



TESTIMONY

The Congressional Budget Office's Request for Appropriations for Fiscal Year 2025

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Before the Subcommittee on the Legislative Branch
Committee on Appropriations
United States Senate

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Chairman Reed, Ranking Member Fischer, and Members of the Subcommittee, thank you for the opportunity to present the Congressional Budget Office's budget request.¹ CBO requests appropriations of \$73.5 million for fiscal year 2025: About 89 percent would be for pay and benefits; 7 percent would be for information technology (IT); and 4 percent would be for training, expert consultant services, office supplies, and other items. The request amounts to an increase of \$3.5 million, or 5 percent, from the \$70 million that CBO received for 2024 (see Figure 1). That increase would address increased costs brought about by inflation, sustain investments in IT infrastructure, and enable CBO to expand its staff in key areas.

The requested budget is based on strong interest in CBO's work from the Congressional leadership, committees, and Members. On the legislative front this past year, CBO published about 675 cost estimates and devoted significant resources to analyzing the Fiscal Responsibility Act of 2023 (Public Law 118-5), the National Defense Authorization Act for Fiscal Year 2024 (P.L. 118-31), and H.R. 1, the Lower Energy Costs Act. The agency also fulfilled thousands of requests for technical assistance related to appropriation bills and the reauthorization of the farm bill. Providing estimates and assistance to the 119th Congress as it considers significant legislative initiatives is likely to require additional resources.

Operating under a continuing resolution—that is, at its fiscal year 2023 funding level—for half of fiscal year 2024 has been challenging. CBO postponed filling vacant positions and allowed the agency to shrink from 279 in late 2022 to 267 now. In addition, the agency cut back in myriad ways to save money.

CBO's fiscal year 2024 funding will enable the agency to grow back to 276 positions by the end of the year, and the fiscal year 2025 request would support 285 employees—enough to satisfy its responsibilities under the Congressional Budget Act and enable it to be even more responsive in preparing cost estimates and providing technical assistance to Congressional committees.

Of the nine new staff members in 2025:

- Five would improve CBO's capabilities to produce dynamic analysis (that is, determining how changes in fiscal policies would affect the economy), long-term estimates, analysis of defense weapons systems, and estimates of credit programs (like student loan programs);
- Two would enhance CBO's responsiveness in producing cost estimates and providing technical assistance in the legislative process;
- One would enhance CBO's IT security; and
- One would boost outreach to Congressional staff and the press.

CBO plans to use expert consultants more than it has in the past—enabling the agency to shift to the Congress's key areas of focus more easily and to be more nimble in conducting facility management, work in IT, and financial management.

CBO's requested increase is entirely for personnel expenses. In the request, total nonpersonnel expenses decline by about 3 percent because some of the agency's spending for IT in 2024—including purchases of equipment, cybersecurity, and cloud services—is for deferred projects that will not recur in 2025.

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

In fiscal year 2025, CBO will continue its mission of providing objective, insightful, clearly presented, and timely budgetary and economic information to the Congress. The \$73.5 million requested would be used mostly for personnel salaries and benefits.

Funding Request for Personnel Costs and Consequences for Staffing

CBO requests \$65.5 million for salaries and benefits to support 285 employees by the end of fiscal year 2025, which equates to 278 full-time-equivalent positions for the year. That amount represents an increase in personnel costs of \$3.7 million, or 6.1 percent, from the \$61.8 million that was provided to CBO in fiscal year 2024.

