



TESTIMONY

The Congressional Budget Office's Request for Appropriations for Fiscal Year 2026

**Phillip L. Swagel
Director**

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

APRIL 9 | 2025

Chairman Valadao, Ranking Member Espaillat, and Members of the Subcommittee, thank you for the opportunity to present the Congressional Budget Office's budget request.¹ CBO requests appropriations of \$75.8 million for fiscal year 2026 (see Figure 1). Most of that amount—86.6 percent—would be for pay and benefits; 9.8 percent would be for information technology (IT); and 3.6 percent would be for training, expert consultant services, office supplies, and other items. The requested amount is an increase of \$5.8 million, or 8.2 percent, above the funding provided for this year.

Of the increase, 52 percent would primarily cover increases in current employees' salaries and benefits and would enable CBO to expand its staff in key areas of Congressional interest. The remaining 48 percent would address increased costs to enhance the agency's cybersecurity and IT infrastructure; such improvements are critical to protecting sensitive data and improving the agency's computing power for analyzing complex data sets. CBO is prioritizing advancements in a security strategy called zero trust architecture, which requires verification before allowing access to any user or device.

The requested budget is based on continued strong interest in CBO's work from the Congressional leadership, committees, and Members. In 2024, CBO published about 1,100 cost estimates for legislation and devoted significant resources to analyzing the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (Public Law 118-159); the Consolidated Appropriations Act, 2024 (P.L. 118-42); the Further Consolidated Appropriations Act, 2024 (P.L. 118-47); and H.R. 8467, the Farm, Food, and National Security Act of 2024. For those bills and many others, the agency also fulfilled thousands of requests for technical assistance. In addition, CBO prepared dozens of reports, many at the request of Chairs or Ranking Members of Congressional committees.

CBO will provide many estimates and a large amount of technical assistance to the 119th Congress as lawmakers consider significant legislative initiatives. With additional resources, the agency could provide even more. Under the funding provided for this year, CBO will maintain its staffing at about 270 employees and focus on the highest priority current needs, including preparing cost

estimates, providing technical assistance as the Congress crafts legislation, and analyzing the economic and dynamic budgetary effects of proposed policies. CBO will reduce expenditures elsewhere, by deferring hiring for some positions and deferring some activities, including not undertaking some longer-term improvements in its IT infrastructure.

The fiscal year 2026 request would allow CBO to grow to 285 employees. That number would allow the agency to better meet its responsibilities under the Congressional Budget Act. The request also would allow for IT enhancements, including some currently on hold.

Of the 15 additional staff members CBO would hire in 2026:

- 9 would improve CBO's capabilities to provide timely analysis of changes to health care programs, border security, credit programs (like student loans), and the U.S. population (particularly because of changes in immigration) and of dynamic policy effects (that is, determining how changes in fiscal policies would affect the economy and how those economic changes would, in turn, affect the federal budget);
- 2 would enhance CBO's responsiveness in producing cost estimates and providing technical assistance in the legislative process;
- 1 would be an addition to the agency's editing staff to enhance the readability and accessibility of CBO's materials;
- 1 would provide increased legal assistance;
- 1 would enhance CBO's IT security; and
- 1 would boost outreach to Congressional staff and the press.

CBO plans to use expert consultants more than it has in the past—enabling the agency to shift to the Congress's key areas of focus more easily and to be more nimble in conducting facility management, work in IT, and financial management.

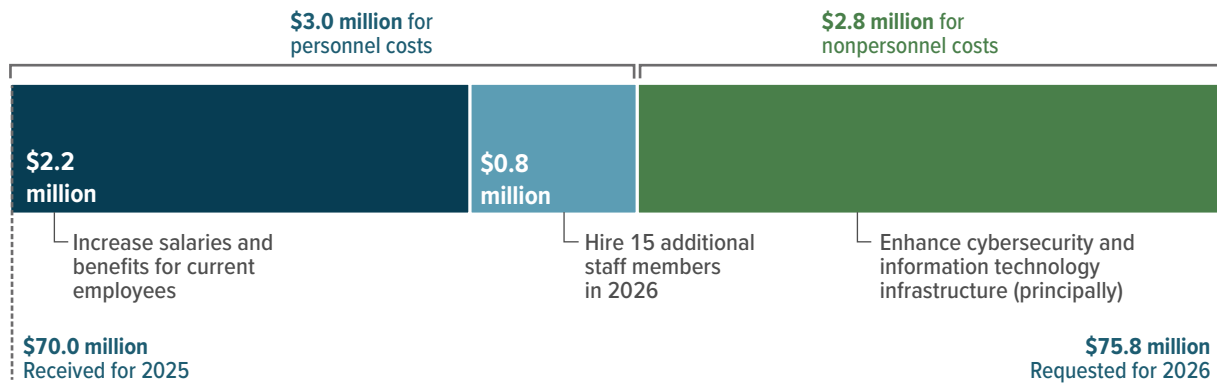
CBO's Budget Request and Its Consequences for Staffing and Output

