



POLITICS AND GOVERNMENT

# \$120 million in requests and \$40 million in the bank. How an obscure theory helped prioritize the Colorado budget.

State Rep. Chris Hansen made Colorado one of the first test cases for quadratic voting in the public policy realm in the 2019 session



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The chambers of Colorado House at the Capitol. (Kathryn Scott, Special to The Colorado Sun)

**M**idway through the Colorado legislature's 2019 session, the appropriations committees in each chamber became the legislative version of purgatory.

Dozens of bills went in. Few came out. By the start of April, the backlog totaled more than 100 bills carrying a cumulative price tag of more than \$120 million. And the supporters for each bill were fighting for a piece of the same \$40 million that budget writers set aside.

This year, the limited pot of money forced unenviable decisions for the Democratic majority with the power to set spending priorities — like whether addressing the opioid crisis is more important than reducing the cost of health care, or choosing between making college or housing more affordable.

“We have this problem that we are always trying to solve every year,” said Rep. Chris Hansen, the Denver Democrat in charge of the House Appropriations Committee. “...What should we prioritize for funding?”

To find an answer, Democrats attempted a novel approach to public policy: quadratic voting. The obscure economic theory is designed to do what seems impossible at the state Capitol — limit the influence of politics and self-interest.

The experiment made the Colorado House one of the nation's **first test cases** for the theory in the political realm. But the question is: Did it work?

## **How lawmakers typically prioritize spending**

The question of how public dollars get spent is perhaps the most contentious issue lawmakers face each year at the state Capitol, even when one party controls the entire government as Democrats do now.

The vast majority of the roughly **\$30.5 billion state spending plan** is decided by the Joint Budget Committee. But each year the committee sets aside money for lawmakers to spend on programs outlined in separate bills. For the past two years, that figure has been about \$40 million — a fraction of a percent of total state spending, but a pot of money that's hotly contested.

Typically, the decisions about where the money goes fall to party leaders in the chambers,

but that can frustrate rank-and-file members who feel like their voices aren't being heard. Another method allows lawmakers in the majority party to pick what to fund, but then members select their own bills and form alliances, making it hard to determine which are truly important.

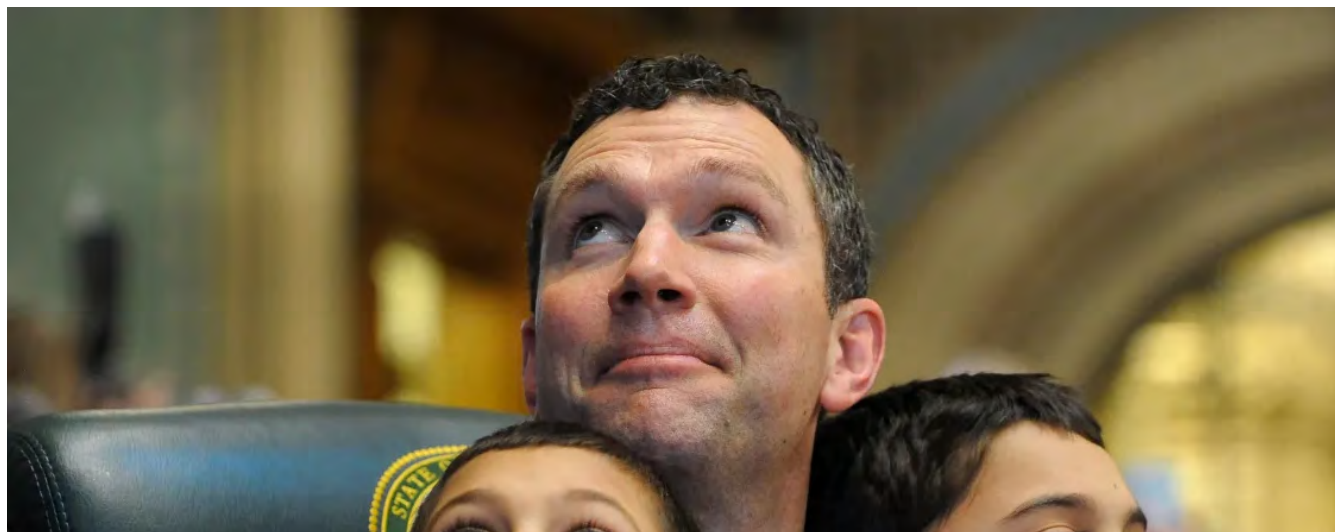
The process was frustrating and opaque, even to Hansen, who saw it firsthand as an appropriations committee member in 2017. "It was just kind of this back and forth between leadership and key caucus members, and everyone was kind of pushing their thing, and we're lobbying each other, and whatever emerged from that sausage factory got funded," Hansen said.

