

# **Colorado in a Deep Recession Implications for School Districts**

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**February 19, 2009**

**Colorado Association of School Boards**

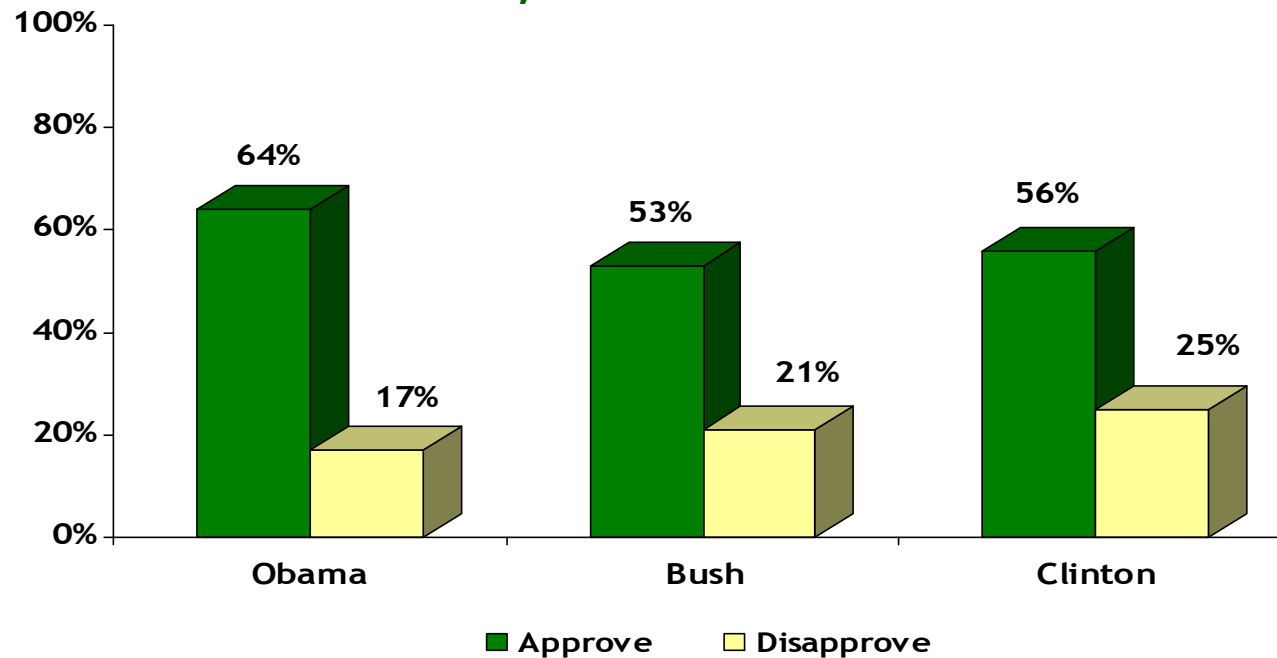
**Floyd Ciruli  
Ciruli Associates**



# Testing of New President Starts Early

- 59% support stimulus
- But, 79% believe economy will get worse, Gallup

## Approve President in Early February Obama, Bush and Clinton



Pew 2009

### Floyd Ciruli

*"On the one hand, all the polls indicate that people think something needs to be done. But, Republicans have become increasingly vocal about how it was ill-designed."  
Rocky Mountain News,  
Feb. 13, 2009*

Question: Do you approve or disapprove of the job Barack Obama is doing as president?

