

# CBI Reports:

CONSENSUS BUILDING INSTITUTE

Volume XXI | Issue 2 | SUMMER 2018

## Breaking the Gridlock: A new path forward in Congressional budgeting



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**Each passing year brings new evidence of the need to repair the process for managing the \$4 trillion U.S. budget. Congressional budget resolutions and spending bills narrowly pass, often very late, with lukewarm promises of hammering out priorities in the following budgeting cycle.**

It has been more than 20 years since all appropriations bills were passed prior to the beginning of the fiscal year. With so many missed deadlines and insufficient attention paid to longer-term budget priorities and oversight, it is obvious the process needs to change.

Amidst this backdrop, the Consensus Building Institute and its partner, the Convergence Center for Policy Resolution, convened an unusual coalition of budget experts and advocates to brainstorm new ideas for turning around what is often a dysfunctional budget process. The group was comprised of members with divergent perspectives and ideologies, and interests that are deeply affected by the outcomes of the federal budget process each year. After meeting for two years, the group – which named its project the Building a Better Budget Process (B3P) – presented a set of realistic, politically feasible proposals for improving the budgeting process to Congress:

### **1. Synchronize the budget cycle with the electoral cycle:**

Congress and the President should negotiate a Budget Action Plan at the beginning of a new Congress that would be passed into law, defining key fiscal decisions – setting discretionary funding levels and adjusting the debt limit, for example – for a two-year period.

### **2. Raise the visibility of fiscal information:** A Fiscal State of the Nation report should be produced every four years, timed for release at a key point in the national election cycle, that clearly and succinctly lays out the condition of the country's finances.



### **3. Review the performance of federal program portfolios:**

Congress, through the Government Accountability Office, should review the performance of federal programs that require long-term or inter-generational commitments (such as retirement security, health coverage, education or national security).

### **4. Strengthen Budget Committees:** To support more timely action on budget decisions, Congress should strengthen the effectiveness of Budget Committees by revising the membership rules and assigning the committees responsibility to oversee new activities proposed above.

### **5. Appropriately fund federal budgeting institutions:** To ensure that the Congressional Budget Office and the Joint Committee on Taxation can continue to provide high-quality and independent information, Congress should fund them with sufficient resources.

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These proposals were the outcome of a carefully orchestrated process, facilitated by CBI in partnership with Convergence, a nonprofit whose mission is to convene leaders in innovative contexts to jointly address tough policy issues.

## The CBI-Convergence Process

### Background: The Urgent Need for Change

The current budget process faults have many real-world costs. Failure to enact timely appropriations bills generates repercussions that are felt in federal agencies, private and nonprofit sectors, state and local governments, and Americans' everyday lives. For example, it is difficult for government agencies, businesses, research institutions, hospitals, and state and local governments to make long-term plans if their programs or services depend on unreliable federal funding. Companies providing critical services to the federal government, like defense and information technology contractors, may put projects on hold, lay off workers, or cancel equipment purchases, given uncertainties in the budget process. Providers to the poor, elderly, and disabled may have to curtail services. State governments relying on federal matching funds for crucial services such as health care, education, or transportation may be forced to scale back those programs.

### The Approach: A Dialogue Among Unlikely Collaborators

The hypothesis was this: much work has already been done to identify ideas and designs for process reform, often by budget "wonks." But for reform ideas to become reality, a wide range of stakeholders affected by the federal budget need to come together, explore options, and publicly rally behind a set of proposals. If such a respected group were to put forth a single proposal, it would be much easier for members of Congress from both parties to take on structural reform of the budget process.

Thus, after CBI and Convergence conducted more than 100 assessment interviews, they brought 24 individuals into a dialogue. B3P participants joined in 14 facilitated meetings between November 2016 and February 2018 that were designed to build trust; explore and air concerns, hopes, and priorities;

return to the Constitution to determine roles and responsibilities for the Executive and Legislative branches; and finally, build a framework for budgeting that all could support.

Participants quickly realized that they shared many of the same frustrations with the budget process, regardless of their constituencies or political leanings. In their monthly dialogues, B3P stakeholders did not debate policy issues such as whether federal spending should be curtailed or the deficit reduced. They focused instead on a framework for designing a federal budget to help Congress balance competing political and programmatic interests, as well as current and future needs.

To aid their deliberations, B3P participants were informed by political scientists, practitioners, and professors studying government and the budget process. Through engagement with these guest speakers, participants examined the history of budget process reform, challenges of budgeting for different types of spending, and political incentives behind decision-making by members of Congress.

To support the development of their reform proposals, the B3P group developed principles for what an improved process should encompass that guided their work. Over the course of their discussions, B3P dialogue participants asked: Are there effective incentives and consequences that can be integrated into a new budget process? What parts of the process currently work and how can they be strengthened? Is there a way to shock the system, to break poor budgeting habits and change current norms? As the group examined these questions, several key themes emerged. Finally, the above-outlined set of proposals began to take shape and were outlined in a summary report.

