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## **Congressional Budget Office: Appointment and Tenure of the Director and Deputy Director**

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# Congressional Budget Office: Appointment and Tenure of the Director and Deputy Director

## Summary

The requirements regarding the appointment and tenure of the CBO director, which are simple and straightforward, are set forth in Section 201(a) of the 1974 Congressional Budget Act, as amended, and codified at 2 U.S.C. 601(a). The Speaker of the House of Representatives and the President pro tempore of the Senate jointly appoint the director after considering recommendations received from the House and Senate Budget Committees. The Budget Committee chairs inform the congressional leaders of their recommendations by letter. The appointment usually is announced in the *Congressional Record*.

Section 201(a) requires that the selection be made “without regard to political affiliation and solely on the basis of his fitness to perform his duties.” Media reports over the years indicate that the CBO director is selected under informal practices in which the House and Senate Budget Committees alternate in recommending a nominee to the Speaker and President pro tempore of the Senate. These reports also indicate that the Speaker and President pro tempore have adhered to the Budget Committees’ recommendations in making past selections. To the extent that these practices are informal, there may be disagreement with regard to their operation in the future selection of a CBO director.

The director is appointed to a four-year term that begins on January 3 of the year that precedes the year in which a presidential election is held. If a director is appointed to fill a vacancy prior to the expiration of a term, then that person serves only for the unexpired portion of that term. There is no limit on the number of times that a director may be reappointed to another term. Section 201(a) also authorizes a CBO director to continue to serve past the expiration of his term until a successor is appointed. A CBO director may be removed by either House by resolution.

Section 201(a) also provides that the director shall appoint a deputy director. The deputy director serves during the term of the director that appointed the deputy director (and until his or her successor is appointed), but may be removed by the director at any time. The deputy director serves as the acting director if the director resigns, is incapacitated, or is otherwise absent.

Six persons so far have served as CBO director — Alice Rivlin, Rudolph Penner, Robert Reischauer, June O’Neill, Dan Crippen, and the current director, Douglas Holtz-Eakin, who was appointed on February 5, 2003. There have been 10 different deputy directors. Three of them, Edward Gramlich, James Blum, and Barry Anderson, served as acting director for periods amounting in total to about two years. The current deputy director, Donald B. Marron, was appointed in October 2005.

This report will be updated as developments warrant.

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# Congressional Budget Office: Appointment and Tenure of the Director and Deputy Director

## Background

The Congressional Budget Office (CBO) was established by Title II of the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344; July 12, 1974; 2 U.S.C. 601-603). The organization officially came into existence on February 24, 1975, upon the appointment of the first director, Alice Rivlin.

CBO's mission is to support the House and Senate in the federal budget process by providing budgetary analysis and information in an objective and nonpartisan manner.<sup>1</sup> Specific duties are placed on CBO by various provisions in law, particularly Titles II, III, and IV of the 1974 Congressional Budget Act, as amended. In addition to preparing annual reports on the economic and budget outlook and on the President's budget proposals, CBO provides cost estimates of legislation, scorekeeping reports, assessments of unfunded mandates, and products and testimony relating to other budgetary matters.

The Legislative Branch Appropriations Act for FY2006 (P.L. 109-55), enacted into law on August 2, 2005, provided an appropriation of \$35,459,000 to CBO for the fiscal year, an amount expected to support a staff of about 235 full-time-equivalent (FTE) positions.<sup>2</sup>

Six persons so far have served as CBO director — Alice Rivlin, Rudolph Penner, Robert Reischauer, June O'Neill, Dan Crippen, and Douglas Holtz-Eakin. Three different deputy directors, Edward Gramlich, James Blum, and Barry Anderson, served as acting director for periods amounting in total to about two years.

The current CBO director, Douglas Holtz-Eakin, was appointed on February 5, 2003, to the four-year term that began on January 3 of that year. The current deputy director, Donald B. Marron, was appointed in October 2005.