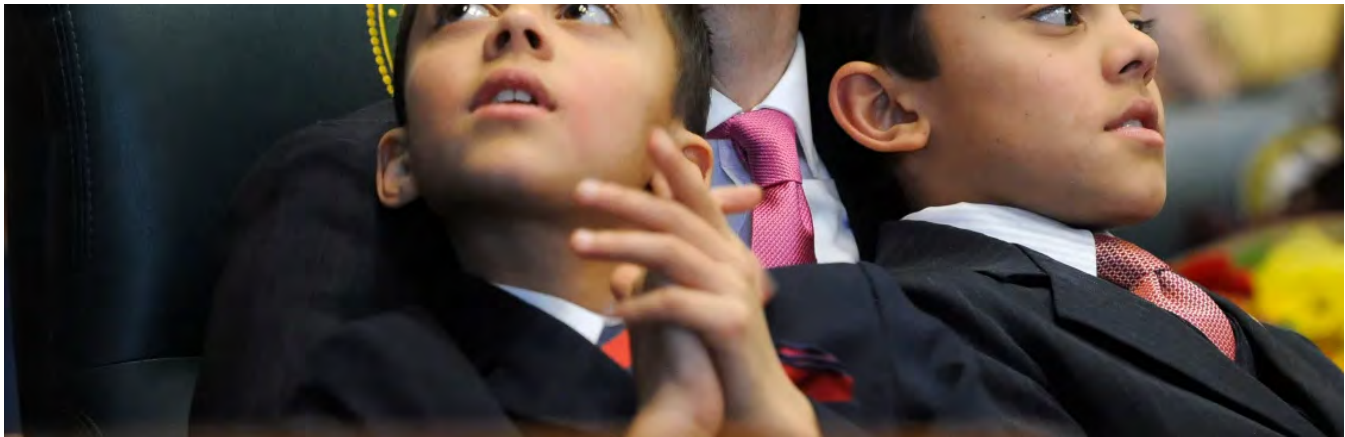
In 2018, Hansen tried to make the process more transparent and more democratic. Each House Democrat received 15 votes to cast for the 15 bills they felt deserved funding. But he said the process generated "this big blob" of bills with roughly the same number of votes and no clear preferences.

This year, the stakes were higher, and Hansen knew he needed to find a better system.

In the prior four years, House Democrats had to barter with Republicans who controlled the Senate when it came to spending. And even that process would tend to concentrate power in the hands of a few moderate swing votes, as well as those chamber leaders who led the negotiations.

This year, with Democrats in full control of both chambers, the party had the opportunity to fund essentially any of their priorities. So how to decide?





State Rep. Chris Hansen is joined by his two sons, Ashwin, 10, left, and Sachin, 11, inside the House chamber just before the start of the first legislative day on Jan. 4, 2019. (Special to The Colorado Sun, Kathryn Scott)

## Enter, a quadratic voting experiment

The idea to use quadratic voting came from Hansen’s former graduate school friend, who put him in touch with a mutual friend — Glen Weyl, a Microsoft researcher with a doctorate in economics from Princeton University.

Weyl is possibly the nation’s foremost quadratic voting evangelist, if there is such a thing. He cowrote a book on the subject, Radical Markets, that’s become a sensation, of sorts, in economic policy academia. *The Economist* magazine named it one of its books of the year in 2018, and it garnered glowing reviews from thought leaders across the ideological spectrum.

In the months since his book was published, Weyl partnered with others to launch the RadicalxChange Foundation, which looks to test his market-based theories through a growing online community and apply them to real world policy problems.

“The claim here is not that quadratic voting is some sort of magical voting system, but it’s an incremental improvement over one-person, one-vote systems,” said Matt Prewitt, the president of RadicalxChange. “If you can make that sort of meaningful improvement on a system such as voting, you can really do some important things.”

Quadratic voting essentially turns the process of collective decision-making into an economic market. The hope is that by making people “pay” a price, the best ideas that have the strongest support from the most people will rise to the top — whether it’s lawmakers trying to decide how to divvy up limited resources, or an office of 100 workers trying to

decide what to order for a company lunch.

If you're mathematically challenged, bear with us for a moment. It's not as complicated as it sounds. (And you're not alone. Even some lawmakers "had to remind themselves what a square was," said Hansen, who holds a master's degree from MIT and a doctorate in economic geography from Oxford University.)

Here's how it works: Let's say you get 25 tokens for voting. You could cast one vote each for 25 bills, or you could vote multiple times for a bill you really care about. The catch is, your first vote on each bill costs only one token, but additional votes on the same bill cost exponentially more. All votes are squared, so two votes costs four tokens. Five votes squared costs all 25 of your tokens.

In other words, if you really like something, you can spend all your voting power on it — but you would lose the chance to vote for other things you may want.

In the abstract, Prewitt says, "it basically imposes a cost on fanaticism. If you feel so strongly about one issue that you're willing to allocate all of your voice credits to one issue, your overall say in the system is quieter."

