

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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PARADOXICAL VIEWS ABOUT THE STATE DEFICIT: WHILE VOTERS PREFER BUDGET CUTS OVER TAX INCREASES, THEY REJECT CUTBACKS IN EACH OF 13 STATE PROGRAM AREAS. GREATEST OPPOSITION TO CUTTING PUBLIC SCHOOLS AND HEALTH CARE.

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By Mark DiCamillo and Mervin Field

By a greater than two to one margin, California registered voters say they prefer that the state's current budget deficit be dealt with mostly through spending cuts (63%) than through tax increases (26%). However, when asked about thirteen specific state spending categories, more voters oppose than support cutbacks in each area.

In addition, when voters are asked to choose which of five major areas of state spending they would be most willing to cut to avoid a tax increase, more voters would direct cuts to prisons and corrections (47%) than any other category. Next most frequently cited are cuts to public assistance programs (23%). Relatively few choose cuts to the three other categories offered – higher education (8%), the public schools (5%) and health care programs (4%). Conversely, when asked which of these five spending areas they would be most willing to protect from cuts even if it resulted in a tax increase, more than one in three (37%) choose the public schools and one in four (25%) cite health care programs.

No matter what their own preferences are regarding taxes, eight in ten voters (81%) expect that in the end the state will have to increase taxes to resolve its current deficit.

These are among the findings from a statewide *Field Poll* survey of 1,052 registered voters completed in late May probing voter attitudes toward the state budget deficit. The California HealthCare Foundation provided additional funding and support for the survey and also enabled the study to examine voter priorities in relation to the budgets of some specific health care programs. Findings from these questions include the following:

- When asked their degree of concern about potential cuts to five specific health care programs and services, voters voice their greatest concern about cuts to hospital and emergency rooms and trauma centers (86% very or somewhat concerned) and health care programs for low income Californians and the disabled (80%). Another three in four also express concern about possible staffing cuts for nursing homes (76%) and 72% say this about immunizations and prenatal care.
- If state and local governments needed additional money to forestall spending cuts to health care programs and services, large majorities of voters support increasing the state tobacco tax (75%), the state alcohol tax (75%), and taxes on high-income earners (69%). Next in order of voter preference are tax increases on business property taxes (56%) or business income taxes (50%).

Voter priorities with regard to the state budget deficit and potential spending areas to cut

When asked whether they would prefer the state budget deficit to be resolved mostly through spending cuts or mostly through tax increases, a greater than two to one majority (63% to 26%) chooses spending cuts. While spending cuts are favored over tax increases across party lines, Republicans are the subgroup most supportive of resolving the deficit primarily through spending cuts.

	<u>Mostly spending cuts</u>	<u>Mostly tax increases</u>	<u>No opinion</u>
Statewide	63%	26	11
<u>Party registration</u>			
Democrats	49%	37	14
Republicans	80%	13	7
Non-partisans/others	64%	25	11

Despite this preference, when thirteen major categories of state spending are offered to voters as candidates for budget cuts, more voters oppose than support making cutbacks in each area.

There is some differentiation with regard to the proportion of voters opposed. Opposition is greatest when it comes to cutbacks to the public schools (80%) and health care programs for low income Californians and the disabled (77%). Additionally, another seven in ten voters are opposed to cutting mental health programs, (73%), higher education (71%), law enforcement and police (70%), and child care programs (70%).

About two in three also oppose making program cuts to public transit (67%), water storage and supply facilities (64%) and state road and highway building and repair (62%). Somewhat smaller majorities oppose cutting the state parks and recreational facilities (59%) and environment regulation (56%).

The only areas in which an outright majority of voters does not oppose spending cutbacks relates to the budgets of the state prisons and correctional facilities (50%) and state energy contract that help supply California with electricity (48%). But even here more voters oppose than favor the state making cutbacks in these program areas.

These findings are remarkably similar to those observed by *The Field Poll* six years ago the last time the state was facing a major deficit. Both the level of voter resistance and the general hierarchy of voter preferences with regard to each of the program areas are about the same.

