



## The Congressional Budget Office's Work in 2018: A Report to the Congress

The Congressional Budget Office was established under the Congressional Budget Act of 1974 to provide information that would support the Congressional budget process and help the Congress make effective budget and economic policy. CBO's work follows processes specified in that law and subsequent laws or developed by the agency in concert with the budget committees and the Congressional leadership. The agency's chief responsibility under the Budget Act is to help the budget committees with the matters under their jurisdiction. CBO also supports other Congressional committees—particularly the Appropriations, Ways and Means, and Finance Committees, as the Budget Act requires—and the leadership of the House and Senate.

The agency is committed to providing information that is:

- Objective and insightful—representing the consensus and diversity of views of experts from around the country and applying the best new evidence as well as the lessons of experience;
- Clearly presented and explained—so that policymakers and analysts understand the basis for the agency's findings and have the opportunity to question the analysis and methods used; and
- Timely—responding as quickly as possible to the needs of the Congress.

In keeping with CBO's mandate to provide analysis that is objective and impartial, the agency makes no policy recommendations. Instead, it strives to present fully and fairly the likely consequences of alternative proposals

being considered by the Congress so that lawmakers can make informed policy choices.

To fulfill its mission, CBO analyzes trends and recent developments related to the economy and the budget. It also develops baseline projections, which incorporate the assumption that current law generally does not change, for the next 10 years and the longer term. Those baseline projections serve as neutral benchmarks for gauging the effects of spending and revenue proposals relative to what would occur if current laws generally remained unchanged. Using those benchmarks in most of its analyses, the agency does the following:

- Issues formal cost estimates for almost all bills reported by committees of the House and Senate, including estimates of the cost of intergovernmental and private-sector mandates;
- Provides background information and technical assistance while legislation is being developed and while amendments are being considered by the House and Senate;
- Estimates the cost of all appropriation bills;
- Prepares analytic reports and working papers—including testimony about the outlook for the economy and the budget, analysis of the President's budget, and studies on a broad range of budgetary and economic issues;
- Posts files of data on its website documenting its baseline projections and providing other information underlying the analytic reports; and

- Publishes descriptions of policy options that would reduce budget deficits, as well as information to clearly present and explain CBO's analyses.

The agency employs analysts with many types of expertise who support the Congress in collaboration with managers and support staff. At the beginning of January 2019, 245 positions at CBO were filled, with the largest concentration in the area of health (see Table 1).

### Information Provided to the Congress in 2018

As it does each year, CBO analyzed trends and recent developments related to the economy and the budget during calendar year 2018 and developed baseline projections. Using those projections as benchmarks in most of its analyses, CBO provided almost a thousand formal cost estimates and mandate statements, fulfilled several thousand requests for background and technical information, produced nearly 150 scorekeeping estimates for appropriation bills, and published many analytic reports, working papers, and other documents.

In providing all of that information, CBO tried to be transparent and responsive. As Director Keith Hall testified last year, the agency has recently been bolstering its efforts to be transparent, building on a strong foundation laid over many years. Those efforts aim to promote a thorough understanding of CBO's work, help people gauge how estimates might change if policies or circumstances differed, and enhance the credibility of CBO's analyses and processes.<sup>1</sup>

#### Formal Cost Estimates and Mandate Statements

CBO completed 947 formal cost estimates in 2018. They generally included explanations of their components and of the estimating methods used. The vast majority also included mandate statements, which assess whether legislation contains intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and, if so, assess the magnitude of the mandates' effects on the private sector and on state, local, and tribal governments. CBO completed nearly all cost estimates before the legislation came to a floor vote.

Cost estimates for 69 opioid-related bills required especially significant effort. So did the estimates for the:

- Advanced Nuclear Energy Technologies Act;
- Agriculture Improvement Act of 2018;
- Blue Water Navy Vietnam Veterans Act of 2018;
- Economic Growth, Regulatory Relief, and Consumer Protection Act;
- Matthew Young Pollard Intelligence Authorization Act for Fiscal Years 2018 and 2019;
- National Defense Authorization Act for Fiscal Year 2019;
- Promoting Real Opportunity, Success, and Prosperity Through Education Reform Act;
- Restore Our Parks and Public Lands Act;
- San Juan County Settlement Implementation Act;
- Sentencing Reform and Corrections Act of 2017;
- VA Care in the Community Act; and
- VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018.

