The President's Budget as a Vehicle for Strengthening Democracy

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Most people think of the federal budget as a messy, possibly broken, set of confounding and contradictory policies that all add up to something less than the sum of its parts, if they think of the budget at all. In some ways, of course, they are right. The budget is messy, it is confounding and contradictory at times, and certainly parts of the budget process especially are broken. But it can also be a powerful tool for making change, organizing the federal government, and evaluating what is and isn't working. When utilized deliberately and taken seriously, the federal budget–and especially the process of putting together a President's Budget request–can be indispensable in tackling big, messy, complicated problems. And that is why it is worth considering how that process might be used to tackle one of the most complicated problems America is currently facing: the rise of a powerful anti-democratic, authoritarianism.

Over the past several decades, the world has seen a troubling resurgence in authoritarianism, with its new rise well documented and commented upon. From relatively new democracies to some of the oldest democracies in the world, new authoritarians have been challenging the precepts and foundations of democratic self-governance. Very often these new authoritarians are conspicuously "anti-pluralist" and "anti-establishment." Many scholars of government and democracy have noted the degree to which modern authoritarians generally adopt an "us-versus-them" agenda and rhetoric in which the "them" is usually either explicitly or implicitly defined as ethnic, racial or religious minorities, perceived elites, immigrants, and often simply “the establishment." And integral to the rise and persistence of modern authoritarians has been their deliberate use of public policy and the levers of government to consolidate power and undermine the ability of democratic forces to constrain them. This can take many forms, but it often includes media influence and sometimes control, concentrated attacks on communal and civic institutions that are perceived to be political enemies or countervailing sources of power and direct support for aligned and allied “non-governmental” organizations, among other tactics.

Fortunately, these efforts are not always successful and nor are they irreversible, but they do present a major danger to democracy and the well-being of the people who depend on democracy to protect their rights, their lives and their livelihoods. And just as authoritarians use the levers of government to undermine democracy and consolidate power, those who seek to strengthen and defend democracy–along with the companion ideals of pluralism, inclusive economic progress, equality under the law–can and should design public policy to fortify the foundations of democratic-self governance and empower everyday people and communities to advocate on their on behalf and counter authoritarian attempts to disempower them. In fact, as we have seen, democracy doesn’t just “happen,” it must be continually supported, actively defended, its cracks intentionally repaired and naturally, a democratic government itself has an important role to play in that ongoing effort.

No doubt there are a variety of ways that public policy could and should be designed to bolster democracy and repair the damage done by existing excessive concentrations of power. But let us begin from the premise that the laudable goal of American democracy–never yet fully realized but always striven for–is to set the conditions for a country in which, “all Americans have the freedoms, protections, voice, and material resources to thrive and participate as equal citizens in our government and society.”[1] One critical aspect of making progress towards that goal is by inverting the authoritarian methodology of leveraging the government to consolidate power in as few hands as possible (usually very wealthy and ideologically aligned hands) and instead deliberately challenging the power of anti-democratic institutions and organizations, while *shifting power* towards independent institutions and organizations that authentically represent and channel the interests of a wide array of communities and people and which are aligned *only* in that they share democratic ideals.

When we say, “power,” we simply mean the organizational and collective ability of people to work together towards a shared societal goal. We are explicitly focused on power through a “collective and institutional lens.” As described by the Empowering Democracy Initiative, “power-shifting for democracy [is] building and empowering organizations and institutions that underpin and support a more responsive, egalitarian democracy.” In this way, “power-building” can take many concrete forms. It is often about helping institutions organize people or their time, which can require dedicated staff or volunteer training. It can also mean access to decision-makers or decision-making processes for representative organizations or community groups. To give a negative example, anti-democratic concentrations of wealth often gain access to political

[1] EDI framing memo

decision-makers through campaign contributions or by other more direct forms of corruption and graft. Power-building can also simply and directly mean material resources, such as funding, to representative and pro-democratic institutions, community and civic organizations.

Which brings us to the budget. If future federal policymakers are serious about deploying public policy to strengthen democracy and shift power away from narrow, authoritarian-inflected, often wealthy interests that are eager to subvert democratic ideals to cement their own influence and status at the expense of the vast majority of Americans and at the expense of American ideals, then there may be no better tool at their disposal than the federal budget.

As discussed in more detail below, the federal budget's scale and scope is simply unparalleled. Essentially every policy arena, every issue, every societal challenge and opportunity is, in one way or another, affected by the federal budget, often very substantially. And while the budget is a messy thing–both in substance and in process–it affords policymakers a structure to holistically review and adjust a massive swath of federal policies. Even more to the point, because the Executive Branch usually undertakes an annual process to develop a comprehensive budget proposal, that process is a uniquely situated opportunity for a future administration to organize a focused effort to consider power-building and pro-democratic policymaking across the federal government. There are few other policy processes that allow a coordinated, corss-cutting review of so much of what the federal government does, and to therefore identify promising proposals for change. In fact, it is not at all unusual for the President, through his Office of Management and Budget, to encourage that process to focus on a handful (sometimes more than a handful) or key priorities or themes. For those reasons, the budget in general, and the production of a President's Budget Request in particular, should be of special interest to policymakers seeking to leverage public policy in the service of strengthening democracy.

That said, there are certainly both advantages and downsides to using the President's Budget, and the budget in general, in this way. For one thing, it will be no simple or easy task. It's not as straightforward as just directing the agencies to solve this problem, sitting back and letting the solutions roll in, and then picking the best ones. Significant work remains to be done in advance for an effort of this kind to succeed, a topic we will explore in greater detail below. For another, this is unlikely to be the only significant priority that a future budget process is grappling with. Given other needs or pressing issues, this may not be the best use of time or effort. And lastly, the budget process is inextricably linked with politics. This is unavoidable–and, frankly, we shouldn't want to avoid it. Advocates of building up civil society and pro-democratic power need to grapple with how this effort might be perceived by the political system and address those concerns up front.

This paper will start by exploring in somewhat more detail why the federal budget is so ripe for an effort such as this. We will then turn to explaining how the federal budget process works (and doesn't work) so as to better understand where a comprehensive power-shifting frame might best be applied in practice. The remaining bulk of the paper will delve deeply in the development of the President's Budget request and offer a set of recommendations for how a power-shifting framework could be utilized in that development process to both identify and drive potential policy change. Finally, the paper will close by highlighting some needed next steps and additional work to be developed if we want to be ready to utilize a power-shifting lens in a future budget process.

Why the “Budget”?

There is no more powerful tool of public policy than the federal budget. This may sound like a strange thing to say given that, in many important ways, there really is no such thing as “the budget.” In the United States, we don’t have one single budget plan that gets enacted on a regular basis. In fact, in the American federal system, we do not even have a mechanism to create–let alone force–a cohesive, comprehensive budget plan on any kind of repeatable schedule. While we have regular processes for some parts of the budget, others have nothing equivalent. Furthermore, the Executive and Legislative branches of the government regularly spar over their budgetary roles and responsibilities. In the end, the “federal budget” is actually a collection of policies and decisions made over the course of many years (sometimes decades) with many different decision-makers and veto points. It is a complicated, oftentimes contradictory mess of interlocking and sometimes overlapping funding choices that reflect the priorities and views of competing interests and ideologies. It is rarely, if ever, a coherent, comprehensive plan with clear overarching goals against which execution can be measured.

And yet.

It is true that there is no singular “federal budget” in the way that many people probably think of “budgets.” But that messy collection of policies and funding decisions and tax choices nevertheless wields enormous power, delivers unmatched impact, and presents incredible opportunity. And because of that, the federal budget–in all its messiness–is still the right mechanism to prosecute any kind of cross-cutting, multi-faceted strategy to achieve a policy aim, especially one as wide-ranging as bolstering democratic self-governance.

