

Colorado: The Battleground

December 6, 2008

**Post-Election Analysis 2008
Expectations for Colorado
and U.S. Government Policy**

Colorado Cooperation Conference

**Floyd Ciruli
Ciruli Associates**

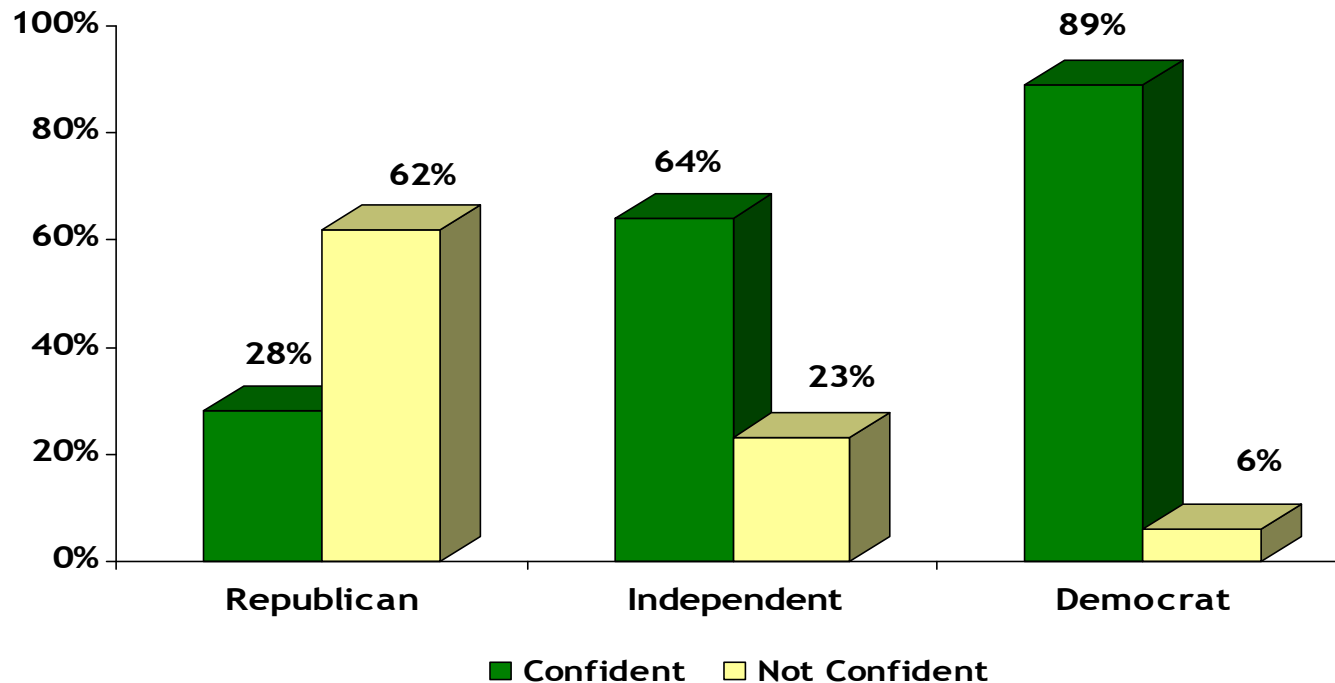


Honeymoon Starts Before Wedding

Relief it's Over/A Desire for Change

- 67% successful first term – Pew
- 74% GOP should work with Obama – Pew
- 65% confident will be good president – Gallup

