

Testimony of

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Convergence Building a Better Budget Process Project Participant  
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Before the Joint Select Committee on Budget and Appropriations Process Reform

May 9, 2018

Co-Chair Womack, Co-Chair Lowey, and other Members of the Joint Select Committee on Budget and Appropriations Process Reform, thank you for the privilege of appearing before the Committee today. I applaud the Committee's continued effort to tackle the budget and appropriations process—a topic that does not make front page headlines but is incredibly important to a well-functioning government.

I come before you today as a member of the Convergence Building a Better Budget Process Project (B3P) dialogue table. My testimony will explain why I joined the dialogue, why the Convergence B3P project was started, and how my colleagues and I reached consensus on principles and proposals for reform. My colleague and fellow project participant, Matt Owens, has submitted testimony about the five reform proposals our group developed.

Currently, I am a Senior Vice President at CRD Associates where I represent several health groups, and I have worked on their behalf through 15 appropriations cycles. I participated in the Convergence B3P project in my role as the Executive Director of the Coalition for Health Funding, which is an alliance of 95 national health organizations representing more than 100 million patients and consumers, health providers, professionals, and researchers that work together in support of federally funded discretionary health programs. In both the Convergence B3P project, and in my testimony before you today, I am representing the views of myself and not those of the Coalition for Health Funding, my employer, or the health groups I represent.

As you know, the vast majority of federal discretionary funding for public health and health research flows from the federal agencies to state and local governments, academic institutions, and nongovernmental organizations in communities across the nation. These entities rely on predictable, stable funding to pursue their missions of protecting and promoting Americans' health. When the federal budget process breaks down, dysfunction disrupts their operations. New initiatives and new hires are put on hold. Procurement cycles lapse. Opportunities are lost. And ultimately, the American people are hurt. In the Convergence B3P project dialogue, I saw an opportunity to work with others who hold disparate – and sometimes, opposing – interests to improve the budget process and restore faith in the federal government. None of us are naïve enough to believe we can perfect the process—but even marginal improvements to bring about predictability and stability to the federal budget would be welcomed by the communities we represent.

By way of background, let me briefly describe Convergence and the origins of this project. Founded in 2009, Convergence is a national nonprofit that seeks to bring individuals and

organizations with divergent views into a dialogue about topics of national importance. Convergence hires project staff to organize the dialogues and provide expert advice to the group. In addition, it hires a professional facilitator to ensure a productive dialogue process where every stakeholder is heard. Through Convergence's work over many years on many topics, there have been several lessons about reaching consensus that may inform the Joint Select Committee's work. I have included a statement from Convergence's founder, Rob Fersh, discussing some of these important lessons as an addendum to my testimony for the record. You can learn more about Convergence and their projects on their website, [www.convergencepolicy.org](http://www.convergencepolicy.org). It is important to note that Convergence does not endorse recommendations or proposals from any of their projects. Convergence views this work as that of the stakeholders and not Convergence itself.

In 2015, Convergence was approached by the Hewlett Foundation's Madison Initiative about organizing a project on federal budget process reform. Their goal for the project was to elevate the voice of the stakeholders through organizations that represent sectors and individuals across the country that are affected by or rely on federal revenue and spending decisions. With a generous grant from the Hewlett Foundation and additional support from the Stuart Family Foundation, the project began.

Each Convergence project begins with an assessment phase. The assessment phase is an intensive period of interviews and research to determine interest in the topic and a frame for the dialogue. During this phase of the Convergence B3P project, the goal of the stakeholder interviews was two-fold: first, to learn more about how the federal budget process affects a wide array of constituencies; and second, to identify possible participants in the dialogue phase.

After interviews with more than 100 individuals who represented the breadth of sectors, interests, and ideologies in the federal budget process, a consensus emerged that the current process is indeed broken. Time after time, no matter their own belief or constituency represented, interviewees lamented the failings of the process. Many had ideas for how to fix it. From major defense contractors to small non-profits, everyone wanted change.

