

**Statement of
James L. Blum
Acting Director and
Assistant Director for Budget Analysis
Congressional Budget Office**

**before the
Committee on Appropriations
United States Senate**

March 4, 1988

NOTICE

**This statement is not available
for public release until it is
delivered at 10:00 a.m. (EST),
Friday, March 4, 1988.**

Mr. Chairman, at the request of this Committee, the Congressional Budget Office (CBO) has prepared an analysis of the President's budgetary proposals for 1989. I am pleased to appear before you this morning to summarize our findings. Our analysis will be described in detail in the CBO report titled *An Analysis of the President's Budgetary Proposals for Fiscal Year 1989*, which we plan to release on Thursday, March 10.

CBO estimates that the federal deficit under Administration policies would be \$165 billion in 1989, \$157 billion in 1990, and \$109 billion in 1993 (see Table 1). These figures are considerably higher than the Administration's own estimates--\$130 billion in 1989, \$104 billion in 1990, and \$23 billion in 1993. The lower panel of Table 1 divides the CBO reestimates of the Administration's budget into differences resulting from economic assumptions and those resulting from technical estimating methods. Most of the differences between the CBO and Administration estimates reflect assumptions about the future of the economy. CBO foresees less rapid real growth, higher inflation, and higher interest rates than does the Administration.

CBO analyzes the Administration's budget in terms of changes from the CBO baseline, which projects the course of the budget on

TABLE 1. CBO AND ADMINISTRATION ESTIMATES OF THE ADMINISTRATION'S BUDGET PROGRAM
(By fiscal year, in billions of dollars)

| | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---------------------------------|-----------|-----------|-----------|------------|-----------|-----------|
| Estimates | | | | | | |
| Revenues | | | | | | |
| Administration | 909 | 965 | 1,044 | 1,124 | 1,190 | 1,258 |
| CBO | 899 | 955 | 1,038 | 1,113 | 1,182 | 1,262 |
| Outlays | | | | | | |
| Administration | 1,056 | 1,094 | 1,148 | 1,204 | 1,241 | 1,281 |
| CBO | 1,060 | 1,120 | 1,195 | 1,253 | 1,313 | 1,371 |
| Deficit | | | | | | |
| Administration | 147 | 130 | 104 | 79 | 51 | 23 |
| CBO | 161 | 165 | 157 | 140 | 131 | 109 |
| Differences in Estimates | | | | | | |
| Revenues | | | | | | |
| Technical | -3 | -2 | 2 | -1 | a/ | 2 |
| Economic | <u>-7</u> | <u>-8</u> | <u>-8</u> | <u>-11</u> | <u>-9</u> | <u>2</u> |
| Total | -10 | -10 | -6 | -12 | -8 | 4 |
| Outlays | | | | | | |
| Technical | 1 | 9 | 14 | 1 | 6 | 1 |
| Economic | <u>3</u> | <u>17</u> | <u>33</u> | <u>48</u> | <u>66</u> | <u>88</u> |
| Total | 4 | 26 | 47 | 49 | 72 | 90 |
| Deficit | | | | | | |
| Technical | 4 | 11 | 12 | 2 | 5 | a/ |
| Economic | <u>10</u> | <u>25</u> | <u>41</u> | <u>59</u> | <u>75</u> | <u>86</u> |
| Total | 15 | 36 | 53 | 61 | 80 | 86 |

SOURCE: Congressional Budget Office; Office of Management and Budget.

NOTE: Totals include Social Security, which is off-budget.

a. Less than \$500 million.

the assumption that current taxing and spending policies continue unchanged. CBO reestimates, or reprices, the Administration's budget using CBO's economic and technical estimating assumptions and methods. The differences between the baseline projections and the CBO estimate of the budget measure the effects of the Administration's proposed policy changes.

As in past years, the baseline budget projections assume that revenues, offsetting receipts, and entitlement spending are projected according to the laws now on the statute books. Defense and non-defense discretionary appropriations are assumed to be held constant in real terms. This year CBO has made minor changes in its baseline to make it identical to the budget base as specified in the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119). We hope that this move will eliminate any confusion that resulted from having more than one baseline.