#### Background Information and Technical Assistance

CBO provides considerable assistance and many preliminary estimates when legislative proposals are still at the early stages of development. Such information is generally provided to committees or the leadership of the House or Senate. Similar information is also provided as part of the legislative process when amendments are being considered. CBO fulfilled several thousand requests for it in 2018.

#### Scorekeeping Tabulations

On an ongoing basis during 2018, CBO provided spending estimates with account-level detail for individual appropriation bills at all stages of the legislative process. Those tabulations totaled 149 last year. The agency also periodically provided summary tables showing the status of discretionary appropriations (by appropriations subcommittee) and running totals on a year-to-date basis.

1. For more detail about CBO's transparency efforts in 2018, see Congressional Budget Office, *Transparency at CBO: Future Plans and Work in 2018* (December 2018), [www.cbo.gov/publication/54885](http://www.cbo.gov/publication/54885).

Table 1.

**Allocation of CBO Staff, January 2019**

	Number of Staff
<b>Principal Areas for Analysts</b>	
Health	45
Education, Immigration, Income Security, Labor, and Retirement	26
National Security, Veterans' Programs, and International Affairs	24
Macroeconomics	20
Energy, Environment, Natural Resources, and Transportation	17
Taxation	17
Budget Outlook	10
Finance and Housing	10
Appropriations	7
Mandates	5
Commerce, Justice, Science, and General Government	2
<b>Principal Types of Activities for Other Staff</b>	
Information Technology	14
Human Resources, Financial Management, and Other Support	10
Publication Services	10
Clerical Support	8
General Management	8
Legal Services	5
Website	5
Interns	2
<b>Total</b>	<b>245</b>

Source: Congressional Budget Office.

Numbers are positions filled. Although staff are assigned to a primary type of analysis or activity in this table, they often work in many areas.

**Testimony and Answers to Questions for the Record**

In 2018, CBO published 9 testimonies that were presented to the Congress and answered 124 follow-up questions from Members.

*Answers to Questions for the Record Following a Hearing About Transparency at CBO Conducted by the Senate Committee on the Budget* (September)

*Transparency at CBO: An Update* (Testimony before the Senate Budget Committee) (September)

*Answers to Questions for the Record Following a Hearing on CBO's Appropriation Request for Fiscal Year 2019 Conducted by the Subcommittee on the Legislative Branch, House Committee on Appropriations* (August)

*Answers to Questions for the Record Following a Hearing Conducted by the House Committee on the Budget on CBO Oversight: Economic Assumptions, Baseline Construction, Cost Estimating, and Scoring* (July)

*Answers to Questions for the Record Following a Hearing Conducted by the House Committee on the Budget on The Budget and Economic Outlook: 2018 to 2028* (July)

*Answers to Questions for the Record Following a Hearing Conducted by the House Committee on the Budget on CBO Oversight: The Role of Behavioral Modeling in Scoring and Baseline Construction* (July)

*Answers to Questions for the Record Following a Hearing Conducted by the House Committee on the Budget on CBO Oversight: Organizational and Operational Structure* (May)

*Answer to a Question for the Record Following a Hearing on CBO's Appropriation Request for Fiscal Year 2019 Conducted by the Subcommittee on the Legislative Branch, Senate Committee on Appropriations* (May)

*Answers to Questions for the Record Following a Hearing on The Budget and Economic Outlook: 2018 to 2028 Conducted by the Senate Budget Committee* (May)

*CBO's Budget and Economic Outlook: 2018 to 2028* (Testimony before the House Budget Committee) (April)

*CBO's Budget and Economic Outlook: 2018 to 2028* (Testimony before the Senate Budget Committee) (April)

*Testimony on CBO's Appropriation Request for Fiscal Year 2019* (Testimony before the Senate Appropriations Committee, Subcommittee on the Legislative Branch) (April)

