



April 1, 2022

Honorable Mike Braun
Ranking Member
Subcommittee on the Legislative Branch
Committee on Appropriations
United States Senate
Washington, DC 20510

*Re: The Publication Date of CBO's Baseline Projections and CBO's
Process for Setting Priorities*

Dear Senator:

This letter responds to your questions about the publication date of the Congressional Budget Office's baseline projections and about how CBO prioritizes its work. CBO anticipates releasing the next edition of *The Budget and Economic Outlook* during the week of May 23. To facilitate the work of the appropriations committees, CBO will provide them (and the budget committees) with certain information earlier, including data about fiscal year 2023 amounts in the baseline projections and in the President's budget.

The Timing of CBO's Baseline Projections

As you noted in your letter, the Congressional Budget Act of 1974 specifies that "on or before February 15 of each year, the Director [of CBO] shall submit to the Committees on the Budget of the House of Representatives and the Senate, a report for the fiscal year commencing on October 1 of that year, with respect to fiscal policy . . ." CBO usually fulfills that requirement by publishing its first 10-year baseline budget projections of the year by that date. In accordance with law, those baseline projections are constructed under the assumptions that current laws governing revenues and spending will generally stay the same and that discretionary budget authority provided in appropriation acts in future years will match current funding, with adjustments for inflation.

This year, producing such projections by February 15 would have prevented CBO from carrying out other pressing responsibilities. Many of the analysts who would ordinarily have been producing the baseline projections in December (for publication in late January or February) were heavily engaged in assisting the Congress with the reconciliation legislation that was being considered at the time—specifically, with providing technical assistance and preparing estimates for many alternative proposals. Producing the baseline projections while providing that assistance was not possible.

Moreover, if CBO had produced baseline projections by February 15, they might have been outdated shortly after they were published. At that point, appropriations for fiscal year 2022 had not yet been enacted—and those appropriations are the basis for CBO’s baseline projections of discretionary spending. In addition, in late 2021 and early 2022, it was unclear whether the reconciliation legislation would be enacted; its enactment would have changed the budget and economic outlook.

Facing those workload demands and legislative uncertainties, CBO consulted the majority and minority leadership of the House and Senate Budget Committees to determine how to proceed. The two chairmen informed CBO in January that it was important that the budget projections, as well as the economic forecast underlying them, reflect the major fiscal policy decisions that might be forthcoming, and they acknowledged that achieving that goal was not possible by February 15 or even within a few weeks of that date. CBO was directed to produce its projections as soon as possible thereafter.

CBO is proceeding to do that. The agency has updated its economic forecast to reflect recent macroeconomic developments (through March 1). It is also incorporating the Consolidated Appropriations Act, 2022, which was signed into law on March 15, into its baseline projections. In addition, the President’s budget, which was released on March 28, contains a great deal of technical information that CBO will incorporate into the baseline projections.

The process of revising the economic forecast, updating and reviewing the baseline projections, and preparing the accompanying report will take more than two months (as it usually does in November, December, and January). CBO anticipates releasing that report during the week of May 23.

How CBO Sets Priorities

You also asked how CBO prioritizes statutory requirements and requests from Members. CBO has different types of statutory responsibilities. Some are defined in law (such as the baseline projections discussed above); others involve responses to requests from the Congress.¹

CBO's primary responsibility under the Budget Act is to help the House and Senate Budget Committees with the matters under their jurisdictions. CBO has a statutory responsibility to support other Congressional committees—particularly the appropriations, House Ways and Means, and Senate Finance Committees—and also provides support to the Congressional leadership. In addition, CBO is required to produce cost estimates for reported bills. In recent years, the agency has been asked to spend more time providing technical assistance during the period when legislation is being drafted. As part of that process, CBO's analysts often provide preliminary estimates to committee staff for a broad range of legislative proposals, as Members consider different options before choosing a legislative path.²

To fulfill its obligations and supply the information that is most useful to the Congress at a particular point in the legislative process, CBO must sometimes choose between providing technical assistance in the development of legislation, producing cost estimates for existing legislation, producing other work required by law (such as the baseline projections), and fulfilling requests from Members. When those priorities conflict, CBO consults with the leadership of the budget committees and the Congressional leadership, from both the majority and the minority, to determine which products are the highest priority for the Congress.

¹ For additional information, see Congressional Budget Office, *An Introduction to the Congressional Budget Office* (January 2021), <https://go.usa.gov/xztDy>.

² When individual Members' offices request cost estimates, and when time permits, CBO provides informal feedback on the possible effects of the legislation on mandatory spending—usually by phone or email.

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I hope this information is helpful. Please contact me if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip L. Swagel", with a long, sweeping flourish extending to the right.

Phillip L. Swagel
Director

cc: Honorable Jack Reed
Chairman

Honorable Bernie Sanders
Chairman, Senate Budget Committee

Honorable Lindsey Graham
Ranking Member, Senate Budget Committee

Honorable John Yarmuth
Chairman, House Budget Committee

Honorable Jason Smith
Ranking Member, House Budget Committee