Hearing the demand for a conversation, the project moved into the dialogue phase where Convergence invited 24 stakeholders—many of whom were interviewed during the assessment phase—to participate. They included both budget experts and advocates representing major sectors and key constituencies such as: children, millennials, and the elderly; armed services personnel and veterans; professors and students; health care providers and patients; as well as business owners and state officials.

For the next 16 months, participants met under the guidance of the Convergence B3P staff and a professional facilitator with decades of experience helping groups with divergent interests find common ground and reach consensus. At our first meeting in November 2016, the discussion focused on the problems with the process. Using sticky notes, the participants filled multiple walls with comments on how the process was working and how it was not. In this exercise, the comments overwhelmingly noted the failings of the process. Discovering this only hardened the resolve of participants to reach consensus on a meaningful set of reforms.

We next turned to a discussion of foundational principles for building a better budget process. These principles would serve as our “true north” in guiding our discussion and provide a benchmark for evaluating our proposals. We ultimately agreed on nine principles to which a budget process should adhere. These principles have been submitted to the record, and were distributed to each Member of the Committee prior to this hearing.

For me, the principles that resonated most are that the process should be unbiased, durable, and inclusive. As was mentioned during the first hearing of the Joint Select Committee, an unbiased or neutral process does not favor any policy outcome or ideology. This is key to any effective reform initiative. A durable process works regardless of who controls Congress or the White House, and regardless of the political and fiscal environment. An inclusive process allows input from all Members of the House and the Senate, as well as stakeholders and citizens. Without these principles, any attempt to reform the process will not stand the test of time, and we will find ourselves in these same exact seats having the same exact conversation. While I fundamentally believe all nine principles are key for any reform, this sampling resonated most with my daily representation of health professionals, researchers, patients, and caregivers across the country.

Our principles for a better process emerged from deliberative dialogue. During these discussions, four themes emerged that informed the development of our proposals. The first theme is that elections drive outcomes. The ultimate incentive for lawmakers to address any issue—including the federal budget—is whether or not their constituents care about it and the extent to which it influences their vote. The second and third themes are that credible information, provided at the right time, matters and that effective budget institutions are crucial to the production of trusted information. Indeed, as our dialogue progressed it became clear that the most successful and meaningful components of past process reforms were those that created new budget institutions, e.g., the Congressional Budget Office (CBO), that provided more and better information to Congress and the president.

The final theme, and what I believe the group thinks is most important, is that new norms are needed to break bad habits. No one inside or outside the Beltway expects “regular order” for appropriations bills where continuing resolutions are unnecessary. For any budget process to work, people will have to want it to work—and see the value in it doing so. As someone who works in public health, I understand that behavioral change is hard. As you know, many health problems stem from bad habits—not eating balanced meals, abusing alcohol and drugs, or not exercising—and creating new healthy habits is easier said than done. It will take a concerted effort on the part of lawmakers—including the congressional leadership—to make changes last and become part of a new norm where Congress expects the budget process to work and be completed on time.

Thank you very much for the opportunity to share the Convergence B3P group’s work with you.

## **ADDENDUM TO THE TESTIMONY OF EMILY HOLUBOWICH**

Written Statement for the Record of

**Robert J. Fersh**

President and Founder  
Convergence Center for Policy Resolution

Reaching Consensus Across Differences

Before the Joint Select Committee on Budget and Appropriations Process Reform

May 9, 2018

Thank you Co-Chair Womack, Co-Chair Lowey, and Members of the Joint Select Committee on Budget and Appropriations Process Reform for the opportunity to submit this statement for the record. We, at Convergence, are honored that the JSC has taken an interest in the Convergence Building a Better Budget Process Project. We appreciate the opportunity for Emily Holubowich and Matt Owens, participants in our Building a Better Budget Process (B3P) project, to provide the Committee with a greater understanding of the consensus proposals they developed. This written testimony is intended as a complement to their testimony, to explain why Convergence undertook this project and our approach to reaching consensus across differences. We hope this information will be useful to the Committee.