*Testimony on CBO's Appropriation Request for Fiscal Year 2019* (Testimony before the House Appropriations Committee, Subcommittee on the Legislative Branch) (April)

*Testimony on Seven Things to Know About CBO's Analyses* (Testimony before the House Budget Committee) (February)

*Answers to Questions for the Record Following a Hearing on Oversight of CBO Conducted by the Senate Committee on the Budget* (February)

*The Congressional Budget Office's Baseline Projections and Cost Estimates: Process and Principles* (Testimony before the House Budget Committee) (February)

*The Congressional Budget Office's Work in 2017 and Plans for the Future* (Testimony before the House Budget Committee) (January)

*The Congressional Budget Office's Work in 2017 and Plans for the Future* (Testimony before the Senate Budget Committee) (January)

### **Reports and Working Papers About the Budget and Economy**

CBO provides reports, analyses, and other information to policymakers throughout the legislative process. In 2018, CBO described its baseline projections in a major

report about the budget and economic outlook. It provided a comprehensive analysis of the long-term outlook for the federal budget—that is, the outlook over the next 30 years and an analysis of economic outcomes under different budgetary paths. In addition, CBO produced an analysis of the President's budgetary proposals and a volume describing 121 policy options for reducing budget deficits. A digital version of the volume was also developed, including a tool that allows users to search by keyword. Besides those major reports, the agency produced many other analyses of budget and economic issues. All told, the agency produced 70 such publications; they are arrayed by category below.

### **PROJECTIONS AND BUDGET ISSUES IN MAJOR RECURRING REPORTS**

*Options for Reducing the Deficit: 2019 to 2028* (December)

*An Update to the Economic Outlook: 2018 to 2028* (August)

*The 2018 Long-Term Budget Outlook* (June)

*An Analysis of the President's 2019 Budget* (May)

*The Budget and Economic Outlook: 2018 to 2028* (April)

### **BUDGET ISSUES**

*Monthly Budget Review* (12 issues)

*A Review of CBO's Estimate of the Effects of the Recovery Act on SNAP* (December)

*The Accuracy of CBO's Baseline Estimates for Fiscal Year 2018* (December)

*Funding for International Affairs Activities, Within and Outside Agencies' Base Budgets* (December)

*The Deficit Reductions Necessary to Meet Various Targets for Federal Debt* (August)

*Sequestration Update Report: August 2018* (August)

*The Long-Term Budget Outlook Under Alternative Scenarios for Fiscal Policy* (August)

*CBO's Projections of Federal Receipts and Expenditures in the National Income and Product Accounts* (July)

*Expired and Expiring Authorizations of Appropriations: Fiscal Year 2018, Revised* (July)

*How Changes in Economic Conditions Might Affect the Federal Budget* (June)

*The Accuracy of CBO's Outlay Estimates for Fiscal Year 2017* (June)

*Federal Mandatory Spending for Means-Tested Programs, 2008 to 2028* (June)

*An Overview of CBOLT: The Congressional Budget Office Long-Term Model* (April)

*Final Sequestration Report for Fiscal Year 2018* (April)

*Report on the Troubled Asset Relief Program—March 2018* (March)

*How CBO Prepares Cost Estimates* (February)

*How CBO Prepares Baseline Budget Projections* (February)

*Federal Debt and the Statutory Limit, January 2018* (January)

*Cash and Accrual Measures in Federal Budgeting* (January)

*Expired and Expiring Authorizations of Appropriations* (January)

#### **EDUCATION**

*Federal Aid for Postsecondary Students* (June)

*Distribution of Federal Support for Students Pursuing Higher Education in 2016* (June)

#### **EMPLOYMENT AND LABOR MARKETS**

*Comparing the Effects of Current Pay and Defined Benefit Pensions on Employee Retention* (June)

*CBO's Projection of Labor Force Participation Rates* (March)

*Factors Affecting the Labor Force Participation of People Ages 25 to 54* (February)

#### **FINANCE**

*Measuring the Costs of Federal Insurance Programs: Cash or Accrual?* (December)

*Accounting for Fannie Mae and Freddie Mac in the Federal Budget* (September)