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### Next Steps: Efforts to Influence Congress

The B3P Project announced its proposals at the Budget Reform Summit on Capitol Hill in Washington, D.C. on February 26. More than 300 people attended the event, including Senators Perdue (GA) and Whitehouse (RI). Both senators are key players in the new Joint Select Committee on Budget and Appropriations Process Reform (JSC), created as part of the Budget Act in early 2018. The new JSC is considering many possible reforms to the budget process. The Convergence B3P proposals have taken center stage in this discussion. In May, two stakeholders – Matt Owens of the American Association of Universities and Emily Holubowich of the Coalition for Health Funding – testified before the JSC about the proposals and how the project reached consensus. While process reforms alone cannot make Congress act on issues in a timely and bipartisan manner, B3P stakeholders believe these proposals will, if adopted, significantly improve the odds that the federal budget process will function more effectively.

Sam Berger, Senior Adviser for the Center for American Progress, and a member of the B3P group, believes the proposals “suggest a path for real bipartisan improvements to the budget process – by seeking to reduce debt ceiling brinkmanship, reiterating the importance of the nonpartisan expertise provided by the Congressional Budget Office, and focusing on budgetary results over political posturing.” Matt Owens said: “I hope our work marks a turning point from discussions to actions that will improve the federal budget process. I hope other local, state, and national organizations that have been frustrated by decades of a dysfunctional federal budget process, stop-gap funding bills, and government shutdowns will read the report and call on Congress to take action.”

## CBI IN ACTION ||

### A Snapshot of Ongoing and Recent Work

#### >> Evaluating local stakeholder engagement in worldwide climate projects

A CBI team is evaluating how effectively the Climate Investment Funds (CIF) have engaged local stakeholders in their programs and projects. Established in 2008, the \$8 billion CIF is currently the largest set of multilateral investments designed to address the challenges of climate change in developing countries. CIF's constituent programs aim to promote renewable energy; conserve forests; and make infrastructure, land use, and livelihoods more resilient to climate change. After a decade of operations, the CIF is undertaking a process to determine what it has accomplished and learned. CBI was selected to assess how effectively the CIF has engaged local stakeholders in program planning and implementation and to what extent stakeholders have benefitted from involvement with the CIF. CBI has established an evaluation methodology, is now conducting a portfolio review, and will undertake case studies this summer and produce a set of reports in the fall. By the end of 2018, the CBI evaluation team -- Managing Director David Fairman, Senior Mediators Michele Ferenz and Catherine Morris, and Senior Associate Toby Berkman, with support from Canada-based evaluation expert Andy Rowe -- aims to produce actionable lessons and insights.



## CBI IN ACTION || Continued

### >> Training women negotiators

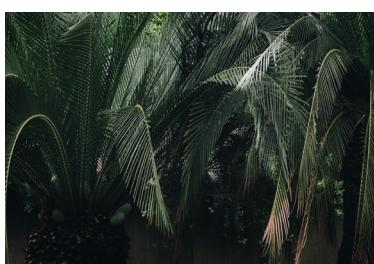
Senior Associate Carri Hulet has partnered with Stacy Heen Lennon of X Squared to develop and deliver trainings in negotiation designed specifically for women and organizations seeking to create a more gender-aware



negotiating environment. In April, Carri trained nearly 50 women (and one brave man) at the Washington D.C. offices of Conservation International. The training integrated standard Mutual Gains curriculum, such as differentiating positions from interests and using objective criteria to address concerns about fairness, with work on identity, implicit bias, stereotype threat, and recognizing and using different sources of power. The post-training surveys gave the training high marks and identified additional negotiation challenges to address in upcoming trainings.

### >> Preventing violence and intimidation in the Sayaxché, Guatemala palm industry

The palm oil industry in Central America is no stranger to human rights abuses. Once companies acknowledge their transgressions, the hard part follows: helping those same companies walk the path to accountability and responsible production. A controversial Guatemalan company in the spotlight, REPSA, recently turned this corner. Senior management committed to driving implementation of a new Policy to Prevent Violence and Intimidation,



aiming to make it a centerpiece of the company's social commitments. In partnership with The Forest Trust, Senior Mediator Merrick Hoben designed an applied, dynamic approach to build capacity to meet the new commitments.

The approach was tailored to first engage senior management and then production-level leadership in the remote Sayaxché region of the Petén. Through a series of workshops and internal dialogues, the managers clarified core business values, built staff skill for engaging communities, and strengthened the company's grievance mechanism, so that communities can use it to hold REPSA accountable for effective implementation. CBI will likely use this applied training model in the future, given its proven practicality and impact.