Table 2
Voter support on opposition to making cuts to each of 13 areas
of state spending to reduce the state budget deficit
(among registered voters)

	<u>Oppose</u>	<u>Favor</u>	<u>No opinion</u>
<u>The public schools</u>			
May 2008	80%	20	*
July 2002	78%	20	2
<u>Health care programs for low income Californians and the disabled</u>			
May 2008	77%	20	3
July 2002	76%	21	3
<u>Mental health programs</u>			
May 2008	73%	24	3
July 2002	72%	25	3
<u>Law enforcement and police</u>			
May 2008	71%	26	3
July 2002	74%	23	3
<u>Child care programs</u>			
May 2008	70%	26	4
July 2002	70%	25	5
<u>Higher education, including public universities, colleges and community colleges</u>			
May 2008	71%	28	1
July 2002	66%	32	2
<u>Public transportation</u>			
May 2008	67%	30	3
July 2002	62%	34	4
<u>Water storage and supply facilities</u>			
May 2008	64%	29	7
July 2002	65%	27	8
<u>State road and highway building and repair</u>			
May 2008	62%	36	2
July 2002	59%	37	4
<u>State parks and recreational facilities</u>			
May 2008	59%	38	3
July 2002	55%	41	4
<u>Environmental regulation</u>			
May 2008	56%	39	5
July 2002	55%	40	5
<u>State prisons and correctional facilities</u>			
May 2008	50%	46	4
July 2002	49%	46	5
<u>State energy contracts that help supply California with electricity</u>			
May 2008	48%	39	13
July 2002	47%	43	10

* Less than 1/2 of 1%.

Spending categories voters are most willing to cut and most willing to protect from cuts

Voters in the survey were then asked which of five areas of state spending they were most willing to cut to avoid a tax increase and which they were most willing to protect against cuts, even if it meant raising taxes.

In this setting, the largest proportion of voters (47%) cites prisons and corrections as the spending category they would be most willing to cut to avoid a tax increase, while another 23% mention public assistance programs. Fewer than one in ten would favor cutting each of the three other spending categories posed – higher education (8%), the public schools (5%) and health care programs (4%).

More voters (37%) mention the public schools as the spending area they would be most willing to protect against cuts, even if it meant raising taxes. Next most frequently cited was health care programs (25%), followed by higher education (14%).

Table 3
Of five state spending categories, which areas are voters most willing to cut or which are they most willing to protect from cutbacks (among registered voters)

	Most willing to cut*	Most willing to protect from cutbacks**
Prisons and corrections	47%	8%
Public assistance programs	23	6
Higher education	8	14
The public schools	5	37
Health care programs	4	25
None/no opinion	13	10

* Question worded as follows: "Which area are you most willing to support cuts in spending to avoid a tax increase?"

** Question worded as follows: "Which area are you most willing to protect against cuts in spending even if it means raising taxes?"

High levels of concern about possible cutbacks to specific health care program areas

Voters in the survey were also asked how concerned they were about possible cutbacks to five specific health care program areas. Majorities of voters express high levels of concern about cuts in each area, with greater than seven in ten saying they were very or somewhat concerned about four of them.

The greatest level of voter concern is voiced in relation to possible cuts to hospital emergency rooms and trauma centers, which 86% are very or somewhat concerned about. Registering the next highest level of voter concern are potential cuts to health care programs for low income Californians and the disabled, like Medi-Cal (80%).

The following are the proportions reporting being very or somewhat concerned about each of the five health program areas measured.

- hospital emergency rooms and trauma centers (86%)
- health care programs for low income Californians and the disabled, like Medi-Cal (80%)
- staffing for nursing homes (76%)
- immunizations and prenatal care (72%)
- public health and bio-terrorism preparedness (60%)

While the levels of voter concern about cutbacks to each area remains high, compared to previous *Field Poll* surveys, the proportions who report being very concerned about each have declined some over the past five years.