CBO's baseline budget deficits rise from \$150 billion in 1987 to \$161 billion in 1988 and \$177 billion in 1989, before dropping to \$170 billion in 1990. These baseline projections update those published last month in CBO's annual report, *The Economic and Budget Outlook: Fiscal Years 1989-1993*. The near-term revisions stem largely from an accounting change. In its 1989 budget submission, the Administration announced that the issuance of certain promissory notes by the

Federal Savings and Loan Insurance Corporation (FSLIC) and Federal Deposit Insurance Corporation (FDIC) will henceforth be counted as budget outlays, just as FDIC demand notes have been treated as outlays since the 1988 budget. This accounting change adds \$4 billion to outlays and the deficit in 1988 and \$2 billion in 1989.

CBO ECONOMIC ASSUMPTIONS

CBO expects slower real growth, higher inflation, and higher interest rates during the next two years than does the Administration, as shown in Table 2. The CBO forecast, however, is similar to the consensus of private-sector forecasters. CBO projects that real gross national product (GNP) will grow by 1.8 percent in 1988 (measured from fourth quarter to fourth quarter), the same as the consensus. This forecast reflects very slow growth in the first half of the year, followed by a rebound in the second half. The Administration, however, expects consistent 2 percent to 2- $\frac{1}{4}$ percent real GNP growth throughout 1988. In 1989, CBO expects real GNP to grow by 2.6 percent--somewhat less than the Administration forecast of 3.5 percent but above the consensus forecast of 2.1 percent.

TABLE 2. CBO, ADMINISTRATION, AND CONSENSUS FORECASTS FOR 1988 AND 1989 (By calendar year)

| | Actual 1987 | Forecast | |
|--|----------------|----------|------|
| | | 1988 | 1989 |
| Fourth Quarter to Fourth Quarter (Percent change) | | | |
| Real Gross National Product | | | |
| CBO | 3.8 | 1.8 | 2.6 |
| Administration | 3.8 | 2.4 | 3.5 |
| Consensus | 3.8 | 1.8 | 2.1 |
| GNP Deflator | | | |
| CBO | 3.3 | 3.9 | 4.2 |
| Administration | 3.3 | 3.9 | 3.7 |
| Consensus | 3.3 | 3.7 | 4.4 |
| Consumer Price Index (CPI-W) | | | |
| CBO | 4.5 | 4.9 | 4.8 |
| Administration | 4.5 | 4.3 | 3.9 |
| Consensus | 4.5 | 4.1 | 4.8 |
| Calendar-Year Average (Percent) | | | |
| Three-Month Treasury Bill Rate | | | |
| CBO | 5.8 | 6.2 | 6.7 |
| Administration | 5.8 | 5.3 | 5.2 |
| Consensus | 5.8 | 5.9 | 6.4 |
| Ten-Year Government Note Rate | | | |
| CBO | 8.4 | 9.3 | 9.5 |
| Administration | 8.4 | 8.0 | 7.4 |
| Consensus <u>a/</u> | 8.4 | 8.9 | 9.1 |
| Civilian Unemployment Rate | | | |
| CBO | 6.2 | 6.2 | 6.1 |
| Administration <u>b/</u> | 6.1 | 5.8 | 5.6 |
| Consensus | 6.2 | 6.1 | 6.2 |

SOURCE: Congressional Budget Office; Office of Management; Blue Chip Economic Indicators (February 10, 1988).

NOTE: The CBO forecast is based on the preliminary estimates of GNP for the fourth quarter of 1987 released in January 1988; the February revisions were small and are not included.

- a. Averages are calculated by using CBO's projection of the difference between the corporate bond rate and the 10-year government note rate.
- b. The Administration's projection is for the total labor force, including armed forces residing in the United States. In recent years, this rate has tended to be 0.1 to 0.2 percentage points below the civilian unemployment rate.

Like most private forecasters, CBO expects both short- and long-term interest rates to rise over the next two years, while the Administration projects them to decline. In large part, these differences reflect different views about inflation. CBO expects consumer price inflation to accelerate slightly in the near term, as the fall in the dollar generates higher import prices, while the Administration assumes that inflation will decline.

Beyond 1989, neither CBO nor the Administration attempts to forecast the economy. Rather, both agencies make projections based on historical trends. As in the short-term outlook, CBO's long-run economic assumptions are less optimistic than those of the Administration but similar to those of major private-sector forecasting firms (see Table 3).

