

Testimony of

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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. 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.