



TESTIMONY

CBO's Appropriation Request for Fiscal Year 2023

Phillip L. Swagel
Director

Before the Subcommittee on the Legislative Branch
Committee on Appropriations
U.S. House of Representatives

Note

Numbers in the text and figure may not add up to totals because of rounding.

Chairman Ryan, Ranking Member Herrera Beutler, and Members of the Subcommittee, thank you for the opportunity to present the Congressional Budget Office's budget request. CBO is asking for appropriations of \$64.6 million for fiscal year 2023. Of that amount, 90 percent would be for pay and benefits; 7 percent would be for information technology (IT), including tools to improve cybersecurity; and 3 percent would be for training, expert consultants, office supplies, and other items. The requested amount represents an increase of \$3.7 million, or 6.0 percent, from the \$61.0 million that CBO received for 2022 (see Figure 1).

The requested budget is based on strong interest in CBO's work from Congressional leadership, committees, and Members. In 2021, the need to analyze large and complex legislation—including the American Rescue Plan Act of 2021, the Infrastructure Investment and Jobs Act, and the Build Back Better Act of 2021—while continuing to assess the course of the coronavirus pandemic and its effects on the economy strained the agency's resources in many areas. In the future, significant legislative initiatives are likely to require additional resources. The budgetary increase that CBO is requesting would enable the agency to be even more responsive to Congressional needs by fully funding the staffing increase that is under way this year and by funding seven new staff members, equivalent to four full-time-equivalent positions (FTEs), in 2023:

- Four staff members to deliver more analysis of health care, climate change, and energy policy issues—areas in which CBO anticipates additional interest and legislative activity;
- Two staff members to support more senior analysts when demand surges for analysis of a particular topic or when additional assistance is needed for a complicated estimate; and
- One staff member to assist CBO's efforts in information technology.

Because so much of CBO's budget is devoted to personnel costs, if actual funding proves markedly less than the proposed amount, CBO will have to reduce the current size of its staff, affecting the agency's ability to be transparent and responsive.

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

In fiscal year 2023, CBO will continue its mission of providing objective, insightful, clearly presented, and timely budgetary and economic information to the Congress. The \$64.6 million requested would be used mostly for salaries and benefits for personnel.

Funding Request for Personnel Costs and Consequences for Staffing

CBO requests \$57.9 million for salary and benefits to support 279 FTEs. That amount represents an increase of \$2.7 million, or 4.9 percent, from the \$55.2 million that CBO received for fiscal year 2022. Of the \$2.7 million, \$2.3 million would support staff who were already on board at the end of fiscal year 2022.

Of the total requested amount:

- \$41.0 million would cover salaries—an increase of \$1.4 million, or 3.6 percent, from the amount received for 2022. The requested increase would fund the hiring of seven new staff members in 2023 and fully fund staff members hired at various times throughout 2022. It would also provide for performance-based salary increases for current staff in 2023 and an across-the-board increase of 4.6 percent for employees earning less than \$100,000. (That group of employees would also be eligible for performance-based increases, whereas employees earning \$100,000 or more would be eligible to receive only performance-based increases.)
- \$16.9 million would fund benefits—an increase of \$1.3 million, or 8.3 percent, from the amount received for 2022. The requested increase would cover an increase in the cost of federal benefits and fund benefits for the seven new staff members.