Table 4
Voters' level of concern about the possibility of major cutbacks
in funding to each of five areas of health spending
(among registered voters)

	<u>Net: Very/ somewhat concerned</u>	<u>Very concerned</u>	<u>Somewhat concerned</u>	<u>Net: not concerned</u>	<u>Not too concerned</u>	<u>Not at all concerned</u>
<u>Hospital emergency rooms and trauma centers</u>						
May 2008	86%	55	31	13%	8	5
June 2005	88%	62	26	12%	8	4
July 2003	94%	70	24	6%	4	2
<u>Health care programs for low income Californians and the disabled, like Medi-Cal</u>						
May 2008	80%	49	31	19%	11	8
June 2005	86%	53	33	13%	9	4
July 2003	88%	59	29	11%	7	4
<u>Staffing for nursing homes</u>						
May 2008	76%	35	41	23%	16	7
June 2005	81%	42	39	18%	13	5
July 2003	84%	49	35	15%	11	4
<u>Immunizations and prenatal care</u>						
May 2008	72%	36	36	27%	19	8
June 2005	80%	45	35	19%	13	6
July 2003	85%	54	31	15%	11	4
<u>Public health and bioterrorism preparedness</u>						
May 2008	60%	25	35	37%	23	14
June 2005	72%	36	36	25%	17	8
July 2003	74%	38	36	25%	17	8

Differences between 100% and the sum of the percentages for each item equal proportion with no opinion.

Regardless of their own preferences, eight in ten voters expect tax increases

No matter what their own preferences are regarding taxes, eight in ten voters (81%) expect that in the end the state will have to increase taxes to resolve the budget deficit. This compares to just 14% who think the deficit will be resolved without a tax increase.

There are no differences between the opinions of Democrats, Republicans or non-partisans about this.

Table 5
**In the end, will the state resolve its current deficit
with or without an increase in taxes
(among registered voters)**

	<u>With tax increases</u>	<u>Without tax increases</u>	<u>No opinion</u>
Statewide	81%	14	5
<u>Party registration</u>			
Democrats	80%	13	7
Republicans	80%	16	4
Non-partisans/others	82%	13	5

Support for increasing some specific taxes to forestall cuts in health services

An additional series of questions asked voters which specific types of state and local taxes they would support if additional funding was needed for health care services. Support is greatest for increasing the so-called “sin taxes,” including tobacco taxes (75%) and alcohol taxes (75%). Another popular revenue source, that majorities of voters would support if more funding for health services is needed, are income taxes on high income earners. Nearly seven in ten (69%) say they would support increasing the personal income tax rate for individuals earning more than \$150,000 and for couples earning more than \$300,000.

Somewhat smaller majorities also favor increasing taxes on either business property (56%) or business income (54%) if more money is needed for health services.

Californians are about evenly divided about increasing the state’s indebtedness or leasing the operations of the California state lottery to a private firm as a means of raising more revenue for health services.

On the other hand, majorities are opposed to increasing a number of other state and local taxes for this purpose. For example, by a 54% to 42% margin, voters oppose expanding the state sales tax to include goods and services not currently covered, such as entertainment of legal, medical, accounting or other professional services. Majorities also oppose increasing the state sales tax in general (56% to 40%), as well as increasing the top personal income tax rate for middle income earners (57% to 40%). The idea of increasing residential property taxes for this purpose is also overwhelmingly rejected 74% to 22%.

These results are very similar to those found by *The Field Poll* in July 2002 when this topic was last explored.

Table 6
Voter opinions about increasing eleven different types of state and local taxes
if state and local governments needed money for health services
(among registered voters)

	<u>Favor</u>	<u>Oppose</u>	<u>No opinion</u>
<u>Increase state tobacco taxes</u>			
May 2008	75%	23	2
June 2005	75%	22	3
<u>Increase state alcohol tax</u>			
May 2008	75%	24	1
June 2005	79%	20	1
<u>Increase the top state personal income tax rate for individuals earning more than \$150K and couples \$300K after deductions*</u>			
May 2008	69%	29	2
June 2005	65%	32	3
<u>Increase taxes on business property</u>			
May 2008	56%	41	3
June 2005	50%	44	6
<u>Increase state business income taxes</u>			
May 2008	54%	41	5
June 2005	49%	47	4
<u>Lease operations of the California lottery to a private firm</u>			
May 2008	42%	44	14
June 2005	N/A	N/A	N/A
<u>Increase the state's indebtedness by Issuing bonds</u>			
May 2008	42%	45	13
June 2005	34%	55	11
<u>Expand the state sales tax to include goods and services not currently covered, such as entertainment purchases or legal, medical, accounting or other professional services</u>			
May 2008	42%	54	4
June 2005	N/A	N/A	N/A
<u>Increase state sales tax</u>			
May 2008	40%	56	4
June 2005	37%	60	3
<u>Increase the top state personal income tax rate for individuals earning more than \$45K and for couples earning more than \$90K after deductions**</u>			
May 2008	40%	57	3
June 2005	52%	44	4
<u>Increase taxes on residential property</u>			
May 2008	22%	74	4
June 2005	23%	75	2