Confidence in Obama 11-17/23-2002

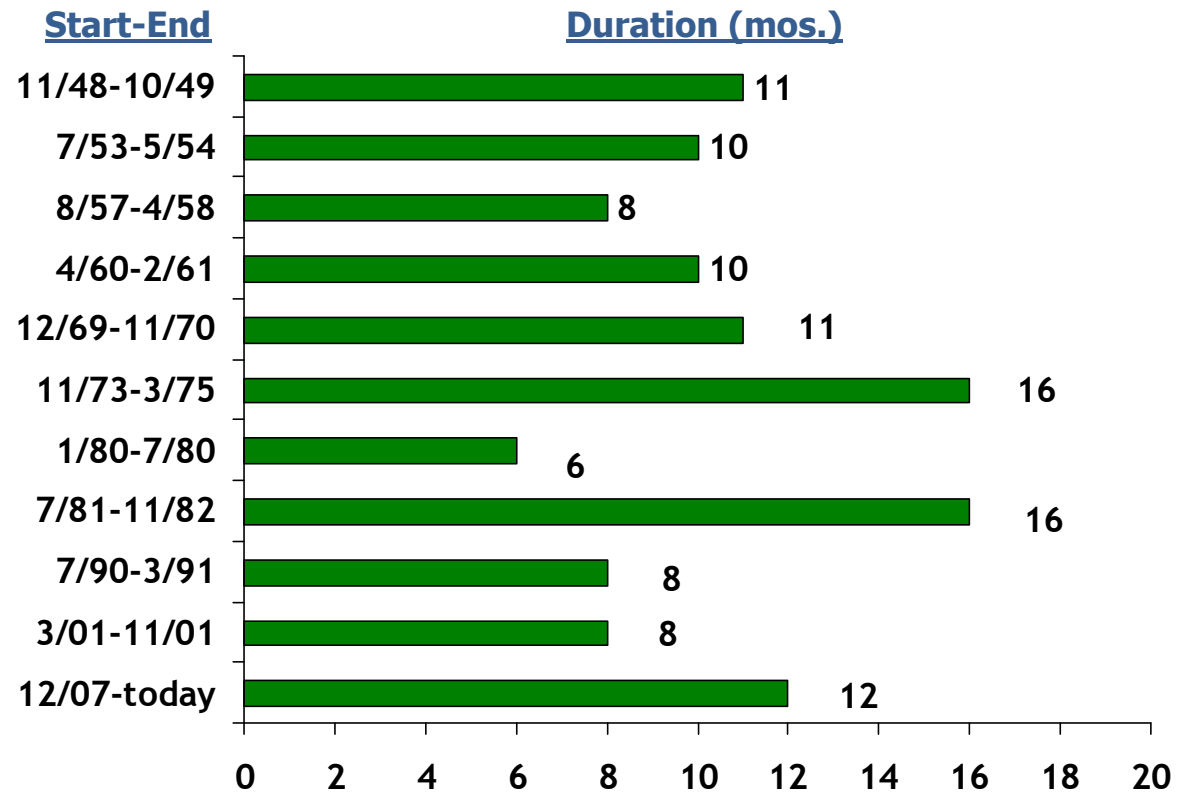


Question: Are you confident or not confident in Barack Obama's ability to be a good president?

It's a Recession

On November 17 and 18, the Federal Reserve Bank of Philadelphia and National Association for Business Economics surveys unanimously concluded a recession underway.

Recessions Since World War II



*"We've only just started. I can't see bottoming out until sometime in 2010."
Dec. 2, 2008*

National Bureau of Economic Research

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 7th 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>1998</u>	<u>2008</u>
Governor	Owens	Ritter
U.S. Senate	Campbell	Salazar
U.S. Senate	Allard	Udall
Congress	4R, 2D	2R, 5D
Colorado House	40R, 25D	25R, 40D
Colorado Senate	20R, 15D	15R, 20D
President	Dole 2% (1996) Bush 8% (2000)	Obama 8%
Registration gap	131,000 for R	14,000 for R