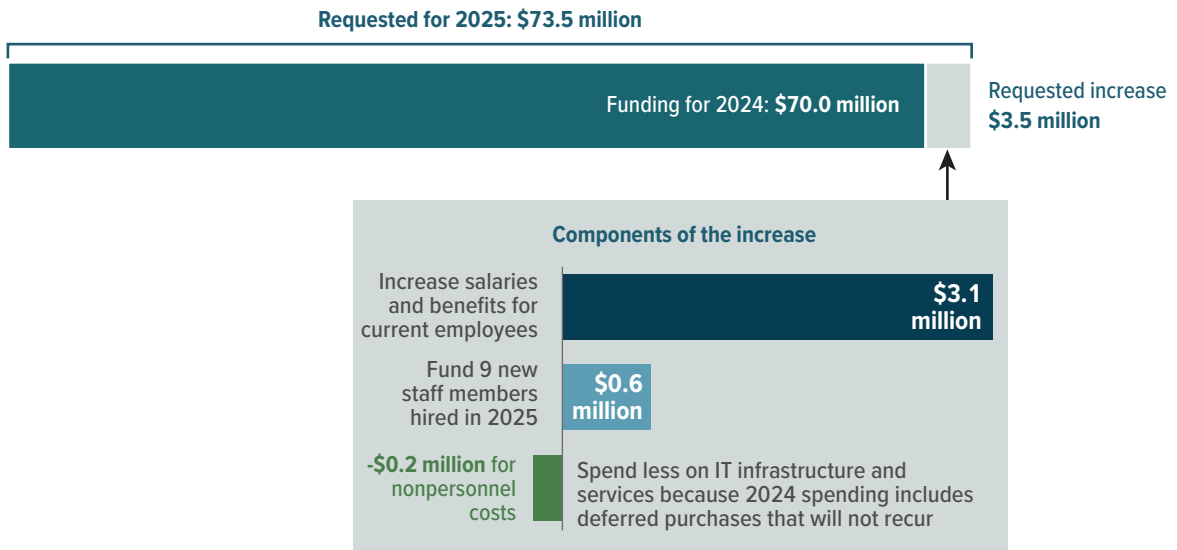
Of the total requested amount:

- \$47.1 million would cover salaries—an increase of \$2.3 million, or 5 percent, from the amount provided in 2024. The requested increase would

1. See Congressional Budget Office, *The Congressional Budget Office's Request for Appropriations for Fiscal Year 2025* (March 2024), www.cbo.gov/publication/59698.

Figure 1.

Components of Requested \$3.5 Million Increase



Data source: Congressional Budget Office.

fund the hiring of nine new staff members in 2025. It would also provide for inflation adjustments and performance-based salary increases for current staff in 2025. Employees earning less than \$100,000 would receive an across-the-board increase of 4.5 percent, whereas employees earning \$100,000 or more (for whom more of their compensation is based on performance) would receive a 2.5 percent increase.

- \$18.4 million would fund benefits—an increase of \$1.5 million, or 8.8 percent, from the amount provided in 2024. The requested increase would cover growth in the cost of federal benefits and would fund benefits for the nine new staff members.

Funding Request for Nonpersonnel Costs

CBO requests \$8.0 million for costs other than personnel costs. 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 consultant services, office supplies, travel, interagency agreements, facilities support, editorial support, financial management operations (including auditing of the agency’s financial statements), subscriptions to library services, and other items.

The requested amount for nonpersonnel costs is \$0.2 million, or 2.9 percent, less than the amount in fiscal year 2024. The requested funding would, among other things, cover IT and other operational costs; continue to provide computing capabilities and maintenance for staff workstations that have been migrated to cloud-based systems; and improve CBO’s ability to detect, assess, and recover from cyberattacks. Much of the agency’s spending on cybersecurity is the cost of maintaining access to data that are essential to CBO’s analyses.

Consequences for Output

The requested 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 and oversight (see Table 1). It would also allow CBO to provide more technical assistance to committees and Members when they are crafting legislation and faster turnarounds when demand surges. In addition to providing major analytic products, CBO would be able to continue to produce other important material, such as presentations about CBO’s work, letters in response to Members’ questions, and blog posts.

CBO regularly consults with committees and the Congressional leadership to ensure that the agency’s resources are focused on the work that is of highest



Table 1.

Products by the Congressional Budget Office, Calendar Years 2023 to 2025

Type of Product	2023, actual	2024, estimate	2025, estimate
Fulfilled Requests for Technical Assistance. Such requests typically come from committees and Members of Congress seeking a clear picture of the budgetary effects of proposals before they introduce or formally consider legislation.	Thousands	Thousands	Thousands
Cost Estimates for Authorizing Bills. CBO is required by law to produce a cost estimate for nearly every bill that is approved by a full committee of either the House or the Senate. The agency also publishes cost estimates at other stages of the legislative process if requested to do so by a relevant committee or by the Congressional leadership. In addition, CBO reviews bills scheduled to be considered under suspension of the rules in the House.	675	900	900
Cost Estimates for Appropriation Bills. 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
Reports, Working Papers, Testimonies, Slide Decks, Interactive Tools, and Infographics. CBO's publications are generally required by law, prepared in response to requests from the Chairs and Ranking Members of key committees, or aimed at enhancing the transparency of the agency's work. 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.	102	100	100

Data source: Congressional Budget Office.

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.

Requested Information and Authorities

In this section, CBO provides information about its challenges in accessing federal data and requests the authority to provide a childcare benefit.