For one thing, the scale and scope of the budget is without match. If we define the “federal budget” as the conglomeration of every federal funding stream, benefit program, grant, loan, loan guarantee, contract, purchase, tax, fee, and fine, then it becomes easy to see how the budget has some impact on, truly, every aspect of our society.

Total federal spending, as traditionally defined, totaled over $7 trillion in fiscal year 2025, equivalent to roughly 23 percent of gross domestic product. In and of itself, that is a massive amount of money, orders of magnitude higher than any private endeavor. Walmart, for example, is far and away the largest corporation in the world as measured by operating expenses. And its total annual spending is less than 10 percent of the federal budget. But the scale of the federal budget doesn’t end with direct, traditional spending. There is also the federal tax code which both collects trillions in revenue each year, but also “spends” trillions in tax expenditures (tax preferences that are economically equivalent to spending). The federal government also often operates as a bank, lending out hundreds of billions in direct loans and hundreds of billions more in loan guarantees.

But it's not merely the scale of the budget that makes it so important. It's also the scope. Federal budget policy extends into every corner of our economy, our society and even our daily lives. We wake up in the morning in our homes, and the tax rewards for homeownership or perhaps rental assistance are there. We turn on the lights, and federal subsidies for energy production are there. We make breakfast and federal loans and grants to the agriculture industry are there. We get in our cars (paying the gas tax or collecting a tax credit for a fuel-efficient car) to go to work (federal highway and road funding) or maybe we take the train or a bus (federal transit funding). We put in a hard day's work (with payroll taxes taken out of our wages for Social Security and Medicare), and head home. We comfort our friend who lost her job (unemployment insurance), check in on our aging parents (did they save enough for retirement using tax-advantaged accounts), and watch the news. We worry about foreign affairs (defense and foreign aid), climate change (environmental protection), violence in the streets (community development and law enforcement funding). We make dinner as we hope our children will grow up in better times (education funding, child care subsidies). We go to bed with an ache in our back (health insurance). And then the next day, we do it all again, and the federal budget is once again our silent partner (or sometimes adversary).

The simple fact is that federal dollars and budget policies influence our lives, our communities, our choices in thousands of ways. Often those impacts are taken for granted, unseen or even imperceptible. And sometimes they are huge and obvious. The bottom line is that if you want to tackle a wide-ranging, mutli-faceted problem, the federal budget is a good place to start.

Of course, wrestling the budget into some kind of submission in order to aim it, coherently, at a specific problem is itself a daunting task. But it is not necessarily an impossible one. The budget "process," while far from perfect, does offer a semi-regular, reasonably well-organized structure for considering policy changes across the government, and it does so in the context of potentially actionable policy changes. Most people understandably think of the federal budget process as horribly broken. And in many ways, it is. The realities of federal budget making bear little resemblance to the original conception of the federal budget process as imagined by the Congressional Budget Act of 1974. Even so, there are some regular, annual processes that do work, more or less, as roughly intended. Congress does have to enact appropriations bills every year, for example. They are usually late. They even sometimes fail to avoid a lapse in funding. But eventually, a new slate of appropriations bills does become law every year. This presents a regular opportunity to make legislative budgetary changes.

Furthermore, the production of the President's Budget Request (which, until very recently, has also been a standard, regular feature of the budget process) presents an internal, executive branch process well-suited to organizing cross-cutting policy initiatives and coordinating across many different federal agencies. This makes it of special interest to those who want to embed some government-wide principles or themes in federal policymaking.

And beyond all of that, frankly, there is little alternative to the budget process. There is no other annual process that affords the government the breadth and depth of opportunity to review and then potentially alter high-impact policies across the entire portfolio of federal activity. Therefore, if future policymakers are interested–as they should be–in leveraging the federal budget to strengthen democratic institutions, shift power to civic and communal groups who can exercise that power in service of democracy, the first step is understanding how the budget process, such as it is, actually works.

Understanding the role of the President's Budget

In general, the annual federal budget process begins with the executive branch putting together a comprehensive proposal for what it would like Congress to provide in the fiscal coming year. The "President's Budget" does not become law, and in fact, there is no real mechanism for Congress ever giving the full budget proposal an "up or down" vote. Instead, the President's budget serves a starting point for Congressional consideration. That Congressional action takes several different forms, and, in point of fact, there is no one, clean repeatable Congressional Budget process (for more on how the budget process actually operates, please see Appendix 2).

The budget process is actually a collection of several different messy processes, some of which are regular and some of which are ad-hoc. And while that means it can be hard to wrangle the budget into a coherent form, it also means there are several different entry points to influence the budget for those who seek to leverage it towards specific goals. But one of those natural entry points is the production of the President's Budget request.

The President's Budget is merely a proposal. It does not ever receive consideration as a unified, comprehensive plan, and it does not turn directly into policy change. Moreover, in the second Trump Administration, it has been reduced further, providing proposals only for discretionary spending, whereas in the past, the President's Budget typically included discretionary spending, mandatory spending and tax proposals across the full scope of the federal government.

And yet, even with all of those caveats, the President's budget is still a unique opportunity to present a comprehensive vision of the federal budget. It is the only moment in the process when there is a chance to conduct a coordinated, overarching review of the totality of the budget, and it is the only time when new proposals can be incorporated all at once across the various levers of the budget (discretionary, mandatory, tax policy, even authorizing language). If you want to consider establishing a cross-cutting strategy to tackle a complicated problem that doesn't exist only within one policy silo, the President's Budget process is a very good time to do that.

Furthermore, the construction of the President's Budget benefits from having a centralized coordinator that can articulate a unified set of priorities and goals, which is generally not the case with other parts of the budget process. In this case, the unified coordinator is typically the Office of Management and Budget. Having a clear organizer and coordinator makes it much more possible to push the budget proposal in particular directions. Given that the overall budget process is so messy, this is one opportunity to try to impose some coherence and discipline, or at least to demonstrate what coherence could look like. In the best of circumstances, OMB can also encourage prioritization and can often be in a good position to make tradeoffs based on some overarching core goals or principles, something that is often difficult to do on an agency-by-agency (or Congressional subcommittee-by-subcommittee) basis.

All of that said, a reasonable objection might be that the President's Budget is often considered "dead on arrival" in Congress. In other words, one might reasonably ask why it is worth it to put the effort into creating a comprehensive budget proposal that Congress then ignores. There is, of course, some truth to that objection. As noted, there is no precedent at all for Congress adopting a President's Budget proposal wholesale. That simply never happens. But the "dead on arrival" critique also misses some important nuance.

For one thing, the President's Budget is often still influential. Congressional appropriators, for example, usually do use the President's Budget request as a starting point, even if they end up making significant departures from it. This can be especially true for smaller or less controversial budget accounts, or budget items that require a lot of technical expertise. In addition, Presidents' Budgets can set the terms of legislative debates, especially in years when the President's party also controls one or more chambers of Congress. And finally, ideas that are first presented in the President's Budget can often have longer lifespans, coming back in the future to become law.

Even if President's Budgets were totally ignored–which they are not, despite the popular perception–they would still be useful towards implementing cohesive, cross-cutting initiatives because the internal process of putting the budget together affords the administration an opportunity to assess budget execution–how the money is actually spent after it is enacted by Congress–and to shape priorities. This is true even if there are few or no legislative changes. The budget production process also forces coordination across agencies and within the various competing components of an executive branch. The president's budget construction is one of the few times that agencies are explicitly asked to focus their attention on issues that don't live wholly within their own purview and to think about how their activities and programs can align with broader Presidential priorities.