Colorado's Shift Foretells National Trend

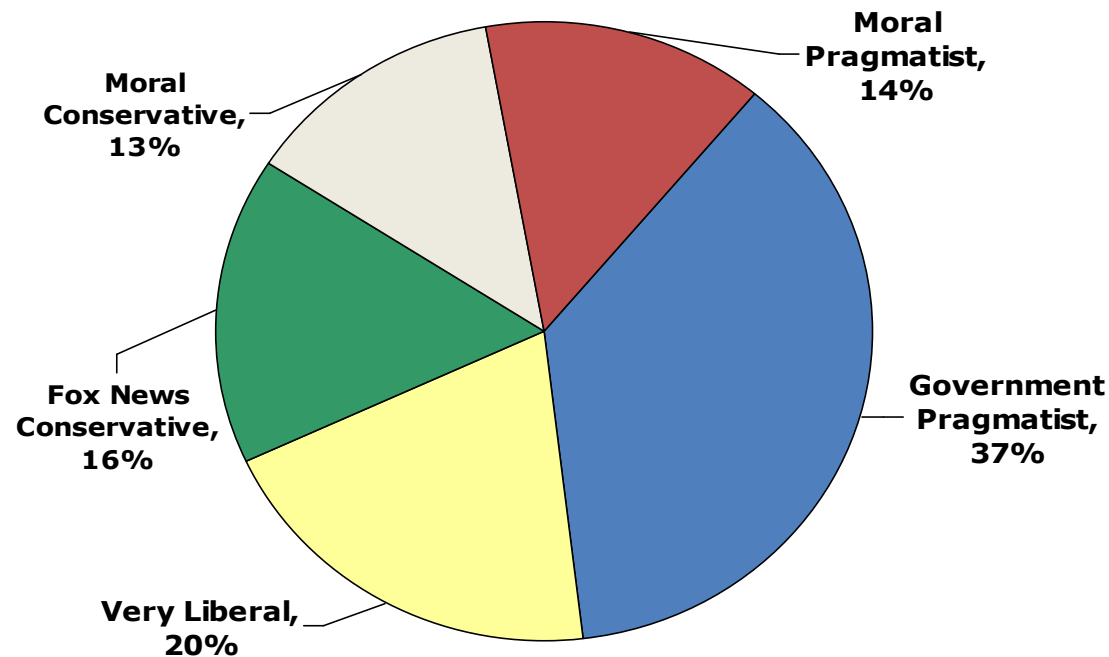
- Gary Hart: Manifesto: Democrats and the West, Fall 2006
- Fred Barnes: The Colorado Model, Weekly Standard, 7/21/08
- Ryan Lizza: The Code of the West, New Yorker, 8/22/08

- Colorado economic downturn shifts agenda to left and away from social issues, limited government spending and tax cuts
- Growth of Democratic bench and support infrastructure (money, think tanks, blogs). Candidates position in the middle (Salazar/Ritter).
- 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).
- Colorado Republicans divided on fiscal and social issues (Referendum C). Good vote-getters leave office. Face tough primaries.
- National Republican fortunes decline

The Code of the West

One Theory of Colorado Electorate

- Core conservatives and liberals don't shift
- Government pragmatists, pro-choice and want solutions
- Moral pragmatists like boundaries, but minimum conflict



Gary Hart

"We are now at the cusp...of the end of the Nixon-Reagan-Bush era. Obama is poised, if he is bold enough, to be a transformational president..."

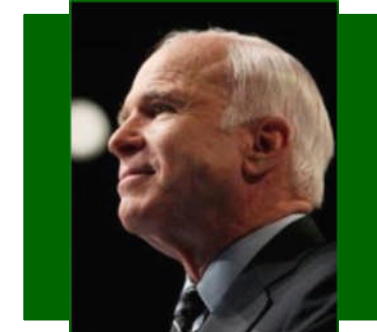
New Yorker, Ryan Lizza, July 10, 2008

Colorado is the Battleground

Obama Wins 53.5% to 45%



- Obama leads most of June and July
- Then lead exchanges in late July and August
- McCain gets convention bounce
- Obama takes lead at end of September



"It's tough to make predictions, especially about the future."

Colorado: McCain vs. Obama

<u>Poll</u>	<u>Date</u>	<u>Sample</u>	<u>Obama (D)</u>	<u>McCain (R)</u>	<u>Spread</u>
RCP Average	10/27-11/2	--	50.8	45.3	Obama +5.5
Fox/Rasmussen	11/2-11/2	1000 LV	51	47	Obama +4
Denver Post	10/28-10/29	625 LV	49	44	Obama +5
Marist	10/27-10/28	652 LV	51	45	Obama +6
CNN/Time	10/23-10/28	774 LV	53	45	Obama +8
Ciruli Associates	9/19-9/23	501 LV	44	43	Obama +1
Fox/Rasmussen	9/14-9/14	500 LV	46	48	McCain +2
Fox/Rasmussen	9/7-9/7	500 LV	49	46	Obama +3
CNN/Time	8/24-8/26	670 RV	46	47	McCain +1
Denver Post	8/13-8/15	400 LV	46	43	Obama +3
Rocky Mtn News/CBS4	8/11-8/13	500 RV	41	44	McCain +3

