

ASHLEY

Let's talk about our money and what happens to the huge sums collected from taxpayers. One of the key functions of Congress is to pass a budget, but often that seems close to impossible. Lack of agreement over federal spending regularly threatens to bring about government shutdowns, and they have a negative effect on millions of Americans. Yet few of us can even begin to understand the Byzantine budget process.

This is Let's Find Common Ground. I'm Ashley Milne-Tyte.

RICHARD

And I'm Richard Davies. In this show, we meet two women who worked with other policy experts to make the federal budget process function better, simple, efficient, transparent. Alison Acosta Winters is a fiscal conservative and was most recently a Senior Policy Fellow at Americans for Prosperity. Emily Holubowich is Vice President for Federal Advocacy at the American Heart Association, and she often supports more government spending. They came together through Convergence Center for Policy Resolution, and you'll learn more about Convergence later in the show. Ashley kicks us off. Her first question goes to Alison.

ASHLEY

So, just to start off, the current budget process involves a huge amount of money, and it's a mess. Why does this matter so much to all of us?

ALISON

Well, if you think about the role of Congress and the role of the federal government, one of the key functions and responsibilities of Congress is to pass a budget. A budget tells the government what it's going to do, how many resources it's going to have in any given year. And it's important that that's done in an orderly fashion so that key people in the executive branch can plan and execute appropriately, accordingly, as efficiently and effectively as possible. When you don't have that smooth functioning of the federal budget process, all of that becomes really difficult to do.

RICHARD

Emily, you want to have a crack at that?

EMILY

I think Alison really said it very well. It's been interesting to me, working in and around the federal budget for more than 20 years, just how little the American people actually know about how the federal government spends money, where they spend their money. When things are running, and we're talking about the core functions of government, public health, education, roads and bridges, people don't really think much about it, and it isn't until things

go off the rails and break down that they realize, "Oh, wow. The federal budget actually matters a lot to me in my daily living, in my daily life."

RICHARD

We're going to talk about the mess that is the federal budget process, something you've both been trying to fix, in a minute, but how much money are we talking about? How big is the federal budget, Alison, perhaps as a percentage of overall economic output?

ALISON

It is stunningly big. The problem is federal government spends trillions of dollars a year, and most of us don't really know how big a trillion dollars is. So there's 12 zeros. I wrote this down this morning. Our public debt right now is \$23 trillion. This was at the end of 2021. That is 103% of the economy. So our total public debt is as big as our entire economy. So, not just because of the responses to COVID, the federal government is taking a larger and larger share of the economy, which means that taxpayers are going to have to be paying ever more money in order to fund the government.

EMILY

I speak to a lot of different groups, and I'll throw out a question, "How much money do you think the federal government spends on education?" And people say, "Probably like 20%." It's actually more like 2%. So there was really a lack of awareness of, where does the money go? And when you think about the federal budget, about 60% of that is on what we call the mandatory side of the ledger. So this is funding that flows automatically from the treasury as established in the law.

The most well-known mandatory funding stream are the entitlement programs: Medicare, Social Security. That's 60% of overall federal spending, and that has grown over time, probably not surprisingly, as our population grows and more and more people are eligible for those benefits. And it's, I think, counter-intuitive to Americans. They don't think about that because they think about what the government does every day, and it's making sure your roads don't have pot holes, and making sure your drugs and food are safe, making sure we're educating kids. That's actually a really small part of what the federal government's spending. It's mostly going in those mandatory entitlement programs, sort of where the bulk of spending is happening.

ALISON

Emily and I, we're not necessarily of the same perspective in terms of what we think the federal government ought to be doing, but Emily just exactly made one of my key points for me, which is, you have this huge part of the federal budget that is on autopilot and they're important programs for millions of Americans, and that they don't get a regular budget review for whether they're sustainable, whether they're affordable, are the right people

getting them, and so forth. It's really appalling to me. And then everything else gets lumped into this big morass, this big problem of not being able to pass a federal budget when it's really about a third or less, yet it comprises most of the employees and most of the programs. So we've got a big mismatch there.

ASHLEY

What is the biggest challenge you face in trying to fix the way that budgets are put together in Congress? Emily, can you get it down to one? Just one.