CBO's Access to Data

The House Committee on Appropriations directed CBO to report to the committees of jurisdiction on any challenges in accessing federal data and to identify whether the Congress can take any actions to ensure continuous and real-time access. CBO obtains from federal agencies a wide array of information, which it uses to produce baseline budget projections, economic projections, cost estimates, and reports.

CBO works collaboratively with agencies to obtain data through formal and informal means. The Budget Act

provides CBO general authority to access data from a variety of sources. CBO also accesses data by using specific authority or by collaborating with other agencies. CBO currently has more than 20 active data-use agreements with other federal agencies. However, shifting legal and regulatory frameworks of federal agencies can delay, weaken, or cut off CBO's access to information. The time spent negotiating and renewing agreements varies widely and is unpredictable, taking from a couple of weeks to over a year.

During 2024, CBO identified three challenges and actions the Congress can take to improve the agency's access to federal data:

- **Preserving access to student aid data.** Without a change to section 6103 of the Internal Revenue Code, CBO will lose access to an important component of the agency's models of the Federal Pell Grant Program and student loan programs. CBO currently receives from the Department of Education data on the income of student loan and Pell grant recipients. In the summer of 2024, the Education Department will begin receiving certain income information about student loan borrowers directly



from the Internal Revenue Service (IRS), newly making the data federal tax information (FTI). CBO is seeking an amendment to section 6103 to allow the agency to continue to receive those data. CBO receives FTI for other purposes and is compliant with the IRS's security requirements. CBO has been working with the House Committee on Ways and Means; the House Committee on Education and the Workforce; the Senate Committee on Finance; the Senate Committee on Health, Education, Labor, and Pensions; and the House and Senate Budget Committees regarding an amendment.

- **Strengthening general authority under the Budget Act.** CBO seeks to clarify and strengthen its general authority for accessing executive branch data under the Budget Act. The agency seeks an amendment to section 201(d) of the act to strike the parenthetical “(other than material the disclosure of which would be a violation of law).” That caveat risks undermining the broad data access that the Budget Act is intended to provide and is unnecessary when another statute more specifically governs CBO's access to specific data. The caveat can also delay CBO's access to data by requiring additional discussions with agencies, impairing the timeliness of CBO's work. In February 2024, the House Budget Committee approved H.R. 7032, the Congressional Budget Office Data Sharing Act, and the House passed the bill on April 29, 2024. Enacting the bill would remove the caveat and, instead, provide CBO access to executive branch data unless that access is specifically disallowed by a future law. The bill also includes a reference to section 203(e) to highlight CBO's obligation to protect the restricted information it receives.
- **Obtaining authority under the Privacy Act.** CBO also seeks to clarify and strengthen its authority for accessing executive branch data through an amendment to the Privacy Act of 1974. In June 2023, the Senate passed S. 1549, and in February 2024, the House Committee on Oversight approved an identical bill, H.R. 7184, which would authorize the disclosure to CBO of information protected by the Privacy Act, providing the agency the same access that the Government Accountability Office has. In general, the Privacy Act prohibits executive branch agencies from disclosing certain records without the prior written consent of the people to whom the records pertain. There are currently 12 exceptions to

that prohibition, and enacting S. 1549 or H.R. 7184 would add a 13th specifically for disclosures to CBO. The agency often requires the type of individually identifiable data the Privacy Act protects to prepare requested analyses and avoid relying on aggregations and statistics created by executive branch agencies. If granted access to such data, CBO would protect the information and not disclose it.

In addition to the items above, CBO is seeking authority for fiscal year 2025 (and would need to renew its request for any subsequent years) to accept gifts of property, including money and intangible property, or services to support the operation of the agency. Under current law, CBO often can obtain new data sets and tools from private entities by procuring them using appropriated funds or negotiating no-cost contracts. Gift authority would enable CBO to sometimes obtain such data and tools more quickly or without expense, as many legislative and executive agencies do. This authority would also enable CBO to accept donations for events such as those commemorating the agency's 50th anniversary.

As the interests of the Congress change, CBO must develop the capacity to analyze new issues and policies. Consequently, the agency will need to obtain new sources of information and might require new specific authorities to do so. CBO will work with the committees of jurisdiction as new challenges arise.