CBO BUDGET ESTIMATES

CBO's estimates of the deficit exceed the Administration's figures by \$15 billion in 1988, \$36 billion in 1989, and increasing amounts in later years. In 1989, \$25 billion of the \$36 billion in reestimates is attributable to differing economic assumptions. In 1991 through 1993, virtually all of the reestimates are economic.

TABLE 3. COMPARISON OF CBO, ADMINISTRATION, AND PRIVATE-SECTOR ECONOMIC ASSUMPTIONS
(By calendar year)

| | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|-------|-------|-------|-------|-------|-------|-------|
| Nominal GNP (Billions of dollars) | | | | | | | |
| CBO | 4,486 | 4,744 | 5,068 | 5,414 | 5,782 | 6,179 | 6,606 |
| Administration | 4,486 | 4,779 | 5,113 | 5,481 | 5,850 | 6,207 | 6,548 |
| DRI | 4,486 | 4,710 | 5,043 | 5,425 | 5,795 | 6,192 | 6,641 |
| Wharton | 4,480 | 4,752 | 5,063 | 5,356 | 5,728 | 6,082 | 6,499 |
| Real GNP (Billions of 1982 dollars) | | | | | | | |
| CBO | 3,820 | 3,906 | 4,008 | 4,113 | 4,220 | 4,333 | 4,450 |
| Administration | 3,820 | 3,932 | 4,054 | 4,196 | 4,340 | 4,485 | 4,630 |
| DRI | 3,820 | 3,895 | 4,021 | 4,140 | 4,232 | 4,317 | 4,406 |
| Wharton | 3,814 | 3,901 | 3,996 | 4,063 | 4,199 | 4,310 | 4,446 |
| Real GNP (Percent change, year over year) | | | | | | | |
| CBO | 2.9 | 2.3 | 2.6 | 2.6 | 2.6 | 2.7 | 2.7 |
| Administration | 2.9 | 2.9 | 3.1 | 3.5 | 3.4 | 3.3 | 3.2 |
| DRI | 2.9 | 2.0 | 3.2 | 3.0 | 2.2 | 2.0 | 2.0 |
| Wharton | 2.7 | 2.3 | 2.4 | 1.7 | 3.3 | 2.7 | 3.1 |
| Three-Month Treasury Bill Rate | | | | | | | |
| CBO | 5.8 | 6.2 | 6.7 | 6.6 | 6.4 | 6.1 | 5.9 |
| Administration | 5.8 | 5.3 | 5.2 | 5.0 | 4.5 | 4.0 | 3.5 |
| DRI | 5.8 | 5.3 | 6.0 | 6.3 | 6.3 | 6.2 | 6.2 |
| Wharton | 5.8 | 6.3 | 7.6 | 6.9 | 6.5 | 6.4 | 6.6 |
| Ten-Year Government Note Rate | | | | | | | |
| CBO | 8.4 | 9.3 | 9.5 | 9.0 | 8.4 | 7.8 | 7.4 |
| Administration | 8.4 | 8.0 | 7.4 | 6.8 | 6.0 | 5.0 | 4.5 |
| DRI | 8.4 | 8.1 | 8.4 | 8.6 | 8.6 | 8.7 | 8.7 |
| Wharton | 8.3 | 9.3 | 10.0 | 9.2 | 8.1 | 8.1 | 8.2 |
| CPI-W (Percent change, year over year) ^a/ | | | | | | | |
| CBO | 3.6 | 4.5 | 4.9 | 4.6 | 4.4 | 4.4 | 4.4 |
| Administration | 3.6 | 4.3 | 4.1 | 3.6 | 3.2 | 2.7 | 2.2 |
| DRI | 3.6 | 3.9 | 4.6 | 4.9 | 4.7 | 5.0 | 5.2 |
| Wharton | 3.5 | 4.5 | 4.7 | 4.0 | 4.2 | 4.2 | 4.1 |

SOURCES: Congressional Budget Office; Office of Management and Budget; Data Resources, Inc. (February 2, 1988); Wharton Econometric Forecasting Associates (February 8, 1988).

a. CPI for urban wage earners and clerical workers.

