



**ANSWERS TO QUESTIONS
FOR THE RECORD**

Following a Hearing on
**CBO's Appropriation Request
for Fiscal Year 2022**

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

On March 2, 2021, the Subcommittee on the Legislative Branch of the House Committee on Appropriations convened a hearing at which Phillip L. Swagel, the Congressional Budget Office's Director, testified about the agency's appropriation request for fiscal year 2022.¹ After the hearing, Chairman Ryan submitted questions for the record. This document provides CBO's answers. It is available at www.cbo.gov/publication/57151.

Chairman Ryan's Questions About CBO's Work on Pandemic-Related Legislation

Question. Since March of 2020, in response to the ongoing COVID-19 pandemic, the Congress passed some of the largest spending bills in history. These bills have been prominent pieces of legislation, widely reported on, and a primary subject of Congressional attention. As of March 11, 2021, the Congress had enacted six major bills in response to the pandemic and had considered many more in each chamber.

What information has CBO provided to the Congress to inform the chambers' consideration of COVID-19 legislation, and when has the information been provided relative to the legislation's consideration?

Answer. CBO has focused intensely on supporting the legislative process of the Congress as it has responded to the 2020-2021 coronavirus pandemic. Most recently, for H.R. 1319, the American Rescue Plan Act of 2021 (Public Law 117-2), CBO provided assistance and estimates at every stage of the legislative process—with the goal of providing information when it was most useful to the Congress. Specifically, the agency provided the following:

- Technical assistance, including preliminary estimates, to various House and Senate committee staff as they developed legislative proposals, so that the committees would have the necessary information to prepare reconciliation recommendations;
- Formal cost estimates in advance of the House Budget Committee's markup of the American Rescue

Plan Act of 2021 on February 22, 2021, for eight bills providing reconciliation recommendations that had been ordered reported by various committees;²

- A table summarizing the budgetary effects of the bill on February 20, 2021, before it was considered by the House Rules Committee on February 26, 2021;³
- Additional summary tables at other stages of the legislative process in the House and Senate;⁴
- Preliminary estimates for each title of the legislation considered in the Senate, and feedback on hundreds of amendments before their consideration on the Senate floor; and
- A table summarizing the budgetary effects of the bill, as passed by the Senate, on March 10, 2021, before the House voted on final passage of the bill on the same day.⁵

2. See Congressional Budget Office, cost estimate for reconciliation recommendations of the House Committee on Education and Labor (February 15, 2021), www.cbo.gov/publication/57006; cost estimate for reconciliation recommendations of the House Committee on Ways and Means (February 15, 2021), www.cbo.gov/publication/57005; cost estimate for reconciliation recommendations of the House Committee on Oversight and Reform (February 15, 2021), www.cbo.gov/publication/57004; cost estimate for reconciliation recommendations of the House Committee on Financial Services (February 13, 2021), www.cbo.gov/publication/57001; cost estimate for reconciliation recommendations of the House Committee on Agriculture (February 13, 2021), www.cbo.gov/publication/57000; cost estimate for reconciliation recommendations of the House Committee on Transportation and Infrastructure (February 12, 2021), www.cbo.gov/publication/56999; cost estimate for reconciliation recommendations of the House Committee on Small Business (February 12, 2021), www.cbo.gov/publication/56998; and cost estimate for reconciliation recommendations of the House Committee on Veterans' Affairs (February 12, 2021), www.cbo.gov/publication/56992.

3. See Congressional Budget Office, "Estimated Budget Effects of the American Rescue Plan Act of 2021" (February 20, 2021), www.cbo.gov/publication/57012. CBO did not have time to complete an estimate of the total costs of the bill between the time final legislative language was available to the agency and the time the House voted on the legislation.

4. See Congressional Budget Office, "Estimated Budgetary Effects of the Amendment in the Nature of a Substitute to the American Rescue Plan Act of 2021 (KIN21174)" (March 4, 2021), www.cbo.gov/publication/57045; and "Estimated Budget Effects of H.R. 1319, the American Rescue Plan Act of 2021" (March 3, 2021), www.cbo.gov/publication/57037.

5. See Congressional Budget Office, "Estimated Budgetary Effects of H.R. 1319, American Rescue Plan Act of 2021" (March 10, 2021), www.cbo.gov/publication/57056.

1. See Testimony of Phillip L. Swagel, Director, Congressional Budget Office, before the Subcommittee on the Legislative Branch of the House Committee on Appropriations, *CBO's Appropriation Request for Fiscal Year 2022* (March 2, 2021), www.cbo.gov/publication/56995.

CBO prepared estimates of the budgetary effects of the major pandemic-related legislation enacted in 2020, but because of the magnitude and complexity of the legislation and the rapid pace at which the bills were developed and considered, CBO usually did not have enough time to complete estimates of the total costs between the time final legislative language was available to the agency and the time the Congress voted on the legislation. Nevertheless, CBO provided extensive technical assistance—a critical part of helping the Congress draft large legislative packages. All told, the agency responded to several thousand requests for technical assistance in 2020—including providing preliminary estimates of the effects of specific provisions and answering questions about various potential effects—and much of that assistance was provided for pandemic-related legislation. For example, CBO provided feedback on hundreds of versions of proposals to significantly expand eligibility for unemployment compensation benefits and to provide funding to guarantee loans to small businesses and other eligible entities, among many other provisions.

