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Daniel Weintraub: Voters sour on governor but like his reform idea

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As Gov. Arnold Schwarzenegger grapples with a growing state budget deficit, Californians are taking an increasingly unfavorable view of the state's condition, its future and the governor's ability to cope with the fiscal mess that was the primary basis for his election more than four years ago, a new poll shows.

In fact, the state's residents are gloomier now than they have been at any time since the historic 2003 recall election ousted former Gov. Gray Davis and installed Schwarzenegger in his place.

But even as they express a gut-level lack of faith in Schwarzenegger's leadership and opposition to his plan to borrow against future state lottery revenues, a large majority say they back his proposed long-term solution: a state spending limit and a rainy day fund to create a big budget reserve to use in bad economic times.

The poll, by the Public Policy Institute of California, surveyed 2,003 adults between May 12 and May 18, just as Schwarzenegger was rolling out his revised state spending plan. The results have a margin of error of plus or minus two percentage points.

The survey revealed growing support for new taxes, especially taxes that most people would not have to pay. But Mark Baldassare, the institute's president and chief executive officer and director of the poll, said residents still are not convinced that permanent new revenue is necessary to solve the problem.

"Californians are divided about whether they'd rather pay higher taxes and get more services or pay lower taxes and get less in the way of services," Baldassare said in a report on its findings. "Even independents are divided."

Only one in four Californians (24 percent) say they think the state is heading in the right direction, while 65 percent say it is heading in the wrong direction. That's the lowest percentage saying "right direction" since the months leading up to the October 2003 recall election.

Schwarzenegger's approval rating has dropped in sync with the public's view of where the state is headed. His overall positive rating is now just 41 percent, having dropped 16 points since December. His approval rating on his handling of the budget, at 32 percent, is at its lowest level since 2004. And only 17 percent say they

would prefer to have him, rather than either the Democrats or Republicans in the Legislature, making the "tough choices" on the budget.

Asked which program they would most like to protect from budget cuts, residents overwhelmingly chose kindergarten-through 12th grade education, with 62 percent of likely voters naming the schools as their top priority.

Health and human services were next at 17 percent, followed by higher education at 12 percent, and prisons at 7 percent. Schwarzenegger's budget would give the schools more money next year than they are getting now, though they would still fall short of what they need to keep pace with inflation.

By a 50 percent to 46 percent margin, likely voters said they thought new taxes should have been part of the governor's plan. Sixty-two percent said they would favor raising taxes on corporations. And 64 percent said they would support raising the tax rate paid by the richest Californians. But only 42 percent support raising the vehicle license fee and 39 percent back an increase in the state sales tax. And 35 percent support broadening the sales tax to cover things such as legal and accounting services, auto repairs and haircuts.

Only 30 percent of likely voters say they support Schwarzenegger's plan to borrow \$15 billion against future lottery earnings, with 65 percent opposed. But 57 percent, including a bare majority of Republicans, say they like his backup plan: a temporary 1-cent increase in the sales tax.

The best news for Schwarzenegger in the poll was the voters' support for his proposal to limit spending growth to no more than the average of the previous 10 years, while putting any revenues in excess of that amount into a rainy day fund that could be drawn down when the growth in tax collections falls short of the average. Fifty-nine percent supported the idea while only 29 percent were opposed.

The poll also suggests that voters would favor an even stronger limit.

Sixty-eight percent of likely voters said they would favor "strictly limiting" state spending growth. That included 61 percent of Democrats, 60 percent of independents and 81 percent of Republicans. And voters are opposed to proposals to make it easier to raise taxes by lowering the super-majorities required in the Legislature or of local voters on ballot measures.

Overall, the results show that a solution that mixes spending restraint with narrowly targeted new revenues and some sort of long-term limit on spending would win the most support from the public, especially if voters believe that education is being protected. But Schwarzenegger's ability to persuade the voters that his approach is close to their own is imperiled by the widespread lack of trust in his ability to get the job done.