My name is Robert Fersh and I am the President and Founder of Convergence, a non-partisan, non-profit organization founded in 2009. Our mission is to convene leaders with diverse or conflicting views to build trust, identify solutions, and form alliances for action on critical national issues. Convergence itself does not take positions on policy recommendations developed by the stakeholders we convene, although we do help them coordinate efforts to move their ideas forward. Over the past nine years, we have successfully addressed such challenging issues as: K-12 Education; Nutrition and Wellness; Long Term Care for Elderly and Disabled Persons; and U.S.-Pakistan Relations. Current national projects also address Economic Mobility, Incarceration and the topic of this hearing, the Federal Budget Process.

We decided to undertake this project on federal budget process reform because of its importance to the nation. The regular failure of Congress to fully explore budget priorities and to establish timely and responsive federal budgets has had negative impacts on our society. It has simultaneously contributed to a loss in public confidence in Congress' ability to function. We hoped that, in combination with the skills and knowledge of our stakeholders, we at Convergence could contribute to designing a more functional and effective federal budget process. We believe we have assembled a unique group of knowledgeable and influential stakeholders who can help Congress make constructive change in this arena. We are grateful that support of the Madison Initiative of the Hewlett Foundation, later supplemented by funding from the Stuart Family Foundation, made this work possible.

Before describing how Convergence does its work, I would add that much of the impetus for me to start Convergence came from my experience working for three different Congressional Committees—the Senate Budget and Agriculture Committees and the House Agriculture Committee. In each instance, I had the opportunity to work on a bipartisan basis to fashion legislative proposals on important issues of the day. From this experience, I came away with an indelible impression that individuals—Members of Congress, their staffs or outside groups – who genuinely wanted to solve problems could find important common ground in service of their goals, if they found ways to constructively engage those who held differing points of view.

## **The Convergence Process Applied to the Federal Budget Process**

Our Building a Better Budget Process project is an excellent example of how the Convergence model works. The project followed the key steps outlined below to reach a set of consensus proposals to improve the budget process.

### **1. Identify and Research an Issue**

The project began with an assessment phase consisting of several meetings to discuss contentious topics in the budget process. Over 100 interviews with stakeholders representing the breadth of ideology and depth of policy issues were conducted. This research provided a frame for a discussion – we found there is widespread agreement across the political spectrum that the federal budget process is not only dysfunctional but it also adversely affects the groups we spoke with, as well as their constituents. As we further defined the goal of our project, we also understood this process would only work if we limited ourselves to process reforms that would not tip the scales one way or another toward the policy preferences of any member of the group. The sweet spot for our conversations was finding process reforms that would truly be policy neutral.

### **2. Convene Stakeholders and Built Trust**

After determining the frame, the project moved to a 16-month facilitated dialogue. During that time, the stakeholders came together for 14 meetings.

The B3P stakeholders are incredibly ideologically diverse and represent the broad spectrum of groups with business before the federal government. Stakeholders came from groups ranging from the Food Research and Action Center, and the Center for American Progress, to the National Taxpayers Union and Americans for Prosperity. Each had their own concerns about the budget process and ideas for how to fix it. However, through this project, stakeholders moved past their entrenched interests and ideas to seek common ground on a set of consensus solutions.

Once participants agreed on the problem, stakeholders discussed underlying interests and values to create a sense of common purpose and deeper understanding of one another. This led to trust among participants and the ability of people to move beyond concerns about one another's motives. The group then developed shared principles for a better budget process, which in turn guided the development of the specific proposals of the group. Both the principles such as the budget process should be comprehensive and predictable and the proposals are included in the group's final report.

The stakeholders work was enhanced by a professional facilitator who is skilled in catalyzing productive and constructive conversation, while also enforcing mutually agreed ground rules. The facilitator created space for every participant to be heard, regardless of their viewpoint or ideology, and the ground rules ensured confidential and civil conversations.

