



“Strategic Misrepresentation” to Get Voters’ Money

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The headlines keep coming—public projects cost more than anticipated. Promises made to voters are unfulfilled then taxpayers are asked for more to clean up the messes.

Just in the last week or so Californians have read about a housing bond to help the homeless that has not been spent. Another state bond that promised water storage and spending on other water issues seems to be going nowhere. Los Angeles’ Deferred Retirement Option Plan promised to keep veteran police officers and firefighters on the job a few years longer with no additional cost to the city but a Los Angeles Times investigation found that many officers who retire with their pensions and sign up for the program then take disability leave. Essentially, they are not working but take home about twice their previous salary.

Then there is the grand promise of the high-speed rail. Not for the first time, we learned last week that costs are projected to go up and the opening of the rail will be delayed.

Unfortunately, cost overruns on government projects are hardly a new phenomenon. According to a CATO Institute paper, as far back as 1836, a congressional Ways and Means Committee examination found that 25 out of 25 federal projects suffered a cost overrun. The paper included other interesting items such as the construction of the Erie Canal went 46% over budget, the Healthcare.gov website was 77% over budget and the International Space Station ended up a whopping 335% over projected cost.

The concern is that when government projects are presented to the public they are purposefully lowballed so the voters will buy in. Danish planning professor Bent Flyvbjerg wrote, “it seems unlikely that a whole profession of forecasting experts would continue to make the same mistakes decade after decade instead of learning from their actions.”

The professor called the under budgeting, “strategic misrepresentation” so as to get projects approved.

None other than former Assembly Speaker and San Francisco mayor Willie Brown confirmed this strategy. In a 2013 column in the San Francisco Chronicle Brown wrote, “In the world of civic projects, the first budget is really just a down payment. If people knew the real cost from the start, nothing would ever be approved. The idea is to get going. Start digging a hole and make it so big, there’s no alternative to coming up with the money to fill it in.”

Those words could have been written about the high-speed rail.

The question is: Why do voters continue to accept the price tag applied to projects? When will they start saying no?

As failed promises continue to pile up, trust in government continues to head down.