



TESTIMONY

**How CBO Supports
the Congress**

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Chairman Arrington, Ranking Member Boyle, and Members of the Committee, thank you for inviting me to testify about the work of the Congressional Budget Office. This year marks the 50th anniversary of the Congressional Budget Act of 1974—which established a new Congressional budget process, including creating the House and Senate Budget Committees and CBO. This is certainly an appropriate time to reflect on CBO’s work and how the agency might improve its service to the Congress.

CBO was established to provide objective, nonpartisan information to support the budget process and to help the Congress make effective budget and economic policy. In carrying out that mission, the agency offers an alternative to the information provided by agencies in the executive branch, particularly the Office of Management and Budget. CBO aims for its analysis to be timely, rigorous, insightful, and clearly explained.

Each year, the agency’s economists, budget analysts, and other experts (such as demographers and engineers) fulfill thousands of Congressional requests for technical assistance in the development of legislation, produce hundreds of cost estimates for proposed legislation, and prepare dozens of reports and other materials on a variety of topics. CBO’s employees are hired without regard to political affiliation, and the agency does not make policy recommendations.

How Does CBO Support the Budget Committees and the Congress as a Whole?

Under the Budget Act, CBO works for all Congressional committees, and the agency’s priorities are set in the statute.¹ According to the act’s provisions, CBO’s chief responsibility is to help the House and Senate Budget Committees with the matters under their jurisdiction. Priority is also given to the House and Senate Appropriations Committees, the House Ways and Means Committee, and the Senate Finance Committee. In addition to the work for those specified committees and all other committees, CBO provides information to individual Members as well as in-depth assistance to them as time allows. The agency also works closely with the House Rules Committee and with the leadership of both chambers to ensure that CBO provides budgetary information when it is needed.

1. Sec. 202 of the Congressional Budget Act of 1974 (codified at 2 U.S.C. § 602 (2018)).

Although the Budget Act established a close and continuing relationship between CBO and the Budget Committees, CBO’s products are available to the entire Congress. That broad availability is underscored by the fact that the drafters of the act made CBO an office of the Congress.² (That configuration is different from that of the nonpartisan Joint Committee on Taxation, or JCT, which was established nearly 50 years before CBO, and primarily supports the House Committee on Ways and Means and the Senate Committee on Finance because of its mandate to work solely on tax issues.)³

One of the chief ways that CBO supports the Budget Committees is by preparing cost estimates. By law, CBO is required to produce a cost estimate for bills that are 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.

CBO strives to provide a cost estimate for each piece of legislation before it is considered on the floor of either chamber. In 2023, CBO published estimates for 97 percent of the bills ordered reported by an authorizing committee before they were considered on the floor of either chamber. CBO also provides technical assistance and preliminary estimates—often on very fast turnarounds—at several stages in the legislative process, including as legislation is being drafted in committees and as amendments to bills are being debated. In fact, CBO often provides many preliminary estimates for a single piece of legislation.

For tax legislation, CBO is required by statute to use estimates provided by JCT.⁴ When legislation includes provisions that would change the Internal Revenue Code, CBO’s cost estimates include estimates by JCT’s staff of the tax provisions alongside estimates by CBO’s analysts of any nontax provisions. For example, in the case of the 2022 reconciliation legislation, estimates of the budgetary effects of tax credits for electric vehicles were prepared by JCT, whereas estimates of the effects

2. Sec. 201(a)(1) of the Congressional Budget Act of 1974 (codified at 2 U.S.C. § 601(a)(1) (2018 & Supp.)).

3. The Joint Committee on Taxation, “Mandate” (accessed June 26, 2024), www.jct.gov/operations/mandate/.

4. Sec. 201(f) of the Congressional Budget Act of 1974 (codified at 2 U.S.C. § 601(f) (2018 & Supp.)).

of prescription drug pricing reform were prepared by CBO.⁵

The Budget Committees are Congress's scorekeepers, and they use CBO's estimates to enforce budgetary rules or targets. As House or Senate budgetary rules have changed, CBO has modified its cost estimates to include additional necessary information to support the Budget Committees' scorekeeping work. For instance, CBO now includes budgetary information about the decades beyond the standard 10-year budget period in its cost estimates to help the committees make determinations about points of order.