In fiscal year 2026, CBO will continue its mission of providing objective, insightful, clearly presented, and timely budgetary and economic information to the

1. See Congressional Budget Office, *The Congressional Budget Office's Request for Appropriations for Fiscal Year 2026* (April 2025), www.cbo.gov/publication/61161.

Figure 1.

Components of CBO's Requested \$5.8 Million Increase



Data source: Congressional Budget Office.

Congress. The \$75.8 million requested would be used mostly for salaries and benefits.

Funding Request for Personnel Costs and Consequences for Staffing

CBO requests \$65.6 million for salaries and benefits to support 285 employees by the end of fiscal year 2026, which equates to 278 full-time-equivalent positions for the year. That amount represents an increase in personnel costs of \$3.0 million, or 4.7 percent, from the \$62.6 million devoted to such costs in fiscal year 2025.

Of the total requested amount:

- \$47.4 million would cover salaries—an increase of \$2.3 million, or 5.2 percent, from the amount provided in 2025. That increase would primarily fund inflation adjustments and performance-based salary increases for current staff in 2026. Employees earning less than \$100,000 would receive an across-the-board increase of 3.8 percent, whereas employees earning \$100,000 or more (for whom more of their compensation is based on performance) would receive a 1.8 percent increase. The requested increase would also fund the hiring of 15 new staff members in 2026.
- \$18.2 million would fund benefits—an increase of \$0.6 million, or 3.6 percent, from the amount provided in 2025. The requested increase would cover growth in the cost of federal benefits and would fund benefits for the 15 new staff members in 2026.

All told, salaries and benefits for current employees would rise by \$2.2 million, and the costs of salaries and

benefits for the 15 additional employees would total \$0.8 million.

Funding Request for Nonpersonnel Costs

CBO requests \$10.1 million for nonpersonnel costs. That request is an increase of \$2.8 million, or 37.8 percent, from the amount provided in 2025. The requested nonpersonnel funds would cover IT operations—such as cybersecurity, software and hardware maintenance, software development, communications, and purchases of commercial data and equipment—and would pay for training, expert consultant services, office supplies, travel, interagency agreements, facilities support, editorial support, financial management operations (including auditing of the agency’s financial statements), subscriptions to library services, and other items.

The requested increase would, among other things, allow CBO to improve its ability to detect, assess, and recover from cyberattacks and to expand its cloud infrastructure. Much of the agency’s spending on cybersecurity is the cost of maintaining access to data that are essential to CBO’s analyses.

Consequences for Output

The requested funding would allow CBO to produce more analysis for the Congress, including analysis in areas in which the agency anticipates additional legislative activity and oversight (see Table 1). It would also allow CBO to provide more technical assistance to committees and Members when they are crafting legislation and faster turnarounds when demand surges. In addition to providing major analytic products and assistance,



Table 1.