But it also can serve as a safety valve against what America's founders called the "**tyranny of the majority**." Minority groups "might have a very strong opinion on some issue in which they're being oppressed by a majority — but in that case, it's quite appropriate," Prewitt said.

Prewitt sees a future for quadratic voting in a wide variety of contexts. **His foundation** promotes it as a market-based fix for capitalism that could be used to combat rising income inequality and other societal ills. He even thinks it could be used in popular elections one day.

But, he added, "we're certainly not arrogant enough to think that we should replace all voting tomorrow with quadratic voting systems." For now, he and his colleagues just want to show that it can produce policy outcomes that are more responsive to society's needs.

## Capitol Sunlight: A citizen's guide to lawmaking and lobbying in Colorado

### “We got a better signal with less noise”

In the House, the quadratic voting took place on a computer. A program handled most of the math for them. And Democrats voted anonymously, in the privacy of their own offices if they wanted.

That anonymity, Hansen said, helped ensure that people could cast votes for what they truly wanted, and removed the specter of political pressure to vote one way or another.

Quadratic voting still didn't eliminate lobbying, Hansen said. “That's what we do all the time with every bill with each other.” But, he added, it may have tamed it to a degree.

“My hope was that it did take some of the intense political lobbying out of it and allowed people to express their preference in a private way,” Hansen said.

In practice, Hansen said, quadratic voting provided a clear picture of which bills his colleagues truly cared about. Senate Bill 85, which seeks to address the **gender pay gap** between men and women, emerged as the Democratic caucus' top priority.

Health care-related measures took five of the top 10 slots. The top 20 included multiple bills targeting climate change, criminal justice reform and the cost of living. Those that lacked a strong Democratic advocate, like a **Republican bill** to provide a tax credit for employer-assisted housing, dropped out of consideration.

“Would we have funded many of these bills regardless of what procedure we used? Undoubtedly,” Hansen said. “The important thing is we got a better signal with less noise in that signal and we were able to capture people's intensity, and that was what was really new. We never had a way to do that before.”

The state Senate considered using quadratic voting, too. But Sen. Rachel Zenzinger, Hansen's appropriations committee counterpart, said there were too many last-minute concerns about computer glitches in a voting interface that had been built from scratch. Instead, each Senate Democrat ranked their favorite bills, and their votes were counted

accordingly.

It's impossible to know how the different voting mechanisms affected the two chambers' bill rankings. The lawmakers in the House picked a majority of bills originating in their chamber, meaning they possibly were unfamiliar with many of the Senate proposals.

The fact the House and Senate adopted different legislative processes makes some political sense. Kyle Saunders, a political science professor at Colorado State University, says that because the House is more ideologically homogeneous, with a large liberal majority, "a system like this (quadratic voting) is more likely to work."

Because of their slimmer majority in the chamber, Senate Democrats have to be more attuned to electoral politics than the party's agenda, he said, "if they are to hold the chamber beyond the short term."



Democratic state Sens. Dominick Moreno, left, and Rachel Zenzinger speaker to reporters on Tuesday, Jan.

15, 2019. (Jesse Paul, The Colorado Sun)

## Weighing the impact of quadratic voting in spending decisions

Even if it helped the most well-liked ideas rise to the top, the broader question about whether it neutralized political influences is less certain.

Ultimately, legislative leaders still played a large role in ironing out which bills received money. Some bills that ranked low in the House and Senate were deemed too important to ignore, such as a measure to revamp the state's sales tax collection system.

Other bills that received fewer votes were two of the session's most significant proposals — referendums to legalize sports betting and to ask voters to permanently eliminate taxpayer refunds. But Hansen believes that's because his colleagues correctly realized they shouldn't waste their votes on bills that were going to be funded no matter where they landed in the rankings.

Once the two lists were reconciled, Democrats were able to fund more than 40 bills, Hansen said, in part by trimming the costs of lower priorities.

Next year, Sen. Dominick Moreno, a top Democratic budget writer, says he's open to using the idea in the Senate. "The principle behind this new voting system, I think, is really fascinating — forcing people to look beyond their own self-interest," he said.

The House's experiment suggests it succeeded in that regard, Hansen said. The final vote tallies showed lawmakers didn't throw all their eggs in their own baskets — but they did cast some extra votes on bills they wanted most.

Zenzinger, though, says she's a bigger fan of ranked voting, which took a less complicated route to a similar outcome. "In retrospect, it turned out to be a more straightforward process" than quadratic voting, Zenzinger said. "Definitely not as cool, but more straightforward."

But the bigger question is the impact.

Hansen said it's probably too early to draw sweeping conclusions about the experiment's effects on policy or politics. But, he added, it addressed the problem he was trying to solve



— with some positive side effects, to boot.

“People felt like their voice was heard,” Hansen said. “There was no end-around, you couldn’t go whisper in somebody’s ear and have your preferences be stronger. Everyone had equal chance to have a say.”

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