CBO is also required by statute to produce certain reports, notably the annual *Budget and Economic Outlook*.⁶ That report presents CBO's budget and economic projections for the coming decade (commonly referred to as baseline projections). The projections incorporate an assumption that current laws and regulations governing federal spending and revenues will generally remain in place. Additionally, CBO is required by statute to prepare reports providing estimates based on alternative assumptions about fiscal policy.⁷

Each year, the agency also prepares dozens of reports and other materials on a variety of topics that are required by statute, requested (sometimes on a recurring basis, such as in the case of its Budget Options reports) by Chairs or Ranking Members of committees or subcommittees, or prepared to enhance the transparency of CBO's work.⁸

How Has CBO Adapted to the Evolving Needs of the Congress?

CBO remains driven by its original mission and operates in many ways quite similarly to how founding Director Alice Rivlin set it up, but the agency now also works with the Congress in ways probably not envisioned in

1974 when the Budget Act was enacted. For example, as legislation has grown more complex, CBO has increasingly spent time providing preliminary analyses and technical assistance during the drafting stage. And the agency is now asked more often to prepare cost estimates for bills that are heading for votes on the floor of either chamber without being marked up by committees.

CBO has also worked hard to provide the Congress with information more quickly and transparently. For example, in fall 2021, CBO released estimates of titles of H.R. 5376, the Build Back Better Act, as it completed them rather than publishing a single cost estimate for the entire bill. Also in 2021, CBO began posting estimates of bills considered under suspension of the rules in the House of Representatives on its website.⁹ Previously, CBO transmitted the estimated effects of suspension bills on mandatory spending and revenues to the Majority and Minority Leaders of the House of Representatives and the House Committee on the Budget. Looking ahead, CBO is exploring ways to provide more detail about appropriation legislation; currently, the agency posts summary budgetary information about those bills.

To accommodate a changing legislative agenda, CBO has developed new analytic tools and shifted staffing. Over the past decade, the agency has enhanced its capacity to study how legislative proposals would affect the economy and thus the budget in order to meet the Congress's continuing interest in such dynamic analysis. For instance, the agency devoted significant resources to modeling the economic and budgetary effects of the 2021 infrastructure legislation, providing information on the dynamic feedback of investment activities on the economy and thereby on the budget.¹⁰ Similarly, CBO strengthened its ability—by building new models, for example—to examine energy, health insurance coverage, prescription drugs, and veterans' issues so that it could analyze legislative proposals on those fronts. And the agency has hired more 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.

5. Congressional Budget Office, Estimated Budgetary Effects of Public Law 117-169, to Provide for Reconciliation Pursuant to Title II of S. Con. Res. 14 (September 7, 2022), www.cbo.gov/publication/58455.

6. Current and previous editions of that report are available at <https://tinyurl.com/2s3ruzmv>.

7. See, for example, Congressional Budget Office, *Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues* (May 2024), www.cbo.gov/publication/60114.

8. For example, current and previous editions of its major recurring reports can be found at www.cbo.gov/about/products/major-recurring-reports.

9. CBO's estimates for legislation considered under suspension of the rules in the House of Representatives are available at www.cbo.gov/cost-estimates/suspension-bills.

10. Congressional Budget Office, *Effects of Physical Infrastructure Spending on the Economy and the Budget Under Two Illustrative Scenarios* (August 2021), www.cbo.gov/publication/57327.

The agency recognizes that Members of Congress who are not Chairs or Ranking Members of committees want more analysis from CBO. The Budget Act requires CBO to make available to all Members the products that it has developed for committees, but the agency provides much more service to individual Members than that. For example, members of CBO’s staff meet with Members of Congress frequently to provide feedback on bills, answer questions, and talk about aspects of the budget or economy. CBO also reviews thousands of proposed amendments to legislation for hundreds of Members. In addition, the agency offers help—in phone calls, emails, and meetings—to Members and their staff as they consider and draft bills or simply as they ask questions about a complicated estimate or report. CBO has also created tools for Congressional staff to use—including a waterfall table for projecting discretionary spending, a debt-service calculator, and a workbook allowing users to define and analyze alternative economic scenarios.¹¹

How Does CBO Make Its Models and Other Work Transparent?