Effects of Economic Assumptions

CBO's assumptions of lower real economic growth and higher interest rates tend to increase the estimated deficits, while its assumption of higher inflation tends to lower them, as shown in Table 4. Lower real economic growth holds down tax receipts, while increasing outlays for unemployment insurance and related programs. CBO's real growth assumption adds to the deficit in the President's budget by amounts growing from \$7 billion in 1988 to \$12 billion in 1989 and \$67 billion in 1993. Higher interest rates increase debt service costs by \$2 billion in 1988, \$13 billion in 1989, and \$52 billion in 1993.

Differences in inflation assumptions have little effect on the deficit estimates for the first few years, but CBO's higher inflation rates reduce the estimated deficits by \$7 billion in 1991, \$17 billion in 1992, and \$33 billion in 1993. In the long run, faster inflation increases most revenue sources (by increasing taxable incomes and consumption) but raises only some outlay categories (primarily indexed benefit programs, Medicare, and Medicaid). CBO bases its estimates of defense and nondefense discretionary appropriations on the dollar amount of the Administration's request; it does not increase the request to take account of CBO's higher assumed inflation rates.

If CBO's inflation assumptions prove correct, these appropriations will buy fewer real goods and services than the Administration now anticipates.

Effects of Technical Assumptions

Technical reestimates increase the estimated 1989 deficit by \$11 billion, comprising \$2 billion in lower revenues and \$9 billion in higher outlays (see Table 5). Of the outlay differences, only a small portion involves discretionary accounts. Roughly \$0.5 billion is in

TABLE 4. EFFECTS OF CBO ECONOMIC ASSUMPTIONS ON ESTIMATES OF THE ADMINISTRATION'S DEFICIT
(By fiscal year, in billions of dollars)

| | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|----------------------------|----------|-----------|-----------|-----------|------------|------------|
| Lower Real Economic Growth | 7 | 12 | 20 | 34 | 51 | 67 |
| Higher Interest Rates | 2 | 13 | 23 | 32 | 41 | 52 |
| Higher Inflation <u>a/</u> | <u>1</u> | <u>b/</u> | <u>-2</u> | <u>-7</u> | <u>-17</u> | <u>-33</u> |
| Total Economic Reestimates | 10 | 25 | 41 | 59 | 75 | 86 |

SOURCE: Congressional Budget Office.

NOTE: The figures include the changes in debt service costs caused by different borrowing.

- a. Any effect of inflation on interest rates is included in the previous line.
- b. Less than \$0.5 billion.

national defense programs, and slightly less than \$0.5 billion is in nondefense discretionary appropriations. The nondefense discretionary differences are small because the Administration generally elected to use CBO estimates for these accounts. CBO's 1989 outlay estimates for deposit insurance, Medicare, and income security programs are each \$2 billion higher than the Administration. Finally,

TABLE 5. CBO REESTIMATES RESULTING FROM DIFFERENT TECHNICAL ASSUMPTIONS (By fiscal year, in billions of dollars)

| | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenues | -3 | -2 | 2 | -1 | <u>a/</u> | 2 |
| Outlays | | | | | | |
| National defense | 2 | 1 | <u>a/</u> | 1 | <u>a/</u> | -1 |
| Nondefense discretionary appropriations | -1 | <u>a/</u> | -3 | -2 | <u>a/</u> | 1 |
| Arctic National Wildlife Refuge leasing | 0 | 0 | 2 | -2 | 1 | -1 |
| Farm price supports | -1 | <u>a/</u> | <u>a/</u> | -1 | -2 | -2 |
| Deposit insurance | -1 | 2 | 1 | <u>a/</u> | <u>a/</u> | -1 |
| Postal Service | <u>a/</u> | <u>a/</u> | 1 | -3 | -1 | -3 |
| Medicare | 1 | 2 | 2 | 2 | 1 | <u>a/</u> |
| Income security | <u>a/</u> | 2 | 3 | 4 | 3 | 5 |
| Net interest | 2 | <u>a/</u> | 2 | 1 | 2 | 1 |
| Asset sales and prepayments | -1 | 4 | 3 | <u>a/</u> | <u>a/</u> | <u>a/</u> |
| Other | <u>a/</u> | <u>a/</u> | <u>-1</u> | <u>0</u> | <u>2</u> | <u>1</u> |
| Total Outlays | 1 | 9 | 14 | 1 | 6 | 1 |
| Total Technical Reestimates | 4 | 11 | 12 | 2 | 5 | <u>a/</u> |

SOURCE: Congressional Budget Office.

a. Less than \$0.5 billion.

