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Democracy Dies in Darkness

ECONOMIC POLICY Shutdown prep is exhausting Washington. At least the bartenders are happy.

By Jacob Bogage and Jeff Stein November 17, 2023 at 6:00 a.m. EST

Things have gotten so bad in Congress — so dull and dysfunctional — that one departing lawmaker is writing a "survival guide" to pass on to the next generation of lawmakers. Between votes to keep the government funded, another House member spends his time working on a personal history project about a long-deceased Irish revolutionary.

And from the White House to Wall Street, from a popular watering hole a half-mile from the Capitol to the federal workforce scattered across the country, millions of people tune into what have now become routine showdowns over whether to keep the federal government's lights on for another few months.

As Congress lurches from the brink of one government shutdown to another, official Washington — and the federal workforce around the country — has grown numb to what is widely described as the stupidity of the nation's budget process. But the routine has grown familiar on Capitol Hill after more than 50 stopgap funding bills since fiscal year 2010 (according to <u>the Congressional Research Service</u>), four government shutdowns and too many complaints about the process to count.

"This becomes a massive headache and distraction, because public servants have to stop what they actually want to do to figure this out instead," said Jennifer Pahlka, who served as deputy chief technology officer under the Obama administration and is the author of a <u>book</u> about how to improve government services. "It is so much work that goes into preparing these things — really weeks of prep when they're threatening it — and then most of it is just wasted work that needs to be thrown out anyway."

The federal government can only spend as much money as has been approved by Congress, and if lawmakers do not greenlight new funding, or appropriations, agencies can't act. Many services shutter as a result, save for those involved in national security or vital economic activity. Federal workers are furloughed and military service members may miss paychecks, though they're all entitled to backpay when Congress acts and the government reopens.

Lawmakers beat a Saturday 12:01 a.m. deadline to <u>extend funding this week</u>, keeping the government operating at current spending levels — and delaying the need for more shutdown planning — until after the new year. President Biden <u>signed it into law</u> late Thursday night.

Fully funding the government through "regular order," the traditional appropriations process of 12 separate bills, is a cumbersome task, and Congress instead has increasingly taken to approving "continuing resolutions," blanket extensions of funding authorities, often just before deadlines arrive, as they did this time.

Government shutdown updates

The <u>Senate passed a bill</u> to avert <u>a government shutdown</u>, sending it to President Biden's desk days before the Saturday deadline. The bill would fund some government departments until mid-January and the rest through early February. Here's how each <u>Senate</u> and <u>House member voted</u>.

That process, though, masks the real costs of political and fiscal brinkmanship, according to lawmakers, government employees, senior agency officials and budget experts.

Federal workers whose pay is delayed often must put their personal finances on hold. Large swaths of agency activities are derailed for shutdown prep, wasting vast sums of taxpayer money. The <u>last government shutdown</u> <u>reduced the U.S. gross domestic product by \$11 billion</u>, according to the Congressional Budget Office. Businesses large and small that count the federal government as clients are faced with uncertainty that could deal a debilitating blow to their balance sheets.

In the halls of Congress, lawmakers, frankly, get bored. There's a lot of sitting around when the government is about to close. On Thursday, when the Senate passed a continuing resolution that extended federal funding to Jan. 19 or Feb. 2, depending on the agency, the upper chamber's leadership left an unrelated vote open from 2:26 p.m. until 9:58 p.m. while lawmakers hashed out a last-minute holdup. When Congress passed a continuing resolution with mere hours to spare on Sept. 30, it took five hours from the time the House delivered its bill to the Senate to when senators began casting votes to approve it.

"I try to — and I think I'm pretty successful at — occupying my time in a successful way," said Rep. Brian Higgins (D-N.Y.). A former university lecturer, he spends down time reading issue briefs and writing up his research on Irish revolutionary leader Michael Collins. "But more to the point, it's all so unnecessary."

Rep. Ken Buck (R-Colo.) said he grew "disappointed a long time ago" by the way the House does appropriations.

"We should have brought the appropriations bills much earlier, we should have passed them — it's not an ideal situation," he said. "... There's a lot of things that we do, but the government has gotten so big, it's very difficult to pass 12 bills that fund a huge government."

Rep. Earl Blumenauer (D-Ore.) is writing a "survival guide" for new members of Congress. He, Buck and Higgins are all retiring from the House. All four have said the breakdowns in the regular order that keeps the chamber moving were among their reasons for leaving.

When the House took up partisan GOP amendments to an appropriations bill earlier this month, Blumenauer decided it just wasn't worth his time.