Transparency is a top priority for CBO. The agency is committed to providing equal and open access to the information and analysis it produces and to ensuring that its work is widely available to the Congress and the public. Those efforts help CBO maintain its long-standing commitment to present clear, objective, insightful, and timely information; the agency uses the feedback it receives to improve its analysis.¹²

CBO’s transparency efforts have three principal goals: to promote a thorough understanding of the agency’s analyses through accessible, clear, and detailed communication; to help people gauge how its estimates might change if policies or circumstances differed; and to enhance the credibility of the agency’s analyses and processes by showing the underlying data and research

provided by a range of experts. To achieve those goals, CBO undertakes the following activities:

- **Testifying and Publishing Answers to Questions.** Representatives of CBO testify at Congressional hearings, and the agency publishes answers to Members’ subsequent questions on its website.¹³
- **Explaining Analytic Methods.** CBO publishes documents explaining its analyses, including its general approach and particular applications of its methods. In addition, most cost estimates contain a section describing the basis of the estimate. To assist researchers in replicating its results, the agency posts segments of the computer code for some analyses.¹⁴
- **Releasing Data.** CBO posts many files containing the data underlying the analysis for its major reports and other studies. The agency maintains a web page with links to many years’ worth of data, providing the underpinnings of key projections.¹⁵
- **Analyzing the Accuracy of Its Estimates.** CBO regularly releases comparisons of its projections with actual outcomes, including a review of the accuracy of its outlay and revenue projections for the previous year, as well as periodic reviews of the accuracy of its projections of revenues, outlays, deficits, and debt over time.¹⁶ CBO also looks back at the

11. Congressional Budget Office, “CBO’s Waterfall Model for Projecting Discretionary Spending, February 2024” (interactive), www.cbo.gov/publication/60003, “How Changes in Revenues and Outlays Would Affect Debt-Service Costs, Deficits, and Debt” (interactive, February 2024), www.cbo.gov/publication/59937, and “Workbook for How Changes in Economic Conditions Might Affect the Federal Budget: 2024 to 2034” (interactive, April 2024), www.cbo.gov/publication/60074.

12. To learn more about CBO’s transparency efforts, see Congressional Budget Office, “Transparency” (accessed September 1, 2024), www.cbo.gov/about/transparency. For a detailed discussion of CBO’s transparency efforts in 2023, see Congressional Budget Office, *Transparency at CBO: Plans for 2024 and a Review of 2023* (April 2024), www.cbo.gov/publication/59975.

13. See, for example, Congressional Budget Office, *Testimony on Social Security’s Finances* (June 2024), www.cbo.gov/publication/60281, and *Answer to a Question for the Record Following a Hearing on CBO’s Request for Appropriations for Fiscal Year 2025* (May 2024), www.cbo.gov/publication/60316.

14. See, for example, Congressional Budget Office, “How Increasing the Federal Minimum Wage Could Affect Employment and Family Income” (interactive, January 2024), www.cbo.gov/publication/55681; and David Austin, *Modeling the Demand for Electric Vehicles and the Supply of Charging Stations in the United States*, Working Paper 2023-06 (Congressional Budget Office, September 2023), www.cbo.gov/publication/58964.

15. For example, the agency publishes the data underlying the economic and budget projections used in its *Budget and Economic Outlook*; current and previous files can be found at www.cbo.gov/data/budget-economic-data.

16. See, for example, Congressional Budget Office, *The Accuracy of CBO’s Budget Projections for Fiscal Year 2023* (December 2023), www.cbo.gov/publication/59682, *CBO’s Economic Forecasting Record: 2023 Update* (June 2023), www.cbo.gov/publication/59078, *An Evaluation of CBO’s Projections of Outlays From 1984 to 2021* (April 2023), www.cbo.gov/publication/58613, *An Evaluation of CBO’s Past Revenue Projections* (August 2020), www.cbo.gov/publication/56499, and *An Evaluation of CBO’s Past Deficit and Debt Projections* (September 2019), www.cbo.gov/publication/55234.