Products by the Congressional Budget Office, Calendar Years 2024 to 2026

Type of product	2024, actual	2025, estimate	2026, estimate
Fulfilled Requests for Technical Assistance. Such requests typically come from committees and Members of Congress seeking a clear picture of the budgetary effects of proposals before they introduce or formally consider legislation.	Thousands	Thousands	Thousands
Cost Estimates for Authorizing Bills. CBO is required by law to produce a cost estimate for nearly every bill that is approved by a full committee of either the House or the Senate. The agency also publishes cost estimates at other stages of the legislative process if requested to do so by a relevant committee or by the Congressional leadership. In addition, CBO reviews bills scheduled to be considered under suspension of rules in the House.	1,079	900	900
Cost Estimates for Appropriation Bills. Those tabulations include 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.	100	100	100
Reports, Working Papers, Testimonies, Slide Decks, Interactive Tools, and Infographics. CBO's publications are generally required by law, prepared in response to requests from the Chairs and Ranking Members of key committees, or aimed at enhancing the transparency of the agency's work. They examine 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 that outlook, the details of the federal budget process, and a broad range of related budgetary and economic topics in such areas as health care, defense policy, Social Security, and climate change.	103	100	100

Data source: Congressional Budget Office.

CBO would continue to produce other important material, such as presentations about the agency's work, letters in response to Members' questions, and blog posts.

CBO regularly consults with committees and the Congressional leadership to ensure that the agency's resources are focused on the work that is of highest priority to the Congress. The demands on the agency remain intense and strain its resources in many areas. Even with high productivity by a dedicated staff, CBO will not be able to produce as many estimates and other analyses as committees, the leadership, and individual Members request.

Requested Information and Authorities

In this section, CBO provides information about its challenges in accessing federal data and requests the authority to provide a childcare benefit.

CBO's Access to Data

The House Committee on Appropriations directed CBO to report to the committees of jurisdiction any challenges in accessing federal data and to identify whether the

Congress can take any actions to ensure continuous and real-time access.

CBO obtains from federal agencies a wide array of information, which it uses to produce baseline budget projections, economic projections, cost estimates, and reports. The agency works collaboratively with agencies to obtain the needed data through formal and informal means. The Congressional Budget Act provides CBO general authority to access data from a variety of sources. CBO also accesses data by using legal authorities applicable to specific types of data, such as federal tax information. CBO currently has more than 20 active data-use agreements with other federal agencies.

During the fall of 2024, two laws were enacted to improve CBO's access to data:

- The Congressional Budget Office Data Sharing Act (P.L. 118-89) clarifies and strengthens CBO's general authority for accessing executive branch data under the Congressional Budget Act.
- The Congressional Budget Office Data Access Act (P.L. 118-104) authorizes agencies to disclose to CBO information that is protected by the Privacy Act's



confidentiality requirements, providing CBO the same access to that information as the Government Accountability Office and the Joint Committee on Taxation have.

Enactment of the Congressional Budget Office Data Sharing Act, which amends the Congressional Budget Act, highlights CBO's need for resources to maintain strong IT security measures. Because of the sensitive nature of the data the amendment provides access to, CBO needs to provide the same level of confidentiality as the law requires of the agency that provides the data. In addition, the legislation requires CBO to provide to the Congress within one year of enactment a report listing any formal requests for information made to executive branch agencies and any challenges faced.

CBO has identified other actions (previously mentioned in the fiscal year 2025 budget request) that the Congress can take to improve the agency's access to information:

- **Restoring access to student aid data.** CBO has lost access to information that is an important component of the agency's models of the Federal Pell Grant Program and student loan programs. A change to section 6103 of the Internal Revenue Code would restore that access.

For many years, CBO received from the Department of Education data on the income of Pell grant and student loan recipients. In the summer of 2024, the department began receiving certain information about the income of student loan borrowers directly from the Internal Revenue Service (IRS), newly making the data federal tax information (FTI) that CBO lacks statutory authority to access. CBO is seeking an amendment to section 6103 of the Internal Revenue Code to allow the agency to again receive those data. CBO receives FTI under section 6103 for other purposes and is compliant with the IRS's security requirements.

The Department of Education's change in practice has not yet affected CBO's analyses because there is a lag between the department's collection of the information during an award year and transmittal to CBO. At some point, however, the change in practice will significantly diminish CBO's capability to analyze those student aid programs.

CBO has been working with the Joint Committee on Taxation and the Education and Treasury

Departments, as well as with several Congressional committees (the House Committee on Ways and Means; the House Committee on Education and Workforce; the Senate Committee on Finance; the Senate Committee on Health, Education, Labor, and Pensions; and the House and Senate Budget Committees) regarding an amendment.

