

NO BIAS IN THE BASELINE ACT REMOVES DISTORTIONS THAT PUSH HIGHER SPENDING AND TAXES

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Senator Mike Braun and Congressman Ben Cline have introduced the No Bias in the Baseline Act. This important legislation would reverse distortions in the Congressional Budget Office's baseline that bias the budget process in favor of higher spending and higher taxes.

Myth of The "Current Law" CBO Baseline

The CBO baseline is often described as reflecting current law, but [this is a myth](#).

There are four deviations from current law in the baseline that CBO is *required* by statute to incorporate: three that make spending look much higher and one that makes revenues look slightly higher than they would actually be if Congress made no further changes in law:

1. Discretionary appropriations are assumed to be continued and grow with inflation each year.
2. Direct spending programs larger than \$50 million are assumed to be extended beyond their statutory expiration.
3. Entitlement programs are assumed to make all scheduled benefit payments, even if a program's trust fund and financing is inadequate to do so.
4. Excise taxes dedicated to a trust fund are assumed to be continued beyond their statutory expiration.

In fact, nearly 30 percent of the \$85 trillion of spending included in CBO's fiscal year 2025–2034 baseline are only assumed, not actually provided for under current law.

The No Bias in the Baseline Act Removes Distortions that Push Higher Spending and Taxes

The distortions in the CBO baseline bias the entire budget process towards higher spending and higher revenues.

These harmful distortions are contrary to the underlying purpose of a budget baseline. As [CBO itself](#) has stated, "CBO's baseline is not intended to be a forecast of budgetary outcomes; rather, it is meant to provide a neutral benchmark that policymakers can use to assess the potential effects of policy decisions."

However, the baseline that CBO is required to prepare is not a neutral benchmark. The biases in the baseline allow the true costs of legislation to be hidden from the public and Members of Congress.

Budgeting is about making tradeoffs, so the rules governing the process should provide clarity about the ramifications of different policy proposals.

The No Bias in the Baseline Act would remove distortions from the baseline. This would provide more consistent, transparent, and realistic cost estimates for legislative proposals.