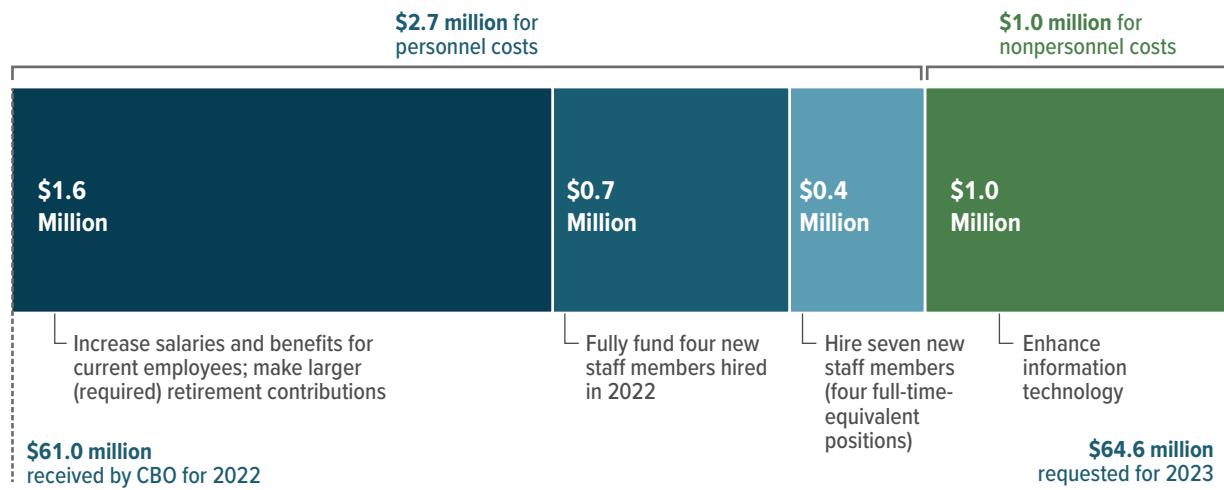
Funding Request for Nonpersonnel Costs

CBO requests \$6.7 million for costs other than personnel. Those funds would cover current IT operations—such as cybersecurity, software and hardware maintenance, software development, communications, and purchases of commercial data and equipment—and would pay for training, expert consultants, office supplies, travel, interagency agreements, facilities support, printing and editorial support, financial management operations (including auditing the agency's financial statements), subscriptions to library services, and other items.



Figure 1.

Components of Requested \$3.7 Million Increase



Data source: Congressional Budget Office.

The requested amount is \$1.0 million, or 16.8 percent, larger than the amount received for 2022. That funding would, among other things, improve CBO's ability to assess, detect, and recover from internal and external cyber threats; continue to improve computing capabilities for many staff by migrating their workstations into cloud-based systems; enhance users' ability to conduct remote teleconferences; and fund the initial implementation costs of a system that would improve the agency's continuity of operations plans and enhance telework by its human resources staff.

Consequences for Output

The requested amount of funding would allow CBO to produce a great deal of valuable analysis for the Congress, including analysis in areas in which the agency anticipates additional legislative activity (see Table 1). It would also allow CBO to provide more technical assistance and faster turnarounds when demand surges. In addition to the major products shown in the table, CBO will continue to produce other important material, such as slide decks, interactive tools, and blog posts.

CBO regularly consults with committees and the Congressional leadership to ensure that its resources are focused on the work that is of highest priority to the Congress. Nevertheless, the demands on the agency remain intense and strain its resources in many areas. Even with high productivity by a dedicated staff, CBO

expects that it will not be able to produce as many estimates and other analyses as committees, leadership, and individual Members request.

Strengthening Responsiveness

CBO seeks to provide information at the time when it is most useful to the Congress. Depending on its purpose, that information takes a variety of forms, such as cost estimates, background information, and technical assistance. In most cases, CBO completes a formal cost estimate before legislation comes to a floor vote. In addition, the agency works to provide technical assistance, reports, and other information to lawmakers and their staff during earlier stages of the legislative process.

Beginning in fiscal year 2019, the Congress increased CBO's budget in part to allow the agency to implement a plan to strengthen its responsiveness to the Congress. To carry out that plan, CBO has expanded staffing in high-demand areas, such as health care and immigration. It has increased its use of assistant analysts, who can move from one topic to another to support more senior analysts when demand surges for analysis of a particular topic or when additional assistance is needed for a complicated estimate. In addition, CBO is engaging expert consultants in complex areas, such as health policy, economic forecasting, and climate-related research. Finally, the agency is continuing to expand its use of team approaches for large and complicated projects. That approach has



Table 1.