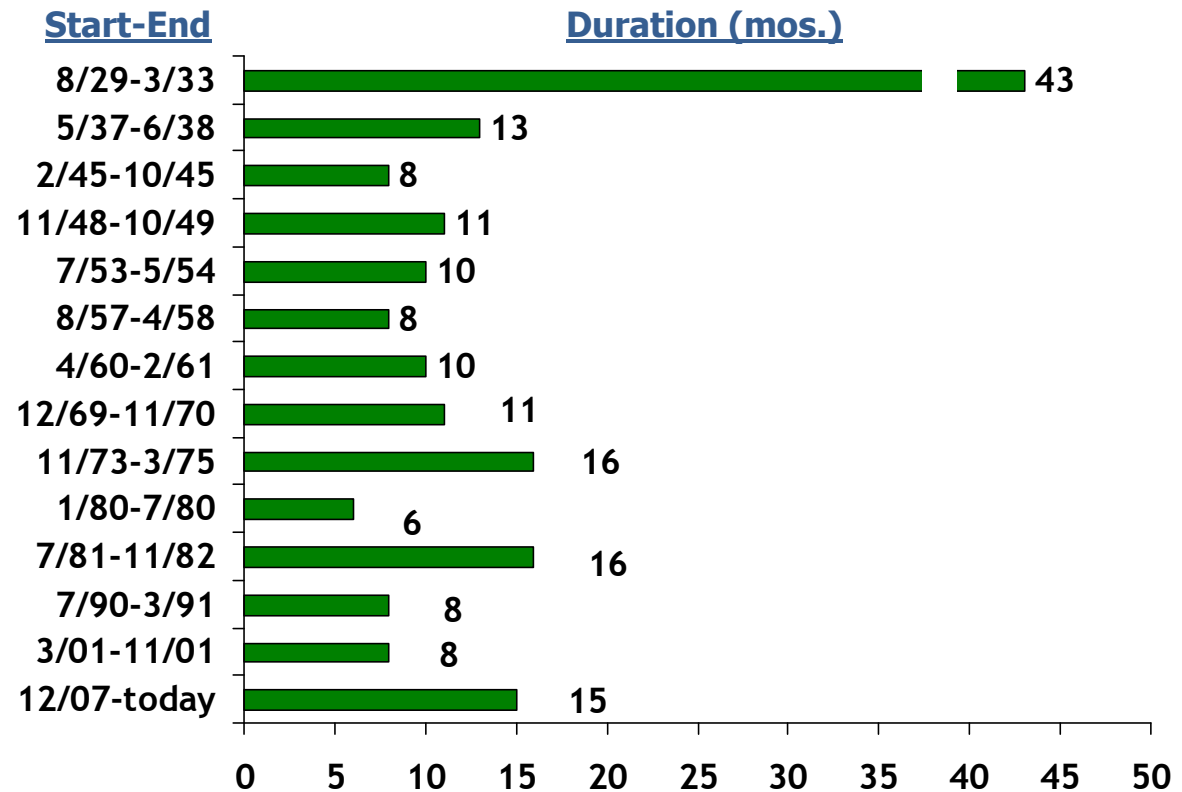
# It's a Recession – Deep

## Bottom in 2009 or 2010?

### Deleveraging Real Estate, Consumer Credit, Commercial Real Estate

### Recessions Since the Crash

*"I think there is a high probability that it will last through 2009. I think people who say 'one or two more quarters and we're out of it' are extremely optimistic." Tucker Hart Adams, Dec. 25, 2008*



National Bureau of Economic Research

# Two Bush Administrations

## 9/11/01 to 9/15/08

### George W. Bush's Presidential Approval 2000 - 2008

#### First Term

<b>Average</b>	<b>62%</b>
9/11	90
Nov. 2002	63
Iraq starts 3-03	71
Saddam captured 12-03	63
Nov. 2004	48

#### Second Term

<b>Average</b>	<b>36%</b>
Iraq election	57
Katrina 9-05	40
Nov. 2006	35
Bailout 9-08	25
Nov. 2008	25

