



Testimony

CBO's Appropriation Request for Fiscal Year 2015

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Subcommittee on the Legislative Branch
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Mr. Chairman, Ranking Member Wasserman Schultz, and Members of the Subcommittee, thank you for the opportunity to present the Congressional Budget Office's (CBO's) budget request.

CBO requests appropriations of \$46.1 million for fiscal year 2015. That amount represents an increase of roughly \$400,000, or less than 1 percent, from the \$45.7 million provided to CBO for 2014.

The requested funding would enable CBO to achieve and maintain staffing of 235 full-time-equivalent positions (FTEs), which is the level contemplated in the 2014 appropriation and in line with the FTEs funded between 2004 and 2008. After the budget constraints of recent years, CBO's staffing dropped from a peak of 250 FTEs in fiscal year 2010 to about 220 FTEs now, and the agency is currently engaged in an intensive effort to use the increased funding to bolster its staff so that it can better serve the Congress. Of the requested funding for 2015, 91 percent would support pay and benefits, 6 percent would be for information technology (IT), and 3 percent would go toward purchases of data, training, office supplies, and other items.

CBO's Funding History and Its Effects on Staffing and Output

Because such a large share of CBO's budget represents compensation, the contours of the agency's budget and staffing levels have been and will continue to be closely linked.

Between fiscal years 2002 and 2008, the number of authorized FTEs at CBO held between 232 and 235 (see Figure 1). During that period, CBO's budget generally rose slowly, as federal employees received salary increases and the cost of federal benefits increased. For fiscal years 2009 and 2010, the Congress approved larger increases in CBO's budget to support a step-up in staffing. That step-up was intended primarily to increase the agency's ability to analyze potential changes in federal health care policy while maintaining its capacity to provide cost estimates and reports on other topics. CBO had sufficient funding for 254 FTEs in 2010.

The increase in staffing enabled CBO to engage in analyses of particularly complex issues and to provide substantially more estimates and other analyses to the Congress. Among the accomplishments that were facilitated by the larger staff were a significant expansion of health care analysis, substantial enhancement of financial analysis, considerable improvement in modeling the economic effects of federal tax and spending policies, the issuance of several reports with options for changing federal benefit programs, significant gains in the transparency of CBO's analysis, and continued high quality of the agency's cost estimates and analyses of numerous other topics.

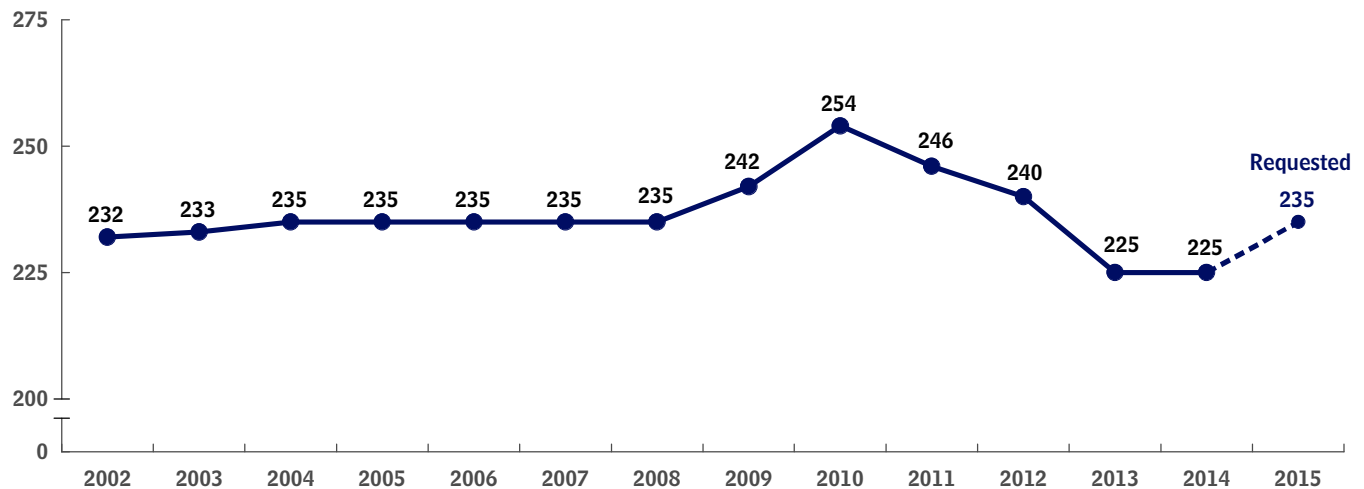
However, constraints on CBO's funding (and on discretionary appropriations as a whole) caused the agency's staffing to shrink in fiscal years 2011 through 2013. The agency's appropriation for 2013 was well below the amounts provided to the agency during the preceding years (see Figure 2). Those cuts, combined with small increases in average pay and rising costs of benefits and other items during those years, required a drop in the number of FTEs to only 225 in 2013, the lowest level in more than a dozen years. In addition, the agency had to defer critical purchases of IT equipment and services and other items.