There are certainly many other opportunities aside from the construction of the President's Budget for policymakers and advocates to influence the federal budget. The appropriations process, as noted, is the one category of federal spending that is directly addressed by Congress each year. That makes it an important process with which to engage. However, unlike the President's Budget which has a centralized coordinator and could have, in theory, a coherent perspective and clear priorities across many policy areas, it is probably too much to expect that of the Congressional appropriations process. Though it does have some centralization, in the form of the Chairs and Ranking Members of the Appropriations Committees in both chambers, in practice the Congressional process is a fractured one, with decision-making spread out across subcommittees, chambers, and between Committee and Leadership. On the other hand, the Appropriations Process is playing with "live ammunition" in the sense that whatever is produced becomes law, unlike the President's Budget, which is only a proposal or starting point.

Ideally, these two processes should interact. A coherent, comprehensive President's Budget proposal provides a roadmap for the real stakes of the Appropriations Process. Even if it is unrealistic to hope that everything in a President's Budget request becomes law, a well-crafted proposal should still translate into real policy change.

Given the advantages and opportunities that the construction of a President's Budget provides towards the goal of advancing something as thematic and cross-cutting as bolstering pro-democratic civil society and power, it is worth a deeper dive into what that might look like in practice. The next section will offer a theoretical guide for how a future Administration might use the process of putting together the President's Budget to do just that.

Leveraging the President's Budget to Bolster Democracy

The construction of a President's Budget request usually takes about nine months from the starting gun to release. There are many steps along the way, and each administration approaches the process in slightly different ways.[2] But in general, there are several important ingredients and steps that a future Administration concerned with empowering pro-democratic forces should utilize.

Spring Guidance

Most Presidents' Budgets begin in the early spring with the Office of Management and Budget dispensing some big-picture instructions to federal agencies describing the core goals, the broad strokes, and the high-level targets for the following year's budget request. OMB will often follow up this broad "Spring Guidance" with more specific instructions by agency. Agencies then use these instructions to begin formulating their internal budget requests for the following fiscal year, which are then due to be submitted back to OMB, usually at the end of the summer.

Oftentimes, these initial instructions are very high-level and do not go into a lot of detail. They are primarily used to provide discretionary funding targets that agencies are supposed to hit as

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[2] This is a good moment to acknowledge again that the current Trump Administration has not released a "traditional" President's Budget request for two straight cycles. This calls into question whether future administrations will follow suit and dispense with producing a full budget. One might reasonably ask how that would impact everything presented in this paper. It would certainly reduce the scope of what the President's Budget imagines to be possible. Traditional Presidential requests cover all federal spending, and tax policy as well, and present proposals and their impacts over a ten year window. Trump II-era budgets have concerned themselves only with appropriated funding for the next fiscal year. Even if future administrations follow suit, there will still be an opportunity to infuse that more limited request with coherence and prioritization. And the process of putting even that limited request together is roughly the same as what is discussed herein.

they build their budget requests. But they can also provide a signal to agencies what the White House would like them to prioritize within their request.

The Obama Administration's FY 2012 Spring Guidance provides a good example of how OMB can use this tool to signal cross-cutting priorities that it wants each agency to consider. In that guidance, OMB actually included a specific section on “Government Wide Initiatives," with a brief paragraph describing each initiative and some broad instructions for how agencies should consider these goals in their budget request. For example, one such initiative was titled, “Women and Girls.” The guidance included the following:

> *Last November, OMB issued a Budget Data Request (BDR) on behalf of the White House Council on Women and Girls (CWG) calling for information on programs that specifically target or disproportionately serve women and girls. An update to this BDR will be issued early this summer and will serve as a baseline for discussions with OMB over the summer months about funding levels for related programs during the regular budget cycle this fall. As part of their FY 2012 Budget submissions, agencies should highlight the programs or practices that they consider most promising to move forward the objectives of the CWG.*

This broad guidance is clearly intended to communicate to the Agencies that funding for “programs and practices” that meet this specific goal should be a priority within their budget request and that OMB will be looking out for how Agencies propose to “move forward the objectives of the CWG.”

Note however, that in this particular case, the above “priority” was just one of 11 total “Government Wide Initiatives" in that year’s spring guidance. Encouraging Agencies to try to incorporate nearly a dozen different cross-cutting priorities no doubt undermined the signal that OMB was trying to send. If there are many different “priorities” then the word starts to lose its meaning. For Spring Guidance to really make a difference in how Agencies begin thinking about their budgets, the Administration should take care to limit the number of instructions included to just a handful of true priorities, and be considerate of how priorities might interact.

In thinking about using the President’s Budget as a vehicle for advancing the goals of strengthening democracy and empowering pro-democratic elements of civil society, it would make sense to begin with Spring Guidance, so long as it was included as one of only a few top goals. OMB could very easily include a broad instruction to position pro-democratic power building as one among those few core priorities that agencies should consider as they put together their budget request.

One possible construction could be something along the following lines:

The Administration’s priority is to consider how federal funding can contribute to building and empowering the civic, non-governmental organizations and institutions that underpin and support a more responsive, egalitarian democracy and that safeguard democratic and

Constitutional ideals. To that end, Agencies should consider how its budget submission can further this priority and include specific proposals to advance this goal. This can include affirmative efforts to expand the power of communities to secure and sustain their rights and to advocate on their own behalf, as well as proposals to reduce or remove funding that either inadvertently or deliberately constrains or undermines the ability of communities to exercise democratic power.

Notice that this guidance is incredibly broad and does little to aid agencies in implementing the intended prioritization or policy creation. An agency receiving this instruction and only this instruction, would, in all likelihood, dismiss it as heady rhetoric without practical or feasible application.

For Spring Guidance to be a useful starting point it <u>must be followed by more actionable, specific and technical instructions</u> so that Agencies can translate the broad priority into concrete policy changes.

Technical, Actionable Tools to Implement Guidance

Spring Guidance is an important signal to the Agencies to take power-building and pro-democratic strengthening seriously. But it is clearly not sufficient for them to actually begin incorporating concrete proposals into their budget request. For that, Agencies need to understand what it would mean to do so in concrete terms. This is going to be especially true in cases, such as democratic power-shifting, where we can be reasonably confident that the core ideas and terminology are not yet widely internalized or common knowledge. Therefore, OMB and the White House must follow up the broad Spring Guidance by providing clear and actionable rubrics and tools for both defining and evaluating budgetary proposals along measurable criteria. Agencies can only propose to take new promising actions, reform existing actions, improve or increase funding for positive actions, cease or decrease funding for unhelpful actions if they understand clearly what kinds of proposals fit into those categories.

This kind of follow-up technical guidance must, at minimum, include:

1) A clear description of the overarching goals and the desired outcomes. Ideally, these outcomes should be measurable–at least in theory–in some capacity. OMB should take care to use plain language and avoid the use of jargon or "terms of art" wherever possible. The more this description of the goal is immediately comprehensible for Agency budget officers and policy leadership, the better.

2) A taxonomy for classifying programs into various types of interventions that align with the overall goals. Agency leadership and budget officers should be able to locate their proposals (either new or existing) into clear categories of activities that OMB is looking to prioritize. The description of these categories should be legible to the Agencies, and these categories should NOT encompass all existing programs or else they are too broad. To the extent possible, these categories should be reasonably standard across

the government, not left up to Agencies to define their own categories. Ideally, the guidance should also include specific examples of existing programs, services, benefits or funding streams that fit into those categories.

3) A methodology for evaluating the efficacy and importance of both existing and proposed programs, services, benefits or funding streams. OMB should not let the perfect be the enemy of the good in this instance. There are few public policy goals for which there exists a perfect methodology for evaluating efficacy. This is especially true for something like “democratic power building.” But some directional methodology that uses heuristics or proxies is better than no methodology at all. OMB can even invite Agencies to refine the methodology in future iterations of Budget development, but it is important to give Agencies something to work from, rather than simply asking them to start from scratch.

4) Specific instructions for how OMB wants the Agency to make its case for proposals that align with the priority. Agencies need to know how to present their argument for their requested changes. And in defining exactly what OMB wants to see, it can help clarify how such changes should be and will be evaluated.