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<sup>1</sup> For more information on the mission, organization, and policies of CBO, see the agency's website at: [<http://www.cbo.gov>] In addition, the House Budget Committee held an oversight hearing on CBO during the 107<sup>th</sup> Congress: *Congressional Budget Office Role and Performance: Enhancing Accuracy, Reliability, and Responsiveness in Budget and Economic Estimates* (May 2, 2002).

<sup>2</sup> The CBO appropriation is set forth at 119 Stat. 577.

## Appointment Process

The requirements regarding the appointment and tenure of the CBO director, which are simple and straightforward, are set forth in Section 201(a) of the 1974 Congressional Budget Act, as amended, and codified at 2 U.S.C. 601(a) (see **Appendix A**). The Speaker of the House of Representatives and the President pro tempore of the Senate jointly appoint the director after considering recommendations received from the House and Senate Budget Committees. The Budget Committee chairs inform the congressional leaders of their recommendations by letter. The appointment usually is announced in the *Congressional Record*.<sup>3</sup>

Section 201(a) requires that the selection be made “without regard to political affiliation and solely on the basis of his fitness to perform his duties.” Media reports over the years indicate that the CBO director is selected under informal practices in which the House and Senate Budget Committees alternate in recommending a nominee to the Speaker and President pro tempore of the Senate. These reports also indicate that the Speaker and President pro tempore have adhered to the Budget Committees’ recommendations in making past selections. To the extent that these practices are informal, there may be disagreement with regard to their operation in the future selection of a CBO director.<sup>4</sup>

The director is appointed to a four-year term that begins on January 3 of the year that precedes the year in which a presidential election is held. If a director is appointed to fill a vacancy prior to the expiration of a term, then that person serves only for the unexpired portion of that term. There is no limit on the number of times that a director may be reappointed to another term. Section 201(a) also authorizes a CBO director to continue to serve past the expiration of his term until a successor is appointed.

A CBO director may be removed by either House by resolution.

Section 201(a) also provides that the director shall appoint a deputy director. The deputy director serves during the term of the director that appointed the deputy director (and until his or her successor is appointed), but may be removed by the director at any time. The deputy director serves as the acting director if the director resigns, is incapacitated, or is otherwise absent.

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<sup>3</sup> For example, see the announcement regarding the appointment of Dan Crippen in the *Congressional Record* of February 4, 1999, on page H422, and the appointment of Douglas Holtz-Eakin in the *Congressional Record* of February 5, 2003, on page H313.

<sup>4</sup> Recent discussions of informal selection practices may be found in: (1) “Amid Criticism, CBO Director O’Neill Forgoes Second Term,” by David Baumann, *National Journal’s Congress Daily*, October 28, 1998; (2) “Domenici Recommends Dan Crippen As New Congressional Budget Office Director,” by Bud Newman, *BNA’s Daily Report for Executives*, January 14, 1999; (3) “Crippen Will Be New CBO Director,” by Ethan Wallison, *Roll Call*, January 14, 1999; (4) “White House Economist Selected to Replace Crippen at CBO,” by Andrew Taylor, *CQ Monitor*, January 9, 2003; and (5) “Bush Economist Holtz-Eakin Nominated by Nussle to Become New CBO Director,” by Bud Newman, *BNA’s Daily Report for Executives*, January 10, 2003.

Compensation for the director and the deputy director originally was set at Level III and Level IV of the Executive Schedule (5 U.S.C. 5314), respectively. (For 2005, the annual salary for Level III is \$149,200 and the annual salary for Level IV is \$140,300.)<sup>5</sup> The Consolidated Appropriations Act for FY2000 changed the compensation of the director to the lower of the highest annual rate of compensation of any officer of the House or Senate, and changes the compensation of the deputy director to \$1,000 less than the annual rate of pay received by the director.<sup>6</sup>

## Record of Appointments and Tenure

Six persons have served as director of CBO during the eight terms beginning in 1975 (see **Table 1**):

**Alice M. Rivlin.** Alice Rivlin served two terms as CBO director, from 1975-1983. Prior to serving as CBO director, she served as assistant secretary for planning and evaluation with the Department of Health, Education, and Welfare, and as a senior fellow with the Brookings Institution.