EMILY

Oh, my god. There are a lot. Some of it, I think, is just the sheer scale and scope of the legislation itself and the timeline. So if you think about what we would call "regular order," which is essentially all 12 of the spending bills moving through committee, floor action, in both chambers, then back through conference, back through the House, back through the Senate, signed by the president in what is really an eight-month time period, and these are major bills with a lot of detail, a lot of substance, it's not just about numbers. There's a lot of direction given to the executive branch on not just what the number is but how it should be spent.

And you think about authorizing legislation, on average, an authorizing bill for something like creating a new program or creating a new agency, on average, takes seven years. You're talking about doing the same type of legislation, but about spending money, in eight months. Layer on top of that the political climate and how everything is hyper-politicized, and layering on top of that long-standing political challenges around things like abortion, research on gun violence, the hyper-political things that get mired up in whether or not you're going to fund those things, and all of this is kind of a recipe for disaster. Alison, do you have thoughts?

ALISON

Yeah, no, that's totally right. Let's not forget that the budget process was a mess for many, many years. And so Congress finally was forced to do something about it, and the Modern Congressional Budget Act was first implemented in 1974. And my number was four times since 1974. That's almost 50 years. Have they ever done everything right, from passing a joint resolution by April 15th, which they're required to do, to passing all the appropriation bills by June 30th so that agencies could have time to plan the new spending, program it in, and then get ready by the beginning of the fiscal year? Ten times since 1974 have things gone bad, bigly, resulting in a government shutdown, and we've seen a couple of them, unfortunately, lately, and that's just a terrible way to run the government.

RICHARD

So you mentioned government shutdowns, Alison. Walk us through that. How disruptive is a government shutdown, even if it's really short?

ALISON

It's a colossal disruption because you have agency managers who need to determine whether or not their employees are... What's the word for it, Emily? Are necessary employees.

EMILY

Essential.

ALISON

Essential.

EMILY

Are they essential? Yeah.

ALISON

If it was me, I would feel like I was essential no matter what. I mean, what kind of message is that to tell federal workers, not just federal workers but everybody in America, that not all federal employees are essential? I mean, just start right there with that kind of picture. But agency managers from the top on down, you need to wait for the Office of Personnel Management in the White House to say, "Here's our category for essential workers. Here's how we're going to implement this." Then every single agency manager and their personnel department needs to figure out, "Do we have essential personnel that meet the criterion of OPM?" And on and on it goes. Then they need to communicate that in a timely way, they need to make decisions about operations, disbursements, keeping buildings open, getting trucks on the road, seeing clients, just an assortment of things. There's just huge costs associated with this, not to mention the impact that this has on, to Emily's point earlier, ordinary Americans, all of us who are just going about our day. "Do I go to the post office? Can I go to my Veteran's Department?"

EMILY

And I was just going to add, I have a lot of friends who are federal employees, and so it isn't just about, "I had to cancel my trip to Yosemite National Park because it's closed." I mean, many Federal employees and contractors in a government shutdown are not getting paid. How are they paying their mortgage? How are they paying for groceries? How are they paying their daycare bill? Now, some of the federal employees, Congress will usually pass a bill shortly after the shutdown saying that they will pay federal employees retroactively, but that's not always the case for contractors. So when you think about the cafeteria workers in the government buildings or the sanitation staff, who are all on contract, they don't get paid, and that money does not always come back.

ASHLEY

So, just to change tack slightly at this point, you two met through Convergence, which brings people with all sorts of different backgrounds and points of view together to work on tackling a particular problem. You worked on budget process reform over many months. You had all-day sessions. Did the length of the sessions and the way they were set up help you find common ground?

EMILY

I think what was really interesting to me, and I will say when I was invited to be at the table with Convergence, I was definitely intimidated by the time commitment, both amount of time per day and the frequency of meetings, but I do think Convergence really knew what they were doing. It was necessary, and I will say that it's something that I thought was remarkable that people actually enjoyed being there and made a commitment to be there.

I've been in a lot of similar groups where you're doing work over time, everyone's there the first meeting, and then you see people start to taper off, and suddenly you notice, "Hey, whatever happened to that person?" They stopped coming. That was not true with the Convergence process. It really was people committed, and they committed to be in that room during that time. People were there, and they were actually present, and I think that's really what helps get to consensus because we have the time to both begin to understand each other and know each other and trust each other, but also to really work through some difficult conversations and really hard questions.

ALISON

It's absolutely true. And the thing about Convergence is it's a consensus organization and a consensus project. So, if one person, and I forget how many... I think there were 23 of us, Emily?

EMILY

Mm-hmm.

