

Los Angeles Times / CNN / Politico California Survey

*Interviewing conducted by Opinion Research Corporation
Field dates: January 11-13, 2008*

Press Release 2

Schwarzenegger Job Rating, Budget Shortfall and Health System Overhaul

CALIFORNIANS SPLIT ON TAX INCREASES TO BALANCE BUDGET

Strong Support for Bipartisan Health Care Plan

California governor Arnold Schwarzenegger continues to enjoy strong job approval ratings, despite a sense among most Californians that the Golden State is off on the wrong track. The latest Los Angeles Times/ CNN / Politico poll, conducted by Opinion Research Corporation, found that roughly three in five Californians – including more than half of registered Democrats and liberals – said that their governor is doing a good job and one in five overall think he's doing a *very* good job. He will need all of that good will and more as he faces two uphill, and competing, political battles in the coming year. He is pushing a \$14.4-billion bipartisan plan that would cover the state's estimated 3.6 million uninsured, while at the same time trying to close a \$14.5-billion or more budget shortfall projected for the coming year by slashing state spending.

The survey found strong public support for proposals similar to a bipartisan plan to overhaul the state's health care system hammered out by Schwarzenegger and Assembly Speaker Fabian Nunez (D-Los Angeles) last year. The plan would insure that nearly all Californians have medical insurance by the year 2010, to be funded by a combination of tax increases on tobacco, hospitals and employers who do not insure their workers. By 59% to 36% with 5% not sure, Californians said they sided with those who support a plan that would require nearly all Californians to have medical insurance, would allow those who are already insured to keep their own healthcare plans, and would help any who cannot afford it to buy health insurance. It would be funded by a tax on tobacco, on hospitals, and on employers who do not offer insurance to their employees. (For the full text of the question, see the data tables on the last page of this release.) As stated, the plan drew support from 70% of Democrats, 51% of independents, and 45% of Republicans. A narrow 51% majority of Republicans were opposed, including 29% who said they oppose it strongly. Conservatives were split 48% support to 47% oppose.

Public support is a necessary part of the passage of the bipartisan health care proposal. The first phase, which does not include funding, was approved by the state Assembly on a party-line 45-31 vote last month. Next it must win approval in the state Senate, where some lawmakers are questioning the timing of implementing such a large package, given the state's budget crisis. If it passes in the Senate, a companion initiative that would provide funding for the plan would be put on the ballot in November. The bill's supporters considered going to

the voters to be an easier task than getting the two-thirds vote needed to pass tax increases through the legislature.

Schwarzenegger unveiled his proposal for balancing the budget on the day the survey began, calling for deep cuts in state social programs, and increasing borrowing in order to not raise state taxes or impose new fees. It was widely covered by this paper and other media while the survey was in the field. The proposed spending cuts would require closing some state parks, cutting back on medical care and education programs for the poor and elderly, and reducing prison populations through early releases and incarceration alternatives.

The survey found that Californians, like their lawmakers, split mostly along partisan lines on the general question of whether the budget should be balanced with or without raising taxes or making cuts in spending. Nearly two in five said that a combination of cuts and tax increases are necessary, and another 11% advocated raising taxes with no cuts in spending. Forty-eight percent agreed with the Governor that the budget should be balanced on spending cuts alone. Only one in four would, like Schwarzenegger, overhaul the health care system while not raising taxes to balance the budget.

Interestingly, the same proportion – 12% – of registered Democrats and Republicans would close the budget shortfall by raising taxes and not cutting spending. That is where the similarities end, however, with a majority of Republicans – nearly six in 10 – favoring spending cuts alone, and plurality of Democrats – 49% – favoring a combination of spending cuts and tax increases. Independents tend to side with the Democrats, to a lesser degree – a majority see tax increases as necessary - 45% of independents feel that a combination approach is required and 7% want taxes raised with no cuts in services. Forty-four percent said spending cuts alone should do it, and taxes should not be raised.

The governor, who has had his ups and downs in popularity, continues to ride a wave of public goodwill that returned him to positive job approval ratings a year after hitting a low point - 59% disapproval among voters – in October 2005, just before he called a special election in an abortive attempt to take his agenda to the state's voters after becoming frustrated at having to work with the state's majority of Democratic lawmakers.

Table: Schwarzenegger Job Approval Since 2004 -- among Registered Voters

Do you approve or disapprove of the way Arnold Schwarzenegger is handling his job as governor?
(IF APPROVE OR DISAPPROVE) Do you (approve/disapprove) strongly or (approve/disapprove) somewhat?