*Transitioning to Alternative Structures for Housing Finance: An Update* (August)

*How CBO Produces Fair-Value Estimates of the Cost of Federal Credit Programs: A Primer* (July)

*Fair-Value Estimates of the Cost of Federal Credit Programs in 2019* (June)

#### **HEALTH CARE**

*Exploring the Growth of Medicaid Managed Care* (August)

*Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2018 to 2028* (May)

*How CBO Defines and Estimates Health Insurance Coverage for People Under Age 65* (May)

*How CBO and JCT Analyze Major Proposals That Would Affect Health Insurance Coverage* (February)

*An Analysis of Private-Sector Prices for Physicians' Services* (January)

#### **INCOME DISTRIBUTION**

*How CBO Adjusts for Survey Underreporting of Transfer Income in Its Distributional Analyses* (July)

*The Distribution of Household Income, 2014* (March)

#### **INFRASTRUCTURE AND TRANSPORTATION**

*Federal Support for Financing State and Local Transportation and Water Infrastructure* (October)

*Fiscal Substitution of Investment for Highway Infrastructure* (August)

#### **MACROECONOMIC ANALYSIS**

*CBO's Model for Forecasting Business Investment* (December)

*How Nominal Foreign Currency Depreciation Against the U.S. Dollar Affects U.S. Wealth* (June)

*Estimating and Projecting Potential Output Using CBO's Forecasting Growth Model* (February)

*How CBO Produces Its 10-Year Economic Forecast* (February)

#### **NATIONAL SECURITY**

*Possible Higher Spending Paths for Veterans' Benefits* (December)

*The Cost of Replacing Today's Air Force Fleet* (December)

*Funding for Overseas Contingency Operations and Its Impact on Defense Spending* (October)

*An Analysis of the Navy's Fiscal Year 2019 Shipbuilding Plan* (October)

*Operating Costs of Aging Air Force Aircraft* (September)

*A Historical Survey of Ship Reactivations* (May)

*How CBO Estimates the Cost of New Ships* (April)

*Comparing a 355-Ship Fleet With Smaller Naval Forces* (March)

*The Depot-Level Maintenance of DoD's Combat Aircraft: Insights for the F-35* (February)

#### **RETIREMENT AND TAXES**

*CBO's Long-Term Social Security Projections: Changes Since 2017 and Comparisons With the Social Security Trustees' Projections* (December)

*How Taxes Affect the Incentive to Invest in New Intangible Assets* (November)

#### **Other Publications**

In addition, CBO prepared other publications to increase the transparency of its work and communicate about that work graphically. For instance, to make the composition of the federal budget easier to understand, the agency published a set of infographics. It also published interactive online products; letters answering questions from Members of Congress; slide decks exploring various analyses undertaken by the agency and explaining its analytical methods; a three-part series of podcasts focused on transparency; and reports about CBO's operations.

The titles of 29 such publications are listed below. CBO also published information on its website in various other forms. For instance, 45 presentations given by

CBO's staff, most of them drawn from published analyses, were posted on the website.

#### **INFOGRAPHICS**

*Revenues in 2017* (March)

*Discretionary Spending in 2017* (March)

*Mandatory Spending in 2017* (March)

*The Federal Budget in 2017* (March)

#### **INTERACTIVES**

*CBO's Interactive Force Structure Tool* (August)

*CBO's Waterfall Model for Projecting Discretionary Spending* (August)

*Workbook for How Changes in Economic Conditions Might Affect the Federal Budget* (June)

#### **LETTERS ANSWERING QUESTIONS FROM MEMBERS OF CONGRESS**

*Plans to Update CBO's Health Insurance Simulation Model* (November)

*Additional Follow-Up About the Budgetary Treatment of Cost-Sharing Reductions* (September)

*Reducing Primary Deficits Beginning in 2022* (September)

*CBO's Estimates of the Effects of Changes in the Manufacturers' Discount in the Part D Coverage Gap* (July)

*Follow-Up About the Budgetary Treatment of Cost-Sharing Reductions* (July)

*Period of Availability of Appropriated Funds* (July)