ALISON

If one person says, "I can't endorse that proposal," it's out.

EMILY

And it speaks to, I think, the commitment but also the mutual respect of the different stakeholders. Okay, talking about budget process, this is not exactly sexy stuff, but everyone in that room deeply cared about fixing the budget process and finding a way to fix it. I love this stuff. I know Alison feels the same way. But it shows how committed we were to the

outcome and also the mutual respect of our colleagues, knowing they're making the time, so I need to make time too.

ASHLEY

Tell us about that. What was the outcome? What did you achieve?

EMILY

We achieved a lot. Right? I feel like we did. We're getting there. Go ahead, Alison.

ALISON

No, I was just going to say we came up with this big proposal. There are, I think, six main elements to it. We had people promoting this in the halls of Congress, and it was very well received. We had lots of media coverage, we had lots of writing articles and magazines that lawmakers and their staffs would read, as well as writing some more popularizing stuff, so helping the general public understand why this is an issue and why our ideas we feel like had merit.

So the proposals that we came up with, to me, were really very, very substantive, and I feel great that we accomplished that, given the really diverse members who participated in this. And some of them, Emily will say, some of these were really thorny, and we had to have some really tough conversations amongst ourselves. That's where the trust that Convergence helps build is so important, saying, "Okay, here's what I think you're saying, This is why X is not working for you. Here's what I need. How can we get together and put together something that's meaningful that isn't going to compromise what you're trying to accomplish in the end?"

ASHLEY

Alison Acosta Winters and Emily Holubowich on Let's Find Common Ground. I'm Ashley.

RICHARD

I'm Richard.

ASHLEY

This episode is co-produced in partnership with Convergence Center for Policy Resolution. It's one of a series of podcasts that Common Ground Committee and Convergence are producing together.

RICHARD

Convergence convenes key stakeholders in an issue to work out policies that deliver the most value to the greatest number of people. Their projects emphasize collaboration and often

result in friendships among people who come into their first meetings with opposing views. Now more of our interview with Emily and Alison.

ASHLEY

So Emily, tell us a bit about what you in the Convergence group all decided on, and also how might your recommendations be more effective than anyone else's?

EMILY

Let's be honest, Washington puts out a lot of reports. There's a lot of recommendations coming out of everywhere, not just in Washington. Academia, everyone is cranking out policy recommendations all the time. What set us apart is really just, in some ways, serendipity. So you had the Budget Act of 2018 that established a Joint Select Committee on Budget and Appropriations Process Reform. So this new select committee to look at these very issues came about right at the time that we were putting out our results, and so automatically we had a captive audience that would say, "Oh my gosh, we have set up this committee, and you have recommendations. Let's talk about it." So it really presented a ripe opportunity for us to translate all of that work to lawmakers. There was a congressional hearing, and we were able to present some of the results.

ALISON

I would just put in another plug for Convergence because I think this is part of their process in picking projects or problems or issues that need to be resolved in a way that they can do it so it matters, it's going to have impact, it's going to help people who are decision-makers. I think they just did a great job on that. So the information was timely. We were out before this joint select committee was formed.

RICHARD

Given that most of us know little or nothing about the federal budget process, you came up with a series of proposals. Can you walk us through them? Emily?

EMILY

Sure, I'll start. One of the proposals, and the one that's now under consideration by Congress, is this idea of a fiscal state of the nation. I think we may have framed it slightly differently, but we'll take credit. We think it's pretty consistent with our recommendations. And it was really getting at this idea that Americans don't know anything about the federal budget. It's not accessible. Even documents that are public-facing, sometimes you need a PhD to understand them, right? So the idea here was, let's help the American people understand, essentially, the federal government's bank statement.

It's like, let's give them the information they need to begin to care and to begin to think a little bit more critically about federal spending and the federal budget with the hope that

when they go to the town hall of their lawmaker, they're asking them questions about: why isn't the budget and appropriations process done yet? Why are we still on a continuing resolution to keep the government open? Why are you going to punt again and not get this done before the end of the year? Alison?

ALISON

A part of the thinking of this is really, just to dovetail and emphasize a little bit what Emily was saying, was really to impact Americans' awareness of how things should be, and also, "What is our fiscal condition? Are we good? Should I be worried about debt that's 100% of GDP? I don't know what to make of that. How big is \$5 trillion? What does a trillion-dollar deficit mean to me?"