### **3. Develop Shared Proposals**

Through negotiation, innovation, and sustained dialogue, participants considered existing ideas for process reform and created new ones. During the discussions, stakeholders tried on ideas they might have quickly dismissed if not for the freedom to explore these ideas in a safe and confidential setting. To further allow for honest and full exchange, Convergence staff used shuttle diplomacy and small group work, in addition to project meetings, to build consensus on proposals consistent with the project's principles. This effort, coupled with the commitment of the stakeholders to budget process reform, led to agreement on the five proposals discussed during the hearing.

### **4. Take Action**

Our budget project participants finalized their agreement in early February 2018. We are pleased to say that a broad range of our stakeholders remain engaged in promoting the proposals of the group. Since the group reached agreement, it has presented its ideas at a "budget summit" in February hosted by the Committee for a Responsible Federal Budget, met privately with many Members of this Committee and other relevant Congressional offices, and continue to develop new ways to share their proposals with Members, the media, and other outside groups.

The creation of this Joint Select Committee has created a unique forum for the proposals of the B3P group to be heard. Like you, we hope that the deliberations of this Committee will lead to positive, bipartisan reforms in the federal budget process. B3P participants and Convergence stand ready to assist the Committee in any way we can.

### **Conclusion**

We hope that this explanation of the process utilized to form consensus proposals on the federal budget process will prove useful to this Committee. We believe that the approach and the specific steps we have employed to address a wide range of contentious issues can help Congress reach solutions that satisfy competing interests. Our stakeholders have shown that it is possible to find agreement on budget process reform. I urge you to use our example and experience to work together on a package of meaningful reforms.

In closing, thank you for the opportunity to submit this statement for the record and for your consideration of the Building a Better Budget Process proposals. We look forward to following the Joint Select Committee's continued deliberations and remain hopeful that the Committee will reach agreement on meaningful reforms to improve the budget process.

Testimony of

**M. Matthew Owens**

Convergence Building a Better Budget Process Project Participant  
 Vice President for Federal Relations and Administration,  
 Association of American Universities (AAU)

Before the Joint Select Committee on Budget and Appropriations Process Reform

May 9, 2018

Thank you Co-Chair Womack, Co-Chair Lowey, and Members of the Joint Select Committee on Budget and Appropriations Process Reform for the opportunity to testify. I am honored to present to you the proposals that members of the Convergence Building a Better Budget Process (B3P) project developed to improve the federal budget process. My testimony dovetails with the testimony of my colleague Emily Holubowich, who also participated in the Convergence B3P project and whose testimony provides important context about how the project participants reached consensus agreement on the five proposals I will delineate.

By way of background, let me share with you why I joined the Convergence B3P project. For the past two decades, I have worked at the Association of American Universities (AAU) and one of its member institutions. The students, professors, researchers, and administrators at AAU member research universities are all negatively affected by the dysfunctional federal budget process. Important medical research is delayed, experiments that hold the promise of new innovative technologies are put on hold or protracted, student aid decisions are held up, and long-term planning decision-making is made more complex and time-consuming because Congress does not complete its most basic constitutional obligation—funding the government. This is highly inefficient. It wastes time and institutional and taxpayer resources that would otherwise be used to advance their educational missions of teaching, research, and service. I chose to participate in the Convergence B3P process for this reason and in the spirit of what the people at research universities strive to do every day—address and solve difficult problems facing our nation. AAU endorsed the Convergence B3P proposals for the same reasons.

Using the Constitution as the foundation and the principles and themes that emerged from our dialogue, the B3P group crafted five proposals for improving the federal budget process. Through the lens of their own experience and ideology, or the priorities of their organization and the people it represents, each stakeholder may have an individual opinion about what policy options would best fix the process as viewed. However, our five proposals are based on consensus, and consequently, they reflect compromise. My colleagues and I do not believe these five reforms will yield a perfect process. However, we believe that taken together, the proposals contain practical, achievable, and important measures that can be developed and expanded to

implement a process that facilitates informed, unbiased, and sound decision making that yields logical decisions reflecting the will of Americans.