LV=Likely voters; RV=Registered voters

Ciruli Associates from Real Clear Politics, 2008

Senate Seat Switches

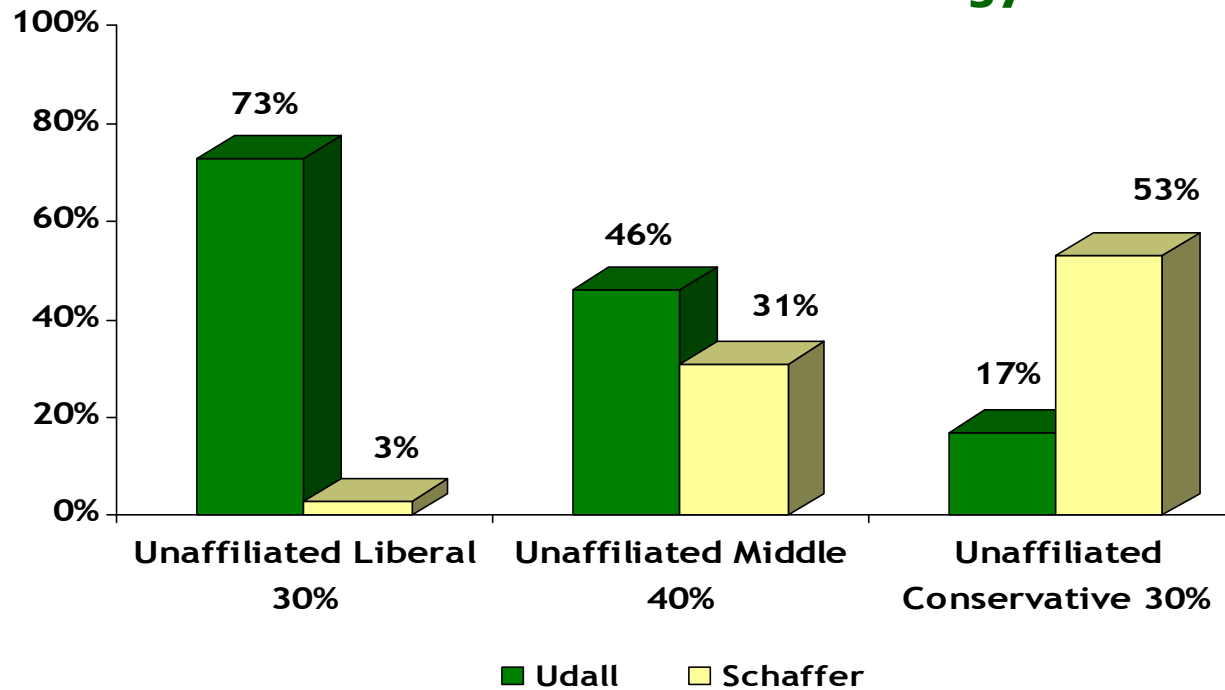
Udall Wins 52.8% to 42.5%



- 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 and Ideology

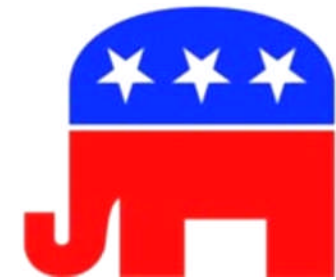


Ciruli Associates, N501, Sept. 2008

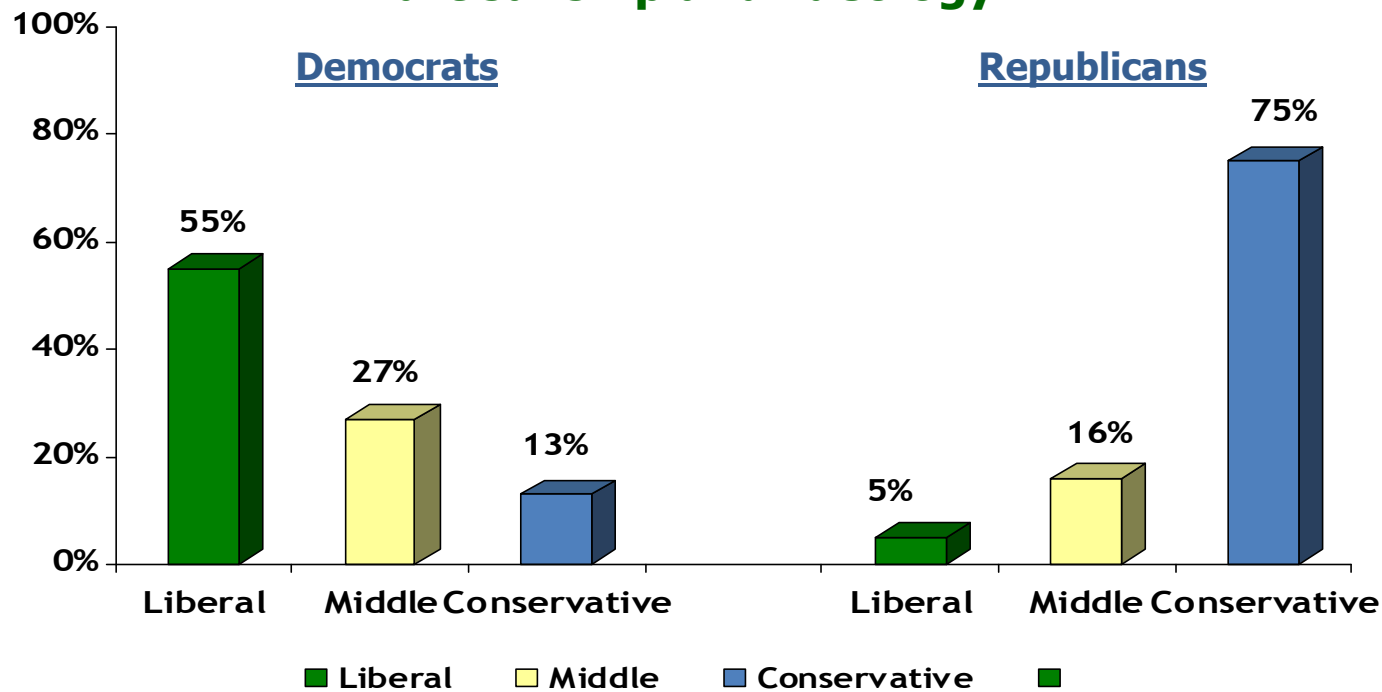
True to Principles or Find Solutions Move to Right or Get to Center



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



Partisanship and Ideology



Ciruli Associates, N501, Sept. 2008

Obama Wins Colorado by More Than U.S.



- 2008 U.S.: **Obama 52.5%**, McCain 46%, Gap 6.9%
- 2008 Colo.: **Obama 53.5%**, McCain 45%, Gap 8.5%
- 2004 Colo.: Kerry 47%, **Bush 52%**, Gap 5%
- 2004 U.S.: Kerry 48%, **Bush 51%**, Gap 3%