accuracy of its cost estimates when the necessary data are available.¹⁷

- **Comparing Current Estimates With Previous Ones.** In several of its recurring publications, CBO explains the differences between its current projections and those from the previous year.¹⁸ In addition, cost estimates explain the extent to which provisions and estimates resemble or differ from earlier ones.
- **Comparing CBO's Estimates With Those of Other Organizations.** CBO regularly compares its projections with the budget projections of the Administration and the economic projections of private-sector forecasters and other government agencies. CBO also sometimes compares its work with the policy analyses of other organizations.¹⁹ Comparisons are often discussed with Congressional staff when time does not allow for a formal presentation.
- **Estimating the Effects of Alternative Policies.** 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 estimates the effects that some alternative assumptions about future policies would have on budgetary and economic outcomes.²⁰
- **Characterizing the Uncertainty of Estimates.** CBO's budget and economic estimates aim to be in the middle of a range of likely outcomes under a given set of policies. The agency's discussions of uncertainty (and the limitations of its analyses) help policymakers

understand the factors that might cause estimates or outcomes to differ in the future.²¹

- **Visualizing Data.** CBO's chart books, visual reports, slide decks, and infographics about the budget and the economy make the agency's projections easier to understand.²²
- **Conducting Outreach.** The agency's most important outreach is its direct communication with the Congress. The Director meets regularly with Members of Congress, and CBO's staff communicate regularly with Congressional staff to explain the agency's work, respond to questions, and obtain feedback. CBO's staff also frequently communicate with people outside the agency to explain its findings and methods and to receive feedback that helps maintain and improve the quality of the agency's work. CBO also publishes blog posts highlighting key issues.

CBO routinely consults with many outside experts who represent a variety of perspectives as it develops cost estimates and other analyses. In addition, CBO's staff give presentations on various topics to Congressional staff and outside experts to gain feedback on the agency's work.²³ CBO also convenes experts on its Panels of Economic and Health Advisers who provide feedback on many topics, including the agency's forecasting methods and models.²⁴ The agency hosts periodic meetings of the advisers and solicits their views between meetings as well. The assistance of external reviewers implies no

17. See, for example, Congressional Budget Office, *Federal Budgetary Effects of the Activities of the Center for Medicare & Medicaid Innovation* (September 2023), www.cbo.gov/publication/59274, *A Review of CBO's Estimate of the Effects of the Recovery Act on SNAP* (December 2018), www.cbo.gov/publication/54864, and *CBO's Record of Projecting Subsidies for Health Insurance Under the Affordable Care Act: 2014 to 2016* (December 2017), www.cbo.gov/publication/53094.

18. See, for example, Congressional Budget Office, *Comparing the Compensation of Federal and Private-Sector Employees in 2022* (April 2024), www.cbo.gov/publication/59970.

19. See, for example, Congressional Budget Office, *Acquisition Costs of the Navy's Medium Landing Ship* (April 2024), www.cbo.gov/publication/60071.

20. See, for example, Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios for the Economy and the Budget* (May 2024), www.cbo.gov/publication/60169.

21. See, for example, *How Changes in Economic Conditions Might Affect the Federal Budget: 2024 to 2034* (April 2024), www.cbo.gov/publication/60072.

22. See, for example, a set of four infographics published about the federal budget in fiscal year 2023: Congressional Budget Office, *The Federal Budget in Fiscal Year 2023: An Infographic* (March 2024), www.cbo.gov/publication/59727, *Mandatory Spending in Fiscal Year 2023: An Infographic* (March 2024), www.cbo.gov/publication/59728, *Discretionary Spending in Fiscal Year 2023: An Infographic* (March 2024), www.cbo.gov/publication/59729, and *Revenues in Fiscal Year 2023: An Infographic* (March 2024), www.cbo.gov/publication/59730.

23. See, for example, Jessica Hale, analyst, Congressional Budget Office, "Health Insurance Coverage for the U.S. Population, 2024 to 2034" (presentation at a press briefing organized by *Health Affairs*, June 18, 2024), www.cbo.gov/publication/60040.

24. For a description of those panels and information on current members, see Congressional Budget Office, "Panels of Advisers" (accessed September 1, 2024), www.cbo.gov/about/panels-advisers.

responsibility for the final product; ultimately, that responsibility rests solely with CBO.

How Does CBO Ensure Objectivity?

CBO must be—and must be perceived to be—objective and free from political bias and involvement. Therefore, for most positions at CBO, a person’s fitness to perform the relevant duties is determined, in part, by whether that person can perform those duties in an objective, nonpartisan way while being perceived to be free from political bias and involvement. CBO enforces strict rules that prevent employees from having financial conflicts of interest and that limit their political activities.²⁵ CBO encourages open discussion of analytic issues under consideration.

