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## United States Senate

COMMITTEE ON THE BUDGET WASHINGTON, DC 20510–6100

TELEPHONE: (202) 224-0642

May 17, 2021

Dr. Phillip Swagel
Director
Congressional Budget Office
Ford House Office Building
D St. SW & 2nd St. SW
Washington, D.C. 20515

Dear Director Swagel:

I am writing to request the Congressional Budget Office (CBO) provide information on the current federal budget outlook after the enactment of the American Rescue Plan Act of 2021 (P.L. 117-7) and how recent policy proposals would further affect that outlook.

Since the publication of CBO's February 2021 budget baseline, Congress has enacted another substantial fiscal package (P.L. 117-7) and is likely to soon consider additional legislation with major budgetary effects. While we do not yet have legislative text or all of the details necessary for a formal cost estimate, it is clear from public reports that the aggregate costs of these proposals would be substantial if not offset.

In the past CBO has provided detailed estimates of budgetary projections under different illustrative policy scenarios. For each of the following scenarios, please provide the budget deficit and debt held by the public over the FY 2021 to 20231 budget window, with a specified breakout of associated interest effects, for each scenario:

- 1. Scenario 1 Assume the following changes to CBO's February baseline projection:
  - The budgetary effects of the American Rescue Plan Act of 2021 (P.L. 117-7) incorporated.
- 2. Scenario 2- Assume the following changes to CBO's February baseline projection:
  - a. The budgetary effects of P.L. 117-7; and
  - b. Total nondefense discretionary budget authority in FY 2022 is \$768 billion and budget authority in subsequent years grows from that base.
- 3. Scenario 3 Assume the following changes to CBO's February baseline projection:
  - a. The budgetary effects of P.L. 117-7, are incorporated;
  - b. Total nondefense discretionary budget authority in FY 2022 is \$768 billion and budget authority in subsequent years grows from that base;

<sup>&</sup>lt;sup>1</sup> See for example Congressional Budget Office, Estimated Impact on the Deficit of Three Alternative Policy Scenarios Specified by Speaker Pelosi and Chairman Spratt (February 23, 2009), <a href="https://www.cbo.gov/publication/20490">https://www.cbo.gov/publication/20490</a>.

- c. Budget authority in FY 2022 is increased by \$2.7 trillion (not assumed to be provided in subsequent years) and is assumed to be spent out at the same rate that CBO assumes for construction projects or some other rate as determined appropriate after consultation with my staff; and
- d. Annual noninterest mandatory outlays are increased by \$180 billion above baseline levels starting FY 2022 (for a cumulative \$1.8 trillion increase over the 2022-2031 window).

Thank you for your prompt attention to this matter. I request that you provide a written response to this request as soon as possible, but no later than Friday, May 21, 2021. Should you have any questions, please have your staff contact Erich Hartman of the Budget Committee minority staff (202-224-0642).

Sincerely,

Lindsey Graham Ranking Member