Date	Approve	Disapprove	Don't Know
01/08	60	38	2
09/06	56	41	3
05/06	44	51	5
04/06	44	53	3
10/05	37	59	4
10/04	66	25	9
09/04	66	27	7
04/04	69	22	9
02/04	65	19	16

source: Los Angeles Times Polls

When the governor first unveiled his plans to cut spending on education and other programs in 2005, Times polls found that voters viewed him and his proposals favorably. However, after a punishing pre-election fight with the teacher's unions, his job approval plummeted and voters handed him and his permanent cuts in education spending proposal a resounding defeat at the polls in October 2005.

After his defeat at the polls, the governor moved back toward the political center, working with Democratic lawmakers to increase education and health care spending. State voters rewarded his efforts with majority job approval in a Times survey taken the following spring, then in November 2006, they reinstated him as Governor with an easy 56% to 39% win over Phil Angelides while at the same time passing an unprecedented slate of infrastructure spending bills that were backed by the governor and Democratic lawmakers. It remains to be seen whether the current situation, with Schwarzenegger vowing to take his fight to enact automatic spending cuts in lean times to the voters this November, will be a repeat of 2005, or if the state's voters are ready to embrace the governor's vision of a lean budget and no new taxes.

-- Analysis by Jill Darling

Survey Methodology

The Times/CNN/Politico.com Poll, conducted by Opinion Research Corporation, contacted 1,205 adults in the state of California by telephone January 11-13, 2008 including 1,054 registered voters. Telephone numbers were randomly selected from among a list of all exchanges in the state, allowing contact with both listed and unlisted numbers. Multiple attempts were made to contact each number. Adults in the entire sample were weighted slightly to conform with census proportions for sex, ethnicity, age, education, region, and the Secretary of State's latest report of party registration.. The margin of sampling error for all adults and registered voters is plus or minus 3 percentage points. For certain other subgroups, the error margin may be somewhat higher. Poll results may also be affected by factors such as question wording and the order in which questions are presented. Interviews were conducted in both English and Spanish.

Data Tables

Guide to column headings:

REGIS	Registered Voters
LIB / MOD / CON	Self described liberals, moderates and conservatives
DEM / IND / REP	Registered Democrats independents, and Republicans
MALE / FEMALE	Adults who are male / female

Notes:

- (vol.) indicates a volunteered response
- '—' indicates that a response added up to less than 0.5% of the question base
- The order of names, arguments, or statements are rotated in all questions that mention them. Question order is also rotated whenever applicable.
- Missing questions are operational, or were published in a previous release
- Results among all California adults

Q1. Do you think things in California are generally going in the right direction or are they seriously off on the wrong track?

	---Party Registration----									
	<u>ALL</u>	<u>REGIS</u>	<u>LIB</u>	<u>MOD</u>	<u>CON</u>	<u>DEM</u>	<u>IND</u>	<u>REP</u>	<u>MALE</u>	<u>FEMALE</u>
Right direction	34	35	40	39	29	37	32	34	39	31
Wrong track	58	58	54	57	62	58	57	56	54	61
Don't know	8	7	6	4	9	5	11	10	7	8

Q21. Do you approve or disapprove of the way Arnold Schwarzenegger is handling his job as governor? (IF APPROVE OR DISAPPROVE) Do you (approve/disapprove) strongly or (approve/disapprove) somewhat?

	---Party Registration----									
	<u>ALL</u>	<u>REGIS</u>	<u>LIB</u>	<u>MOD</u>	<u>CON</u>	<u>DEM</u>	<u>IND</u>	<u>REP</u>	<u>MALE</u>	<u>FEMALE</u>
Approve (net)	<u>57</u>	<u>60</u>	<u>55</u>	<u>59</u>	<u>57</u>	<u>53</u>	<u>60</u>	<u>70</u>	<u>57</u>	<u>58</u>
Approve strongly	<u>19</u>	<u>20</u>	<u>18</u>	<u>19</u>	<u>19</u>	<u>14</u>	<u>24</u>	<u>26</u>	<u>18</u>	<u>20</u>
Approve somewhat	<u>39</u>	<u>41</u>	<u>37</u>	<u>40</u>	<u>38</u>	<u>39</u>	<u>36</u>	<u>45</u>	<u>39</u>	<u>38</u>
Disapprove (net)	<u>40</u>	<u>38</u>	<u>41</u>	<u>40</u>	<u>42</u>	<u>43</u>	<u>38</u>	<u>29</u>	<u>40</u>	<u>40</u>
Disapprove somewhat	<u>21</u>	<u>21</u>	<u>27</u>	<u>21</u>	<u>18</u>	<u>23</u>	<u>27</u>	<u>15</u>	<u>20</u>	<u>22</u>
Disapprove strongly	<u>19</u>	<u>16</u>	<u>14</u>	<u>19</u>	<u>24</u>	<u>20</u>	<u>12</u>	<u>14</u>	<u>20</u>	<u>18</u>
Don't know	<u>2</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>1</u>	-	<u>3</u>	<u>2</u>