CBO expects a total of \$4 billion in lower proceeds from asset sales and loan prepayments.

Many of the same technical factors that increase the 1989 deficit also add to outlays in 1990. In addition, CBO believes that the first auction for drilling rights in the Arctic National Wildlife Refuge (ANWR) could not occur before 1991; the Administration assumes that, if the Congress acts this year, leasing could begin in 1990. By increasing the deficit, the technical reestimates also increase interest costs by \$2 billion in 1990. After 1990, technical reestimates are small in total.

THE ADMINISTRATION'S BUDGET PROGRAM

CBO's baseline projections provide a benchmark against which the Administration's budget program can be measured. Because the baseline and the CBO estimate of the budget employ the same economic and technical assumptions, differences between the two are solely the result of proposed policy changes. The Administration's budget would cut the projected deficits only modestly. CBO estimates that the Administration's budget proposals would reduce the 1989 deficit to \$165 billion--\$12 billion below the baseline level of \$177

billion. The amount of deficit reduction remains \$12 billion in 1990 and grows to \$29 billion in 1993, as shown in Table 6.

The Administration's revenue proposals would reduce the deficit by about \$1 billion per year. Additional revenues would be generated by requiring all state and local government employees to pay the Medicare tax and by repealing the scheduled reduction in airport and

TABLE 6. THE ADMINISTRATION'S BUDGET PROGRAM AS ESTIMATED BY CBO (By fiscal year, in billions of dollars)

| | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|-----------|-----------|-----------|-----------|-----------|
| CBO Baseline Deficit | 177 | 170 | 159 | 154 | 139 |
| Policy Changes | | | | | |
| Revenues <u>a/</u> | -1 | -1 | -1 | -1 | -1 |
| National Defense | -1 | <u>b/</u> | 1 | 3 | 5 |
| Nondefense Discretionary Spending | -2 | -2 | -8 | -12 | -16 |
| Entitlements and Other | | | | | |
| Mandatory Spending | -3 | -6 | -6 | -6 | -6 |
| Offsetting Receipts | 1 | <u>b/</u> | -4 | -4 | -6 |
| Asset Sales and Prepayments | -6 | -3 | <u>b/</u> | <u>b/</u> | <u>b/</u> |
| Net Interest | <u>b/</u> | <u>-1</u> | <u>-2</u> | <u>-4</u> | <u>-5</u> |
| Total Policy Changes | -12 | -12 | -19 | -23 | -29 |
| Deficit, President's Budget as Estimated by CBO | 165 | 157 | 140 | 131 | 109 |

SOURCE: Congressional Budget Office.

- a. Revenue increases are shown with a negative sign because they reduce the deficit.
- b. Less than \$0.5 billion.

airway tax rates. Proposals for more favorable tax treatment of research and experimentation spending, mutual fund expenses, and higher education savings bonds would reduce revenues.

For defense and nondefense discretionary spending, the Administration budget is guided by the appropriation caps contained in the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203). The CBO baseline projections do not reflect the 1989 savings from these caps, because these savings remain to be enacted. Instead, the baseline assumes 1989 appropriations based on the 1988 amounts adjusted for inflation of roughly 4 percent. The caps, in contrast, allow increases in budget authority of only 2.5 percent for defense and 2.0 percent for nondefense programs. By adhering to the appropriation caps, the Administration budget reduces defense outlays by \$1 billion and nondefense discretionary spending by \$2 billion in 1989 compared with the baseline.

After 1989, defense budget authority in the Administration's request would grow by 1 percent per year in real terms, based on CBO economic assumptions. The Administration claims a higher rate of real defense growth because of its lower inflation rate. CBO estimates that defense outlays would be close to the baseline amount in 1990 and would exceed the baseline by \$1 billion in 1991 and \$5 billion in 1993.

Nondefense discretionary savings would remain at about \$2 billion in 1990 and would grow to \$8 billion in 1991 and \$16 billion in 1993.