Obama Improves in Most Counties Over 2004

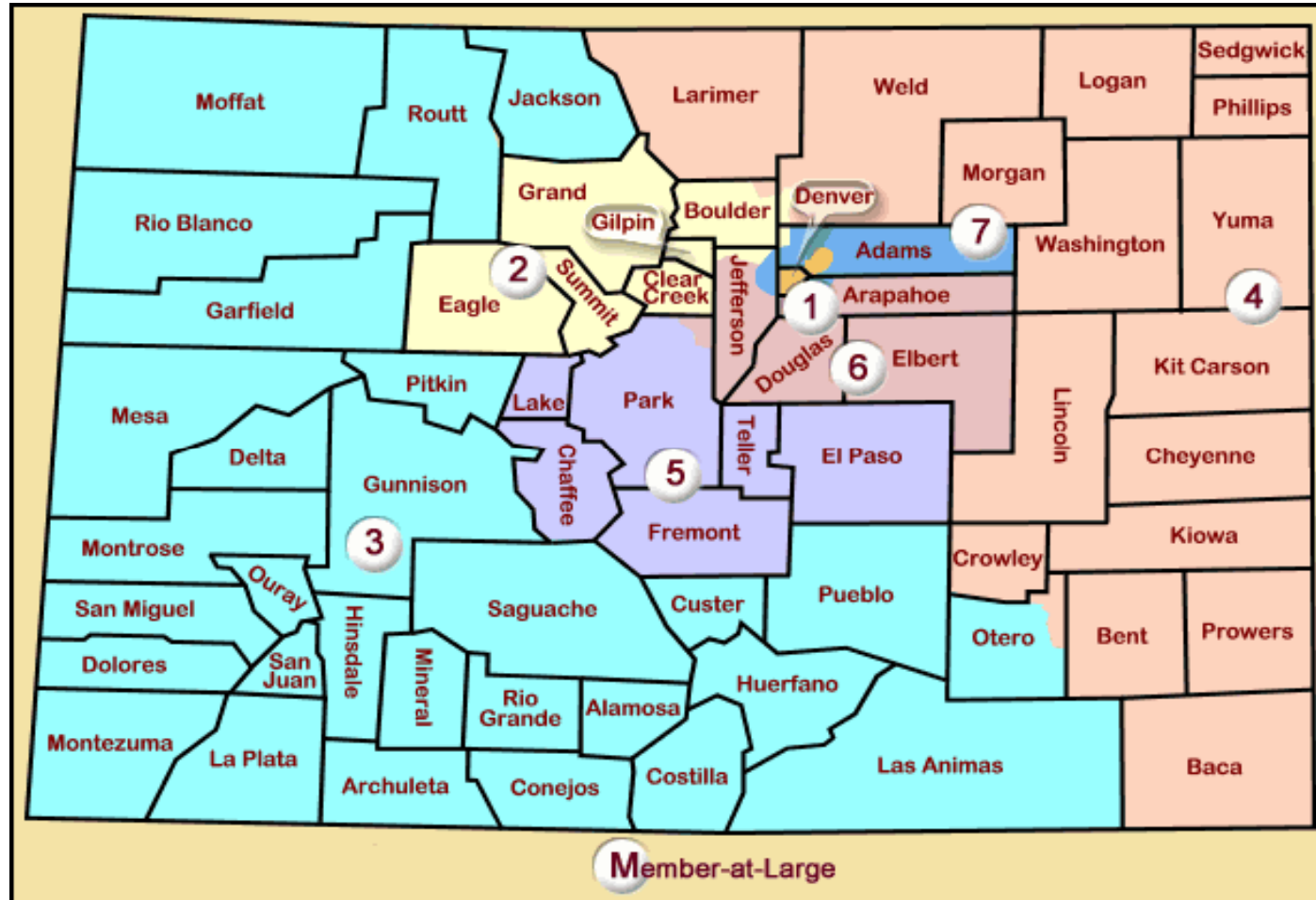
<u>County</u>	<u>2008 Obama</u>	<u>2004 Kerry</u>	<u>Change From 2004 for Democrats</u>
Arapahoe*	55%	47%	+8
Boulder	75	66	+9
Denver	75	69	+7
El Paso	40	32	+8
Jefferson*	55	46	+9
Larimer*	55	46	+9
Mesa	35	31	+4
Pueblo	57	52	+5

*Switched

Ciruli Associates, Nov. 5, 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%

Colorado Governor's Race

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

Second Term Elections



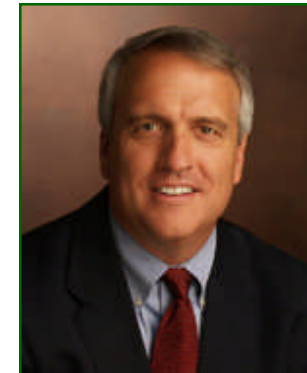
Republican

Severance Tax
Gas/oil regulation
Property tax freeze
Union rules

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

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

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



Gov. Bill Ritter

Energy/economy
Transportation
Healthcare
Higher Education

State Legislature and Major Issues

Mostly Status Quo – Economy Rules

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

- **Redistricting**
- **Referendum C 2010**
- **Economy/Jobs/Spending**
- **Transportation**
- **Energy**
- **Labor/business peace**

State Transportation System Needs Improvement

Little Support for Funding Options

- 54% rate transportation system fair or poor

<u>Funding Concepts</u>	<u>Good Idea</u>	<u>Republican</u>	<u>Unaffiliated</u>	<u>Democrat</u>
Allow local transportation authorities	53%	50%	57%	52%
Increase state sales tax 0.5%	46	35	50	54
Add tolls on state roads	30	26	33	33
Increase gas tax 5 cents a gallon	24	17	22	33
Add \$100 auto registration fee	18	14	20	20