**Rudolph G. Penner.** Rudolph Penner served as CBO director for one term, from 1983-1987. Previously, he served as chief economist at the Office of Management and Budget under President Gerald Ford and as director of tax policy studies with the American Enterprise Institute.

**Robert D. Reischauer.** Robert Reischauer served two terms as CBO director, from 1989-1995 (he was not appointed until about halfway into the first four-year term). Mr. Reischauer previously served as CBO deputy director (under Alice Rivlin) and as a senior vice president of the Urban Institute.

**June Ellenoff O'Neill.** June O'Neill served as CBO director for one term, covering 1995-1999. Before her appointment as CBO director, she headed the Center for the Study of Business and Government at Baruch College and was an adjunct scholar at the American Enterprise Institute.

**Dan L. Crippen.** Dan Crippen served as CBO director for one term, covering 1999-2003. Prior to his appointment, he served as chief counsel and economic policy adviser to Senate Majority Leader Howard Baker, domestic policy adviser to President Ronald Reagan, and, more recently, as a member of the law firm, Washington Counsel.

**Douglas Holtz-Eakin.** Douglas Holtz-Eakin began his term as CBO director on February 3, 2003. Prior to beginning his term, he served as chief economist for the Council of Economic Advisers. He currently is on leave from Syracuse

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<sup>5</sup> Rates of federal pay are provided at the website of the Office of Personnel Management at [<http://www.opm.gov>]

<sup>6</sup> See Section 224 of H.R. 3425 (113 Stat. 1501A-299), as enacted into law by cross-reference in Section 1000(a)(4) of P.L. 106-113 (113 Stat. 1501-1537; Nov. 29, 1999). The provisions were incorporated into Section 201 of the 1974 Congressional Budget Act as Section 5(A) and (B).

University, where he holds the position of Trustee Professor of Economics at the Maxwell School.

Ten persons have served as deputy director of CBO — (1) Robert Reischauer (in two instances); (2) Robert A. Levine; (3) Raymond Scheppach; (4) Eric A. Hanushek; (5) Edward Gramlich; (6) Robert Hartman; (7) James Blum; (8) Barry Anderson; (9) Elizabeth Robinson; and (10) Donald B. Marron, the current deputy director. The position was vacant on two occasions.

As **Table 1** shows, the gap between the beginning of a term and the appointment of the director has varied considerably. Alice Rivlin, June O’Neill, Dan Crippen, and Douglas Holtz-Eakin were appointed (or reappointed) within one to three months of the beginning of their terms. Rudolph Penner, however, was not appointed until nearly seven months after his term had begun (and did not assume his office until more than a month later). Finally, Robert Reischauer began his first term more than two years after it had started.

As a consequence of these appointment gaps, incumbent directors have remained in office for weeks or months after their term has expired or CBO has operated with an acting director. Alice Rivlin stayed in office for nearly eight months (until August 31, 1983) before her successor, Rudolph Penner, took over. Rudolph Penner remained in office for about four months (until April 28, 1987), but left long before a new director was appointed; Edward Gramlich, and then James Blum, served successively as acting director for a period of nearly two years.

Robert Reischauer stayed on as director for almost two months (until February 28, 1995) before he was succeeded. June O’Neill stayed in office nearly a month after her term ended (until January 29, 1999), but left about a week before her successor was appointed; James Blum served as acting director during the interim. Finally, Barry Anderson served as acting director from the time that Dan Crippen left office, on January 3, 2003, until Douglas Holtz-Eakin was appointed to succeed him on February 5, about a month later.

At the conclusion of a CBO director’s term, the practice of the Senate has been for the chairman and ranking member of the Budget Committee to introduce a simple resolution commending the director for his or her service, which the Senate then adopts by unanimous consent.<sup>7</sup> The Senate agreed to a similar resolution commending James Blum for his service as deputy director.<sup>8</sup>

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<sup>7</sup> For example, see: (1) S.Res. 81, 104<sup>th</sup> Congress, commending Robert Reischauer (*Congressional Record*, February 27, 1995, page S3223); (2) S.Res. 39, 106<sup>th</sup> Congress, commending June O’Neill (*Congressional Record*, February 12, 1999, page S1651); and (3) S.Res. 15, 108<sup>th</sup> Congress, commending Dan Crippen (*Congressional Record*, January 9, 2003, page S175).