N/A: Not asked in June 2005 survey.

* The June 2005 survey posed the issue as "high income earners" and did not offer specific dollar thresholds.

** The June 2005 survey posed the issue as "middle and high income earners" and did not offer specific dollar thresholds.

Information About The Survey

Sample Details

The findings in this report are based on a random sample survey of 1,052 registered voters statewide. Interviewing was conducted by telephone in English and Spanish May 17-26, 2008. Up to six attempts were made to reach and interview each randomly selected voter on different days and times of day during the interviewing period. In order to cover a broad range of issues and still minimize voter fatigue, the overall voter sample was divided into two random subsamples on some of the questions. Because of this, some of the questions in this report are based on a random subsample of either 502 or 550 registered voters statewide.

The overall sample was developed from telephone listings of individual voters selected at random from a statewide list of registered voters in California. Once a voter's name and telephone number has been selected, interviews are attempted only with the specified voter. Interviews can be conducted on either the voter's landline or cell phone, depending on the source of the telephone listing from the voter file. After the completion of interviewing, the results are weighted slightly to *Field Poll* estimates of the demographic and regional characteristics of the state's registered voter population.

Sampling error estimates applicable to any probability-based survey depends on the sample size. The maximum sampling error for results based on the overall sample of 1,052 registered voters is +/- 3.2 percentage points, while findings from the random subsample of 502 or 550 voters has a maximum sampling error of +/- 4.5 percentage points. The maximum sampling error is based on percentages +/- in the middle of the sampling distribution (percentages around 50%). Percentages at either end of the distribution (percentages around 10% or around 90%) have a smaller margin of error. While there are other potential sources of error in surveys besides sampling error, the overall design and execution of the survey minimized the potential for these other sources of error. The maximum sampling error will be larger for analyses based on subgroups of the overall sample.

Questions Asked

Would you prefer that the state government deal with its current large budget deficit, estimated to be about 14 to 20 billion dollars, mostly through spending cuts or mostly through tax increases?

As a way to reduce the deficit, the Governor and the state legislature are proposing to make cuts to various areas of state government spending. I am going to read some of these and for each, please tell me whether you favor or oppose making cuts to this area of state spending. (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 CATEGORIES READ)

Some of the largest areas of state spending are: the public schools, prisons and corrections, health care programs, higher education, and public assistance programs. (CATEGORIES READ IN RANDOM ORDER). Thinking about these five areas of state spending, which area are you most willing to protect against cuts in spending even if it means raising taxes?

Some of the largest areas of state spending are: the public schools, prisons and corrections, health care programs, higher education, and public assistance programs. (CATEGORIES READ IN RANDOM ORDER). Thinking about these five areas of state spending, which area are you most willing to support cuts in spending to avoid a tax increase?

No matter what you yourself prefer, thinking about what is likely to happen in Sacramento, do you think that in the end the state will deal with its current budget deficit without an increase in taxes, or do you think taxes will be increased?

I am going to read some health care programs and services to the public. For each, please tell me how concerned you are that there will be major cutbacks in this area due to state and local budget problems. (ITEMS READ IN RANDOM ORDER) How concerned are you that (ITEM) will face major cutbacks in funding – very concerned, somewhat concerned, not too concerned or not at all concerned?

Let's suppose that state and local governments needed additional money to maintain or improve the level of health services. I am going to read some things that could be done and please tell me whether you favor or oppose it. If state and local governments needed more money for health services, would you favor or oppose this? (ITEMS READ IN RANDOM ORDER) (SEE RELEASE FOR ITEMS READ)