### >> Capturing stakeholder perspectives on offshore wind in the Carolinas

The Bureau of Ocean Energy Management (BOEM) manages planning and leasing activities for offshore wind energy development in federal waters off the coasts of North and South Carolina. During the



past few years, some stakeholders have expressed enthusiasm about the prospect of offshore wind development, but others have raised concerns about changing ocean views and expressed apprehension about negative effects on property values and tourism-based economies. BOEM engaged CBI's Managing Director Patrick Field and Senior Associate Tushar Kansal to help explore, detail, and capture local and state stakeholders' perspectives on this issue. At the heart of CBI's work were confidential conversations with approximately 30 key stakeholders, including local government, state government, neighborhood associations, businesses, and environmental advocates. These conversations sought to identify the range of interests and concerns, and to determine if there is a better way to identify wind energy areas that are acceptable to most stakeholders. CBI produced a report highlighting diverse perspectives concerning renewable energy, economic issues, visual and viewshed concerns, identity issues, cultural and protected resources, and opportunities to mitigate

## CBI IN ACTION || Continued

stakeholders' concerns. CBI also provided process options that BOEM and its state partners could explore for moving forward. CBI's report and suggested steps forward will shape BOEM's approach for proceeding with leasing for offshore wind development in federal waters off the coasts of North and South Carolina.

### >> Resilient by Design Bay Area reaches milestone in international design competition to manage sea level rise

Resilient by Design (RbD) is an international design competition that brings together design teams from around the world to grapple with land use, housing, and transportation in the face of climate change and sea level rise. CBI Senior Associate Carri Hulet helped RbD's international jury select the design teams that



would advance to the second phase of the competition, which focused on research of presented ideas. In May, Senior Mediator Gina Bartlett facilitated the jury deliberation to recognize the contribution of the nine teams that made it through the competition and

created a design for a San Francisco Bay project. This deliberation was followed by a world café, with more than 200 participants from the Bay community, designed to identify lessons learned and the path to implementation. Building off the world café, this summer CBI will facilitate a strategic planning effort to transform these innovative designs into actual projects with stakeholder and financial support.

### >> Enhancing fisheries and aquaculture governance in Southeast Asia

In spring 2018, Managing Director David Fairman and Senior Mediator Ona Ferguson led two workshops for the Southeast Asia Fisheries and Aquaculture Initiative (SAFAI) on aquaculture sustainability. This effort is led by former Secretary of State



John Kerry and supported jointly by the Monterey Bay Aquarium and Carnegie Endowment for International Peace. SAFAI's goal is to meaningfully accelerate fisheries and aquaculture sustainability in five

Southeast Asian Countries: Vietnam, Indonesia, the Philippines, Myanmar, and Thailand. The CBI team led a discussion session with Secretary Kerry and leaders of the global aquaculture and fisheries industry in Boston. Two weeks later, they facilitated a two-day meeting in Bangkok of 30 people with expertise related to Southeast Asian fisheries and aquaculture. Participants in both sessions shared their insights into ways these five countries can best make progress on the sustainable management of fisheries and aquaculture. Secretary Kerry and the SAFAI project team will work to implement strategies developed in Bangkok.

### >> Rebuilding Nicholas County schools mediation process

In October 2017, Senior Mediator Stacie Nicole Smith and Senior Associate Tushar Kansal were hired by the Federal Emergency Management Agency (FEMA) to design and lead a consensus building effort to develop an acceptable and workable plan for rebuilding three schools in Nicholas County, West Virginia. The schools had been destroyed by flooding in June 2016. The County Board of Education had proposed to use the FEMA recovery money to consolidate all three schools, along with county's other high school and its career and technical center, in a centralized location in the county. That plan would have removed the flood-affected middle and high school from a town at the southeast edge of the county, which residents felt would devastate their community, economy, and opportunities for development. The West Virginia



## CBI IN ACTION || Continued

Board of Education rejected the county's consolidated plan, a decision affirmed by the West Virginia Supreme Court in August 2017. Having reached an impasse, FEMA reached out to CBI. After conducting a situation assessment in the fall of 2017, Smith and Kansal convened a mediation process between the West Virginia Board of Education and the Nicholas County Board of Education, involving three 1-3-day negotiation sessions and a county-wide public meeting -- attended by more than 250 people -- to collect input on a draft proposal. In April, the mediation team proposed an approach that would rebuild a community middle and high school near their previous locations, while relocating the county's career and technical center with the other middle and high school to a comprehensive campus in the county's center. This carefully balanced approach was acceptable to the parties. It was codified into a revised plan and swiftly approved by the full boards of the Nicholas County Board of Education, the West Virginia Board of Education, and the state's School Building Authority.

### >> Developing a framework to address post-conflict land claims in the Philippines

Senior Mediator Michael Brown recently led an assessment for the United Nations Development Programme of post-conflict land and property issues in the southern Philippines and developed a framework to address claims and disputes in the bombed-out City of Marawi. Marawi was overrun by an ISIS-inspired group in 2017, and almost 200,000 residents were displaced in the five-month military conflict that followed. Today, as residents



return to the city, conflict over land is a major risk factor for renewed violence. Beyond the recent displacement, historical land dispossession has been a source of grievance and a rally point for violent separatism in Marawi and other Muslim-majority areas of Mindanao. With CBI support, a governmental Sub-Committee on Land and Natural Resources created a framework for land dispute

resolution. The framework includes three key elements: 1) determination of legitimate claimants; 2) reparation for loss or damage of property due to war; and 3) compensation for loss or damage to land and property due to re-construction efforts. The framework should guide the government and the international community in addressing this complex set of problems. CBI expects to continue to be involved in this effort.