Highlights of CBO’s Recent Transparency Efforts

The Library of Congress’s 2022 Congress.gov Public Forum

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For more information about the meeting, see www.congress.gov/help/public-forums.
CBO’s Role

- In 1974, CBO was established to give the Congress a stronger role in budget matters.

- The agency provides analysis of budgetary and economic issues that is objective and impartial. It is strictly nonpartisan and does not make policy recommendations.

- CBO follows processes that are specified in statute or that it has developed in concert with the budget committees and Congressional leadership. CBO’s chief responsibility under the Budget Act is to help the budget committees with the matters under their jurisdiction.
CBO prepares, and periodically updates, a 10-year budget baseline that serves as a benchmark for measuring the effects of proposed legislation. The baseline incorporates the assumption that current laws governing spending and revenues generally remain unchanged, and it relies on CBO's forecasts of key economic factors.

### Table 1-1.

<table>
<thead>
<tr>
<th>CBO's Baseline Budget Projections, by Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual, 2021</td>
</tr>
<tr>
<td>Revenues</td>
<td>In Billions of Dollars</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>1.314</td>
</tr>
<tr>
<td>Corporate income taxes</td>
<td>0.372</td>
</tr>
<tr>
<td>Other</td>
<td>0.317</td>
</tr>
<tr>
<td>Off-budget&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.952</td>
</tr>
<tr>
<td>Outlays</td>
<td></td>
</tr>
<tr>
<td>Discretionary</td>
<td>1.636</td>
</tr>
<tr>
<td>Net Interest</td>
<td>0.352</td>
</tr>
<tr>
<td>Off-budget&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1.004</td>
</tr>
<tr>
<td>Total Deficit</td>
<td>-2.775</td>
</tr>
<tr>
<td>On-budget</td>
<td>-2.724</td>
</tr>
<tr>
<td>Off-budget&lt;sup&gt;a&lt;/sup&gt;</td>
<td>-0.02</td>
</tr>
<tr>
<td>Primary Deficit&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-2.423</td>
</tr>
<tr>
<td>Debt Held by the Public</td>
<td>22,284</td>
</tr>
</tbody>
</table>

<sup>a</sup> Adjusted for general price level changes.

<sup>b</sup> Includes net interest on the public debt.
CBO Prepares Estimates of the Effects of Legislative Proposals

CBO is required to produce a formal cost estimate for nearly every bill approved by a full committee. The agency usually produces 600 to 800 cost estimates each year.

Those estimates include the impact of federal mandates on state, local, and tribal governments.

CBO also fulfills thousands of requests for technical assistance as lawmakers draft legislation.

Furthermore, CBO tracks appropriation actions.
Transparency at CBO

Transparency is a top priority for CBO, and the agency continues to bolster its efforts to be transparent.

CBO has three specific goals for transparency:

- To promote a thorough understanding of the agency’s analyses through accessible, clear, and detailed communication;
- To help people gauge how estimates might change if policies or circumstances differed; and
- To enhance the credibility of the agency’s analyses and processes by showing that they are grounded in data and high-quality professional research and are informed by a range of expert advice.

CBO released its most recent annual report about transparency on March 9, 2022.
Importance of CBO’s Website

CBO aims to make its website as robust as possible because of the site’s importance in providing broad access to the agency’s work. CBO is committed to maintaining easy and equitable access to the information and analyses it provides and to ensuring that its work is promptly available to the Congress and the public.

- CBO has upgraded the open-source content management system that powers its website, as well as the open-source search platform that it uses, to the latest versions. Those upgrades provide a stronger foundation for future innovations.

- CBO has made cost estimates easier to find and search through the development of predictable URLs and additional search filters, and it is providing basic information about estimates in XML. CBO is working on providing more advanced search options.
CBO has begun publishing tables that include estimates for legislation expected to be considered in the House of Representatives under suspension of the rules (a process by which the House can pass a bill in an expedited manner). Those tables provide the bill’s number and title, a summary of the effects on mandatory spending and revenues, and links to the bill’s text and a published estimate, if available.

CBO has created a section that compiles all estimates and supplemental materials related to the budget reconciliation process.
New to CBO’s Website (Continued)

- CBO created a new page making its distributional analyses accessible in one place. Understanding how different outcomes for different groups of people may be linked to policies and their implementation is a high priority for CBO, and CBO is enhancing its capabilities to do such analyses.

- CBO released an enhanced interactive tool for analyzing the military’s forces and resources.
New to CBO’s Website (Continued)

- CBO created an updated interactive workbook for investigating how changes in economic conditions could affect the agency’s most recent projections published in the *Budget and Economic Outlook: 2022 to 2032*.

- CBO created an updated interactive workbook that allows users to see how revenues and outlays that differed from CBO’s most recent baseline projections would increase or decrease net interest costs and thus affect deficits and debt.


**How Changes in Revenues and Outlays Would Affect Debt Service, Deficits, and Debt**

**Contents**

1. Interactive Table: How Changes in Revenues and Outlays Would Affect Debt Service, Deficits, and Debt
2. Interest Rates on 3-Month Treasury Bills and 10-Year Treasury Notes in CBO’s May 2022 Economic Forecast

**About This Workbook**

The interactive debt-service table in this workbook is similar to the model that the Congressional Budget Office uses to develop baseline projections of net interest. The worksheet allows users to see how revenues and outlays that differed from those in CBO’s May 2022 baseline budget projections (www.cbo.gov/publication/57950) would increase or decrease net interest costs and thus affect deficits and debt. That change in net outlays for interest is often referred to as debt service. (A glossary of common economic and budgetary terms is available on CBO’s website at www.cbo.gov/publication/42604.)

The worksheet is designed to generate results that approximate those that CBO would produce when using its methods for projecting debt-service costs to incorporate changes to revenues or outlays in its baseline projections. The results generated by
Code and Model Releases

In August 2022, CBO released an updated interactive tool, including computer code, showing how increases in the federal minimum wage could affect employment and family income.

In August 2022, CBO released an updated interactive waterfall model for projecting discretionary spending. It is a simplified version of a model used by CBO to develop baseline projections of discretionary spending, as well as cost estimates for legislation that would authorize discretionary spending.
In February 2022, CBO published an analysis of how it models effective tax rates on capital income. The agency also released the related data, code, and documentation for its model, called CapTax (written in Python), on GitHub. That supplemental information has since been updated, in May 2022.
Future Plans

CBO is creating a new entry page on its website for cost estimates. The new page will make information about cost estimates easier to find by consolidating it.

CBO is working on improvements to the search function for cost estimates on its website.

CBO is working on the online version of policy options (called Options for Reducing the Deficit) that it periodically issues. The new volume of policy options will be published in the coming months.

CBO will continue to publish reports in HTML format to make them more accessible.

More details about forthcoming analyses and data releases are included in CBO’s annual report about transparency.
For More Information

- “How Increasing the Federal Minimum Wage Could Affect Employment and Family Income” (August 2022) and related code
- “CBO’s Waterfall Model for Projecting Discretionary Spending” (August 2022)
- “CBO’s Interactive Force Structure Tool” (May 2022)
- Transparency at CBO: Future Plans and a Review of 2021 (March 2022)
- CBO’s Model for Estimating the Effect That Federal Taxes Have on Capital Income From New Investment (February 2022) and related code

- “Distributional Analysis” and “Reconciliation” on CBO’s website
- “Interactives,” a continually updated list, including the updated workbooks
- “Transparency,” a continually updated list of CBO’s transparency activities
We welcome your questions and feedback.

Please contact us at communications@cbo.gov.