To understand how this might work in practice, let’s consider three examples from recent history.

2015: Obama Administration Guidance on “Countering Biological Threats”

In July 2015, the Obama Administration issued follow-up guidance to Agencies on how to advance one of the identified budget priorities for the FY2017 Budget: Countering Biological Threats. In that follow-up guidance, OMB and White House started by reiterating that Agencies were expected to align their Budget submissions with the overall priority:

> *In your FY2017 budget submissions to OMB in early September 2015, please identify which programs, projects, and activities align to each of the priorities in the attached guidance. Your department’s or agency's submission to OMB should also include a brief narrative that explains how its activities to counter biological threats support the FY2017 policy priorities.*

The guidance then proceeds to describe the specific priorities in more detail. For example, one of the core goals identified is to implement the “Global Health Security Agenda.” The guidance explains a bit about the GHSA and why it’s important, and then it goes on to itemize that agenda with three specific objectives: “Prevent Avoidable Epidemics, Detect Threats Early, Respond Rapidly and Effectively”

These objectives are relatively broad and not overly precise, but they are easily understood. And Agencies would have little trouble internalizing the core desired outcomes. Most importantly, the guidance then accompanies each of these three objectives with several even more concrete subobjectives that include categories of activities that align with the overall goal. Detecting threats early, for example, includes a subgoal of “train[ing] and deploy[ing] an effective biosurveillance workforce.” This is a reasonably concrete category of activities into which Agencies could place their budget proposals.

This guidance is not perfect, of course (no guidance ever is). It does not include a methodology for evaluating how effective proposals might be or for balancing any tradeoffs that might come up. Nor does it give much additional guidance on how Agencies should present their proposals beyond “includ[ing] a brief narrative that explains how its activities to counter biological threats support the FY2017 policy priorities.”

But in general, it is easy to imagine that Agencies were able to sort their programs and activities into the categories provided by the guidance and therefore highlight any proposed changes for OMB’s consideration. That guidance was likely aided by the fact that its intended priorities were well understood by the agencies most affected.

2009: Obama Administration Guidance on “Place Based Policies”

Let’s look at another example from the Obama administration. In August 2009, OMB and the White House sent out a memorandum to Agencies with the title, “Developing Effective Place-Based Policies for the FY 2011 Budget,” and asked Agency heads to, “develop proposals for the FY2011 Budget that advance this Administration’s policy priorities in the most effective ways whether by improving place-based strategies already operating or by adopting such strategies where there is significant potential for impact on a problem(s).”

The memo begins with a short discussion of the need for these types of proposals, along with some brief mentions of existing efforts along these lines. It then includes a section that explicitly and directly tries to *define* what the administration means by “place-based policies.” This is especially important because, at the time, “place-based policies” was a term that was likely not well-understood and internalized by all Agencies. At best, understanding was probably spotty. This made it especially important to provide a coherent definition that all Agencies could use.

The memo used the following definition: “Place policies target the prosperity, equity, sustainability and livability of places -- how well or how poorly they function as places and how they change over time. Place policy leverages investments by focusing resources in targeted places and drawing on the compounding effect of cooperative arrangements.” Truth be told, this definition was likely still too vague to be of much use for agencies. The guidance seems to know this, because it goes on to offer a small table of examples.

YES: Place-based policy	NO: Not a place-based policy
A program to foster successful networks or clusters of businesses at the local or regional level	A Federal program to make credit available to small businesses *generally*.
A Federal program to foster homeownership through a neighborhood-based approach to financing, redevelopment, and financial literacy development	A program to make mortgage credit available to qualified borrowers *generally*.
A Federal program that targets local workforce development organizations (which help supply skilled labor) and connects them to efforts to generate jobs (local demand for labor)	A program to provide unemployment insurance to the unemployed *as a category*.

This is certainly useful and helps answer some of the inevitable questions that Agencies would have had. But it's fair to say that it still leaves a fair amount open to interpretation.

The guidance also includes three "principles for place policy," that OMB says, "should serve as a guide to agencies as they review 5 their place-based policies or review their programs for opportunities to implement place-based policy." This is a good instinct. It recognizes that there will be more questions and that the broad definition is not sufficient for Agencies to implement the instructions. The principles, however, are still too broad. They include, for example, "Many important challenges demand a regional approach." That's marginally more information for the agency to use to implement the guidance, but not a lot more.

It's also notable that, in this case, the guidance is not about how to incorporate proposals to address a specific policy goal or outcome. Instead, it is asking Agencies to prioritize the use of a particular kind of policy intervention. In fact, the guidance essentially leaves it to Agencies to determine which policy goals this tool could be most effective in addressing. In the next section, it gives a detailed breakdown of what kind of information the Agency should include in its budget submission and OMB and the White House ask agencies to, "identify the top three to five programs or initiatives that you believe show special promise for achieving better outcomes, whether a place-based approach is well established or is newly proposed."

No doubt this guidance resulted in some advancement in place-based policies in that year's budget. Indeed, in that budget's release materials, several Agencies did highlight a few of their final budgetary proposals as being part of the Administration's Place-Based Initiative.[3] But a

[3] In the FY2011 Budget materials, at least six different Agencies mentioned place-based policies specifically: Commerce, Health and Human Services, Transportation, Housing and Urban Development, Justice and Treasury.

more detailed set of instructions with more concrete metrics and methods would likely have produced even more progress.

2021: Biden Administration Guidance on Justice40

Before moving on, we can review one final example. One of President Joe Biden's very first executive orders was "Executive Order 14008, 'Tackling the Climate Crisis at Home and Abroad.''' It was a broad order that touched on many different aspects of climate policy. But one of the most recognized elements of that order was the so-called, "Justice40 Initiative." The goal of Justice40, as explicitly described in the executive order, was that "40 percent of the overall benefits [of certain federal investments] flow to disadvantaged communities." The investments to which the Justice40 initiative was meant to apply included, "investments in the areas of clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of critical clean water infrastructure." The order tasked the Office of Management and Budget, along with the Council on Environmental Quality and the National Climate Advisor, with coming up with recommendations for how to achieve this goal.

At first blush, this might seem relatively straightforward. Agencies needed to identify which investments, programs and benefits would count as being under the "Justice40" umbrella. Then they had to assess how much of the benefit from those programs flowed to disadvantaged communities. And if they found that less than 40 percent of the total benefit went to those communities, they should propose remediations to hit the target.

But embedded in that order were several very tricky definitional challenges. First, what counts as a "disadvantaged community"? Second, how do agencies determine if a program, benefit or investment qualifies as being within one of the Justice40 categories? And then–and most difficult of all–how do Agencies calculate *benefit* and how do they distribute those benefits by community?

This turned out to be an extremely difficult set of problems that ultimately never resolved into a satisfying or actionable set of answers. Six months after the initial executive order, OMB issued "interim implementation guidance" for agencies. That interim guidance sought to clarify and provide some answers to at least the first two major questions.

First, the guidance tries to define "disadvantaged communities." In fact, the guidance provides a definition for each of those words. A community is, "either a group of individuals living in geographic proximity to one another, or a geographically dispersed set of individuals (such as migrant workers or Native Americans), where either type of group experiences common conditions." And then it lists a series of conditions under which a "community" might be considered "disadvantaged." These possible conditions were relatively wide-ranging, including characteristics such as low-income, high poverty, high housing costs, linguistic isolation, disproportionate impacts from climate change, and more. Agencies were instructed to "consider appropriate data, indices, and screening tools to determine whether a specific community is disadvantaged based on a combination of [these and other] variables."