The completed estimates were as follows:

- The cost estimate for H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, was published on March 4, 2020, for the legislation enacted on March 6, 2020.⁶
- CBO provided extensive technical assistance to the Congress as it considered H.R. 6201, the Families First Coronavirus Response Act (enacted on March 18), and H.R. 748, the CARES Act (enacted on March 27); CBO published an estimate for H.R. 6201 on April 2 and an estimate for H.R. 748 on April 16.⁷
- H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act, passed the Senate on April 21; CBO provided an estimate on April 22.⁸

6. See Congressional Budget Office, cost estimate for H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (March 4, 2020), www.cbo.gov/publication/56227.

7. See Congressional Budget Office, cost estimate for H.R. 6201, the Families First Coronavirus Response Act (April 2, 2020), www.cbo.gov/publication/56316; and cost estimate for H.R. 748, the CARES Act, Public Law 116-136 (April 16, 2020), www.cbo.gov/publication/56334.

8. See Congressional Budget Office, cost estimate for H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act (April 22, 2020), www.cbo.gov/publication/56338.

- CBO published an estimate on June 1 for H.R. 6800, the HEROES Act. The House voted on the legislation on May 15.⁹
- For H.R. 133, the Consolidated Appropriations Act, 2021, CBO published a table for the appropriations divisions (A through L) before passage on December 21; estimates for other parts of the bill were provided later.¹⁰

Question. Since the first COVID-19 legislation was considered in February of last year, what adjustments has CBO made to respond to Congress's pace of consideration, and need for analysis, of COVID-19 legislation?

Answer. The agency published updates of its budget and economic projections more frequently than usual so that it could provide the Congress timely information in the midst of rapidly changing events. Specifically, after publishing baseline projections in January and March, as it usually does, CBO released updated economic projections in April that reflected the severe consequences of the pandemic. Those projections also included preliminary estimates of the near-term budget outlook. Then CBO updated its economic projections again in May. Finally, in the summer, the agency published a full set of budget and economic projections, keeping to its regular schedule. To inform its cost estimates and economic forecasts, CBO established a cross-agency working group devoted to understanding the path of the pandemic and consulted members of its Panel of Economic Advisers on its effects.

To produce the frequent economic updates and to provide cost estimates to support the rapid pace of legislative activity, many members of CBO's staff worked extraordinary hours. CBO quickly shifted to a remote work environment so that its staff could continue providing the Congress with analysis despite the pandemic. The agency streamlined some of its processes to do so, for example by changing to an entirely paperless process for publishing cost estimates. Moreover, CBO implemented

9. See Congressional Budget Office, cost estimate for H.R. 6800, the HEROES Act (June 1, 2020), www.cbo.gov/publication/56383.

10. See Congressional Budget Office, cost estimate for divisions A through L of the House amendment to the Senate amendment to H.R. 133, the Consolidated Appropriations Act, 2021 (Rules Committee Print 116-68) (December 21, 2020), www.cbo.gov/publication/56913.

numerous improvements to its information technology infrastructure and practices. Among other advances, the agency took the following steps:

- Moved CBO's most intensive computing operations to the cloud, making them faster;
- Enhanced its ability to access data remotely; and
- Enabled employees to use Microsoft 365 applications with heightened security.

Question. How will CBO's fiscal year 2022 request improve the agency's ability to provide more of the agency's information in time for Congressional consideration?

Answer. CBO's request would enable the agency to be even more responsive to the Congress's needs. Most of the proposed increase is for personnel costs, much of which would go toward covering the full-year costs of this year's staffing increase along with allowing CBO to hire four new staff members in 2022 to provide more analysis of infrastructure, energy, and climate change issues—areas in which CBO expects heightened legislative activity.

With an increase in the agency's expertise and modeling capability in those areas, analysts could more readily provide preliminary estimates as committees developed legislative proposals and prepared detailed formal cost estimates ahead of floor consideration. With the larger staff, CBO would also have a number of people with overlapping skills within and across teams to handle surges in demand for analysis of a particular topic or when additional assistance was needed for a complicated estimate. In some cases, those skills would consist of expertise related to particular topics, and in other cases, they would be more technical, such as the ability to design and improve simulation models.

Chairman Ryan's Questions About the Prioritization of CBO's Work

Question. A lot of legislation debated by the Congress has been considered outside of the formal committee markup process or has undergone substantial revision in the form of floor amendments before adoption. This demands a much more rapid pace of legislative analysis to inform budgetary evaluation.

How has CBO balanced the competing goals of providing information quickly, versus including robust, contextualized, and easily digestible information?

Answer. CBO balances those competing goals by aiming to provide information when it is most useful to the Congress. Whenever it is practicable, CBO completes detailed cost estimates before legislation comes to a floor vote. But when time is limited, cost estimates may consist only of tables that list the projected effects on direct spending, revenues, and the deficit. In those cases, CBO prioritizes providing just the budgetary effects, with little accompanying explanation, so that the Budget Committees can carry out their responsibilities and the Congress is informed of a bill's effects before a floor vote. As always, members of CBO's staff are available to Members and Congressional staff who have questions.

