



CBO's Recent Publications and Work in Progress as of January 1, 2021

JANUARY 2021

To provide the Congress with a comprehensive review of its work, the Congressional Budget Office releases an annual report summarizing completed projects. The agency also publishes quarterly reports, like this one, highlighting recent work and summarizing work in progress.¹

Recent Work

Over the past three months, CBO provided a variety of budget and economic analyses, fulfilling the agency's core mission of supporting the Congress during each stage of the legislative process. The agency published 142 cost estimates for legislation that had been reported by a committee or that was the subject of a motion to be placed on the consensus calendar. (In all of 2020, CBO published a total of 546 cost estimates.)

During the last several weeks of 2020, CBO was focused intensely on providing analysis of legislative proposals as the Congress was considering legislation to provide annual appropriations and pandemic-related relief, among other things. (A comprehensive cost estimate for the Consolidated Appropriations Act, 2021 [Public Law 116-260], will be released soon.) In addition, since its last quarterly report on work in progress, CBO has released 18 reports, working papers, testimonies, and interactive tools; they satisfied statutory requirements, fulfilled Congressional requests, or provided economic and budgetary analysis or technical information (see Table 1 on page 5).

Some of those publications provided analysis of the budgetary situation. Each month, CBO issued its *Monthly Budget Review*, an analysis of federal spending and revenues for the previous month and the fiscal year to date. CBO also published an [interactive workbook that showed how different projections of revenues and outlays would alter net interest costs, deficits, and debt](#). In addition, as it does regularly, CBO produced a [reference volume examining options for reducing budget deficits](#).

In response to Congressional requests, CBO published an [examination of the growth of outstanding federal student loan debt from 1995 to 2017](#) and an [analysis of Vietnam veterans' income in retirement](#). CBO also provided a [report describing net interest costs in the federal budget](#) and an [examination of trends in entrepreneurship](#). As required by statute, CBO published a report on the cost of building a new Navy frigate.

1. For CBO's most recent annual report, see Congressional Budget Office, *The Congressional Budget Office's Work in 2019: A Report to the Congress* (March 2020), www.cbo.gov/publication/56237. For CBO's most recent quarterly report, see Congressional Budget Office, *CBO's Recent Publications and Work in Progress as of October 6, 2020* (October 2020), www.cbo.gov/publication/56652.

CBO also presented its work directly to the Congress, delivering testimony before a subcommittee of the Senate Finance Committee on the agency's long-term budget projections and publishing answers to questions for the record from earlier testimony before the Senate Budget Committee.

CBO explained its analytic methods in several publications. The agency provided a technical description of its methods for analyzing the budgetary costs of proposals for single-payer health care systems that are based on the Medicare fee-for-service program, as well as an explanation of how it analyzes the effects of spending triggers. Another publication explained the methods CBO used to estimate the effects of pandemic-related legislation on output. In addition, CBO reviewed the reasons for the historical decline in real interest rates and the implications for CBO's projections of interest rates.

And the agency published reports to review its own work. One report compared CBO's estimate of spending from the Department of Defense's Medicare-Eligible Retiree Health Care Fund with actual expenditures, and another assessed the accuracy of the agency's budget projections for the recently completed fiscal year.

Work in Progress

As of January 1, CBO was working on 39 analytic products that it expected to complete in the coming months.²

Of those 39 products, 6 are statutorily required:

- *The Budget and Economic Outlook: 2021 to 2031;*
- *Costs of Implementing Recommendations of the 2019 Missile Defense Review;*
- *Final Sequestration Report for Fiscal Year 2021;*
- *Expired and Expiring Authorizations of Appropriations: Fiscal Year 2020;*
- *Report on the Troubled Asset Relief Program;* and
- *Projected Costs of U.S. Nuclear Forces, 2021 to 2030.*

Three other products that were under way as of January 1 are editions of reports that CBO produces on a regular basis to provide budgetary or economic information:

- *Monthly Budget Review for January 2021;*
- *Legislation Enacted in the Second Session of the 116th Congress That Affects Mandatory Spending or Revenues;* and
- *Budgetary Outcomes Under Alternative Assumptions About Fiscal Policy.*

Among the others that were under way, some will provide information about CBO's analyses of labor markets and taxation of earnings:

- A description of the methods CBO uses to estimate the size and work experience of the foreign-born population in the United States;
- An assessment of the effect of changes in the distribution of earnings on the federal budget;
- A technical description of a model CBO uses to project the effects of policies on labor supply choices; and

2. That total includes only reports that are expected to be completed soon and that are not currently confidential.

- An analysis of the extent to which changes in payroll taxes are passed through to employees' wages.