All of CBO’s work reflects the agency’s objective, impartial, and nonpartisan analytic assessments. Those assessments are based on several factors:

- A detailed understanding of federal programs and revenue sources;
- Careful reading of relevant research literature;
- Extensive analysis of data collected and reported by the government’s statistical agencies and by private organizations (for example, the national income and product accounts, surveys of labor market conditions and prices, the Statistics of Income database, the Current Population Survey, the Survey of Income and Program Participation, data on national health expenditures, various health care surveys, and data on financial transactions); and
- Consultation with numerous outside experts, including professors, analysts at think tanks, representatives of industry groups, other private-sector experts, and employees of federal, state, and local governments.

The agency’s products undergo rigorous review by people at different levels of the organization and are developed within an analytic framework that requires consistency among those products. That is, CBO’s projections of spending and revenues are consistent with its economic projections (and vice versa), and cost estimates and analytic reports are consistent with the budget and economic projections. Using a framework that is interdependent

and based on a common set of assumptions ensures that the agency’s cost estimates and other assessments are objective and analytically consistent.

Furthermore, CBO’s reports are reviewed by outside experts who specialize in the topic at hand. The outside experts who consult with CBO represent a variety of perspectives. Members of its panels of advisers account for just a subset of such experts. In choosing members for its panels of advisers and in weighing their input, CBO follows long-standing practice and considers whether members and potential members are engaged in substantial political activity or have significant financial interests that might influence, or might reasonably appear to influence, their perspective on the topics about which CBO is seeking their advice.²⁶ Although the agency draws on outside experts, CBO’s findings are based on its own judgments, and CBO is solely responsible for them.

Finally, CBO makes no policy recommendations because choices about public policy inevitably involve value judgments that the agency does not and should not make.

How Does CBO Keep the Congress Informed of Its Work?

CBO publicly releases all of its cost estimates and analytic reports. It delivers its work to interested Members of Congress and their staff, including the sponsor of legislation or requester of a report, the Chair and Ranking Member of the committees of jurisdiction, and the Budget Committees. Soon after delivery to those parties, the agency posts the work on its website.

For recently released reports, an email notification is sent to interested staff. In addition, an email service, announcements on X (formerly Twitter), Threads, and RSS feeds notify subscribers when the agency publishes work on a particular topic (all accessible from the “Stay Connected” footer on CBO’s website). Occasionally, when CBO analyzes legislative proposals that are already public, there is not enough time to prepare a cost estimate. In such cases, communications about CBO’s analysis are available to any interested party in the Congress.

25. For CBO’s policies regarding the objectivity of its staff, see Congressional Budget Office, “CBO’s Policies for Its Employees Regarding Potential Conflicts of Interest and Political Activities” (accessed September 1, 2024), www.cbo.gov/about/objectivity/employee_policy.

26. For more information about CBO’s panel of advisers, see Congressional Budget Office, “Panel of Advisers” (accessed September 1, 2024), www.cbo.gov/about/panels-advisers. For the agency’s policy regarding selection of panel members, see Congressional Budget Office, “CBO’s Policy for Its Panels of Advisers Regarding Political Activity and Financial Interests” (accessed September 1, 2024), www.cbo.gov/about/objectivity/advisers_policy.

To provide the Congress with a comprehensive review of its work, CBO releases a catalogue of its completed projects in its annual request for appropriations.²⁷ The agency also publishes a quarterly report that lists recent publications and work in progress, which may include reports, working papers, testimonies, interactive tools, and cost estimates for bills that were ordered reported by a committee. Those reports list, for example, the topics of requested reports that are expected to be released in the coming months.²⁸

The agency publishes a companion newsletter to that report, *CBO's Quarter in Review*, which is a round-up of the agency's most recent publications and cost estimates. In addition, CBO notes releases planned for the coming week on its press web page and includes a schedule for publishing some of its major reports over the coming months.²⁹

To ensure that Members receive updates about the agency's work in the most helpful ways, CBO revisits the methods it uses to notify the Congress about its work at the start of each Congress.

Why Does CBO Do Confidential Work?