"I looked at it, and I said, 'I'm not going to dignify the process with my presence,'" he said. "And I went home and read a book — actually, the biography of Gerald Ford, who was a normal Republican."

On Wall Street, one analyst complained about having to constantly redo economic forecasts to account for the shifting situation in Washington. He isn't alone: The credit ratings agency Moody's downgraded its outlook for U.S. debt this month, <u>citing political dysfunction</u>.

"It's just annoying — I can't put out anything without these crazy caveats," the analyst said, speaking on the condition of anonymity to candidly describe his frustration. "Everyone is sick of it, no matter who you talk to."

Things are even more volatile for vendors that rely on government business. The federal government awards close to \$700 billion in contracts annually, according to the Government Accountability Office, and many of them expire within one year. Even when shutdowns are averted, a chunk of the federal workforce has to figure out backup plans for what happens if these contracts expire and their agencies do not have the funds to pay for their renewal.

One senior federal official involved in government contracts, speaking on the condition of anonymity because he was not authorized to speak with the media, said: "Every time we even get close to a shutdown, it's just this unbelievably tedious, huge waste of time. And it distracts our leadership, because we have to spend all our time thinking of how we are going to think through how to maintain government services instead of driving to any of the number of major goals we have."

The federal official also stressed that the recurring threats of shutdown depress morale and make it harder to retain and recruit top-end talent from the private sector.

Another government official at a different agency complained about having meetings virtually every day for weeks before any shutdown deadline, pushing out other priorities.

"It is such a pain," said this person, who was also speaking on the condition of anonymity to reflect private conversations. "It really takes away from so many more productive things we could be doing instead."

Senior government officials have a dizzying amount of work ahead of a shutdown, coordinating with employees implementing federal programs, said Rachel Snyderman, who worked as a budget examiner in the Office of Management and Budget. OMB and the Office of Personnel Management then work with the budget and human resource offices of each agency to update contingency plans and run through their list of essential employees and activities.

"It's not just the federal employees, it's the ripple effect that comes with agencies that have procurements with small businesses and others through the district," said Rep. John Sarbanes (D-Md.), another retiring lawmaker whose district covers dozens of federal outposts and thousands of government employees and contractors. "If those agencies, because of contingencies and cash-flow purposes have to start pulling back on those contracts or putting them on hold, that has a cascading effect economically through the district, and sometimes, if you have an extended shutdown — and I've seen this during the time I've been here — there are businesses that can't make it through that kind of interruption."

During the 2018-2019 shutdown under President Donald Trump, Snyderman was tasked with assisting the Commerce Department in its shutdown plans — which required coordinating across the department's 13 separate bureaus.

"There's a tremendous administrative burden that even planning for a shutdown puts on federal employees and their day-to-day programs and services they administer," said Snyderman, who is now director of economic policy at the Bipartisan Policy Center, a Washington-based think tank. "It's an extraordinary cost."

The brunt of the uncertainty, however, is typically most felt by the government's more than 2 million-person workforce. While she's glad there won't be a shutdown around Thanksgiving, Brenda Hooper, vice president of an Oklahoma-based branch of the American Federation of Government Employees, said she and her colleagues are already worried about one occurring in late January, when parts of the government will again run out of funds unless Congress acts again. A medical records technician for the Federal Aviation Administration, Hooper said she will refrain from buying gifts for her four grandchildren this year, because she is not sure if she will need that money to survive a shutdown soon.

"They'll say, 'Oh we didn't hurt them through Christmas this time.' But I never enjoy my holidays, because it always seems that this stuff just starts happening again," said Hooper, 63, who spoke in her capacity as a union official. "You're on edge the whole time, wondering how it's going to turn out. I understand running America is not an easy task, but it is just ridiculous we have to keep doing this."

There is at least one place in Washington where government shutdowns are good news, though. At the Hawk 'n' Dove, the staff doesn't mind when workers from nearby federal buildings are off work due to furloughs and could be called back to the office in a moment's notice if a new spending law passes, said Tom Johnson, managing partner of the Hill Restaurant Group, which owns the establishment. That means workers don't leave town — they just go to the bar.

"A government shutdown for us, as long as it doesn't last too long, the first two weeks, everybody is out enjoying it. It's like people are out on vacation," Johnson said.

Sometimes his staff gets tipped off that Congress isn't headed to a deal — or that after a vote, there could be a latenight rush of thirsty politicos. If management gets enough advance notice, they'll plan a drink special.

"People don't talk about things they're not supposed to talk about, but it's a bar," he said. "They talk."