The Administration proposes few changes in entitlement and other mandatory programs. Entitlement reductions total \$3 billion in 1989 and \$6 billion per year thereafter. About a third of the reductions would be in Medicare, where the Administration proposes to lower reimbursement to providers. Reductions are also proposed in the veterans housing loan guarantee program, guaranteed student loans, Medicaid, and rehabilitation services.

Proposed changes in offsetting receipts would increase outlays by \$1 billion in 1989, have little net effect in 1990, and reduce outlays by \$4 billion in 1991 and \$6 billion in 1993. The 1989 increase results primarily from a proposal to reclassify certain Customs Service fees as revenues rather than as offsetting receipts. Additional receipts would be garnered over the five-year period through raising beneficiary premiums for supplementary medical insurance (part B of Medicare), increasing Postal Service payments for employee retirement, and leasing rights to drill for oil in the Arctic National Wildlife Refuge.

Asset sales account for \$6 billion, or half, of the 1989 deficit reduction. Slightly more than \$3 billion derives from the prepayment or sale of loans made by the Rural Electrification Administration and

other agencies. Sale of the Naval Petroleum Reserves and the Alaska Power Marketing Administration would yield somewhat less than \$3 billion. Proposed asset sales contribute \$4 billion to deficit reduction in 1990 and little thereafter.

APPROPRIATIONS ISSUES

The appropriation caps in the budget summit agreement have focused attention on the Congressional appropriation and budget score-keeping processes. As requested by this committee, CBO is currently writing a manual of scorekeeping rules and procedures. But each year new issues will emerge that are not covered by existing precedents.

Assessing adherence to the appropriation caps has identified several such issues. Table 7 compares the appropriation caps contained in the bipartisan budget agreement with Administration and CBO estimates of the amounts in the President's budget. As shown in the table, CBO finds that the budget comports with the international and domestic discretionary caps but exceeds the defense outlay ceiling by \$0.5 billion. The proper treatment of several budget accounts, however, is currently uncertain. These accounts include the conditional advance appropriation for the foreign military sales credit, clean coal technology, the conservation reserve program, payments to

the Farm Credit System Financial Assistance Corporation, the Panama Canal revolving fund, and the Internal Revenue Service. Until these issues are resolved, CBO's estimates of the discretionary appropriation totals are only preliminary.

The appropriations caps also raise several broader issues. For example, the existing Congressional scorekeeping system has

TABLE 7. DISCRETIONARY APPROPRIATIONS FOR
FISCAL YEAR 1989 (In billions of dollars)

| | Budget Authority | Outlays |
|--------------------------|---------------------|---------|
| Defense | | |
| Bipartisan Agreement | 299.5 | 294.0 |
| President's Budget | 299.5 | 294.0 |
| Preliminary CBO Estimate | 299.5 | 294.5 |
| International | | |
| Bipartisan Agreement | 18.1 | 16.1 |
| President's Budget | 18.1 | 15.6 |
| Preliminary CBO Estimate | 18.1 | 16.1 |
| Domestic | | |
| Bipartisan Agreement | 148.1 | 169.2 |
| President's Budget | 147.6 | 169.1 |
| Preliminary CBO Estimate | 147.3 | 168.3 |

SOURCES: Office of Management and Budget; Congressional Budget Office.

difficulty dealing with annual appropriations that affect receipt accounts or permanent appropriations that are not in the spending jurisdiction of the Appropriations Committees. Similarly, the current cash-based treatment of credit programs not only paints a misleading picture of federal credit activity, as CBO has long argued, but also creates a number of knotty scorekeeping problems. Many proposals for credit reform, including the Administration's, would solve both of these problems. In the Balanced Budget Reaffirmation Act, the Congress asked CBO to study the budget's treatment of credit programs, and CBO will issue a report later this year.

Finally, the budget process is complicated by differences in scorekeeping practices between the Senate, the House, and the Administration. While considerable progress has been made in resolving many of these differences over the past two years, several others remain. The classification of accounts as discretionary or mandatory is a good example. These scorekeeping issues are not simply technical matters that can be left to CBO and the Office of Management and Budget to resolve. They will need to be addressed by the Appropriations and Budget Committees during the coming year. We look forward to assisting you in this endeavor.