- **Allowing CBO to receive gifts.** CBO is seeking authority for fiscal year 2026 (and would renew its request for subsequent years) to accept gifts of property, including money and intangible property, or services to support the operation of the agency. Under current law, CBO often can obtain new data sets, services, and tools from private entities by procuring them using appropriated funds or negotiating no-cost contracts compliant with federal requirements. Gift authority would enable CBO to sometimes obtain such data and tools more quickly or without expense. CBO would include in its annual budget justification a description of any gifts accepted, the source of the gifts, and a description of the benefits to the taxpayers.

As the interests of the Congress change, CBO must develop the capacity to analyze new issues and policies. Consequently, the agency will need to obtain new sources of information and might require new specific authorities to do so. CBO will work with the committees of jurisdiction as new challenges arise.

Requested Authority for a Childcare Benefit

CBO renews its request for the following authority to provide a childcare benefit:

Sec. ____ The Director of the Congressional Budget Office may expend funds appropriated in fiscal year 2026 and each fiscal year thereafter to reimburse employees of the Office for costs to improve the affordability of childcare if the Director determines that reimbursing such expenses is of sufficient benefit or value to the Office.

The Congressional Budget Act states that CBO employees shall have the same employment benefits and privileges as employees of the House of Representatives. Childcare is one of those benefits. Gaining access to the House of Representatives Childcare Center (HRCCC) is challenging for CBO staff members because they are given lower priority than employees of the House. That ranking stems from the statute that provides the House's childcare authority [2 U.S.C. § 2062(a)(1)]. As a result,

it is generally not possible for CBO employees to enroll their children in the HRCCC at the youngest ages, for which childcare is most needed. CBO staff are also given lower priority than Senate employees to access the Senate Employees Childcare Center. Those difficulties mean CBO employees cannot take advantage of the House and Senate centers, which offer high-quality childcare near their workplace and which can charge lower rates partly because they occupy government-provided space.

Included in CBO's fiscal year 2026 budget request is \$250,000 for the cost of those payments (embedded in various object classes for benefits). This benefit would enhance CBO's ability to recruit and retain a talented and competitive workforce.

Strengthening Responsiveness

CBO seeks to provide information when it is most useful to the Congress. Depending on its purpose, that information takes a variety of forms, such as cost estimates, background information, and technical assistance. In almost all cases, CBO completes a cost estimate before legislation comes to a floor vote. In addition, the agency works to provide technical assistance, reports, and other information to lawmakers and their staff during earlier stages of the legislative process.

Beginning in fiscal year 2019, CBO initiated a multiyear effort to strengthen its responsiveness to the Congress. To carry out that plan, CBO received additional resources to expand staffing in high-demand areas, such as health care and immigration. It has increased its use of assistant analysts, who can move from one topic to another to support more senior analysts when demand surges for analysis of a particular topic or when additional assistance is needed for a complicated estimate. In addition, CBO continues to engage expert consultants in complex areas, such as health policy, agricultural and nutrition programs, economic forecasting, and climate-related research. Finally, the agency is continuing to expand its use of team approaches for large and complicated projects. That approach has been particularly effective in enabling CBO to produce timely analyses of legislation involving health care.

CBO's goal is to increase the number of staff with overlapping skills within and across teams. In some cases, those skills will consist of expertise related to particular topics, such as defense or energy. In other cases, they will be technical, such as the ability to design and improve

simulation models. In a similar vein, CBO plans to invest additional resources in bolstering analysts' ability to coordinate work that requires expertise from across the agency. Another objective is to give additional senior analysts responsibility for projects that span multiple subject areas.

The budgetary increase that CBO is requesting would allow it to increase its efforts to be responsive. In 2026, CBO plans to hire additional staff to conduct more analysis of changes to health care programs, border security, credit programs (like student loans), and the U.S. population (particularly because of changes in immigration) and of dynamic policy effects (that is, determining how changes in fiscal policies would affect the economy and how those economic changes would, in turn, affect the budget)—areas in which CBO expects the Congress to have increased interest. It also plans to hire additional staff to produce more timely cost estimates and fulfill more Congressional requests for technical assistance, particularly in the areas that involve complicated modeling.