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

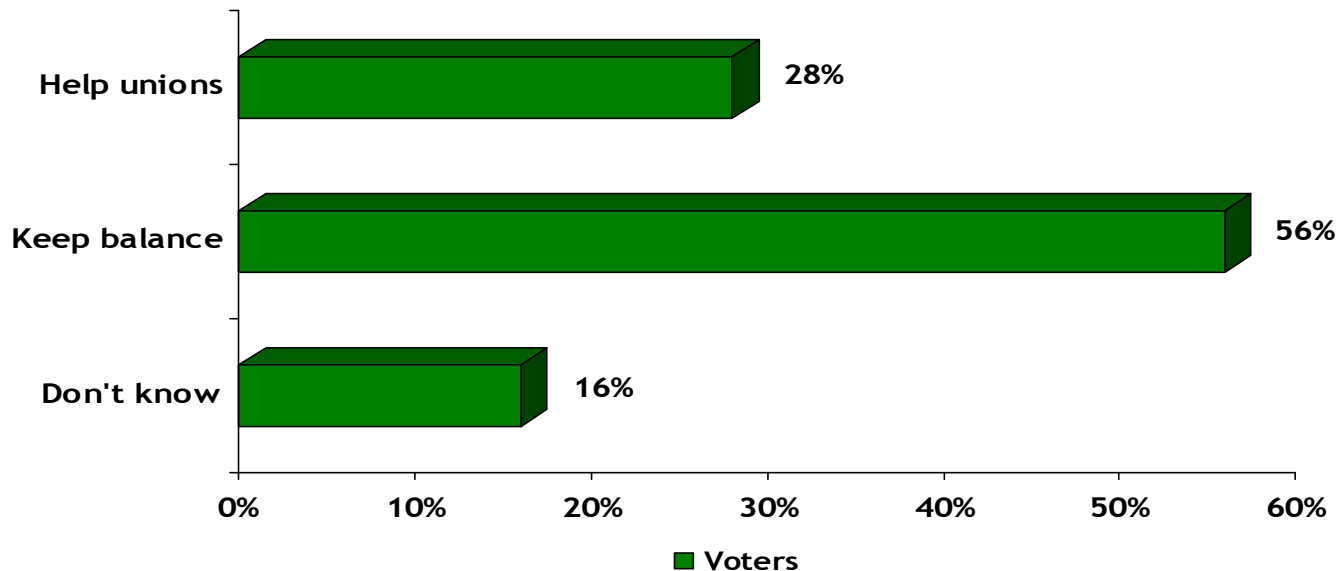
Question: Major repairs and improvements in the state's transportation system will cost several billion dollars, and federal transportation funding has declined, according to a statewide task force studying the issue. As I read options to pay for the repairs and improvements, please tell me if you believe it is a good or bad idea: [Rotated] Increase the state sales tax by one-half of a percent for 10 years; increase the state tax on a gallon of gas by 5 cents; add more tolls on state highways; add a \$100 annual fee on auto registration; and allow local areas to form their own regional transportation authorities that can raise taxes if local voters approve?

Business and Labor Relationship

Keep the Balance

- Help unions: Dem. – 41%, Rep. – 19%, Unaff. – 26%
- Keep balance: Dem. – 43%, Rep. – 70%, Unaff. – 51%

Help unions or keep the balance...?



