Congressional Budget Office

Statement for the Record

CBO's Appropriation Request for Fiscal Year 2018

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

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Chairman Yoder, Ranking Member Ryan, and Members of the Subcommittee, thank you for the opportunity to submit a statement for the record about the Congressional Budget Office's budget request. CBO is asking for appropriations of $49.9 million for fiscal year 2018. That amount represents an increase of $3.4 million, or 7.4 percent, from the $46.5 million provided to CBO for 2017. Of the total amount, nearly 90 percent would be used for personnel costs.

Reasons for the Requested Increase in Funding

There are three reasons for requesting an increase. CBO must move its data center; the other costs of maintaining existing operations will be higher next year; and the agency proposes to expand its analytical capacity.

Moving the Data Center

CBO will need to spend $1.1 million in 2018 because of an unusual expense. The agency's primary data center currently resides in the House of Representatives' data center on the sixth floor of the Ford House Office Building. Because House Information Resources has decided to repurpose that facility, CBO must remove its information technology (IT) equipment by March 2018. The Congress's off-site Alternate Computing Facility, which is currently CBO's backup data center, will become the agency's primary data center, and the agency will establish a new backup center at a different location.

The move is projected to result in a onetime expenditure of $1.1 million (and in recurring lease and maintenance costs in later years). About $0.2 million of the onetime cost will be incurred in fiscal year 2017, delaying other important IT projects. In 2018, a cost of $0.9 million will be incurred for moving the data center, as will a cost of $0.2 million for the delayed projects. If CBO does not receive funding for the relocation, the agency will be forced to pay for it by cutting back on the size of its staff and providing less information and analysis to the Congress.

Maintaining Other Existing Operations

CBO requests an increase of $1.5 million to fund existing operations in 2018. That amount includes $1.1 million for increases in personnel expenses, which would result from a small increase in employees' average salary and a rise in the cost of benefits. An additional $0.4 million would be used to fund nonpersonnel expenses, mainly the upgrade of several cybersecurity systems that are vital to the agency's mission but nearing the end of their life cycle and the renewal of long-term maintenance support for other major cybersecurity systems. As with the previous item, if funding is not provided, CBO will need to shrink its staff and provide less information and analysis to the Congress.

Expanding Analytical Capacity

CBO proposes to add four new analysts in 2018 and to create additional on-site capacity to use sensitive data securely. The total cost of those additions would be $0.8 million.

Adding four full-time-equivalent positions (FTEs) would cost $0.5 million for salary and benefits. The additional FTEs would be devoted to health care analysis, scorekeeping for appropriation bills, and analyzing the economic effects of federal tax and spending policies (work that would include the dynamic analysis of certain legislation, which is required by a recent budget resolution). Congressional interest remains high in modifying or replacing the Affordable Care Act and changing Medicare or Medicaid. CBO is also anticipating a larger workload associated with appropriations and is aiming to respond to requests for information more quickly. And CBO expects to further develop its capacity to conduct dynamic analysis in the coming year.

About $0.3 million would fund expansions of on-site capacity to securely use sensitive data, such as data from the Internal Revenue Service, the Social Security Administration, and other agencies. That capacity would help CBO meet growing demand from the Congress for analysis that draws on such data to understand changes in earnings, marriage, mortality, and other factors affecting benefits, tax revenues, and other parts of the federal budget. The additional resources would make access to such data speedier and more consistent, increasing the quality and timeliness of CBO's work.

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

In fiscal year 2018, CBO will continue its mission of providing objective, insightful, timely, and clearly presented budgetary and economic information to the Congress. The $49.9 million in funding that CBO requests would be used for personnel costs (that is, salaries and benefits), IT, and other costs, such as training.

Funding Request for Personnel Costs and Consequences for Staffing

CBO requests $44.3 million for salary and benefits, which equals 89 percent of its funding request. Those funds would support 241 FTEs. The requested amount represents an increase of $1.6 million, or 4 percent. Of the total requested amount:

- $33.0 million would cover salaries for personnel—an increase of $1.4 million, or 5 percent, from the amount that will be spent in fiscal year 2017. The increase would cover $0.4 million in pay for four additional analysts, as well as performance-based salary increases for current staff and an across-the-board increase of 2.4 percent for employees earning less than $100,000 (if such an increase is authorized for executive branch agencies).