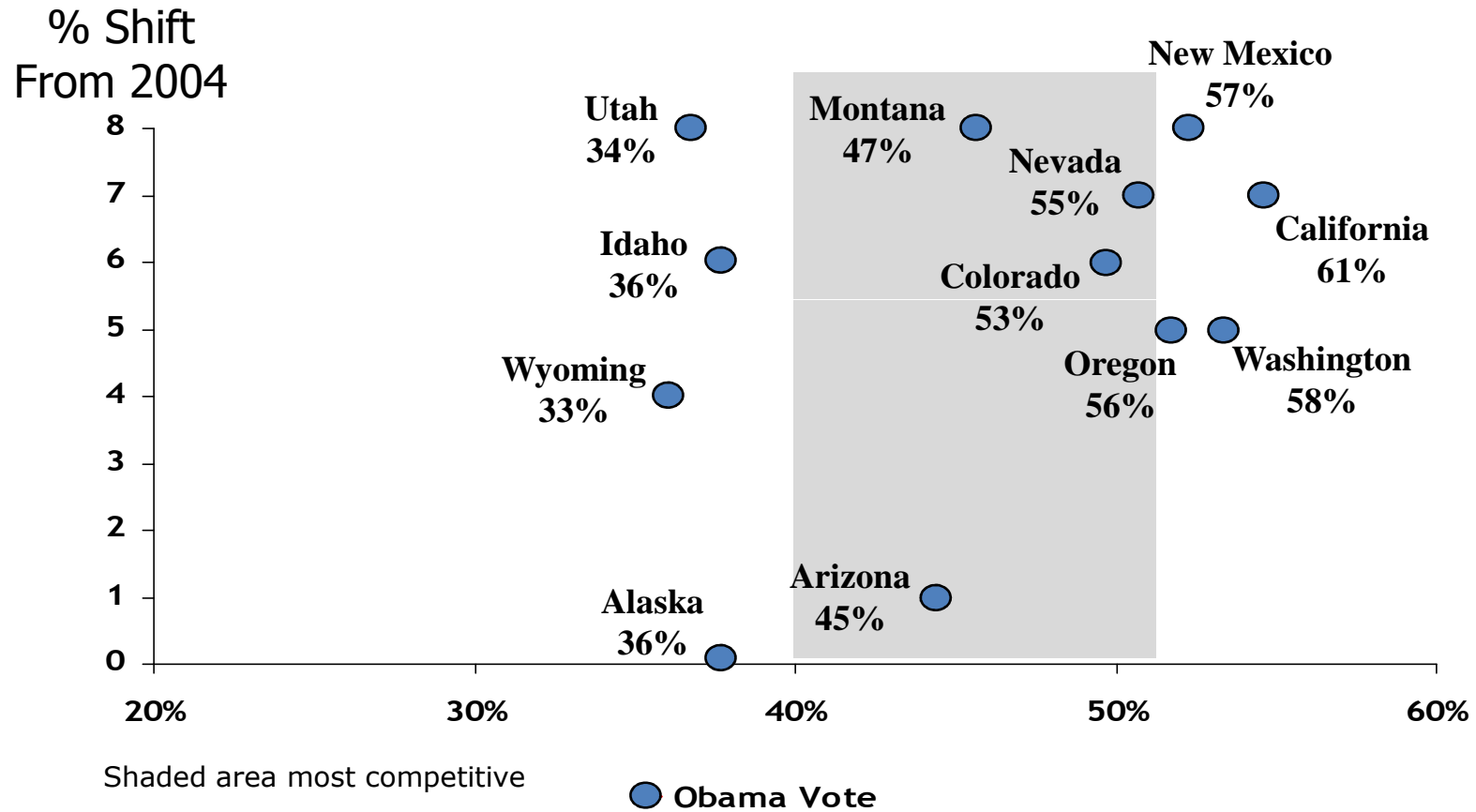
Gallup 2009

#### Outstanding or Above Average

Reagan	64%	Carter	26%
Clinton	50	Nixon	15
G.H.B. Bush	28	G.W. Bush	17

# Western Battleground States

## Democrats' Western Strategy Works/ Colorado and Montana Most Competitive



# Colorado Battleground

## Swing State has Swung

*"The recent decade of Republican dominance peaked in 2002 when the party saw Gov. Bill Owens re-elected with 63 percent of the vote, Wayne Allard won re-election to U.S. Senate (joining Republican Ben Campbell), a win of Colorado's new 7<sup>th</sup> congressional seat, and continued control of the state legislature.*