ASHLEY

Going back to the process for a minute, I just have a question about the other people in the room. So obviously, we very much get the impression that many members of Congress frankly can't stand each other. Was there that level of antipathy in the room that you were in with some of the public policy experts and lobbyists, or was it a different state of affairs?

ALISON

Well, from my experience, a lot of the folks for me are people that we'd be arguing on Hardball, so we're diametrically opposed, we don't really sit down and break bread together very much. And I don't know whether the organizations like you came from, Emily, had that same kind of experience, but yeah, there are a lot of folks that, not on a personal level, but on an ideological level.

EMILY

Now, I think that's right. Certainly, the temperature is hot in Washington, DC, but I think even among lawmakers, they will pretend to cut each other's throats on TV, but behind the scenes, there's a lot of backslapping, and there's still some congeniality left that may not be publicly facing, but it's there. It gives me hope. I was really impressed by the level of congeniality, the level of respect, the level of civility throughout the entire process. This is not all rainbows and unicorns, of course, there were tense moments, but it was never disrespectful and always polite.

And again, we did have the opportunity to break bread together often, which I think helps, the lunch breaks and the coffee breaks where you can chat and get to know people. They were very strategic about the seating chart and where they had you sit at each meeting, but it forged stronger partnerships to seat people like Alison and I next to each other, who'd never worked together before or never crossed paths, or to seat you with people that maybe you didn't always get along with.

RICHARD

Before we wrap it up, I just wanna make sure we've gotten the main points of the proposals that you made. Is there anything we left out that you feel we should mention?

ALISON

One was, we need to make sure that the process works right, but we also need to take the programs, these federal programs, and really do a regular review of, maybe it's retirement security, maybe it's health care, and look at all the programs that fall under that umbrella, how are they working, who are they run by, is there duplication, or is there adequate funding, is there too much funding, is there any sustainability problems, and do a report that present it to lawmakers and the public to better inform their decision-making.

EMILY

You can spend the rest of your life trying to come up with a process, but if the people don't wanna make it work, it's not going to work. So one of our recommendations was actually around the composition of the budget committees themselves, and I think currently, the budget committees are often viewed as sort of the B-Team. Hopefully, not making anybody angry by this, but in many ways, the people that need to be in the room, as the budget committee is really responsible for kicking off this process, they're not there. So how do we beef up the budget committees themselves to ensure you've got the chairs and the rankings of the major committees of jurisdiction that touch the budget at the table so there's buy-in and they're part of that decision-making process?

ALISON

Yeah, and it also increases a little bit of accountability for what their decisions are that come out of their committees and actually tackling some of the important issues.

RICHARD

So, three years after your proposals were released, how hopeful are you now, both of you, that at least some of this will really come to pass and that you will have made a difference to what is a very messy process?

EMILY

I don't know. I'm generally a glass half-full person. In my life, I'm an optimist. I'm also a realist. I don't feel great about where things are now. I think there are members of Congress who, like us in the Convergence process, care deeply about this issue and want it to work and are willing it to work. Unfortunately, it's just not enough under the crushing weight of politics and the vast agenda that they're trying to accomplish. So I think there's opportunities around the margins to make tweaks or improvements. Richard and Ashley, I don't feel optimistic in this moment. But Alison, what are your thoughts?

ALISON

I agree with everything that Emily just said. These are not really good times for even getting the normal business of Congress done. So changing something and making Congress really what our proposals were, a little tougher on itself, it's probably not going to happen. Maybe we'll get the fiscal state of the nation. Wouldn't that be great? And that's really a non-binding thing. Congress says it will do it. Well, okay, I'll take that. I will take that as a win. I'm hopeful that we can build on that, and I'm hopeful that we can get better results.

Maybe if we go back to the first question, one of the first questions that you asked, Richard, is, why is it so hard to get this done? Well, one reason is because it's super wonky. It's not sexy. It's just process. There's not a demand for it, and there's lots of other demands on Congress. It's hard to do, and there's just so much bandwidth that's being taken up by other things. So I am hopeful. I'm a glass half-full also, but I'm not optimistic that the big picture of what we propose will be taken up in the next couple years.

ASHLEY

Emily and Alison, thanks so much for coming on Let's Find Common Ground.

ALISON

Thank you, Ashley. Thanks, Richard.

RICHARD

Great, thank you. Alison Acosta Winters and Emily Holubowich on Let's Find Common Ground. I'm Richard Davies.

ASHLEY

I'm Ashley. Thanks for listening.

ANNOUNCER

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