The Congressional Budget Office's Major Products, Calendar Years 2021 to 2023

Type of Product	2021, Actual	2022, Estimate	2023, Estimate
Fulfilled Requests for Technical Assistance. Such requests typically come from committees and Members of Congress seeking a clear picture of the budgetary impact of proposals before they introduce or formally consider legislation.	Thousands	Thousands	Thousands
Formal Cost Estimates. Most include both estimates of federal costs and assessments of the cost of mandates imposed on state, local, and tribal governments or the private sector.	401	700	700
Estimates for Suspension Bills. For bills considered under suspension of the rules in the House of Representatives, CBO provides estimates of the bills' effects on mandatory spending and revenues.	380	400	400
Scorekeeping Tabulations. Those tabulations include account-level estimates for individual appropriation acts at all stages of the legislative process, as well as summary tables showing the status of discretionary appropriations (by appropriations subcommittee) and running totals on a year-to-date basis.	100	100	100
Analytic Reports, Working Papers, and Testimony. Such publications are generally required by law or prepared in response to requests from the Chairs and Ranking Members of key committees. They examine the outlook for the budget and the economy, major issues affecting that outlook under current law, the budgetary effects of policy proposals that could change that outlook, the details of the federal budget process, and a broad range of related budgetary and economic topics in such areas as health care, defense policy, Social Security, and climate change.	79	70 to 80	70 to 80

Data source: Congressional Budget Office.

been particularly effective in enabling CBO to produce timely analysis of legislation involving health care.

CBO's goal is to increase the number of staff with overlapping skills within and across teams. In some cases, those skills will consist of expertise related to particular topics, such as defense or transportation. In other cases, they will be more technical, such as the ability to design and improve simulation models. In a similar vein, CBO plans to invest additional resources in bolstering analysts' ability to coordinate work that requires expertise from across the agency. Another of CBO's goals is to give additional senior analysts responsibility for projects that span multiple subject areas.

The budgetary increase that CBO is requesting would allow it to maintain its efforts to be responsive, particularly in two important areas of analysis. In 2022 and 2023, CBO plans to hire additional staff who will increase the agency's expertise and modeling capability in the areas of health care, climate change, and energy policy—areas in which CBO expects the Congress to show increased interest.

Enhancing Transparency

CBO works hard to make its analysis transparent and plans to strengthen those efforts, building on the increased emphasis that it has placed on transparency over the past several years. In 2022 and 2023, many of CBO's employees will spend part of their time on efforts to make the agency's analysis more transparent.

Testifying and Publishing Answers to Questions

In 2022 and 2023, CBO expects to testify about its baseline projections and other topics as requested by the Congress. That work will involve presenting oral remarks, answering questions at hearings, and presenting written statements, as well as publishing answers to Members' questions for the record. CBO will continue to address issues raised as part of the oversight provided by the House and Senate Budget Committees and the Congress generally.

Explaining Analytical Methods

CBO plans to publish material providing general information to help Members of Congress, their staffs, and others better understand its work. For example, CBO will document a new version of its model for producing

long-term projections, one that can analyze a greater variety of policy proposals more quickly. And CBO will publish working papers and, in some cases, the computer code used in models.

Releasing Data

In 2022 and 2023, CBO will maintain its practice of publishing extensive sets of data to accompany its major recurring reports, including detailed information about 10-year budget projections, historical budget outcomes, 10-year projections for federal trust funds, revenue projections by category, spending projections by budget account, tax parameters, effective marginal tax rates on labor and capital, and 10-year projections of economic variables, including the economy's potential (or sustainable) output.

The agency will also provide details about its baseline projections for the Federal Pell Grant Program, student loan programs, Medicare, the military retirement program, the pension benefit guarantee program, the Social Security Disability Insurance program, the Social Security Old-Age and Survivors Insurance program, the trust funds for Social Security, child nutrition programs, child support enforcement and collections, foster care and adoption assistance programs, the Supplemental Nutrition Assistance Program, the Supplemental Security Income program, the Temporary Assistance for Needy Families program, the unemployment compensation program, the Department of Agriculture's mandatory farm programs, federal programs that guarantee mortgages, programs funded by the Highway Trust Fund, benefits for veterans and military personnel stemming from the Post-9/11 GI Bill, and veterans' disability compensation and pension programs.