In some circumstances, the needs of the Congress as it formulates legislation require CBO to keep the results of an analysis confidential. Members and their staff often evaluate alternative proposals to accomplish a goal before they make a specific proposal public, and they need the flexibility to modify that proposal—sometimes in response to CBO's preliminary estimates—before it becomes public.³⁰ CBO's analysts often give committee staff preliminary estimates on a broad range of legislative options, allowing them to consider different approaches before deciding on a specific legislative path. In such situations, the agency recognizes that the confidentiality of its work is critical to a committee's deliberations, so it keeps its preliminary estimates (as well as the identity of the requesting committee) confidential until the proposals are made public. For legislative text that is already

public, preliminary information is made available to anyone who asks about it.

The reports that committees request can also be important for policy development. For that reason, a close relationship often exists between work on a policy-oriented report and technical assistance in the development of legislation. For example, during the past few Congresses, CBO produced several reports related to prescription drugs as the Congress considered legislation to lower the costs of those drugs. Because of the close connection to policy development in such cases, CBO does not disclose the requesting committee ahead of the report's release. The agency does inform the Congress of the existence of the work several months in advance of publication through its quarterly reports. CBO identifies the requestor of a report when the report is published.

Sometimes the requestors of CBO's work have permitted the agency to share information with a broader group of interested parties or even publicly. For example, some committees publicly post their requests for reports. At other times, specifically in the case of reconciliation legislation and when the parties have agreed to such information sharing, CBO has shared information developed for authorizing committees with Congressional leadership and the Budget Committees.

What Is CBO Doing to Enhance the Information It Provides to the Congress?

CBO regularly seeks feedback from Members and staff about the types of information that would be helpful to them and how the agency can improve its service to the Congress. In response to recent feedback, CBO is undertaking initiatives, some of which are discussed below.

Providing More Information on Administrative Actions

The agency knows that Members of Congress want more information on the budgetary effects of administrative actions. In CBO's June 2024 *Update to the Budget and Economic Outlook*, CBO highlighted the budgetary effects of major executive actions.³¹ In the next edition of the *Budget and Economic Outlook*, the agency will show in a table administrative actions projected to significantly affect CBO's baseline in any year during the

27. CBO's most recent request (as well as previous requests) is available at <https://tinyurl.com/3fn2t5jy>.

28. Current and previous editions of CBO's *Work in Progress* reports can be found at <https://tinyurl.com/3fn2t5jy>.

29. Congressional Budget Office, "Press Center" (accessed June 27, 2024), www.cbo.gov/about/press-center.

30. Such communications are considered preliminary because they do not undergo the same review required for cost estimates.

31. Congressional Budget Office, *An Update to the Budget and Economic Outlook: 2024 to 2034* (June 2024), chapter 3, www.cbo.gov/publication/60039.

2025–2035 period and will explain the basis for those effects. In addition, CBO is preparing a response to a request for more information on the cost of administrative actions.³²

Improving CBO’s Accuracy

In January 2024, CBO testified before the House Budget Committee on the accuracy of its recent baseline projections.³³ Feedback that the agency received during that hearing played a part in CBO’s choosing to update its economic forecast this spring to enhance the accuracy of its projections. (To produce the update more quickly in the spring, it generally uses a forecast prepared in the winter.) In that report, CBO also presented new estimates of uncertainty related to its economic forecast. Currently, the agency is considering providing periodic updates of some key economic measures to ensure that the Congress has more up-to-date information.

Providing Information Spanning Longer Time Horizons

The agency understands that many Members of Congress are concerned that the standard 10-year budget period may not capture important budgetary effects that occur further in the future. CBO is boosting its capacity to provide lawmakers with information about policy proposals over longer periods. For instance, the agency is currently analyzing the long-term effects of policies affecting the use of treatments for obesity.³⁴ If more people with obesity used anti-obesity medications, the direct federal costs of using those medications could increase, but people’s health could improve, thus reducing their use of other health care products and services and lowering federal spending for other types of health care. Those effects would occur over many years.