Not surprisingly, this guidance, while a start, was insufficient for Agencies to develop a standard definition of “disadvantaged communities” let alone one that could be applied to their existing or proposed funding mechanisms. To the credit of the Biden Administration, they continued to try to refine the definition and provide the agencies with a more actionable approach. The following February, the Council on Environmental Quality released a beta version of a tool it called the Climate and Economic Justice Screening Tool. The tool tried to more precisely define the term but identifying specific census tracts that would be considered “disadvantaged.” It considered a variety of categories with quantifiable metrics, and if the census tract met the conditions in any of the considered categories, it was deemed a “disadvantaged community.” Roughly 23,000 census tracts met the beta version criteria (about one-quarter of all census tracts).

This beta version was released for comment and feedback, and Agencies were instructed to continue using the interim guidance from the previous July until the formal Version 1 was released. That happened in November of 2022, and the following January, exactly two years after the initial Executive Order, OMB formally instructed Agencies to begin using the CEJST to define “disadvantaged communities.” The CEJST was updated one more time at the very end of the Biden Administration in November 2024.

Recall, that defining “disadvantaged communities” was just one of three key definitional issues. The administration faced similar challenges defining “covered programs.” What counts as an investment that met the criteria for being part of the Justice40 initiative? The initial guidance did include both some overall instructions and a table of helpful examples. The guidance listed seven areas which would qualify as “covered,” including investments in climate change, clean energy, affordable housing and more. It further defined what the administration meant by “investments.”

Similar to the Obama’s administration’s definition of “place based policies” this guidance was likely enough to get Agencies started, even if they had additional questions as they began the work of figuring out which programs in their department qualified. It took about a year, but in the summer of 2022, the Biden Administration began publishing a list of covered programs across the government.

By early 2023, the administration had, at least to a first approximation, answered two of the big definitional questions posed by the initial executive order. But the order was not intended merely to identify which programs were potentially important to environmental justice and which census tracts were disadvantaged. The purpose of Justice40 was to ensure that 40 percent of the benefits from the former flowed to the latter.

And for that, the administration needed to advise the agencies how to calculate benefits. But that is an incredibly complicated question. For one thing, it is not merely about calculating the flow of dollars. The instruction was to ensure that 40 percent of the *benefit* goes to disadvantaged communities. What qualifies as a benefit, and how to track that benefit geographically are incredibly thorny questions. That's to say nothing of the "indirect benefits" of federal investment.

The initial guidance from OMB punted on this question, and instead directed that, "each agency should establish a methodology for calculating the benefits that a) flow from each applicable covered program and b) accrue in disadvantaged communities from each covered program." It is likely true that calculating and tracking benefits would be different for different programs, but the initial guidance gave no additional guidelines or tools to help agencies.

This question of calculating benefits lingered throughout the Biden administration and was never fully resolved. Some agencies tried to make concrete progress, but were still ultimately hamstrung by the fact that calculating benefits is simply put, very hard and there was no agreed-upon method for doing so. The Department of Energy, for example, released a reasonably comprehensive Justice40 guidance in the summer of 2023 which attempted to help clarify the calculation of benefits within its covered programs. But most agencies never got that far.

In many ways, Justice40 should have been perfect for the annual budget process. It was fundamentally a question of resource allocation and that is, after all, essentially the main point of the budget. But the challenges faced by the Justice40 initiative in defining their terms, and providing actionable, standardized guidance across agencies meant that it turned out not to be a very useful frame through which to judge policy proposals in the annual budget process. Certainly, it was essentially impossible to judge Agency budget submissions against a Justice40 benchmark for the first two budget cycles in the Biden administration, since it was not until the summer of 2023 that even the first two definitional issues had been partially resolved. But the most critical question–that of calculating and tracking benefits–was never fully resolved and so it could not be applied in a budget process.

The core lesson from all three of these examples is that it is critical to provide actionable tools and metrics for meeting a government-wide priority. The more that these tools provide concrete answers to the foundational questions that Agencies are likely to ask, the more useful they will be and the more likely they will be to facilitate success in the budget process. On the other hand, the more these tools, rubrics, or definitions are esoteric, vague, purely based on subjective judgement, or left up the agencies to figure out on their own, the less effective they will be and the more likely that agencies will either ignore the guidance or claim their pre-existing priorities fit into this one without taking any truly new action, or they will simply be unable to meet the request.

Appendix 1 offers a very rough starting point for what some of these tools might look like in the context of power-shifting and democratic strengthening. To be clear, the rubric outlined in Appendix 1 is merely a first draft and, as discussed below, would require significant additional refining and filling out.

White House Staff Alignment

The next ingredient you need to consider in implementing a government-wide policy priority through the budget process is the buy-in from the White House. The budget process can be messy and hard to track, even for those at OMB who are tasked with doing so. Each agency and even each bureau has its own priorities. There are hundreds of very smart, committed policy leaders in each agency who want to pursue what they perceive to be the most important goals, which are not always in perfect alignment with the White House's goals. But this is the *President's* budget, after all. It is supposed to reflect the President's priorities and agenda. That's why some degree of concentrated and unified pressure from the White House is important to ensure that agencies are taking seriously the topline priorities as communicated in Spring Guidance and explained by further follow-up guidance..

In practice, this requires alignment and coordination among, at least:

- Program Associate Directors (PADs) and Deputy Associate Directors (DADs). PADs are the senior-most political appointees in OMB's Resource Management Offices (RMO). Each RMO has jurisdiction over a number of large federal agencies and smaller agencies as well. They are in constant communication with their counterparts in those agencies. The Deputy Associate Directors are the senior-most civil servants in the RMO. Most of them have multiple-decades of experience and they know their agencies extremely well. They also communicate regularly with the civil servants in their respective agencies. The PADs and DADs, and their RMOs, are the main conduits of technical information to and from agencies and they are critical to communicating clearly the administration's budgetary and programmatic priorities.

- White House Policy Councils. Policy councils maintain their own, independent relationships with agencies. Of course, different councils have different degrees of influence with different agencies. And their influence can change depending on the policy process involved. But even in the budget process, in which OMB is formally in charge, policy councils maintain a fair degree of influence, including directly with agencies (even if they are not supposed to intervene directly with agencies). Oftentimes, there exists a kind of relationship triangle between the agency, OMB and the policy councils. White House budgetary priorities are most likely to be incorporated by agencies when they are hearing a unified message from both OMB and policy councils.

- Senior White House Officials. Even when OMB and the policy councils are sending a clear and unified message, it can still often require some "top cover" from senior White House Officials such as the OMB Director, Council Directors and Senior Advisors to reinforce the message and ensure it is not countermanded or undermined by Senior Agency leadership. As we've seen, these kinds of "top-down" directives can be complicated, time and resource-consuming, and often confusing. Furthermore, they don't always align with the priorities of Cabinet Officials, who have their own ideas of what their agency should focus on. It can often be necessary to have Senior White

House staff encourage their counterparts in Agency leadership gently but directly to prioritize a cross-government directive such as “bolster pro-democratic power” in their budget submissions. This can also be critical later in the process, if and when there is a disagreement between OMB and the Agency and the Agency appeals OMB’s decision.

If an administration seeks to incorporate “democratic power-building” into their very first budget submission (more on the particular challenges of a first budget below), then there will need to be some degree of coordination on this topic among these actors *before* the administration starts. This can occur during the transition period, but it could even start well before. The more that the incoming staff in these roles (to the degree we are discussing political appointees) already understand the goals and contours of the cross-cutting priority, the easier a task it will be to incorporate it into an early budget process.

Director’s Review

One of the most critical moments during the creation of a President’s Budget is OMB’s “Director’s Review.” Director’s Review comes after the Agencies have submitted their draft budget requests to OMB. Ideally, those budget requests have been designed to be responsive to the initial Spring Guidance, using the tools and rubrics that OMB has provided. In the best of circumstances, the agencies have been asking questions of their PADs and DADs, who have been answering those questions and nudging the agencies towards prioritizing funding decisions that align with White House goals, and the agencies have been hearing the same message from policy councils and even, occasionally, from a well-placed call from the OMB Director herself.