- $11.4 million would fund benefits for personnel—an increase of $0.2 million, or 2 percent, from the amount projected to be spent in 2017. The increase would cover a boost in the cost of federal benefits, as well as benefits for the four additional analysts.

Funding Request for Nonpersonnel Costs

CBO requests $5.6 million for costs other than personnel, which equals 11 percent of its funding request. Those funds would cover current IT operations—such as software and hardware maintenance, software development, commercial data purchases, communications, and equipment purchases—and would pay for travel, training, interagency agreements, facilities support, printing and editorial support, expert consultants, financial management auditing support, and subscriptions to library services. The requested amount represents an increase of $1.8 million, or 47 percent.

Of the increase, $1.1 million would fund two nonrecurring IT costs:

- Required relocation of CBO's data center ($908,500) and

- IT cybersecurity projects that are expected to be delayed because of the 2017 costs of that relocation ($200,000).

An additional $0.7 million of the increase would allow CBO to fund:

- The upgrade of several cybersecurity systems that are vital to the agency's mission and the renewal of long-term maintenance support for other major cybersecurity systems ($385,000, a small portion of which results from price increases for current IT contracts) and

- The costs of creating additional on-site capacity to use sensitive data securely ($315,000).

Consequences for Output

The requested amount of funding would allow CBO to provide the following estimates and other analyses to the Congress:

- More than 600 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 a clear picture of the budgetary impact of proposals and variants of proposals before they formally consider legislation;

- More than 100 scorekeeping tabulations, including account-level detail 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;

- About 60 analytic reports and papers—generally required by law or prepared in response to requests from the Chairmen and Ranking Members of key committees—about 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 the outlook, and a broad range of related budget and economic topics in such areas as defense policy, infrastructure, and energy policy;

- Numerous files of data documenting detailed 10-year baseline budget projections, 10-year economic projections, long-term budget projections (spanning 30 years), and other information underlying analytic reports—all of them posted on CBO's website; and

- Descriptions of policy options that would reduce budget deficits and publications that increase the transparency of CBO's work and communicate about that work graphically.

Despite high productivity by a dedicated staff, CBO expects that the anticipated volume of estimates and other analyses will fall considerably short of the number of Congressional requests. The demands on the agency remain intense. For example, the workload associated with the analysis of appropriations has risen; the Congress remains acutely interested in analyses of the Affordable Care Act and numerous proposals for further changes in federal health care programs; and the now-required dynamic analyses of how certain legislative proposals would affect the economy and how those economic effects would, in turn, affect the federal budget require complex modeling. Other issues arise frequently and create a heavy demand for analysis: Over the past year, for example, CBO analyzed legislation related to the privatization of the air traffic control system, sentencing reform, trade facilitation and the enforcement of certain trade laws, child nutrition programs, child welfare programs, and Puerto Rico's debt crisis. Analyzing the possibilities and proposals has strained the agency's resources in many areas. CBO regularly consults with committees and Congressional leadership to ensure that its resources are focused on the work that is of highest priority to the Congress.

In closing, I would like to thank the Committee for its long-standing support of CBO. That support has allowed CBO to provide budgetary and economic analysis that is timely, thoughtful, and nonpartisan as the Congress addresses issues of critical importance.

This statement summarizes information in CBO's budget request for fiscal year 2018, which was written by Leigh Angres, Theresa Gullo, Deborah Kilroe, Cierra Liles, Terry Owens, Stephanie Ruiz, and Mark Smith, with guidance from Joseph E. Evans, Jr.

The statement was reviewed by Mark Hadley, Jeffrey Kling, and Robert Sunshine. Benjamin Plotinsky edited the statement, and Jorge Salazar prepared it for publication. An electronic version is available on CBO's website at www.cbo.gov/publication/52798.

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