*A mere six years later, Democrats now have the governorship, both U.S. Senate seats, both houses of the state legislature, and five of the seven congressional seats. With the help of Barack Obama's ground force, Democrats erased a 170,000 Republican voter registration advantage and are now dead even. The icing, of course: the state's nine electoral votes go to Obama." Floyd Ciruli, Rocky Mountain News, 11-8-08*

	<u>2002</u>	<u>2008</u>
Governor	Owens	Ritter
U.S. Senate	Campbell	Salazar
U.S. Senate	Allard	Udall
Congress	5R, 2D	2R, 5D
Colorado House	37R, 28D	25R, 40D
Colorado Senate	18R, 17D	15R, 20D
President	Bush 8% (2000) Bush 5% (2004)	Obama 8%
Registration gap	180,000 for R	14,000 for R

# Colorado's Shift Foretells National Trend

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- Gary Hart: Manifesto: Democrats and the West, Fall 2006
- Fred Barnes: The Colorado Model, Weekly Standard, 7/21/08
- Ryan Lizza: The Code of the West, New Yorker, 8/22/08

- **Agenda Shift:** Colorado economic downturn shifts agenda to left and away from social issues, limited government spending and tax cuts.
- **Democrats and \$:** Growth of Democratic bench and support infrastructure (money, think tanks, blogs). Candidates position in the middle (Salazar/Ritter).
- **New Voters:** Rapid growth of new voters in suburbs, exurbs and I-70 corridor. Split tickets and register more independent, Hispanic and young voters. Republicans lose registration edge (1,060 Republicans, 1,061 Unaffiliated, 1,046 Democrats).
- **Internal Division:** Colorado Republicans divided on fiscal and social issues (Referendum C). Good vote-getters leave office. Face tough primaries.
- **Brand Collapse:** National Republican fortunes decline.