Enhancing Transparency

CBO works hard to make its analysis transparent and plans to strengthen those efforts, building on the increased emphasis that it has placed on the endeavor over the past several years. In 2025 and 2026, many of CBO's employees will spend part of their time on making the agency's analyses more transparent.

Testifying and Publishing Answers to Questions

In 2025 and 2026, CBO expects to testify about its baseline projections and other topics in response to requests by the Congress. That work will involve presenting oral remarks, answering questions at hearings, and presenting written statements, as well as publishing answers to Members' questions for the record. CBO will continue to address issues raised as part of the oversight provided by the House and Senate Budget Committees and the Congress generally.

Explaining Analytical Methods

CBO plans to publish material providing general information to help Members of Congress, their staff, and others better understand its work, including its general approach and particular applications of its methods. For example, a report will explain the agency's approach to modeling the effects of import tariffs and carbon border adjustments on trade in energy-intensive goods. Working papers, too, will provide such explanations for various

topics, and in some cases, CBO will be able to publish the computer code used in models. In addition, most cost estimates will include a section describing the basis of the estimate.

Releasing Data

In 2025 and 2026, CBO will maintain its practice of publishing extensive sets of data to accompany its major recurring reports, including detailed information about 10-year budget projections, historical budget outcomes, 10-year projections for federal trust funds, revenue projections by category, spending projections by budget account, tax parameters, effective marginal tax rates on labor and capital, and 10-year projections of economic variables, including the economy's potential (or sustainable) output.

The agency will also provide details about its baseline projections, for example, for the Federal Pell Grant Program, student loan programs, Medicare, military retirement, the Pension Benefit Guarantee Corporation, Social Security Disability Insurance, Social Security Old-Age and Survivors Insurance, the Social Security trust funds, child nutrition programs, the Child Support Enforcement and Child Support Collections programs, foster care and adoption assistance, the Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families, unemployment compensation, the Department of Agriculture's mandatory farm programs, federal programs that guarantee mortgages, programs funded by the Highway Trust Fund, benefits under the Post-9/11 GI Bill, and veterans' disability compensation and pensions.

Other data will provide details about long-term budget projections, projections underlying Social Security estimates, more than a thousand expired or expiring authorizations of appropriations, and dozens of federal credit programs. When CBO analyzes the President's budget request, it will post a set of files providing estimates of the budgetary effects of specific proposals. The agency will also continue to post the data underlying various reports' charts and tables.

Analyzing the Accuracy of CBO's Estimates

In 2025 and 2026, CBO will continue to release reports analyzing the accuracy of its projections in comparison with actual outcomes, including a review of the accuracy of its outlay and revenue projections for the previous year, as well as some periodic reviews of the accuracy of

its projections of revenues, outlays, deficits, and debt over time. CBO will also look back at the accuracy of its cost estimates when the necessary data are available.

Comparing Current Estimates With Previous Ones

In several of its recurring publications—reports about the budget and economic outlook, federal subsidies for health insurance, and the long-term budget outlook—CBO will continue to explain the differences between the current year's projections and those produced in the previous year. In its cost estimates, CBO will continue to identify related legislative provisions for which it has provided recent estimates and explain the extent to which the provisions and estimates at hand are similar or different.

Comparing CBO's Estimates With Those of Other Organizations

CBO will compare its budget projections with the Administration's and its economic projections with those of private forecasters and other government agencies when possible. In addition, in various reports, the agency will include comparisons of its estimates with estimates made by other organizations. When time does not allow for publication but interest is great, analysts will discuss such comparisons with Congressional staff.

Estimating the Effects of Policy Alternatives

In 2025 and 2026, to assist policymakers and analysts who may hold differing views about the most useful benchmark for considering possible changes to laws (and to make the consequences of alternative policies more transparent), CBO will estimate the effects that some alternative assumptions about future policies would have on budgetary outcomes.

Characterizing the Uncertainty of Estimates

CBO's budget and economic estimates will continue to aim to be in the middle of a range of likely outcomes under a given set of policies. The agency's reports about the 10-year outlook for the budget and the economy, the long-term outlook for the budget, and federal subsidies for health insurance will contain substantial discussions of the uncertainty of CBO's projections (and the limitations of its analyses) to help policymakers understand the factors that might cause estimates or outcomes to differ in the future. In addition, in most cost estimates in which uncertainty is significant, CBO will include a discussion of the topic.