## **I. Budget Action Plan**

The first and most substantial proposal is the Budget Action Plan. This proposal synchronizes the budget process with the electoral and governing cycle. It sets the expectation that each new Congress should adopt a two-year budget that is signed into law by the new or continuing president. This reflects current practice, in which two-year deals have been reached to adjust the 2011 Budget Control Act discretionary caps. However, unlike the current practice of legislating a budget after the first of the two fiscal years covered by the budget is already underway, our proposal moves consideration of the Budget Action Plan to the beginning of each new Congress. Our intent is to set a new expectation and norm that the budget is determined well in advance of the beginning of the next fiscal year so that the Appropriations and other budget-implementing committees have adequate time to complete their work.

The Budget Action Plan has three required elements and one optional provision. First, it sets discretionary spending levels for two years. Our proposal does not prescribe how the discretionary spending levels are categorized (i.e. one discretionary spending cap, separate defense and non-defense spending caps, or a separate security and non-security cap). We leave this decision to Congress, as well as decisions about whether or not to include other sub-allocations for a group of programs, such as infrastructure or education. Under our proposal, appropriations that stem from the budget could be made annually or biannually.

Secondly, the Budget Action Plan lifts the debt limit by any shortfall agreed to in the legislation. For example, if the Budget Action Plan for FY2020-21 resulted in a \$100 billion deficit, then the debt limit would be increased by \$100 billion.

Thirdly, the Budget Action Plan would authorize a look-back report prepared by the Congressional Budget Office (CBO) or the Budget Committee. The report would examine: any difference in appropriations bills and the spending levels passed in the Budget Action Plan; how any reconciliation bills compare to instructions passed in the Budget Action Plan; and how enacted legislation affects the long-term fiscal outlook as highlighted in the Fiscal State of the Nation, our second proposal that is described in the next section.

Finally, the Budget Action Plan allows Congress the option to consider one reconciliation bill per fiscal year. This is a change from the current reconciliation rules whereby Congress may consider up to three reconciliation bills in a year—one for deficits/debt, one for revenues, and one for spending. To reconcile spending and revenues, the group agreed only one set of instructions per year was necessary, as it is nearly impossible to divorce discussions about spending and revenues.

I should note that the Budget Action Plan does not preclude Congress from passing a budget resolution. My colleagues and I recognize budget resolutions can be useful tools to outline the

governing vision of the majority party, minority party, or some other congressional subset or caucus, particularly when party control in one or both chambers of Congress is different than that of the president. However, we propose that any budget resolution should comply with the Budget Action Plan. Namely, the spending and revenue levels in the first two years of any budget resolution should match those specified in the Budget Action Plan.

## **II. Fiscal State of the Nation Report**

The second proposal requires the CBO to produce a quadrennial report outlining key information about our nation's finances. This "Fiscal State of the Nation" would be published in such a way that allows citizens who are not budget experts or Washington insiders to understand taxes and other federal revenues and how and on what the government spends taxpayers' money. The CBO would time the report's release to have the greatest impact during the presidential election cycle. A primary goal of the Fiscal State of the Nation report is to bridge the gap between what Americans think they know about federal spending and revenue, and the reality.

The Fiscal State of the Nation report would include: long-term projections for the next 25 years including debt, deficits, interest payments, revenues, and spending; a selection of alternative projections including those from governmental sources such as the Trustees of Social Security and Medicare; a breakdown of all major revenues sources and tax expenditures organized to show which Americans pay taxes and which taxpayers benefit from tax expenditures; a discussion of trends inside the portfolios established by the portfolio review (see the third proposal in the next section); and any estimated shortfalls in long-term spending programs that are funded by dedicated revenues. My colleagues and I believe such a report would provide the American people with a comprehensive picture of the nation's finances, elevate public discussions about the federal budget, and help voters make more informed choices at the ballot box.