# Senate Seat Switches

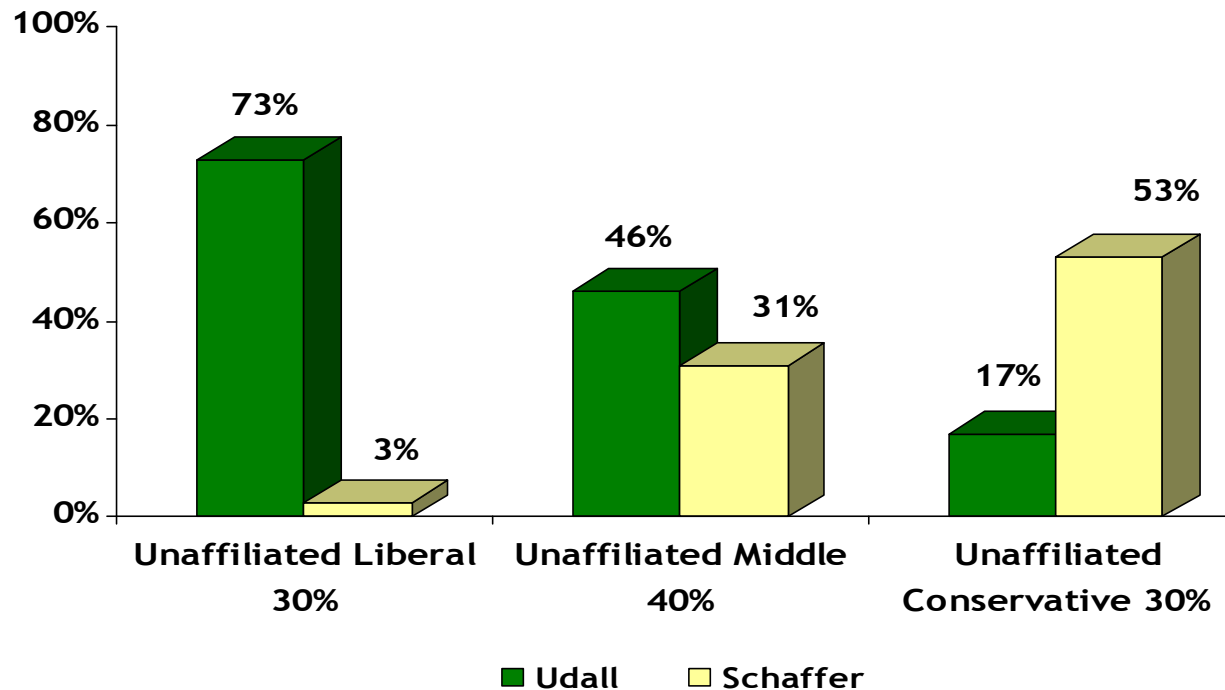
## Udall Wins 52.8% to 42.5%



- Unaffiliated voters less ideological and more pragmatic, avoid labels, vote for person, fiscal responsibility, socially moderate, cautious on security.
- Udall wins unaffiliated voters, including some conservatives



### Unaffiliated Voters Support Udall Across Ideology



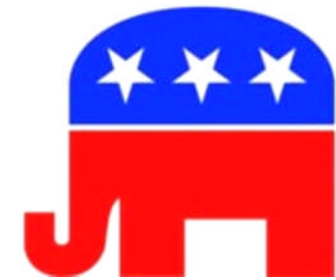
Ciruli Associates, N501, Sept. 2008



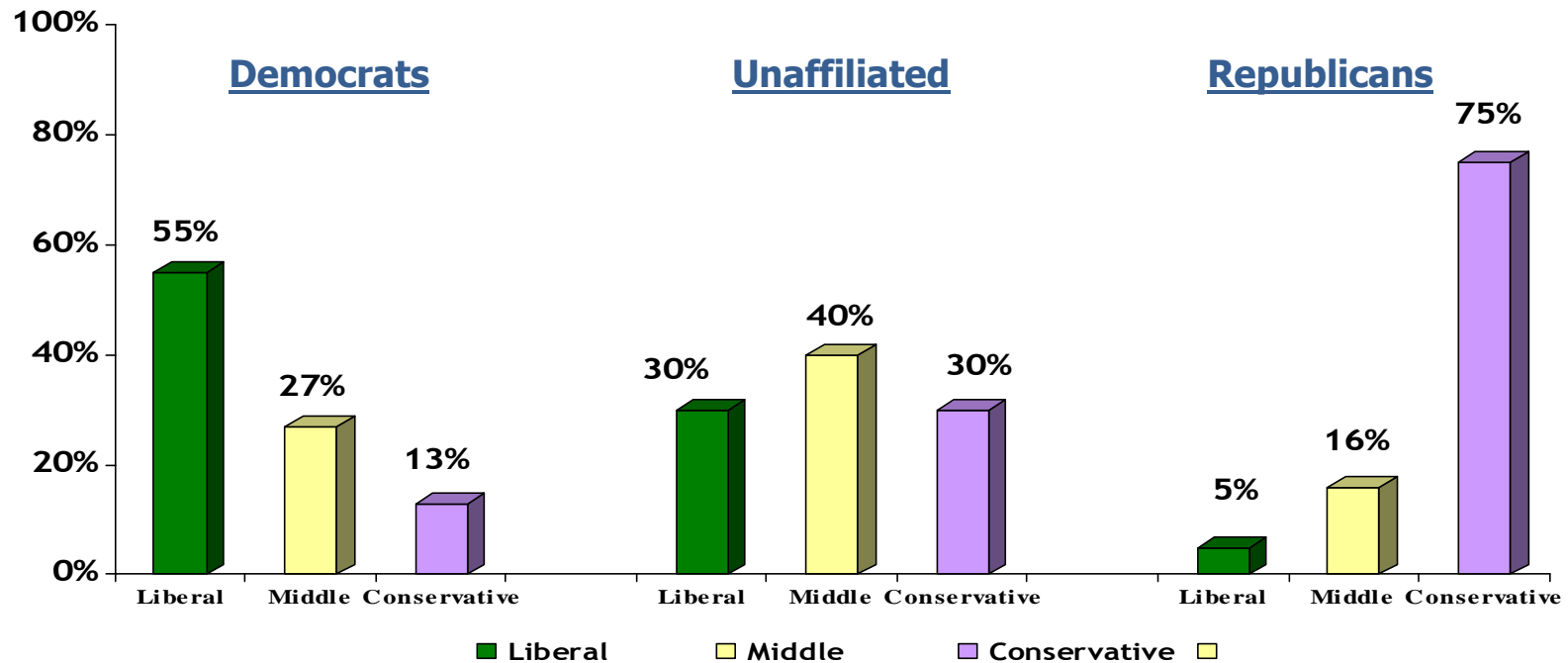
# True to Principles or Find Solutions Move to Right or Get to Center



