

CBO TESTIMONY

**Statement of
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Appropriation Request for Fiscal Year 2007

**before the
Subcommittee on Legislative Branch
Committee on Appropriations
United States Senate**

May 3, 2006

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**CONGRESSIONAL BUDGET OFFICE
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WASHINGTON, D.C. 20515**

Mr. Chairman and Members of the Committee, I am pleased to present the fiscal year 2007 budget request for the Congressional Budget Office (CBO).

CBO is a small legislative support agency. Its mission is to provide the Congress with timely, objective, nonpartisan analyses of the budget and the economy and to furnish the information and cost estimates required for the Congressional budget process. That mission is its single “program.” Approximately 90 percent of CBO’s appropriation is devoted to personnel, and the remaining 10 percent, to information technology, equipment, supplies, and other small purchases.

The total current-services request for fiscal year 2007 is \$37,026,000—a \$1.9 million, or 5.5 percent, increase over the appropriation for fiscal year 2006 (after the 1 percent rescission). Although CBO’s original projected increase from fiscal year 2006 to fiscal year 2007 was 4.4 percent, this request incorporates CBO’s need to restore resources that were eliminated in fiscal year 2006 by the rescission.

The requested increase is dominated by \$1.7 million for increases in staff salaries and benefits, which are estimated to grow by 5.3 percent in 2007. CBO’s information technology accounts will increase by \$220,000, or 15.6 percent, primarily to restore information technology funding that was reduced to meet the fiscal year 2006 rescission. The remainder of CBO’s nonpersonnel budget will increase by 1.7 percent to cover modest inflationary increases in various accounts.

With the requested funds for 2007, CBO plans to continue to support the Congress in exercising its responsibilities for the budget of the U.S. government. CBO supports the Congressional budget process by providing analyses required by law or requested by the Committees on the Budget, the Committees on Appropriations, the

Senate Committee on Finance, the House Committee on Ways and Means, other committees, and individual Members. Contributing in various forms, CBO:

- Reports on the outlook for the budget and the economy to help the Congress prepare for the legislative year, including the construction of baseline budget projections to serve as neutral benchmarks for gauging the effects of spending and revenue proposals;
- Estimates the effects of the President's budgetary proposals on outlays and revenues, including effects resulting from impacts on macroeconomic activity;
- Assists the Committees on the Budget in developing the Congressional budget resolution by providing alternative spending and revenue paths and the estimated effects of a variety of budget options;
- Reports on programs and activities for which authorizations for appropriations were not enacted or are scheduled to expire;
- Estimates the costs of legislative proposals, including formal cost estimates for bills reported by committees of the House and Senate, which also identify the costs of mandates on states, localities, Indian Tribes, and the private sector;
- Conducts policy studies of governmental activities having major economic and budgetary impacts;

- Provides the Congress with analyses of policy options, but not policy recommendations, to alter federal outlays and receipts in the near term and over the longer horizon to help the Congress make budgetary choices, set priorities, and adapt to changes in circumstances;
- Constructs statistical, behavioral, and computational models to project short- and long-term costs and revenues of government programs and their effects on the economy; and
- Reports on emerging economic developments (such as natural disasters) and their possible budgetary consequences.

In fiscal year 2007, CBO's request will allow the agency to build on current efforts—specifically, the request:

- Supports a workload of more than 1,700 formal estimates of the costs of proposed or enacted legislation and of mandates included in legislation (generally conveyed in about 600 separate documents) and approximately 160 analytical reports and other products, as well as a heavy schedule of Congressional testimony;
- Supports 235 FTEs, the same number as in 2006, including an across-the-board pay adjustment of 2.7 percent for staff earning a salary of less than \$100,000 (which is consistent with the pay adjustment requested by other legislative branch agencies);

- Funds a projected 5.4 percent increase in the cost of benefits and funds a combination of promotions and merit increases, including pay adjustments for staff whose salary exceeds \$100,000 and who therefore do not receive an automatic annual increase;
- Supports CBO's share of the Federal Accounting Standards Advisory Board (FASAB) budget requirement (\$443,025);
- Sustains management and professional training and development (\$152,400);
- Maintains and continues development of CBO's financial management system (\$101,390);
- Supports the agency's telecommunications services to the Alternate Computing Facility (\$75,000); and
- Allows for upgrading Microsoft Office software throughout the agency (\$75,000).

Before I close, I would like to point out that over the past two fiscal years, CBO has streamlined operations while increasing services to the Congress and meeting ever growing requirements. Those efforts, which have included working in cooperation with other legislative branch agencies and other government organizations, have focused on reducing costs in information technology; library operations; printing and reproduction; storage services; and financial management, including payroll

processing, auditing, and reporting. Consequently, the fiscal year 2007 submission requests the funding required for CBO to maintain its current services.

I would also like to report that CBO received a clean opinion on its fiscal year 2004 financial statements.

In addition, I would like to state that the agency is committed to applying many principles of the Government Performance Results Act as discussed in the Senate's fiscal year 2006 report.

Finally, I would like to thank the Committee for its support of CBO's 2006 budget request. The funding provided this year will allow CBO to continue to provide the Congress with vital analyses as well as enable the agency to make cost-effective investments to enhance productivity and reduce costs.