*The Budgetary Treatment of Cost-Sharing Reductions* (June)

*Effects of the 2017 Tax Act on Income Accruing to Foreign Investors* (April)

*Appropriation of Cost-Sharing Reduction Subsidies* (March)

#### **SLIDE DECKS**

*The Distribution of Household Income, 2015* (November)

*Public Spending on Transportation and Water Infrastructure, 1956 to 2017* (October)

*The 2018 Long-Term Budget Outlook in 25 Slides*  
(September)

*Comparing the Costs of Submarine Maintenance at Public and Private Shipyards* (September)

*An Overview of CBO's Microsimulation Tax Model* (June)

*The Budget Outlook for 2018 to 2028 in 11 Slides* (April)

*The Economic Outlook for 2018 to 2028 in 30 Slides*  
(April)

*The Health Insurance Simulation Model Used in Preparing CBO's 2018 Baseline* (February)

*Modeling the Subsidy Rate for Federal Single-Family Mortgage Insurance Programs* (January)

#### PODCASTS

*CBO's Cost Estimates* (September)

*Budget 101* (October)

*Transparency* (October)

#### REPORTS ON CBO'S OPERATIONS

*Transparency at CBO: Future Plans and Work in 2018*  
(December)

*CBO's Cost Estimates Explained* (September)

*An Update on Transparency at CBO* (August)

*The Congressional Budget Office's Work in 2017: A Report to the Congress* (January)

### Internal Operations in 2018

In 2018, CBO continued to focus on staff development and improving its information-technology capabilities. One indicator of the strength of its internal operations was the agency's recognition by the Partnership for Public Service as one of the best places to work in the federal government; it ranked third overall among 29 small agencies. That assessment was derived from survey data about the match between employees' skills and

agencies' mission, the balance between employees' work and the rest of their life, the strength of communication within the agencies, and the effectiveness of the agencies' leadership.

To ensure that staff members stay current on topics that are important to CBO's work for the Congress, the agency hosted presentations by a broad range of outside researchers and other experts, and staff members participated in numerous seminars to share information about their analyses, data, and estimating techniques. CBO also sustained its emphasis on training. Staff members participated in conferences of researchers, practitioners, and government employees on various economic and policy topics, as well as training in analytic tools and various skills. CBO continued to emphasize the need to clearly communicate the results of analyses, providing courses on writing analytic reports and training on effective presentation skills and data visualization. Finally, CBO provided staff with extensive training in soft skills and provided managers with training in engaging employees, enhancing productivity, and the value of diverse teams.

CBO's long-standing policy is to provide equal opportunity to all employees and applicants for employment in accordance with the Congressional Accountability Act (and now in accordance with the Congressional Accountability Act of 1995 Reform Act, which amended the earlier law in 2018) and all applicable laws and regulations. CBO values the diversity of its workforce, believing that attracting and retaining a diverse workforce is a crucial part of ensuring that the agency has the best possible staff and that the agency's work benefits from different perspectives and experiences. As part of that effort, CBO periodically analyzes the representation of women and minorities in its workforce. Overall, 45 percent of CBO's employees are women: 33 percent of its managers, 46 percent of its analysts (nearly all of whom have advanced degrees), and 51 percent of its other professionals, who provide technical and administrative support to the agency. Of CBO's employees, 21 percent are minorities: 9 percent of its managers, 17 percent of its analysts, and 39 percent of its other professionals. CBO is using those findings to identify and address challenges in becoming more diverse.

The Congressional Budget Office prepares this report each year to help keep the Congress informed about its work and operations. This year's edition was written by Theresa Gullo and Jeffrey Kling, with assistance from Keren Hendel and Stephanie Ruiz and with guidance from Joseph E. Evans Jr. Previous editions are available at <https://go.usa.gov/xEzvd>.

The report was reviewed by Wendy Edelberg, Mark Hadley, and Robert Sunshine. Benjamin Plotinsky edited the report, and Jorge Salazar prepared it for publication. An electronic version is available on CBO's website ([www.cbo.gov/publication/55044](http://www.cbo.gov/publication/55044)).



Keith Hall  
Director