Creating Data Visualizations

In 2025 and 2026, CBO will provide information about its budget and economic projections in slide decks and create infographics about actual outlays and revenues. The agency will also produce more reports that rely principally on visual presentations.

Conducting Outreach

CBO will continue to communicate regularly with Congressional staff and others outside the agency to explain its findings and methods, respond to questions, and obtain feedback. The agency's Director will meet frequently with Members of Congress to do the same. After each set of baseline projections is published, CBO's staff will meet with Congressional staff to discuss the projections and answer questions.

CBO will continue its practice of routinely consulting with many outside experts who represent a variety of perspectives as it develops cost estimates and other analyses. In addition, CBO's staff will, as usual, give presentations on various topics to Congressional staff and outside experts to gain feedback on the agency's work. Many reports will benefit from outside experts' written comments on preliminary versions. For some recurring reports produced on compressed timetables, such as the one about CBO's long-term budget projections, the agency will solicit comments on previous editions and selected technical issues to incorporate improvements in future editions.

As it does each year, CBO will convene experts on its Panel of Economic Advisers (PEA) and Panel of Health Advisers (PHA), who provide feedback on many topics, including the agency's forecasting methods and models. The agency hosts meetings of the advisers—once a year with its PHA and twice with its PEA—and solicits their views between meetings as well. Congressional staff also attend the meetings. (Lists of the members of those panels and agendas for the meetings can be found on CBO's website.)

The topics discussed at the meetings usually reflect areas of sustained interest by the Congress and help improve CBO's relevant analysis. For example, CBO's September 2021 PHA meeting included a session on telehealth, an area for which CBO was working to improve its modeling capabilities so it could better estimate the effects of applicable legislation. To take another example, CBO's September 2024 PHA meeting included sessions on

new medical technology and the long-term effects of preventive health care, with the goal of improving and enhancing the agency's analysis of genetic testing for early detection of cancer, hepatitis-C, sickle-cell disease, and obesity—all topics on which CBO has recently published analyses in response to Congressional requests.

Similarly, meetings of the PEA cover areas of intense Congressional focus as well as CBO's pending economic forecast. For example, central to the discussion at CBO's November 2024 meeting were the budgetary and economic effects of the expiring provisions of the 2017 tax act—an area in which CBO continues to improve and refine its analysis.

In 2026, CBO will spend about \$33,000 on its PHA, similar to the amount it spent in 2024 and plans to spend in 2025. That amount provides for a small honorarium for members and costs associated with hosting a meeting at CBO. CBO plans to spend about \$59,000 on its PEA in 2026 to cover the costs of honoraria and two meetings.

CBO's staff will give presentations on Capitol Hill on CBO's budget and economic projections and on other topics. In those presentations, CBO will explain its work and answer questions. The agency will also give presentations about its findings and about work in progress in a variety of venues to offer explanations and gather feedback. It will also use blog posts to summarize and highlight various issues. In addition, it will work to answer questions from the press in a timely fashion and connect members of the media with CBO's products as they are published.

Finally, to keep the Congress informed of its work, CBO will continue its practice of sending emails to interested staff notifying them about recently released reports and cost estimates. The agency will also continue publishing a quarterly newsletter, *CBO's Quarter in Review*, which is a roundup of the agency's most recent publications and cost estimates. The newsletter is a companion to quarterly reports listing recent publications and work in progress, which may include reports, working papers, testimonies, interactive tools, infographics, and cost estimates.

This testimony summarizes information in the Congressional Budget Office's budget request for fiscal year 2026. That budget request was prepared by Leigh Angres, Tracy L. Henry, Joyce Shin, and Kamna Virmani (formerly of CBO) with assistance from Dana Ealey, Kevin Laden, and Damon Whitley and with guidance from Mark Smith. It is available at www.cbo.gov/publication/61161.

Mark Hadley reviewed the testimony. John Skeen edited it, and Jorge Salazar created the graphics and prepared the text for publication. The testimony is available at www.cbo.gov/publication/61287.

CBO seeks feedback to make its work as useful as possible. Please send comments to communications@cbo.gov.



Phillip L. Swagel
Director