- Voters 29% liberal, 25% middle, 41% conservative
- Voters 38% Democrat, 21% unaffiliated, 40% Republican



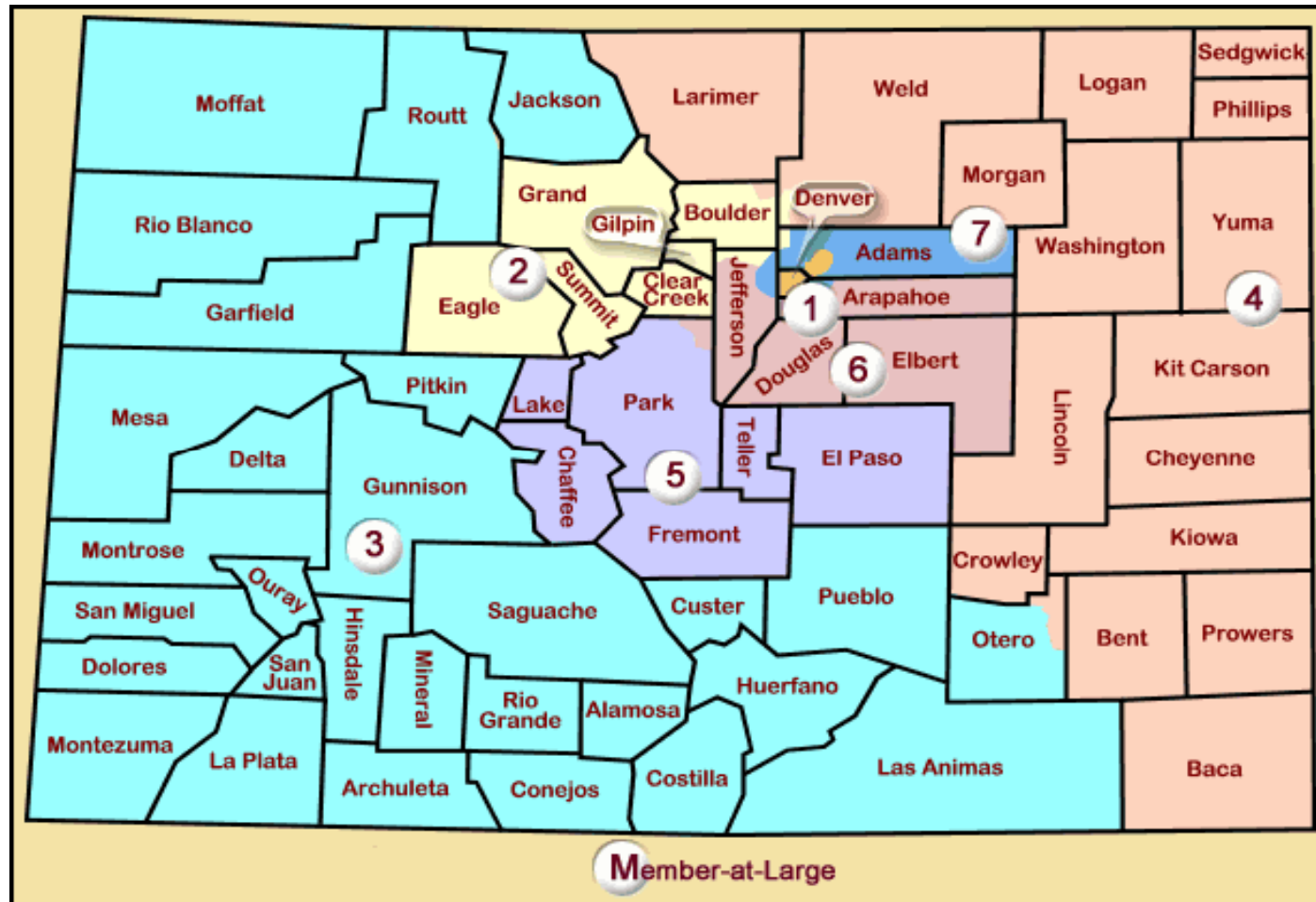
## Partisanship and Ideology



Ciruli Associates, N501, Sept. 2008

# Colorado Congressional Seats

## Democrats Run the Table, Now Must Hold On



DeGette (1) 72% • Polis (2) 62% • Salazar (3) 61% • Markey (4) 56%  
 • Lamborn (5) 60% • Coffman (6) 60% • Perlmutter (7) 63%

# Bennet Quickly Joins Gang of 20

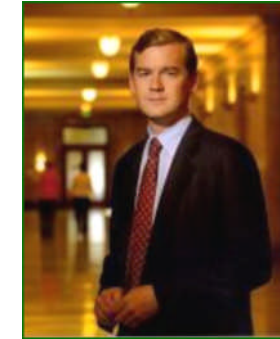


Republican

- National party image
- 2010 no Bush
- No Obama coattails
- Democratic base
- Lower turnout
- Battle for middle
- Battle for identity
- Social issues or economy

## Open Seat

<u>2004</u>	
<b>Salazar</b>	<b>51%</b>
<b>vs.</b>	
<b>Coors</b>	<b>47%</b>



Michael Bennet

<u>1998</u>	
<b>Campbell (R)</b>	<b>62%</b>
<b>vs.</b>	
<b>D. Lamm</b>	<b>35%</b>

<u>1992</u>	
<b>Campbell (D)</b>	<b>52%</b>
<b>vs.</b>	
<b>Considine</b>	<b>43%</b>

## Floyd Ciruli

*"I'm very surprised. He's improbable. He's risky... 'the little-known Bennet would barely be a blip in the polls.' He's qualified, and he could be a really very special and sensational senator. But, at least initially, from the political side of it, you are puzzled."*  
