Testimony

Transparency at CBO: An Update

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Chairman Enzi, Ranking Member Sanders, and Members of the Committee, I am delighted to be here today to discuss transparency at the Congressional Budget Office. The transparency of our work has always been a priority of ours, and this year we have added and shifted resources to redouble our efforts in that area.

Transparency can mean many different things, so let me begin by highlighting CBO’s three goals in being transparent:

- First, we aim to enhance the credibility of our work by showing how it relies on data, professional research, and expert feedback.

- Second, we seek to promote a thorough understanding of our analyses by sharing information in an accessible, clear, and detailed manner.

- Third, we want to help people gauge how our estimates might change if policies or circumstances were different.

Over the past year, we undertook many activities supporting progress toward those three overarching goals. Almost all of CBO’s employees spent part of their time on those activities, and last month, we published a report summarizing them.¹ I would like to highlight a few for you:

- We created several interactive tools: one that lets users add or subtract brigades, ships, aircraft squadrons, and other units to see the effects on the Department of Defense’s total operation and support costs and the size of the military; one that shows how we project spending on discretionary programs; and one that allows users to enter alternative economic scenarios and see the budgetary results.²

- We posted computer code to help analysts understand and replicate parts of our analyses in papers about the distribution of household income and about macroeconomic output.⁴

- We published analyses of the accuracy of our spending estimates for fiscal year 2017 and of our projections of subsidies for health insurance under the Affordable Care Act.⁵

- We published a report on how we produce cost estimates, as well as a detailed description of our formal cost estimates and the information that they contain.⁶

We also reached out to provide information about our work to Congressional staff. Last week, for example, we answered questions at an “open house” for House staff convened by the House Budget Committee. Tomorrow, we are making a presentation to Congressional staff—jointly with the Congressional Research Service—about CBO’s baseline budget projections and how they are produced.


In addition, we have reached out to many experts for feedback on our analyses. For example, last week we announced the formation of a technical review panel to advise us on the development and testing of the next generation of our health insurance simulation model.\(^7\)

In response to interest expressed by the Congress, we plan during the next year to publish more overviews and documentation of some of CBO’s major models and more detailed information, including computer code, about key aspects of those models. The models are used to simulate choices about health insurance, project long-term budget outcomes, forecast business investment, and estimate Medicare beneficiaries’ costs. We also plan to update our template for cost estimates to make important information easier to find and read. And we will continue to evaluate previous estimates in order to improve future ones. For example, we are currently examining how our estimate of the effects of the American Recovery and Reinvestment Act of 2009 on spending for the Supplemental Nutrition Assistance Program compares with what actually happened.

As we undertake these efforts, it will be important to understand which ones are particularly valuable and informative to the Congress and which ones may have less value. Being transparent has costs, and CBO must, in essence, make business decisions weighing the benefits and costs of devoting resources to different activities. We welcome your feedback about what you find most useful and your suggestions about other ways in which we can provide more information about our work.

Let me close by thanking you for your support and guidance. We have long relied on the budget committees to explain our role to the Congress, to provide constructive feedback on how we can best serve the Congress, and to provide us with guidance about legislative developments and Congressional priorities.