



CBO's Role in the Congressional Budget Process

AABPA 2016 Spring Symposium

Megan Carroll and David Newman
Budget Analysis Division

CBO's Role

CBO's estimates are tools that the Congress can use to implement rules and procedures related to budget enforcement.

Those procedures and CBO's estimates recognize the fundamental distinction between the three primary components of the federal budget:

- **Discretionary spending**—Authority provided in annual appropriation acts
- **Mandatory (or direct) spending**—Spending controlled by laws other than annual appropriation acts
- **Revenues**

How Cost Estimates Relate to Budget Enforcement Procedures

Not all estimates are relevant to budget enforcement procedures.

There are no budget enforcement procedures for bills that change authorizations of spending that is subject to future appropriation action.

Changes in **mandatory spending** or **revenues** are subject to pay-as-you-go procedures.

New budget authority in **annual appropriation bills** is subject to limits specified in law.

Key Points About CBO's Estimates and the Congressional Budget Process

We estimate the budgetary effects of bills that provide spending authority or affect revenues relative to current law, using the perspective of the unified budget.

We estimate the budgetary effects of bills that provide spending authority or affect revenues relative to current law, using the perspective of the unified budget.

We estimate the budgetary effects of bills that provide spending authority or affect revenues **relative to current law**, using the perspective of the unified budget.

We estimate the budgetary effects of bills that provide spending authority or affect revenues relative to current law, **using the perspective of the unified budget.**

How Agencies Can Assist CBO

CBO consults:

- Hill staff
- Stakeholders
- Agency staff (Budget, Legislative Affairs, program offices)
- Counterparts in the Office of Management and Budget
- Outside experts

Open, transparent lines of communication
are vital.

The key to estimating costs of implementing proposed legislation is identifying changes in agency behavior:

- Are new activities required or would the agency have discretion?
- Would legislation result in the agency undertaking activities that it wouldn't otherwise pursue or in a way different from what it would do under current law?

Preliminary, unofficial feedback helps CBO gauge how much time the estimate will take.

Formal responses are usually not necessary.