Similarly, CBO recently published a report on the long-term effects of policies related to the treatment of

hepatitis C.³⁵ In addition, in November 2023, CBO published a working paper about the long-term effects of the policy requiring that all states provide children with 12 months of continuous eligibility for Medicaid, allowing them to remain enrolled regardless of changes in family income or other factors that affect their eligibility. (That policy became law in the Consolidated Appropriations Act, 2023.)³⁶

Even as CBO builds its capacity to analyze policy proposals over longer time horizons, it continues to routinely conduct long-term budget analyses. The agency produces several recurring reports that look beyond the 10-year budget period. In its annual *Long-Term Budget Outlook*, CBO shows the effects of demographic trends, economic developments, and rising health care costs on federal spending, revenues, and deficits; the agency also reports on the long-term budgetary and economic effects of some alternative policies.³⁷ In addition, CBO regularly examines the Department of Defense’s (DoD’s) Future Years Defense Program (FYDP) and projects its budgetary impact roughly a decade beyond the period covered by the FYDP.³⁸ Similarly, CBO analyzes the Navy’s

32. Jodey Arrington, Chairman, and Jack Bergman, Chair of the Oversight Task Force, House Budget Committee, letter to the Honorable Phillip Swagel, Director, Congressional Budget Office (June 12, 2024), <https://tinyurl.com/mvxb24f6>.

33. Congressional Budget Office, *Testimony on the Accuracy of CBO’s Recent Baseline Projections* (January 2024), www.cbo.gov/publication/59905.

34. This fall, CBO will publish a report describing its approach to analyzing policies that would increase Medicare’s coverage of treatments for obesity. See also Phill Swagel, “A Call for New Research in the Area of Obesity,” *CBO Blog* (October 5, 2023), www.cbo.gov/publication/59590.

35. Congressional Budget Office, *Budgetary Effects of Policies That Would Increase Hepatitis C Treatment* (June 2024), www.cbo.gov/publication/60237. See also Phill Swagel, “A Call for New Research in the Area of Hepatitis C,” *CBO Blog* (June 14, 2024), www.cbo.gov/publication/60238.

36. Elizabeth Ash and others, *Exploring the Effects of Medicaid During Childhood on the Economy and the Budget*, Working Paper 2023-07 (Congressional Budget Office, November 2023), www.cbo.gov/publication/59231. See also Phill Swagel, “Short-Term Spending and Long-Term Dynamic Effects,” *CBO Blog* (November 1, 2023), www.cbo.gov/publication/59306.

37. Current and previous editions of *The Long-Term Budget Outlook and Long-Term Projections for Social Security* can be found at www.cbo.gov/about/products/major-recurring-reports#2 and www.cbo.gov/about/products/major-recurring-reports#5, respectively. In recent years, CBO has also published more detailed analysis of the effects of demographic changes in a standalone report; for the latest version, see Congressional Budget Office, *The Demographic Outlook: 2024 to 2054* (January 2024), www.cbo.gov/publication/59697. For the most recent edition of a report analyzing the effects of alternative scenarios, see Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios for the Economy and the Budget* (May 2024), www.cbo.gov/publication/60169.

38. Current and previous editions of *Long-Term Implications of the Future Years Defense Program* can be found at <https://tinyurl.com/bdy46dln>.

annual shipbuilding plan over 30 years.³⁹ In addition to those recurring reports, CBO has examined the cost of replacing DoD's current aviation fleet over 30 years as well as the effects of spending on infrastructure over 30 years.⁴⁰

How Might the Budget Committees Help CBO Be Even More Effective?

The Budget Committees can help to enhance CBO's effectiveness in supporting the Congressional budget process in three main areas.

Improving Access to Data

First, the Budget Committees can continue to improve CBO's access to data. Better and more timely access to data enhances the precision of CBO's work; in turn, that also gives the Congress better and more timely information with which to make informed decisions about policy. Such access also helps to ensure equal footing with the executive branch. The 118th Congress's House Budget Committee has been a leader in improving CBO's access to data.

The Budget Act provides CBO with the general authority to access data from a variety of sources. In addition, other acts provide authority for CBO to receive certain data sets. The agency works with the executive branch to obtain data through formal and informal means.⁴¹ CBO currently has more than 20 active data-use agreements with federal agencies. However, the shifting legal and regulatory frameworks at federal agencies can delay, weaken, or block access to information. The time necessary to negotiate and renew agreements can be unpredictable and varies widely, taking anywhere from two weeks to more than a year.

To address that challenge, in February 2024, the House Budget Committee approved H.R. 7032, the Congressional Budget Office Data Sharing Act, which

39. Current and previous editions of CBO's *Analysis of the Navy's Shipbuilding Plan* can be found at www.cbo.gov/about/products/major-recurring-reports#16.