Some will provide information about CBO's other microeconomic and tax analyses:

- An analysis of the amount of fiscal substitution that occurs in response to federal grants for capital spending on highways;
- An overview of the channels through which climate change and climate-change policy affect the federal budget;
- An analysis of the distributional effects of carbon taxes;
- A technical description of the methods CBO uses to project the effects of policies on pharmaceutical innovation;
- A technical description of the methods CBO used to model drug price negotiations under the Elijah E. Cummings Lower Drug Costs Now Act;
- A description of how CBO models effective tax rates on capital income; and
- An explanation of why CBO applies a revenue offset to estimates of changes in excise taxes and certain other taxes.

Some will provide information about CBO's macroeconomic analyses:

- A description of the structure and applications of the policy growth model CBO uses to estimate the economic effects of different policies or economic shocks;
- An analysis of the economic and distributional effects of ways to finance major government programs;
- Complementing that work, an assessment of the macroeconomic effects of illustrative single-payer health care systems;
- An examination of how consumers and businesses form expectations of inflation;
- A technical description of a model CBO uses to inform its projections of the unemployment rate and the implications for business cycles;
- An analysis of the causes and consequences of fiscal crises;
- A description of net international investment and income; and
- An examination of the economic effects of waiting to resolve long-term budgetary imbalance.

Others will explain or support the analytic methods used for CBO's financial analyses and budgetary estimates or provide background information:

- An explanation of CBO's forecast of the Federal Reserve's balance sheet, its direct and indirect implications for the federal budget, and its connection to CBO's forecast of Federal Reserve policies;
- An explanation of how CBO analyzes uncertainty surrounding baseline projections in *The Long-Term Budget Outlook*;
- An explanation of some of the most commonly used terms in CBO's budget analyses;
- An explanation of key scorekeeping guidelines and how CBO has used them to provide cost estimates for recent legislation; and

- A description of conceptual and practical issues in calculating fair-value estimates of federal credit programs.

Finally, requested products in progress as of January 1 include the following:

- An analysis of the distribution of certain tax expenditures;
- A report describing how the prices of brand-name prescription drugs are determined in different federal programs and comparing those prices among programs;
- An analysis of the effects of work requirements and programs that support work in means-tested transfer programs;
- An analysis of increasing the federal minimum wage that incorporates macroeconomic changes;
- A description of the guaranteed home loan program run by the Department of Veterans Affairs, including its effect on the federal budget; and
- An analysis of the costs of developing, purchasing, and operating cruise missile defense systems.

CBO makes known occasions when, in its work on requested analytic reports, the requester has made his or her request public or has permitted CBO to make the work public. Making those occasions known sometimes helps the agency gain outside feedback more effectively. Plans to publish other analytic reports are currently confidential. However, when the publication of an analytic report draws near, CBO announces it, regardless of whether the plans were public or confidential up to that point.³ Upon completion, all reports are available to the public on CBO's website.

The Congressional Budget Office prepares this report each quarter to help keep the Congress informed about the agency's work. Sheila Campbell coordinated this edition, with contributions from many people at CBO. Jeffrey Kling reviewed the report, and Benjamin Plotinsky was the editor.

The report is available on CBO's website (www.cbo.gov/publication/56948). CBO seeks feedback to make its work as useful as possible. Please send any comments to communications@cbo.gov.



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3. See Congressional Budget Office, "Upcoming Releases," www.cbo.gov/about/press-center.

Table 1.**Reports, Working Papers, Testimonies, and Interactive Tools Published by CBO From October 6, 2020, Through December 31, 2020**

Publication	Date
Federal Policies in Response to Declining Entrepreneurship	December 29, 2020
The Historical Decline in Real Interest Rates and Its Implications for CBO's Projections	December 21, 2020
Answers to Questions for the Record Following a Hearing Conducted by the Senate Committee on the Budget on CBO's Budget Projections	December 18, 2020
Federal Net Interest Costs: A Primer	December 15, 2020
The Accuracy of CBO's Budget Projections for Fiscal Year 2020	December 14, 2020
How CBO Analyzes the Costs of Proposals for Single-Payer Health Care Systems That Are Based on Medicare's Fee-for-Service Program	December 10, 2020
Options for Reducing the Deficit: 2021 to 2030	December 9, 2020
Monthly Budget Review for November 2020	December 8, 2020
The Volume and Repayment of Federal Student Loans: 1995 to 2017	November 10, 2020
Monthly Budget Review: Summary for Fiscal Year 2020	November 9, 2020
Estimating the Cost of One-Sided Bets: How CBO Analyzes the Effects of Spending Triggers	October 30, 2020
Vietnam Veterans' Income in Retirement	October 22, 2020
How Changes in Revenues and Outlays Would Affect Debt Service, Deficits, and Debt	October 16, 2020
Key Methods That CBO Used to Estimate the Effects of Pandemic-Related Legislation on Output	October 16, 2020
A Review of CBO's Estimate of Spending From the Department of Defense's Medicare-Eligible Retiree Health Care Fund	October 15, 2020
The Cost of the Navy's New Frigate	October 13, 2020
Monthly Budget Review for September 2020	October 8, 2020
Testimony: The 2020 Long-Term Budget Outlook	October 7, 2020

Data source: Congressional Budget Office.