Q22. As you may know, Governor Schwarzenegger and Democratic state legislators have proposed a plan that would require nearly all Californians to have medical insurance. Those already insured would keep their current coverage and the state would help pay for those who can't afford it. To pay the costs, the plan would double the tobacco tax, impose a tax on hospitals, and tax employers who do not provide insurance. Supporters say the plan is needed to cover the millions of uninsured Californians. Opponents say that it would hurt the economy and eliminate jobs. From what you know about the plan right now, do you support or oppose it? (IF SUPPORT/OPPOSE) Do you (support/oppose) it strongly, or only somewhat?

	--- Party Registration----									
	<u>ALL</u>	<u>REGIS</u>	<u>LIB</u>	<u>MOD</u>	<u>CON</u>	<u>DEM</u>	<u>IND</u>	<u>REP</u>	<u>MALE</u>	<u>FEMALE</u>
Support (net)	<u>59</u>	<u>57</u>	<u>76</u>	<u>57</u>	<u>48</u>	<u>70</u>	<u>51</u>	<u>45</u>	<u>63</u>	<u>57</u>
Support strongly	<u>26</u>	<u>23</u>	<u>33</u>	<u>26</u>	<u>17</u>	<u>32</u>	<u>13</u>	<u>18</u>	<u>33</u>	<u>20</u>
Support somewhat	<u>34</u>	<u>34</u>	<u>43</u>	<u>31</u>	<u>31</u>	<u>38</u>	<u>38</u>	<u>27</u>	<u>30</u>	<u>37</u>
Oppose (net)	<u>36</u>	<u>39</u>	<u>20</u>	<u>39</u>	<u>47</u>	<u>26</u>	<u>43</u>	<u>51</u>	<u>35</u>	<u>35</u>
Oppose somewhat	<u>15</u>	<u>18</u>	<u>12</u>	<u>15</u>	<u>19</u>	<u>13</u>	<u>19</u>	<u>22</u>	<u>12</u>	<u>18</u>
Oppose strongly	<u>20</u>	<u>21</u>	<u>8</u>	<u>24</u>	<u>28</u>	<u>13</u>	<u>24</u>	<u>29</u>	<u>23</u>	<u>17</u>
Don't know	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>8</u>

Q23. As you may know, California faces an estimated fourteen billion dollar budget shortfall. In order to close the state's shortfall, which of the following statements would come closest to your view: "Taxes should be raised with no reduction in state spending," or "Taxes should not be raised and state spending should be cut," or "A combination of both spending reductions and tax increases is needed to help reduce the state's budget shortfall"?

	---Party Registration----									
	<u>ALL</u>	<u>REGIS</u>	<u>LIB</u>	<u>MOD</u>	<u>CON</u>	<u>DEM</u>	<u>IND</u>	<u>REP</u>	<u>MALE</u>	<u>FEMALE</u>
Taxes raised, no reduction in state spending	<u>11</u>	<u>11</u>	<u>13</u>	<u>13</u>	<u>6</u>	<u>12</u>	<u>7</u>	<u>12</u>	<u>14</u>	<u>9</u>
Taxes not raised and state spending cut	<u>48</u>	<u>45</u>	<u>30</u>	<u>44</u>	<u>63</u>	<u>36</u>	<u>44</u>	<u>57</u>	<u>49</u>	<u>46</u>
Combination of both	<u>39</u>	<u>42</u>	<u>56</u>	<u>41</u>	<u>30</u>	<u>49</u>	<u>45</u>	<u>31</u>	<u>35</u>	<u>44</u>
Don't know	<u>2</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>4</u>	-	<u>2</u>	<u>1</u>