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

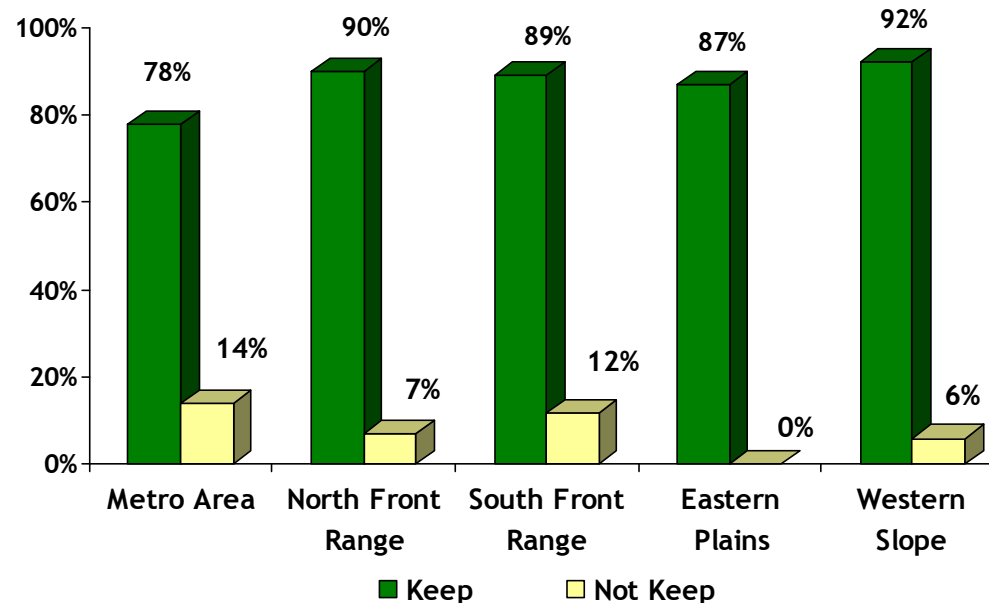
Question: Next, as I read the following statements, please tell me which statement comes closest to your personal view on the topic and whether it is much closer or only somewhat closer to your personal view. And would you say that the statement is much closer to your personal view or only somewhat closer? [Rotated]

Colorado needs to change its laws to make it easier for unions to organize workers. State laws unduly favor business and restrict labor unions, or State laws concerning labor unions and organizing workers should stay as they are now. Organizing workers into unions does not need to be made easier. There is a good balance between labor unions and business in Colorado.

Keep Our Water and Store it

- 73% build more storage: Rep. – 76%, Unaff. – 70%, Dem. – 72%

Should Colorado River water stay and be used in Colorado...?



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

Question: One other issue that has been in the news lately concerns the state's water supply. In most of Colorado's river basins, all the water has been put to legal use. But it is estimated that approximately 450,000 to 1 million acre-feet a year of the state's Colorado River water is not legally allocated for use. The surplus Colorado River water flows west out of the state and is used by residents, businesses and farms in California. Do you believe Colorado should keep its share of Colorado River water and use it here or not keep its share of Colorado River water?

Do you believe the State of Colorado should build additional water storage projects to store runoff water for later use or does it have sufficient storage?

The Most Powerful Branch of Government

Ballot Issues Signal Cautious Electorate

- Only two out of 12 policy amendments pass
- Risk of change in bad economy
- Social issues fade
- Labor-business standoff
- TABOR limits live on



	<u>Amendment</u>	<u>Yes</u>	<u>No</u>
50	Casino betting	59%	41%
54	Political donations	52	48
46	Preferential treatment	49	51
Ref. O	Petition requirements	47	53
Ref. L	Age limits	46	54
59	Education funding	45	55
47	Right-to-work	45	55
58	Severance tax (Ritter)	41	59
49	Payroll deductions	40	60
51	Disability tax	37	63
52	Severance tax/roads	36	64
48	Personhood	27	73

Colorado Campaign Observations

1. Failure of negative; Lee Atwater/Karl Rove era over
 - High negative/personal attacks
 - Wedge issues/very partisan/turnout base
 - Instead, election in center, year of one big issue and personality
2. Major downdraft on amendments
 - Money on negative; confusing use of numbers to identify; long, complicated ballot
 - Lots of new and infrequent presidential voters
 - Tax sensitivity, low trust in government
3. Hispanic (13%) and young voters (14%). Some increase in turnout, big Democratic edge (2 to 1).
4. A river of unregulated money. Millions spent by opaque, unaccountable, out-of-state groups.
5. Just bad year in normal cycle or realigning election?

Expectations for New Administration

Not on ideological spectrum, but goals to accomplish: renewable energy, health care, Iraq.

1. But events control
 - Economy/Big 3 (no failure/no bailout)
 - Mumbai
2. Transition, very studied, not Clinton (Bill)
 - Experience – non-partisan, bi-partisan, center to center-left
 - Smooth confirmations
3. Start quickly, but lowball special interest favors
 - Stay on big issues, but imbed Democratic solutions, such as spending on infrastructure, renewable energy
 - Pass consensus or bi-partisan items, such as children's health care
4. Keep focus on 2010