<sup>8</sup> See S.Res. 40, 106<sup>th</sup> Congress (*Congressional Record*, February 12, 1999, pages S1651-52).

**Table 1. Terms of the Director of the Congressional Budget Office**

<b>Term</b>	<b>Director</b>	<b>Date of appointment</b>	<b>Date appointment announced in Congressional Record</b>	<b>Effective date of appointment</b>
January 3, 1975- January 3, 1979	Alice M. Rivlin	February 24, 1975	February 25, 1975 (page 4151)	February 24, 1975
January 3, 1979- January 3, 1983	Alice M. Rivlin	March 28, 1979	[none]	March 28, 1979
January 3, 1983- January 3, 1987	Rudolph G. Penner	July 20, 1983	July 21, 1983 (page 20285)	September 1, 1983
January 3, 1987- January 3, 1991	Robert D. Reischauer <sup>a</sup>	February 28, 1989	March 2, 1989 (page 3218)	March 6, 1989
January 3, 1991- January 3, 1995	Robert D. Reischauer	November 27, 1991	November 26, 1991 (page 35842)	November 27, 1991
January 3, 1995- January 3, 1999	June Ellenoff O'Neill	February 22, 1995	February 22, 1995 (page S2984); February 28, 1995 (page H2373)	March 1, 1995
January 3, 1999- January 3, 2003	Dan L. Crippen <sup>b</sup>	February 3, 1999	February 4, 1999 (page H422)	February 3, 1999
January 3, 2003- January 3, 2007	Douglas Holtz-Eakin <sup>c</sup>	February 5, 2003	February 5, 2003 (page H313)	February 5, 2003

**Source:** Congressional Budget Office and the *Congressional Record*, various years.

<sup>a</sup> Deputy Directors Edward Gramlich and James Blum served successively as acting director between April 28, 1987, when Rudolph Penner left office, and March 6, 1989, when Robert Reischauer's appointment took effect.

<sup>b</sup> Deputy Director James Blum served as acting director between January 29, 1999, when June O'Neill left office, and February 3, 1999, when Dan Crippen's appointment took effect.

<sup>c</sup> Deputy Director Barry Anderson served as acting director between January 3, 2003, when Dan Crippen left office, and February 5, 2003, when Douglas Holtz-Eakin's appointment took effect.



**Appendix A. Establishment of the Congressional  
Budget Office Under Section 201(a) of the 1974  
Congressional Budget Act  
(2 U.S.C. 601(a))**

(a) In General. —

(1) There is established an office of the Congress to be known as the Congressional Budget Office (hereinafter in this chapter referred to as the "Office"). The Office shall be headed by a Director; and there shall be a Deputy Director who shall perform such duties as may be assigned to him by the Director and, during the absence or incapacity of the Director or during a vacancy in that office, shall act as Director.

(2) The Director shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate after considering recommendations received from the Committees on the Budget of the House and the Senate, without regard to political affiliation and solely on the basis of his fitness to perform his duties. The Deputy Director shall be appointed by the Director.

(3) The term of office of the Director shall be 4 years and shall expire on January 3 of the year preceding each Presidential election. Any individual appointed as Director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed. Any Deputy Director shall serve until the expiration of the term of office of the Director who appointed him (and until his successor is appointed), unless sooner removed by the Director.

(4) The Director may be removed by either House by resolution.

(5)(A) The Director shall receive compensation at an annual rate of pay that is equal to the lower of —

(i) the highest annual rate of compensation of any officer of the Senate; or

(ii) the highest annual rate of compensation of any officer of the House of Representatives.

(B) The Deputy Director shall receive compensation at an annual rate of pay that is \$1,000 less than the annual rate of pay received by the Director, as determined under subparagraph (A).