 67% approval level to a 55% approval level. Would you favor or oppose this proposal? (The first one) (The other proposal) calls for freezing state government spending at its current level and limiting all future growth in state spending to the annual increase in the state's population and inflation. Would you favor or oppose this proposal?

I am going to read some of the areas of state and local government spending. For each, please tell me how concerned you are that there will be major cutbacks in each area due to state and local budget problems. How concerned are you that (ITEM) will face major cutbacks in funding – very concerned, somewhat concerned, not too concerned or not at all concerned? (SEE RELEASE FOR CATEGORIES READ)

Questions Asked (cont'd)

(QUESTIONS ASKED OF SUBSAMPLE B)

I'd like your impressions of how well you feel different persons and groups are doing in trying to resolve the state budget situation. What kind of job do you think (Governor Gray Davis) (Democrats in the State legislature) (Republicans in the State legislature) (is) (are) doing in trying to resolve the budget situation – very good, good, fair, poor or very poor?

Within the past few weeks, the Davis administration tripled the state's vehicle license fees to about an average of \$158 per vehicle. Do you think raising the vehicle license fee was justified or not?

Governor Davis has proposed reducing the state's budget deficit by borrowing money through a \$10.7 billion dollar bond that would be re-paid over five years. To pay off the bond the Governor has proposed increasing the state sales tax by one-half cent over this five year period. Generally speaking, do you favor or oppose this proposal?

Another proposal to reduce the state's budget deficit is to temporarily raise the top state income tax from 9.3% to 11% for individuals earning more than \$100,000 per year and for couples earning more than \$200,000. Do you favor or oppose this proposal?

I am going to read some of the areas of state and local government spending. For each, please tell me how concerned you are that there will be major cutbacks in each area due to state and local budget problems. How concerned are you that (ITEM) will face major cutbacks in funding – very concerned, somewhat concerned, not too concerned or not at all concerned? (SEE RELEASE FOR CATEGORIES READ)