*Rocky Mountain News, Jan. 3, 2009*

# Colorado Governor's Race

## In Spite of Problems, Govs. Tend to be Re-elected



Republican

Bennet selection  
 Budget estimates  
 Budget cuts  
 Transportation  
 Gas/oil regulations  
 Energy/economy  
 Property tax freeze  
 Union rules  
 Severance tax  
 Health care  
 Higher education

### Second Term Elections

<b><u>1978</u></b>	
<b>Lamm</b>	<b>59%</b>
<b>vs.</b>	
<b>Strickland</b>	<b>38%</b>

<b><u>1990</u></b>	
<b>Romer</b>	<b>62%</b>
<b>vs.</b>	
<b>Andrews</b>	<b>35%</b>

<b><u>2002</u></b>	
<b>Owens</b>	<b>64%</b>
<b>vs.</b>	
<b>Heath</b>	<b>32%</b>



Gov. Bill Ritter

### Floyd Ciruli

*"The governor continues to be popular with most Coloradans. A September survey by Denver pollster Floyd Ciruli showed Ritter with a 57 percent favorable rating and a 28 percent negative rating. On the average voter level, Ritter is not in all that bad a shape, Ciruli said. I think his problem is with the 'attentive public,' and that includes his own party. If you're talking to anyone out there in the political world, there's this sense that he's made some serious political mistakes and also not been able to deliver on some substantial promises." Denver Post, Jan. 4, 2009*