Requested Authority for a Childcare Benefit

The Joint Explanatory Statement accompanying the Further Consolidated Appropriations Act, 2024, noted that each legislative branch agency may request authority to provide a childcare benefit in its fiscal year 2025 budget request. CBO requests the authority as follows:

Sec. ____ The Director of the Congressional Budget Office may expend funds appropriated in fiscal year 2025 and each fiscal year thereafter to reimburse employees of the Office for costs to improve the affordability of childcare if the Director determines that reimbursing such expenses is of sufficient benefit or value to the Office.

Included in CBO's fiscal year 2025 budget request is \$250,000 for the cost of those payments (embedded in various object classes for benefits). This benefit would enhance CBO's ability to recruit and retain a talented and competitive workforce. Because of the agency's size, individual reimbursement for childcare costs is the

most cost-effective, feasible mechanism for providing a childcare benefit to its employees, making the cost more affordable.

Strengthening Responsiveness

CBO seeks to provide information 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 almost all cases, CBO completes a 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, CBO initiated a multiyear effort to strengthen its responsiveness to the Congress. To carry out that plan, CBO received additional resources to expand 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 continues to engage expert consultants in complex areas, such as health policy, agricultural and nutrition programs, 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 been particularly effective in enabling CBO to produce timely analyses 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 objective 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 increase its efforts to be responsive. In 2025, CBO plans to hire additional staff to produce more timely cost estimates and fulfill more Congressional requests for technical assistance, particularly in the areas

(like health care) that involve complicated modeling, and staff to conduct more work in the areas of dynamic analysis, long-term estimates, analysis of defense weapons systems, and estimates of credit programs (like student loan programs)—areas in which CBO expects the Congress to have 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 the endeavor over the past several years. In 2024 and 2025, many of CBO's employees will spend part of their time on making the agency's analyses more transparent.

Testifying and Publishing Answers to Questions

In 2024 and 2025, CBO expects to testify about its baseline projections and other topics in response to requests 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 staff, and others better understand its work. For example, a report will explain the agency's approach to modeling the effects of various policies in the electric power sector. Working papers, too, will provide such explanations for various topics, and in some cases, CBO will be able to publish the computer code used in models.

Releasing Data

In 2024 and 2025, 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 example, for the Federal Pell Grant

Program, student loan programs, Medicare, military retirement, the Pension Benefit Guarantee Corporation, Social Security Disability Insurance, Social Security Old-Age and Survivors Insurance, the Social Security trust funds, child nutrition programs, the Child Support Enforcement and Child Support Collections programs, foster care and adoption assistance, the Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families, unemployment compensation, the Department of Agriculture's mandatory farm programs, federal programs that guarantee mortgages, programs funded by the Highway Trust Fund, benefits under the Post-9/11 GI Bill, and veterans' disability compensation and pensions.

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. The agency will also continue to post the data underlying various reports' charts and tables.

Analyzing the Accuracy of CBO's Estimates

In 2024 and 2025, 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. In addition, in various reports, the agency will include comparisons of its estimates with estimates made by other organizations. When time does not allow for publication but interest is great, analysts will discuss such comparisons with Congressional staff.

Estimating the Effects of Policy Alternatives

In 2024 and 2025, CBO will update some of its interactive tools and release new ones to help the Congress and the public better 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 most cost estimates in which uncertainty is significant, CBO will include a discussion of the topic.

Creating Data Visualizations

In 2024 and 2025, CBO will provide information about its budget and economic projections in slide decks and create infographics about actual outlays and revenues. The agency will also produce more reports that rely principally on visual presentations. And it will look for opportunities to include graphics to enhance the explanations in some cost estimates.

Conducting Outreach

CBO will continue to communicate regularly 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 frequently 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 outside experts' written comments 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.

Finally, to keep the Congress informed of its work, CBO will continue its practice of sending an email to interested staff notifying them about recently released reports and cost estimates. The agency will also continue publishing a recently initiated quarterly newsletter, *CBO's Quarter in Review*, which is a roundup of the agency's most recent publications and cost estimates. The newsletter is a companion to quarterly reports listing recent publications and work in progress, which may include reports, working papers, testimonies, interactive tools, infographics, and cost estimates.

This testimony summarizes information in the Congressional Budget Office's budget request for fiscal year 2025. That budget request was prepared by Leigh Angres, Tracy L. Henry, and Kamna Virmani with assistance from Angela D. Clark, Dana Ealey, Ann E. Futrell, and Kevin Laden and with guidance from Mark Smith. It is available at www.cbo.gov/publication/59698.

Mark Hadley reviewed the testimony. John Skeen edited it, and Jorge Salazar created the graphics and prepared the text for publication. The testimony is available at www.cbo.gov/publication/60218.

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



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