

CBO TESTIMONY

**Statement of
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Director**

Appropriation Request for Fiscal Year 2006

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

May 11, 2005

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Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2006 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.

Appreciating the need for fiscal restraint, CBO has attempted to maintain its existing level of personnel by saving money in, and through, information technology and through other measures. CBO’s proposed budget for fiscal year 2006 represents slightly less than a “current services” request, in which the increases from 2005 are solely to cover estimated increases in pay, benefits, and general inflation. The request totals \$35,853,000—a \$1.2 million, or 3.5 percent, increase over the appropriation for fiscal year 2005 (after the 0.8 percent rescission).

The requested increase is dominated by \$1.6 million for increases in staff salaries and benefits, which are estimated to grow by 5.2 percent in 2006. CBO’s information technology accounts will decrease by \$354,000, or 19 percent, which has been made possible by an adjustment to the replacement cycle for equipment and savings from converting the Budget Analysis Data System from a mainframe platform to 21st century technology. The remainder of CBO’s nonpersonnel budget will decrease by 1.1 percent. CBO will generate savings in printing, storage, and postage costs by increasingly relying on online distribution of its publications.

With the requested funds for 2006, 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;
- Analyzes the likely effects of the President's budgetary proposals on federal spending and revenues;
- Estimates the costs of legislative proposals, including formal cost estimates for all bills reported by committees of the House and Senate and statements about federal mandates on states, localities, and the private sector;
- Prepares *Monthly Budget Reviews*, annual reviews of unauthorized appropriations and expiring authorizations, and the biannual volume *Budget Options*;
- Conducts policy studies of governmental activities having major economic and budgetary impacts; and
- Constructs analytic models to project short- and long-term costs and receipts of government programs.

In fiscal year 2006, CBO's request will allow the agency to build on current efforts—specifically, to do the following:

- Increase the number and reduce the preparation time of reports and in-depth analyses for the Congress. The request will support a workload of approximately 2,000 formal legislative and mandate cost estimates as well as more than 100 analytical reports, about 70 other publications and products, and a robust schedule of Congressional testimony.
- Support 235 FTEs (full-time-equivalent positions), the same number as in 2005, including an across-the-board pay adjustment of 3.1 percent for staff earning a salary of \$100,000 or less. That adjustment is consistent with the ones requested by other legislative branch agencies. The budget also reflects a projected increase of 7.0 percent for benefits, and funds a combination of promotions and merit increases for all staff, including those whose salary exceeds \$100,000 and who therefore do not receive an automatic annual increase;
- Provide for CBO's share of the Federal Accounting Standards Advisory Board's budget (\$430,000);
- Continue support for telecommunications services to the Alternate Computing Facility (\$75,000);
- Maintain and expand CBO's disaster recovery capabilities (\$60,000);

- Maintain and enhance the Budget Analysis Data System, the agency's mission-critical system for developing and maintaining scorekeeping data and budget projections for use by the appropriations and budget committees (\$20,000); and
- Sustain and develop CBO's financial management system, Momentum (\$100,000).

Before I close, I would like to point out a few ways in which CBO has streamlined some operations, as well as mention cross-servicing arrangements and management improvements that CBO has undertaken or expanded upon over the past several years.

First, in terms of streamlining, CBO:

- Reduced the footprint and staff of its library by 50 percent by increasingly relying on the print and online services provided by the Library of Congress and
- Eliminated storage services and reduced printing and mailing costs, as the agency's Web site has become the primary vehicle for disseminating CBO publications.

Second, pursuing cross servicing, CBO does the following:

- Coordinates with the Library of Congress for financial management, reporting, travel, and other related financial and accounting services—including using the

same contractor that the Library does for audit services. (CBO received a clean opinion on its first audit of its financial statements this year.)

- Partners with the Library for implementation and maintenance of an integrated financial management and procurement system (Momentum) that provides accurate, relevant, and timely information to management for decisionmaking.
- Utilizes the National Finance Center for payroll processing.
- Receives support from the House Information Resources office for CBO's computer data center.
- Receives maintenance services from the Architect of the Capitol for CBO's work space.
- Contracts with the Government Printing Office for printing services.

Last, CBO's management improvements include these:

- Expanding the use of information technology to develop an improved report production system, an electronic distribution system for publications and cost estimates (relying on the Web), an online job announcement system, an online job application system, a résumé tracking system, and a property management inventory system.

- Discontinuing contracting for mainframe computing services by reprogramming the Budget Analysis Data System to run on CBO-maintained servers. That conversion alone will save CBO approximately \$200,000 a year in its future budget submissions.

As reflected in CBO's fiscal year 2006 budget request, those ongoing efforts have allowed CBO to keep cost increases to a minimum.

Finally, I would like to thank the Subcommittee for its support of CBO's 2005 budget request. The funding provided this year will allow CBO to continue providing the Congress with vital analyses as well as enable the agency to make smart investments in core areas, which will enhance productivity and reduce costs.