# Jobs Top State List in 2009

## Budget Cuts in 2009?

### Top Issue for Governor and Legislature to Address

<u>2008</u>	
Economy	29%
Gas and oil issue	10
Health care	9
Education (K-12)	7
Illegal immigration	7

<u>2007</u>	
Immigration	26%
Health care	15
Education (K-12)	11
Transportation	7
Economy	6

<u>2006</u>	
Immigration	28%
Education (K-12)	20
Economy	11
Health care	8
Transportation	6

Economic Development Council of Colorado, 2008  
 Ciruli Associates, N501, 2008

Question: *What is the top issue you want the governor and state legislature to address?*  
 [MULTIPLE ANSWERS]

# State Legislature and Major Issues

## Mostly Status Quo – Budget Cuts Rule

	<u>Senate</u>		<u>House</u>	
	<u>Dem.</u>	<u>Rep.</u>	<u>Dem.</u>	<u>Rep.</u>
<b>2009-10</b>	<b>21</b>	<b>14</b>	<b>38</b>	<b>27</b>
<b>2007-8</b>	<b>20</b>	<b>15</b>	<b>39</b>	<b>26</b>
<b>2005-6</b>	<b>18</b>	<b>17</b>	<b>35</b>	<b>30</b>
<b>2003-4</b>	<b>17</b>	<b>18</b>	<b>28</b>	<b>37</b>

- **Spending cuts**
- **Economy/Jobs**
- **Transportation**
- **Energy/regulation**
- **Labor/business peace**
- **Financial reform:  
convention or piecemeal**

# Polls, Elections and Schools

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- Mesa
  - Pro school vote closely divided
  - Education is important vs. wastes money/taxes too high
  
- Denver
  - Don't know school board incumbents – 63%
  - Don't support special interest takeover
  - 53% favor school closures
  
- State
  - Less trust in state government, more partisanship
  - School support stronger locally than statewide
  - Presumption of constitutional status quo

# Fiscal Crises and Stimulus Package Elections Have Consequences

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## ***District to trim 300 jobs; \$35.7 million in next two years.***

- 238 jobs cut; mil levy failed
- Cuts before state fund reductions
  - CS District 11
  - Douglas
  - Jefferson
  - Mesa
  - Pueblo 60

## ***Stimulus package won't save 2009***

- Amount uncertain and arrives late
- Money for Title I, special education, buildings, stabilization
- State funds cut
- Next year could be as bad or worse



# We're Going to Need a Bigger Boat

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- \$787 billion stimulus
  - \$280 billion tax cut
  - \$89 billion Medicaid for states
  - \$39 billion transportation (highways/bridges – transit)
  - \$44 billion education, school repairs
  - \$21 billion health technology
  
- Colorado stimulus
  - \$1.97 billion
  - 60,000 jobs
  - \$404 million transportation
  
- \$700 billion TARP (Troubled Asset Relief Program)

*59% favor spending*

*Weak support for bailout*

# New Administration's First Four Weeks

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## *Accomplishing goals*

1. But no bipartisanship
  - Economy/stimulus package takes more time, thrown on the defensive, no Republican support, bailout launch weak
2. Transition, very studied, not Clinton (Bill)
  - Experience – experts, bi-partisan, center to center-left
  - But, confirmation problems: Blagojevich/Richardson/Geithner/Daschle
3. Start quickly
  - Stay on big issues, but imbed Democratic solutions, such as spending on infrastructure, renewable energy
  - Go into campaign mode, get out of DC into states
4. Controversy
  - Left on Guantanamo, torture...
  - Employee free choice act (28% very important)/Justice Department crimes
5. Keep focus on 2010 mid-term and 2012 reelection: realignment or just bad year?
  - Colorado remains a battleground