But Director’s Review is when the rubber really hits the road. Over a period that usually spans about 2 or 3 weeks in the fall, OMB staff present each agency’s budget to the Director for feedback and ultimately draft approval. Each of these presentations and reviews usually take several hours.

To structure the review, the RMO prepares and submits a packet of materials–often referred to as a “Director’s Review Book”--a few days ahead of time. These books usually include a set of standardized exhibits that give an overall picture of the agency’s budget request. This can often include some broad analysis of how the Agency addressed the key points of Spring Guidance or other high-priority administration goals. In addition, the books often dive into certain pre-determined aspects of the request (for example, how the agency is dealing with its informational technology needs, or personnel issues, etc.). Each book will also include several “issue papers” prepared by the RMO that highlight key decision points for the Director, and it offers recommendations and alternative options. These issue papers usually cover some sticky issue, disagreement with the agency, or other high-salience topic.[4]

[4] Director’s Review books are pre-decisional and highly sensitive. They are never released publicly and not subject to Freedom of Information Act requests and so there appear to be no examples to be found in the public domain.

The Director and her staff read the books ahead of time and prepare questions. When the big day comes, the entire branch (RMOs are organized into divisions and branches) meets with the Director and other senior OMB staff. Note that agency staff are not in the room. Neither are policy council staff. This is typically an OMB-only meeting. At Director's Review, each issue paper is discussed and the Director renders a provisional judgement. This is the moment when an Agency's budget request for the next fiscal year takes a huge step towards finalization.

Director's Review is the "super bowl" of the President's Budget process. It is when all the work over the past several months comes together. After Director's Review, the president's budget is usually about 95 percent complete. There is still an appeals process, and of course, the President can always make changes before truly finalizing the numbers and policies. But by, and large, Director's Review is the last major milestone and it is when a lot of big decisions get made. It's also the last, best opportunity to look across agencies to make sure that government-wide priorities have been adequately met.

As such, Director's Review is a natural and powerful platform to ensure that democratic power-building has been properly reflected in the budget across many agencies. At a minimum, each Director's Review Book should include some discussion of how the agency proposes to enhance pro-democratic community power. Ideally, this discussion is at least partially standardized to allow easy comparison across agencies. RMOs receive basic instructions for the preparation of their books from the Budget Review Division of OMB, with input from the political leadership. It should be easy to incorporate some basic instructions for RMOs to include this overview analysis in each book.

The next step is to ensure that some amount of time is spent in the Director's Review itself to consider how the agency budget incorporates democratic power-building. This could be accomplished in several, non mutually-exclusive, ways. First, RMOs could be encouraged or even required to include an issue paper discussing this topic specifically. Second, the standard format of the book could include a separate exhibit for power-building funding and policy. For example, in the Fiscal Year 2024 budget process, Director's Review books all included a table that detailed each agency's informational technology and information security funding needs and requests. Something similar could be designed to highlight how the agency proposes to bolster democratic self-governance. Ideally, these additions would utilize and refer back to the rubrics and metrics that OMB had previously provided for Agencies to identify and evaluate existing programs and promising proposals.

Whatever the combination of tools used, an administration dedicated to using the budget process to incorporate elements of democratic power building should ensure that Director's Review is ultimately used to:

1) Ensure that agencies have, in fact, appropriately considered power-building and have proposed concrete, actionable ways of advancing this goal.

2) Take a holistic view of the totality of effort across multiple agencies. At the conclusion of Director's Review it should be possible to assess if the scale and scope of interventions across the budget request matches, or at least approaches, the desired ambition.

3) Identify the most important, highest impact, "big" budgetary changes that the administration might want to truly fight for with Congress. Ideally, the budget will be suffused with good ideas–big and small–that will strengthen democracy and give power to communities, but in practice, not all of them will become law. That will depend on which ones the Administration wants to truly fight for. Director's review is a good moment to identify those most promising policies.

4) Identify a set of smaller, "below the line" interventions that might have a chance to become law with only moderate effort. These might include changes to policy without major changes to funding levels. Or it could include more funding for already popular programs that Congress may already be predisposed to supporting.

5) Identify ideas and policies that could be implemented without major legislative changes. Sometimes a budgetary proposal could actually be accomplished with regulatory or administrative changes, either in whole or in part. Director's Review can also identify these ideas that can be put into a separate process to initiate them without Congressional action.

If, after Director's Review wraps up, the administration has accomplished all of the above, the budget will be well on its way towards advancing its core goals.

Turning the Budget Proposal into Policy Change

Of course, producing a budget proposal is one thing, but having that budget proposal translate into policy change is another. There are two main mechanisms by which a budget proposal can influence policy change. First, and most obviously, is when Congress enacts a law (or laws) that reflect, or are affected by, the budget request. The second is when the Administration uses the budget process to identify a set of administrative, implementation, or regulatory changes it can undertake on its own. Both require ongoing effort after producing and releasing the budget request.

With regard to Congress, the immediate opportunity to turn the budget into legislative change is the appropriations process. The Appropriations Committees do tend to give some weight to the President's Budget as it begins its process. The degree of weight of course depends on many factors, including the partisan makeup of Congress. But even under the best of circumstances, Congress simply never takes the President's discretionary request wholesale. That is why the administration needs to directly engage with the appropriations process from start to end.

One of the most important things an Administration can do to influence the process is to simply communicate its own high priorities. A president's budget includes thousands of budget lines and proposals. Congress understands that not everything in there is a top priority and that the President and the administration care more about some things than others. And in general, Congress is interested in satisfying the President's priorities to some minimum degree sufficient to ensure he will not veto eventual appropriations legislation. If the administration wants to prioritize funding for pro-democratic power-building, it will need to communicate that priority clearly to Congress. Each appropriations cycle, OMB typically runs an internal process to coalesce around the most important funding priorities that the administration really wants to ensure Congress addresses. If specific budget items aimed at democratic-strengthening are not on that list, Congress will understand the message that those are not critically important to the President. Moreover, an administration might decide to pick one or two of those larger items that were hopefully identified in Director's Review and really put some political capital behind enacting them.[5] It would be a real shame to do all the work of getting Agencies to truly prioritize democratic strengthening only to fail to communicate that priority to Congress.

But Congress passing a new law is not the only way that the work of putting the budget together can translate into meaningful change. In asking agencies to consider how their programs and policies do or could promote democratic-self governance and empower communities against entrenched sources of anti-democratic power, it is likely that agencies will come up with ideas that may not require new legislation. Perhaps it only requires making use of existing authorities in new ways, or reforming existing regulations, or even simply changing the way an existing program is implemented. The budget process can help uncover all of these options and can be a jumping off point for making some of these administrative changes.

The Office of Management and Budget, in particular, has some tools at its disposal to help facilitate such changes. It routinely asks Agencies to provide spending plans for its appropriated funding and recommends changes. An agency that has gone through the work of understanding power-building and democracy-strengthening during the budget process, is also one that will understand requests to amend spend plans to reflect those principles, commensurate with current law.

OMB is also home to the Management Team, which works with Agencies to implement the President's Management Agenda. The management team oversees important aspects of program implementation such as procurement policy, personnel policy, goal setting and performance, and informational technology policy, among others. These tools are likely to have applications to a pro-democracy agenda. Because members of the Management Team are often incorporated into the budget process–and under the best of circumstances the RMOs are consulting with their colleagues in the management team–they too should be better prepared to

[5] After President Biden's first budget proposal, OMB very clearly communicated to Congress which of the many funding increases contained in that budget were of the most importance to President Biden. This included, for example, the Advanced Research Projects Agency for Health, something that Candidate Biden had repeatedly talked about and called for, and in which he was personally invested in seeing come to fruition. Repeated and consistent advocacy for ARPA-H from the White House and OMB resulted, not only in the creation of ARPA-H, but a funding level far above initial Appropriations Committee proposals.

incorporate power-building into their day-to-day work. Indeed, suffusing a power-building framework into the President's Management Agenda could be a fruitful area for future work.

