

CONGRESSIONAL BUDGET OFFICE

Extrapolation of Full-Year Appropriations for 2011

May 16, 2011

In the Congressional Budget Office's (CBO's) baseline projections, appropriations for discretionary programs are generally assumed to grow each year with inflation, as originally specified in the Deficit Control Act. In March 2011, when CBO prepared its most recent baseline spanning fiscal years 2011 to 2021, it based its projections of discretionary spending on the continuing resolution that was in effect through March 18 (Public Law 112-4). Subsequently, on April 15, full-year appropriations for 2011 were enacted in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

CBO has not prepared new baseline projections incorporating the effects of P.L. 112-10; it will next update its baseline, as usual, in August. But in response to requests from Congressional staff, it has extrapolated through 2021 the full-year amounts of discretionary budget authority provided in P.L. 112-10 and compared the results with its March baseline projections of such spending (see the table below).¹ For that comparison, CBO did not update the factors that it uses to estimate discretionary outlays—the rates at which appropriations are spent, the balances left from appropriations provided in previous years, and other parameters normally revised during the preparation of a new baseline.

Relative to the March baseline, P.L. 112-10 reduced discretionary budget authority for 2011 by \$23 billion.² Nondefense funding was decreased by nearly \$25 billion, whereas funding for defense programs was increased by \$2.4 billion. The largest reductions in funding apply to high-speed rail programs (\$2.9 billion), the Census Bureau (\$1.8 billion), the Public Health and Social Services Emergency Fund (\$1.6 billion), and state and tribal assistance (\$1.3 billion).

Total discretionary outlays in 2011 will be \$3.2 billion higher as a result of the legislation, CBO estimates—an increase of \$7.5 billion for defense programs, partially offset by a net reduction of \$4.4 billion in other spending. (Part of the reason that total outlays will increase this year is that some defense funding was shifted from slower-spending to faster-spending activities.) CBO had previously estimated that the full-year appropriation act will yield a net *reduction* of \$0.4 billion in nonemergency outlays in 2011.³ The comparison shown here is different: It includes emergency appropriations, excludes the effects of changes in mandatory programs, and incorporates adjustments to various estimating parameters that were applied to the appropriation act to make them consistent with the March 2011 baseline.

¹ Budget authority (also referred to here as “funding”) is the authority provided by law to incur financial obligations that will result in immediate or future outlays of federal government funds.

² In addition, the law reduced 2011 budget authority for mandatory programs (which are governed by permanent laws) by \$11 billion relative to CBO's March baseline. That reduction will have little effect on mandatory outlays over the 2012–2021 period, CBO estimates. Furthermore, provisions reducing discretionary budget authority by another \$4 billion had been included in the continuing resolution through March 18 and were already reflected in CBO's baseline projections.

³ For additional information about CBO's estimates of enacted 2011 appropriations, see www.cbo.gov/ftpdocs/121xx/doc12143/additional_info_hr1473.pdf.

If the full-year funding provided for 2011 grew at the rate of inflation in each of the next 10 years—the assumption underlying baseline projections—total discretionary budget authority over the 2012–2021 period would be \$183 billion less than the cumulative amount in CBO’s baseline. The outlays resulting from that budget authority would be a total of \$122 billion lower over that period than in the March baseline. Like other CBO estimates of the budgetary effects of legislation, these estimates do not include effects on future interest payments on federal debt held by the public.

Comparison of CBO's March 2011 Baseline for Discretionary Spending and an Extrapolation of Full-Year Appropriations for Fiscal Year 2011

(Billions of dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
												2012–2016	2012–2021
Extrapolation of Full-Year Appropriations for 2011													
Budget authority	1,227	1,248	1,272	1,300	1,328	1,359	1,394	1,431	1,469	1,507	1,545	6,508	13,855
Outlays	1,365	1,342	1,348	1,360	1,379	1,407	1,432	1,460	1,502	1,540	1,578	6,836	14,349
March 2011 Baseline													
Budget authority	1,249	1,266	1,290	1,318	1,346	1,377	1,413	1,450	1,488	1,526	1,565	6,597	14,038
Outlays	1,361	1,344	1,356	1,371	1,391	1,420	1,446	1,475	1,517	1,556	1,594	6,883	14,472
Difference													
Budget authority	-23	-17	-17	-18	-18	-18	-18	-19	-19	-19	-20	-88	-183
Outlays	3	-2	-8	-11	-12	-13	-14	-15	-15	-16	-16	-47	-122

Source: Congressional Budget Office.

Note: The extrapolation of 2011 appropriations does not include the effect of changes in mandatory programs that were included in the full-year appropriation act (Public Law 112-10). The net effect of such changes to mandatory programs over the 2012–2021 period is close to zero.