Documenting and fully explaining its analysis remains an important goal, however. CBO's most recent economic projections are an example of an effort to both provide information quickly *and* explain it thoroughly. To support the Congress in its deliberations about steps to sustain the economy, CBO published its new economic forecast on February 1, 2021, in the form of a short report consisting mostly of tables.¹¹ About three weeks later, CBO followed up with a lengthier, more detailed description and explanation of that forecast.¹² Similarly, CBO released a short report summarizing its new budget projections on February 11, followed by additional information published on March 5.¹³

In some instances, CBO provides information about its analysis and models in working papers and other publications. If CBO does not have time to produce accompanying explanation for a cost estimate, such publications may provide context for the agency's analysis. For example, when CBO began using its new health insurance simulation model in 2019, it provided detail about how the new model operates in working papers and slide decks.

11. See Congressional Budget Office, *An Overview of the Economic Outlook: 2021 to 2031* (February 2021), www.cbo.gov/publication/56965.

12. See Congressional Budget Office, *Additional Information About the Economic Outlook: 2021 to 2031* (February 2021), www.cbo.gov/publication/56989.

13. See Congressional Budget Office, *The Budget and Economic Outlook: 2021 to 2031* (February 2021), www.cbo.gov/publication/56970, and *Additional Information About the Budget Outlook: 2021 to 2031* (March 2021), www.cbo.gov/publication/56996.

Question. In the report accompanying CBO's 2021 appropriation, the Committee emphasized the importance of CBO prioritizing its assistance to those committees whose work is most closely related to the budget process—specifically, Budget, Appropriations, Ways and Means, and Finance—as was contemplated in the Congressional Budget Act of 1974. How is CBO working to prioritize its responsiveness to those Congressional Committees?

Answer. CBO takes its responsibilities under the Budget Act seriously and has always sought to provide the highest level of service to those committees. Specifically:

- The Scorekeeping Unit in the Budget Analysis Division is in regular contact with the Appropriations Committees' staff to ensure that the agency knows what estimates they need and when they need them; CBO provides numerous estimates, usually on a rapid-turnaround basis, for appropriation bills at various points in the legislative process.
- CBO's staff is in frequent contact with the Budget Committees' staff to ensure that the agency has a clear understanding of their needs and priorities, and to keep them informed about CBO's progress in meeting those needs. Much of CBO's work is devoted to providing the Budget Committees with the information they need, in a timely fashion, to develop budget policies and enforce budget rules.
- As with the Appropriations and Budget Committees, members of CBO's staff work hand in hand with the Ways and Means and Finance Committees, providing extensive feedback on legislative proposals and helping committee staff to understand the probable budgetary effects of those proposals.

For example, as the Congress considered the American Rescue Plan Act of 2021, CBO prioritized work for those committees in the following ways:

- By providing information to help the Budget Committees draft their budget resolutions and reconciliation instructions;
- By preparing eight formal cost estimates—as required by the Budget Act—for the committee bills providing reconciliation recommendations in advance of the House Budget Committee's markup;
- By responding to hundreds of requests from the Ways and Means and Finance Committees for

preliminary estimates as the committees developed their proposals related to health care, unemployment insurance, pensions, and other issues, so that the staff of those committees would be able to prepare reconciliation recommendations;

- By providing summary tables showing the budgetary effects of authorizing committees' reconciliation proposals to help the Budget Committees know whether the authorizing committees were within the allocations specified in the reconciliation instructions; and
- By providing provision-by-provision tables to support the Budget, Appropriations, Ways and Means, and Finance Committees.

Looking ahead, CBO expects to prioritize work for those committees in the following ways:

- By producing about 100 scorekeeping reports and estimates this year, including 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. CBO will aim to be particularly responsive to specific questions from Appropriations Committee staff, providing feedback when it is most helpful;
- By providing roughly 700 formal cost estimates to support the Budget Committees in their budget enforcement duties;
- By updating its baseline budget and economic projections; and
- By providing technical assistance and, when appropriate, formal cost estimates for bills considered by the Ways and Means and Finance Committees.

Question. How will the agency's budget request for fiscal year 2022 help the agency fulfill this direction?

Answer. CBO's request aims to enhance the agency's responsiveness to the Congress's needs in the face of strong interest from those committees, Congressional leadership, and other Members. That interest in CBO's estimates, analysis, and technical assistance is straining the agency's resources in many areas. As noted in the response to the previous question, CBO's output for the

Budget, Appropriations, Ways and Means, and Finance Committees will be extensive, and timely responses, as always, will be important. With added staff, CBO would have a number of people with overlapping skills to handle surges in demand for analysis of a particular topic, such as health care, or when additional assistance was needed for a complicated estimate. The increase

would also allow CBO to hire four new staff members to support analysis of infrastructure, energy, and climate change issues. With an increase in the agency's expertise and modeling capability in those areas, analysts would be able to more readily answer questions about budgetary effects and to prepare detailed formal cost estimates before floor consideration.