And finally, OMB is also home to the Office of Information and Regulatory Affairs. OIRA reviews almost all major regulatory changes. To the extent that the budget process identifies opportunities to make regulatory improvements that facilitate or support democratic power-building, the OIRA is the natural partner for the next step in that work. Similar to the management team, I will leave it to others with more expertise to delve into how a regulatory agenda could dovetail with budget proposals to promote a stronger democracy.

The First Budget and Iterating

It bears mentioning here that a lot of the discussion above can only apply in full during a "normal" budget year, when the Administration has the opportunity to produce a budget request from start (Spring Guidance) to finish (final appropriations bill(s) enacted). Unfortunately, a president's very first budget proposal does not meet this definition. And it is worth discussing how the first budget might differ from a normal year.

When a new administration takes over in January, they typically try to produce a "skinny" budget focused only on discretionary spending as quickly as possible so as to influence the next appropriations cycle. The last four "first budgets" were released between late February and early May of the first year of a President's term. These first budget requests differ from normal years, not only because they must be produced very fast, but because they do not benefit from the full normal process. Of course, agencies did not receive "Spring Guidance" from the new administration the year before. And in fact, they might have even received Spring Guidance from an administration that no longer exists. Furthermore, agency budget requests were produced the prior summer, under a different administration. So many of the key moments to influence and direct new budget proposals are simply unavailable to a new administration.

That said, first budgets do also have some unique aspects that are worth considering ahead of time. For one thing, the first Presidential Budget tends to closely reflect the key priorities of the President himself. In some cases, there may not even be a confirmed Agency Secretary to try to inject departmental priorities. And because the agency's draft budget was constructed without the benefit of guidance from the new administration, the first budget is even more directed and coordinated by OMB than future budgets. This could allow for more prioritization and thematic coherence than a normal budget would allow. But only if there is some forethought and forward planning from the transition team and the policy community before a new administration takes office. A first budget allows for more "top-down" development which could make it easier to add new ideas and make changes, but it still requires clear goals and concrete ways to evaluate proposals against those goals. That's why work done in advance to flesh out the rubrics and tools to judge pro-democracy policies will be critical in a first budget.

If that sounds daunting, take heart. While first budgets are important, they are not the last budget a presidential administration will produce. The budget process happens every year. And it should explicitly incorporate lessons learned from earlier iterations. Agencies will have feedback on the definitions, tools, rubrics and metrics used to evaluate pro-democratic policies. They are the ones who are tasked with actually implementing programs and doling out the funding. Their feedback should be taken seriously, and engaged with in a spirit of constructive cooperation. Ideally, the third budget process will be better, stronger, smarter, and easier than the first.

Next Steps

This paper lays out the steps by which a future administration might try to embed a pro-democracy perspective into a federal budget request, and how it might try to use that process to better identify opportunities to advance democratic power-building goals. The federal budget process could be ripe for this effort, but it is also clear that much more work needs to be done, in advance, to ensure that a future administration is ready to make good on the potential promise.

First and foremost, agencies will need clear definitions, usable tools and rubrics, and concrete instructions for both evaluating existing programs and proposing new ones. This paper proposed some guidelines and a starting point for these tools, but much more refining and expansion should be done. Ideally, the work of improving these definitions and tools should be conducted in deep consultation and partnership with former agency staff, who have first-hand knowledge and experience in trying to implement top-down budget guidance. The first draft rubric proposed herein is far from sufficient and former agency staff can help by asking the types of questions they know their contemporary counterparts will inevitably ask.

Second, we need additional useful examples of existing federal policies, programs and funding that both encourage democratic power-shifting in positive ways, as well as those that impede pro-democratic power in negative ways. Concrete examples can go a long way towards helping agencies map the theory and big-picture goals onto the realities of their actual budgets.

Third, because the budget process, even one internal to an executive branch, involves so many different people and agencies, the more socialization of power-building ideas, goals, principles and methods ahead of time, the better. If a Deputy Secretary of an agency hears about pro-democratic power as a core budgetary principle for the first time when they receive Spring Guidance, they are much less likely to be able to or have the inclination to apply that principle. If, on the other hand, this is a set of ideas that has percolated for some time, and people in the community from across various policy areas have had an opportunity to internalize at least some of the arguments, the budget process is likely to be much smoother. And, as discussed above, if there is a desire to use the first budget in administration, advance socialization is a must.

And finally, because the budget is an iterative process, success and failures in one cycle could, in theory, inform decisions in future cycles. But in order to know if something is heading in the direction of success or failure, we need some degree of measurement and some ability to evaluate results. More work to develop methods for measurement and evaluation will be important to ensuring that incorporating power-building into the budget process is not just a one-off anomaly.

Appendix 1

A draft rubric for agencies to use to identify promising democracy-strengthening activities.

Below is the outline of a draft rubric that a future Administration might use as a jumping-off point to help agencies understand the task of identifying and expanding positive power-shifting policies through a federal budget process. This example is clearly in its very early stages with many holes still left to fill in. And it would need to be accompanied by additional information and explanation. But a rubric like this can provide a starting point.

Activity	Rationale and Description	Actions/Examples
Support the building and/or strengthening of community and civic institutions that support collective action and organizing among a broad array of citizenry.		
Engage in formal partnerships with Community-Based Organizations, ideally those that are organized democratically, or have some authentic claim to representing members of that community (e.g. have memberships).	A formal agreement, including funding, for a CBO to engage in outreach to communities on behalf of the federal agency in order to accomplish some shared goal. This can include a "Know-Your-Rights" partnership in which CBOs inform citizens of the rights that the agency is seeking to protect. It can be a Program Administration partnership in which the CBO helps citizens navigate an agency provided benefit or program.	Create grant programs to fund CBOs to partner with the agency to help accomplish some specific goal or contract specifically with CBOs. See for example, EPA's Thriving Communities Technical Assistance Centers.
Establish or support organizations that can legitimately represent the interests of a collection of citizens through collective action.	Agencies can support the creation of new (or bolster existing) institutions that facilitate organizing among the citizens who rely on or benefit from the myriad services and benefits administered by the agency. In this way, the agency is empowering citizens to advocate on their own behalf and to internalize their "ownership" of democratic government.	Give preference to contractors that support worker rights. Fund new organizations dedicated to representing the interests of citizens who benefit from the services of the agency. Create incentives for organizations to form that will democratically represent different communities or constituencies.
Support institutions that produce independent	Agencies can support the creation or expansion of research	Fund research projects that involve joint

research and analysis divorced from narrow political ideology.	generating activities at universities and other academic institutions, especially when those institutions partner with communities to ensure that the research is responsive to community needs and can be translated into action.	partnerships between communities and academic institutions that meet community needs. Preference research conducted at public universities.
Support institutions and organizations that reach a broad array of Americans with independent information on the actions of their government and consequences of public policy choices.	Accountability depends on the availability of independent information. To the extent that Agencies work with media or other institutions that provide the public with information, they should seek to support institutions that are not beholden to special interests or captured by a wealthy elite.	Create partnerships with or otherwise support public media or locally owned media.
Confront anti-democratic concentrations of power and reduce opportunities for corruption or special pleading.		
Enhance enforcement of existing laws that protect civil rights, worker rights, organizing rights, and political rights.	Our system already has many laws and regulations intended to prevent the accumulation of too much power or influence in the hands of too few, but sometimes those rules and regulations are not enforced. Agencies can use existing tools to confront law-breakers who have come to expect a compliant public sector.	Increase funding for enforcement. Identify high-priority areas of enforcement that have historically been underaddressed especially due to strong pushback from wealthy or special interests.
Reduce, to the extent practicable, public funds for private-sector actors that infringe on civil rights, break the law, or have engaged in corruption.	Occasionally, the public sector is an unwitting–or perhaps willing–supporter of private actors who are breaking the law or accumulating undemocratic power and influence. Agencies should deliberately evaluate if their efforts, funds or partnerships are inadvertently (or advertantly) encouraging or supporting anti-democratic institutions or private actors.	Create disincentives or prohibitions on the government providing grants, contracts, or tax credits to private-sector actors that violate laws. Review existing arrangements and recommend changes.
Elevate and create opportunities for civic institutions and organizations to engage in the decision-making and policy implementation process.		
Create regular processes	Agencies should include specific	Support state and local