CBO's appropriation for 2014 is significantly larger than its appropriation for 2013. Accordingly, the agency has sharply increased its recruiting efforts in order to return its staffing to the traditional level of 235 FTEs as quickly as possible, and it is catching up on deferred purchases.

CBO's Funding Request and Its Consequences for Staffing and Output

In fiscal year 2015, CBO will continue its mission of providing objective, insightful, timely, and clearly presented budgetary and economic information to the Congress. Funding of \$46.1 million to support 235 FTEs would allow CBO to provide the following estimates and other analyses to the Congress:

- Reports presenting the outlook for the budget and the economy, analyses of the President's budget, long-term budget projections, and options for reducing budget deficits;

Figure 1.**FTEs Authorized for Fiscal Years 2002 Through 2015**

Note: FTE = full-time-equivalent position.

- More than 500 formal cost estimates, most of which will include not only estimates of federal costs but also assessments of the cost of mandates imposed on state, local, and tribal governments or the private sector;
- Thousands of preliminary, informal cost estimates, the demand for which is very high as committees seek to have a clearer picture of the budgetary impact of proposals and variants of proposals before they formally consider legislation;
- About 130 scorekeeping tabulations, including account-level detail for individual appropriation acts at all stages of the legislative process and summary tables showing the status of discretionary appropriations (by appropriations subcommittee) and running totals on a year-to-date basis; and
- Roughly 85 analytical reports and other publications—generally required by law or prepared in response to requests from the Chairmen and Ranking Members of key committees—on a broad range of topics, including health care, policies for increasing economic growth and opportunity, changes in benefit programs,

defense policy, infrastructure, energy policy, and the government's role in the financial system.

Those products would be the result of very hard work by CBO's highly dedicated staff. Nevertheless, the agency expects that the anticipated volume of estimates and other analyses will fall considerably short of the number of Congressional requests. The demands on CBO remain intense: The enactment of major health care legislation in 2010 has been followed by a high level of Congressional interest in analysis of that legislation and numerous proposals for further changes in federal health care programs. In addition, the slow recovery from the economic downturn has spurred interest in the agency's economic forecasts and in policies that might boost economic growth and opportunity in both the near term and the longer term. Moreover, the surge in federal debt and the high level of projected deficits have led to ongoing Congressional efforts to enact fundamental changes in spending and tax policies, which have strained the agency's resources in many areas. CBO regularly consults with committees and Congressional leadership to ensure that its limited resources are focused on the work that is of highest priority to the Congress.

Figure 2.**Funding for Fiscal Years 2011 Through 2015**

(Millions of dollars)



The requested funds would be used as follows:

- \$31.4 million for pay of personnel—an increase of \$1.5 million (5 percent) over the amount that will be spent in fiscal year 2014—to support the increase in FTEs for a full fiscal year. (The ramp-up of staffing in 2014 will take some time, and CBO anticipates that the agency will average about 225 FTEs for the current year.) The additional staffing would be devoted to analyzing critical budgetary and economic issues of interest to the Congress, including health care, policies for increasing economic growth and opportunity, and many other topics. The increase would also cover performance-based salary increases for current staff and an anticipated across-the-board increase of 1.8 percent for employees making less than \$100,000 (if such an increase is authorized for executive branch agencies).
- \$10.6 million for benefits of personnel—an increase of \$0.6 million (6 percent) relative to the amount appropriated in 2014, to fund an increase in the cost of federal benefits as well as the benefits for the added staff members.
- \$4.0 million for other purposes—a decrease of \$1.7 million (30 percent) from the amount appropriated in 2014. The funds would go toward purchases of information technology, data, training, and other items. A decrease for 2015 is made possible in part by the fact that the 2014 funding will allow CBO to catch up on deferred purchases and to make some purchases this year that will reduce future funding needs.

In closing, I would like to thank the Committee for the support it has provided CBO over many years, enabling the agency to provide timely, carefully thought-out nonpartisan budgetary and economic analysis to the Congress as it addresses the critical issues facing the nation.