Other data will provide details about long-term budget projections, projections underlying Social Security estimates, more than a thousand expired or expiring authorizations of appropriations, and dozens of federal credit programs. When CBO analyzes the President's budget request, it will post a set of files providing estimates of the budgetary effects of specific proposals. Throughout 2022 and 2023, the agency will post the data from various reports' charts and tables.

Analyzing the Accuracy of CBO's Estimates

In 2022 and 2023, CBO will continue to release reports analyzing the accuracy of its past projections of outlays, revenues, deficits, and debt. And the agency will compare

its projections of federal subsidies for health insurance with actual amounts.

Comparing Current Estimates With Previous Ones

In several of its recurring publications—reports about the budget and economic outlook, federal subsidies for health insurance, and the long-term budget outlook—CBO will continue to explain the differences between the current year's projections and those produced in the previous year. In its cost estimates, CBO will continue to identify related legislative provisions for which it has provided recent estimates and explain the extent to which the provisions and estimates at hand are similar or different.

Comparing CBO's Estimates With Those of Other Organizations

CBO will compare its budget projections with the Administration's and its economic projections with those of private forecasters and other government agencies when possible. And in various reports, the agency will include comparisons of its estimates with estimates made by other organizations. In addition, when time does not allow for publication but interest is high, analysts will discuss such comparisons with Congressional staff.

Estimating the Effects of Policy Alternatives

In 2022 and 2023, CBO will update some of its interactive products and release new ones to help users understand the effects of potential changes to federal policies. Reports will also illustrate the potential effects of various policy proposals.

Characterizing the Uncertainty of Estimates

CBO will update an interactive workbook showing its estimates of how changes in economic conditions affect the federal budget. The agency's reports about the 10-year outlook for the budget and the economy, the long-term outlook for the budget, and federal subsidies for health insurance will contain substantial discussions of the uncertainty of CBO's projections. In addition, in any cost estimates in which uncertainty is significant, CBO will include a discussion of the topic.

Creating Data Visualizations

In 2022 and 2023, CBO will provide information about its budget and economic projections in slide decks and create infographics about actual outlays and revenues. And the agency will look for opportunities to include

graphics to enhance the explanations in some cost estimates.

Conducting Outreach

CBO will continue to communicate every day with Congressional staff and others outside the agency to explain its findings and methods, respond to questions, and obtain feedback. The agency's Director will meet regularly with Members of Congress to do the same. After each set of baseline projections is published, CBO's staff will meet with Congressional staff to discuss the projections and answer questions.

CBO will obtain input from its Panel of Economic Advisers, its Panel of Health Advisers, and other experts. Many reports will benefit from written comments by outside experts on preliminary versions. For some recurring reports produced on compressed timetables, such as the one about CBO's long-term budget projections, the agency will solicit comments on previous publications and selected technical issues to incorporate improvements in future editions.

CBO's staff will give presentations on Capitol Hill—some in collaboration with Congressional committees and the Congressional Research Service—on CBO's budget and economic projections and on other topics. Those presentations will allow CBO to explain its work and answer questions. The agency will also give presentations about its findings and about work in progress in a variety of venues to offer explanations and gather feedback. In addition, CBO will use blog posts to summarize and highlight various issues.

This testimony summarizes information in the Congressional Budget Office's budget request for fiscal year 2023. That budget request was prepared by Leigh Angres, Mark Smith, and Kamna Virmani, with assistance from Angela D. Clark, Ann E. Futrell, Annita Gulati, Theresa Gullo, Leo Lex, Sam Papenfuss, and Stephanie M. Ruiz (formerly of CBO). It is available at www.cbo.gov/publication/57700.

Mark Doms, Mark Hadley, Jeffrey Kling, and Robert Sunshine reviewed the testimony. Benjamin Plotinsky edited it, and Jorge Salazar created the graphics and prepared the text for publication. The testimony is available at www.cbo.gov/publication/57731.

CBO seeks feedback to make its work as useful as possible. Please send comments to communications@cbo.gov.



Phillip L. Swagel
Director