40. Congressional Budget Office, *The Cost of Replacing the Department of Defense's Current Aviation Fleet* (January 2020), www.cbo.gov/publication/55950, and *Effects of Physical Infrastructure Spending on the Economy and the Budget Under Two Illustrative Scenarios* (August 2021), www.cbo.gov/publication/57327.

41. See Congressional Budget Office, *The Congressional Budget Office's Access to Data From Federal Agencies* (June 2021), www.cbo.gov/publication/57150.

would amend section 201(d) of the Congressional Budget Act of 1974. That section governs CBO's access to data from executive branch agencies; the bill would strike a parenthetical statement that reads "(other than material the disclosure of which would be a violation of law)" and would instead provide CBO with access to data from executive branch agencies unless that access was specifically disallowed by a future law. The bill also includes a reference to section 203(e) that highlights CBO's obligation to protect the restricted information it receives. The House passed the bill on April 29, 2024; enacting the bill would greatly improve CBO's access to data.

Explaining the Budget Process

Second, the Budget Committees can help identify confusing or complicated issues related to the Congressional budget process, including CBO's role in it, and provide guidance on ways that CBO can offer clarity on those issues. For example, on the recommendation of the Budget Committees, CBO released several primers that explain the agency's process for developing the budget baseline and its cost estimates as well as one on budgetary scorekeeping guidelines.⁴²

In another primer, CBO explained the statutory foundations of its budget baseline.⁴³ The rules that CBO must follow about how to construct its baseline projections have evolved over time and can create confusion for Members, staff, and the public. The Budget Committees have convened briefings for Congressional staff to provide a forum to explain parts of the budget process and CBO's cost estimates, baseline projections, and reports. Such events can be very useful in helping CBO explain its role and its work.

Identifying Priorities

Finally, the Budget Committees can help CBO identify areas in which to focus its resources so that the agency can develop capacity in areas of substantial Congressional interest. Because the development or enhancement of analytic capabilities in a particular area can take some

42. Congressional Budget Office, *CBO Describes Its Cost-Estimating Process* (April 2023), www.cbo.gov/publication/59003, *CBO Explains How It Develops the Budget Baseline* (April 2023), www.cbo.gov/publication/58916, and *CBO Explains Budgetary Scorekeeping Guidelines* (January 2021), www.cbo.gov/publication/56507.

43. Congressional Budget Office, *CBO Explains the Statutory Foundations of Its Budget Baseline* (May 2023), www.cbo.gov/publication/58955.

time, the earlier that CBO can identify priority areas, the better equipped it will be to respond to Congressional requests for analysis in those areas.

Such support is particularly helpful because CBO is the smallest of the Congressional support agencies, with about 270 staff members and a budget of \$70 million for fiscal year 2024.⁴⁴ (CBO is less than one-half the size of the Congressional Research Service and less than one-tenth the size of the Government Accountability Office.) Currently, the largest share of CBO's analysts focuses on health policy. CBO's divisions include experts in energy and climate, financial analysis, labor, macroeconomics, microeconomics, national security, and taxes.

For most of the agency's first 40 years, its size hovered around 235 people. More recently, the Congress increased CBO's budget in part to allow the agency to implement a multiyear plan to strengthen its responsiveness to the Congress. As a result, CBO has been able to expand the number of staff in high-demand areas, such as health care and immigration. Moreover, to make use of the diverse skills and knowledge of CBO's personnel, staff collaborate across divisions to analyze legislative proposals. For example, analysts in one division may construct a model while those in a different division meet with stakeholders and experts to understand the effects of a policy proposal.

Let me close by saying that we are continually striving to improve the service that we provide to you, and I would be pleased to appear before this committee more regularly if you would like. I am happy to answer your questions.

44. Congressional Budget Office, *The Congressional Budget Office's Request for Appropriations for Fiscal Year 2025* (March 2024), www.cbo.gov/publication/59698.

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In keeping with CBO's mandate to provide objective, impartial analysis, this testimony makes no recommendations. Jeffrey Kling and Robert Sunshine reviewed the testimony, Caitlin Verboon edited it, and Casey Labrack prepared it for publication. The testimony is available at www.cbo.gov/publication/60439.



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Director