for consultation and engagement with civic and community organizations.	opportunities for civic organizations to express views and offer feedback on policy and implementation plans. This can and should go further than requests for comment from the general public, and should include plans to engage with civic institutions.	experimentation with public engagement; Include specific guidelines for public consultation for your agency's rulemaking, grantmaking, or other policymaking.
Support efforts to disseminate and explain opportunities for citizens to engage with government officials and decision-makers.	Regular processes and opportunities for engagement only go so far if the public does not know about them or they are difficult to access. Deliberately seek to make such engagement opportunities widely known and simple to participate.	Support institutions that conduct outreach to the public and act as connectors between the public and their government. Add specific grant or funding streams for this purpose.

Appendix 2

A brief overview of the Federal Budget Process

Generally speaking, the federal budget process begins each year with the submission of the President's Budget request. As discussed above, the President's Budget request is not a formal law and is not expected to become one in full. Instead, it represents the budgetary vision of the Executive Branch and a proposal for resources to fulfill that vision. The President's Budget for the following fiscal year is typically released in the late winter or early spring of the previous fiscal year. Technically, the President's Budget is supposed to be submitted by the first Monday in February, but in recent years that "deadline" has been routinely missed.

The process is then supposed to proceed with Congress putting together a budget framework of its own, called a Congressional Budget Resolution. This, too, is not a true, full budget. It is supposed to be a collection of targets, topline levels of spending, revenue, deficits and debt that Congress should try to work towards and within for the coming fiscal year. One of those important targets that is supposed to be included in the Budget Resolution is a level for annual appropriations funding. Annually appropriated funding, though a smaller share of federal spending than it used to be, nevertheless totals more than $1.8 trillion. The overall targets in the Budget Resolution, and especially the appropriations topline, are then supposed to set the parameters of the next part of the process.

In practice, however, the budget resolution is rarely used this way, and in fact, it is often skipped entirely. Congress usually struggles to come to bicameral, let alone bipartisan, agreement on an overall budgetary framework. And because, for the most part, the Budget Resolution is not critical for the rest of the budget process, Congress often just elects to skip this step entirely. Occasionally, one chamber or the other will use the Budget Resolution as a way to express a general approach to the federal budget, but over the past several decades, the Budget Resolution has mostly stopped being a statement of principles or a fiscal framework, and is now only mainly to kick off the special legislative process known as "Reconciliation." Instead, Congress almost always forgoes an attempt at a real budget resolution and moves directly on to the appropriations process.

Unlike the Budget Resolution, however, Congress does act on annual appropriations every single year. The annual appropriations process handles, as noted, roughly $1.8 trillion in federal spending. That's actually less than one-third of total programmatic federal spending. But it covers an incredible wide breadth of activities. Most of the "basic" services and functions of government that everyday people might think of are funded by annual appropriations. This includes core public activities such as national parks, environmental protection, K-12 education funding, cancer research, air traffic control, consumer product safety and law enforcement, among many others. The annual appropriations process also funds some significant social services such as the child care and development block grant, the special supplemental nutrition program for Women, Infants and Children, the low-income home energy assistance program, the Housing Choice Voucher program and more. In addition, health care for veterans is largely funded by this process. And nearly all national defense funding is also handled through the appropriations process. So while most federal spending is actually outside of annual appropriations, it is nevertheless a crucial process that controls a vast array of programs, investments and services.

The “regular” appropriations process is supposed to start in the late spring, after receiving the President’s Budget proposal and after Congress sets an appropriations topline target as part of the Budget Resolution. Appropriators take the overall topline target, break it down into 12 subcommittee allocations and then each subcommittee begins the process of building their bills to hit their specific target. Over the course of the summer, both chambers proceed to consider and then ultimately pass each of the 12 appropriations bills. Any differences are resolved in a conference committee, and the bills all become law before the end of the fiscal year, September 30, and provide funding for the following fiscal year.

Yet again, however, the reality differs significantly from the theoretical process. The process does usually begin with the President’s Budget request. But because Congress usually does not set a joint topline for appropriations, each chamber often proceeds on its own track, writing appropriations bills to different overall levels. Chambers do usually conduct some form of the committee process, with each bill being constructed by the relevant subcommittee. Sometimes the bills even do get the full chamber floor. But in recent years, that’s where the process stalls. Because appropriations bills are subject to a 60-vote threshold in the Senate, the final bills must be able to garner bipartisan support in order to become law. And often the draft appropriations package under consideration in the House, where there is no supermajority requirement, tends to be partisan and unable to win support from any members of the other party in the Senate. In fact, very often the two Chambers have completely different toplines, not just differences in details.

This means that the process usually comes to a sticking point in the late summer, and often spills over into the fall, requiring the use of “Continuing Resolutions,” stopgap funding bills that extend the previous year’s levels temporarily to avoid a lapse in funding. And as has been the case in the last few years, there are occasions when Congress and the Administration can’t agree on a Continuing Resolution and a government shutdown ensues. But even in those situations, appropriations for the next year do eventually get enacted.

Unlike appropriations, however, there is no regular or standard process–even an uneven and bumpy one–for handling the remaining two-thirds of federal programmatic spending. The vast majority of “mandatory spending,” the term-of-art used to refer to funding that is outside of the annual appropriations process, is just three major federal programs: Social Security, Medicare and Medicaid. Together, these three programs comprise about three-quarters of total mandatory spending. In addition to the big three, mandatory spending also includes about $400 billion for a handful of “income support” programs such as the Supplemental Nutrition Assistance Program and Supplemental Security Income, about $250 billion for veterans benefits, and then several hundred billion for a variety of other smaller programs.

For the most part, these mandatory programs operate without annual adjustments from Congress. If Congress doesn't pass new appropriations bills, there is a funding lapse for programs funded by those annual appropriations and many government activities shut down. But that's not the case with mandatory funding. And because of that, Congress is not forced to act on any of these programs on a regular basis. Of course, Congress can always choose to make adjustments to mandatory funding whenever it chooses. Sometimes, these adjustments can come in a bipartisan fashion. The CHIPS Act, for example, added new mandatory funding through bipartisan legislation. More often, however, in recent decades big changes to mandatory funding–and tax policy for that matter–have come through the Budget Reconciliation process, and that process has become a fully partisan legislative mechanism. The most recent reconciliation bill, for example, passed by the Republican majority in 2025, included significant cuts to Medicaid and SNAP, and was opposed by every Democratic member of Congress.

Similarly, there is no regular process for evaluating and making changes to the other side of the ledger: the tax code. As with "mandatory" funding, Congress can always choose to make changes when it wants. And in practice, such changes are often driven by impeded expirations of previous tax laws. For example, there is often a year-end package of what is known as "tax extenders" that Congress enacts to deal with tax provisions that were originally written to expire after one-year, but are routinely extended either wholesale or with slight amendments. Similarly, recent major changes to the tax enacted in 2025 were driven by the impending expiration of a 2017 tax law.

In effect, then, there is no singular budget process, but instead an amalgamation of several different processes, some regular, some ad-hoc. On the one hand, this affords advocates, public and special interest groups, and members of the public many opportunities to engage in the creation of the federal budget. On the other, it makes that creation difficult to navigate and often hard to predict.