

THE CHALLENGES OF UNCERTAIN FUNDING: FEDERAL GOVERNMENT BUDGETING DURING TIMES OF FISCAL UNCERTAINTY

Theodore Byrne, College of Business and Public Policy, California State University Dominguez Hills, 1000 E. Victoria Street, Carson, CA 90747, 310-714-9483, tbyrne@csudh.edu

ABSTRACT

Since the 2013 budget sequestration, federal government agencies have been concerned with the potential for significantly reduced operating budgets. The threat of another government “shutdown” still exists as Congress struggles with an enormous national debt and complicated political issues. Today, federal government agencies are wary of potential cuts to their budgets and have responded by anticipating the imposition of those reductions. Understanding the importance of potential budget sequestration, operating budget reductions and its resulting impact on federal government agencies are significant in appreciating the role budgets and the budget decision-making process play in democratic governance during uncertain fiscal times. Utilizing Kingdon’s Multiple Streams approach, this paper explores the leadership decision-making process used by the Federal Aviation Administration (FAA) in effectively dealing with fiscal uncertainty.

INTRODUCTION

With the implementation of budget sequestration in 2013, federal government agencies have been extremely concerned regarding the potential for significant reductions of their operating budgets. The term “sequester” or “sequestration” refers to budget cuts to particular categories of federal spending that began on March 1, 2013, as an austerity fiscal policy. The cuts were enacted by the Budget Control Act of 2011 and were originally scheduled to be implemented on January 1, 2013. The initial implementation date was briefly postponed in response to the American Taxpayer Relief Act of 2012 which delayed the start of the sequestration by two months until March 1, 2013. As a result of sequestration, almost all federal government agencies were significantly impacted with substantial reductions in their budgets. On October 1, 2013, the United States government was “shutdown” for a period of 16 days, with the likelihood that significant budget reductions would again occur as a result of sequestration reductions. The threat of further government “shutdown” still exists as Congress struggles with an enormous national debt and complicated political issues. Today, most federal government agencies are wary of potential cuts to their budgets and have responded in a manner which anticipates the imposition of these reductions. This case study used Kingdon’s Multiple Streams theoretical perspective to examine the impact of this uncertainty on the Federal Aviation Administration’s (FAA) programs involving aviation safety and the continued implementation of Next Generation aviation systems. Understanding the importance of the pending budget sequestration, operating budget reductions and its resulting impact on federal government agencies and the Federal Aviation Administration are significant in understanding the importance that budgets and budget decision-making play in democratic governance during times of uncertainly and limited government fiscal resources.

This paper explores the leadership decision-making process used by the FAA in addressing its fiscal concerns as it executes its mission of ensuring the safe and efficient operation of the nation’s airspace

system. This paper analyzes the process using Kingdon's [1] Multiple Streams approach to policy change. The Multiple Streams perspective explains how policies are made by national governments under conditions of ambiguity. Three streams are identified as flowing through the policy systems: problems, policies, and politics. [2] Each of these streams is predominantly separate from the other two, with its own dynamics and rules. During times identified as policy windows, the streams are coupled by policy entrepreneurs, which enhance the chances that a particular policy will be adopted by policy makers. [2]

This paper further addressed the unique challenges associated with modifying fiscal budget policy within the Federal Aviation Administration. The long-term impact of this fiscal uncertainty on the FAA and other federal government agencies is explored within the policy making context.

CONCLUSION

Since the 2013 budget sequestration, federal government agencies have been concerned with the potential for significantly reduced operating budgets. The threat of another government "shutdown" still looms as Congress struggles with an enormous national debt and complicated political issues. Today, federal government agencies are wary of potential cuts to their budgets and have responded by anticipating the imposition of those reductions. Understanding the importance of potential budget sequestration, operating budget reductions and its resulting impact on the FAA and other federal government agencies are significant in appreciating the role budgets and the budget decision-making process play in democratic governance during uncertain fiscal times.

REFERENCES

- [1] Kingdon, J. W. (1995). *Agendas, alternatives, and public policies* (2nd ed.). New York: Harper Collins.
- [2] Zahariadis, N. (2007). The multiple streams framework: Structure, limitations, prospects. In P. Sabatier (Ed.). *Theories of the policy process* (2nd ed., pp. 65-92). Boulder, CO: Westview Press.