## **III. Periodic Long-Term Reviews for Major Programs**

Our third proposal aims to provide more information about the nation's long-term finances by requiring periodic, long-term reviews for major programs by the Government Accountability Office (GAO). Every four years, the GAO would conduct a review of programs that have commitments outside the 10-year scoring window to consider promises, commitments, and goals of the programs within a portfolio. In so doing, GAO would study expenditure projections for each portfolio under various programmatic assumptions for the next 10 to 25 years; look at the recent performance of a portfolio, project performance for the next 10 to 25 years, and provide recommendations for how to improve the program; and, finally, conduct a "stress test" of programs to see how they would perform in extreme scenarios, such as a major recession or a two-front war. This information would then be included in the Fiscal State of the Nation Report. The Budget Committees would define the portfolios to be studied, as well as determine the review schedule. The goal of this proposal is to ensure Congress has high-quality information, on a consistent basis, when considering potential changes to revenues and mandatory spending. This

would be similar to the way discretionary programs undergo review as part of the annual appropriations process.

#### **IV. Strengthen the Budget Committees**

Our fourth proposal is to strengthen the Budget Committees. Created in the 1974 Congressional Budget and Impoundment Control Act, the Committees have proven effective at managing the budget process in the past. However, as budget decisions have become more centralized in recent years, the Budget Committees' stature and capacity to manage the budget process has waned. To restore the standing of the committee, my colleagues and I propose the Chairs and Ranking Members of key fiscal committees, or their designees, serve on the Budget Committees. Any remaining members would be appointed to ensure the majority-minority balance on the Budget Committees reflects each chamber's composition. The Budget Committees would also develop and execute the Budget Action Plan and have oversight over the production of the Fiscal State of the Nation Report and GAO's periodic portfolio reviews. Ideally, this proposal would change how Congress and outsiders perceive the Budget Committees and ensure that those who are responsible for operationalizing the Budget Action Plan through appropriations and authorizing legislation are involved in its development and vested in the process.

#### **V. Budget Support Agencies**

Our fifth proposal calls on Congress to give budget support agencies such as CBO, GAO, and the Joint Committee on Taxation the resources necessary to provide Congress, the administration, and the American people with credible, high-quality, and independent information. Our proposals include new responsibilities for these institutions, so it is important these institutions have sufficient resources to perform their current and proposed responsibilities.

Taken together, our five proposals have the potential to improve the federal budget process. They also have the added benefit of addressing the nine principles and four themes that Ms. Holubowich outlined in her testimony. We believe the proposals are a strong starting point for the Joint Select Committee as you consider budget process reforms.

You will notice our proposals do not include many ideas that have been proposed by others and are under consideration by the Joint Select Committee such as: restoring earmarks, creating triggers for automatic continuing resolutions, moving the start of the fiscal year, abolishing the Budget Committees, or establishing penalties for inaction such as "no budget no pay." Our group discussed these and many other ideas but ultimately, we did not include them because we could not reach consensus agreement. In most cases, ideas were excluded because they did not meet our nine principles for process reform or our judgment was they would not substantively improve the process and might even make it worse.

In closing, I will offer a shared view among the Convergence B3P participants. Namely, no single budget process reform or package of reforms can by themselves remedy the prevailing dysfunction. Process reforms alone cannot force policymakers to reach budget agreements. But

process matters, and changes—small or large—that Congress decides to adopt can create ownership and buy-in for new expectations and norms for determining and managing our nation’s finances.

Coincidentally, the final meeting of the Convergence B3P project group occurred on the same day the Bipartisan Budget Act of 2018 was released and the proposal to establish this Joint Select Committee was first made public. Our group was heartened by the creation of this Committee because it is consonant with our consensus view that ultimately, budget process only works if there is sufficient political will to make it work. The Joint Select Committee is evidence that the political will is present and growing.

On behalf of all the Convergence B3P project participants, I thank you for the opportunity to testify on our ideas to make the federal budget process work better. We wish you great success in this important endeavor that is critical not only to effective federal budgeting but also the governance of our nation.