



# Congressional Budget Office

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## **CBO's Work Under the Unfunded Mandates Reform Act**

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Leo Lex

Unit Chief, State and Local Government Cost Estimates

# CBO's Role and Responsibilities

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- Provides nonpartisan analytical support to the Congress regarding budget and economic policy
- Helps the Congress develop and implement its budget rules and procedures
- Estimates the federal budgetary impact of legislation being considered by the Congress
- Helps the Congress assess the impact of federal mandates

# What CBO Does Not Do

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- Make policy recommendations
- Write legislation
- Implement programs and regulations and enforce budget rules
- Audit spending or receipts

# Federal Mandates

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- The Unfunded Mandates Reform Act of 1995 (UMRA) requires CBO to prepare analyses of federal mandates
- CBO's Budget Analysis Division identifies mandates in proposed legislation and estimates the costs that those mandates would impose on state, local, and tribal governments
- CBO's other divisions perform the same function for private-sector mandates

# Identifying and Estimating Mandates

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- UMRA does not prohibit mandates
- UMRA establishes procedures for providing information about mandates when bills are considered
  - Cost estimates
  - Committee reports
- CBO's cost estimates are guided by the definition of mandates in UMRA
- Points of order may be raised by Members of Congress

# Definitions

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- For something to be a mandate, it must be an enforceable duty that is *not*:
  - A condition of assistance
  - A condition for participating in a voluntary federal program
- Preemptions of other governments' authority are mandates

# The Entitlement exception

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- Changes to large entitlement programs can be mandates if:
  - The change places new requirements on the program

*or*

  - The change caps or decreases federal funding for the program
  - States lack programmatic flexibility to alter their responsibilities and continue providing required services

# Special Cases

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- Reductions in authorized funding are mandates if the funding is for:
  - Complying with an existing mandate
  - Controlling borders
- Otherwise, reductions in authorizations are not mandates
- Actual reductions in appropriations are never mandates

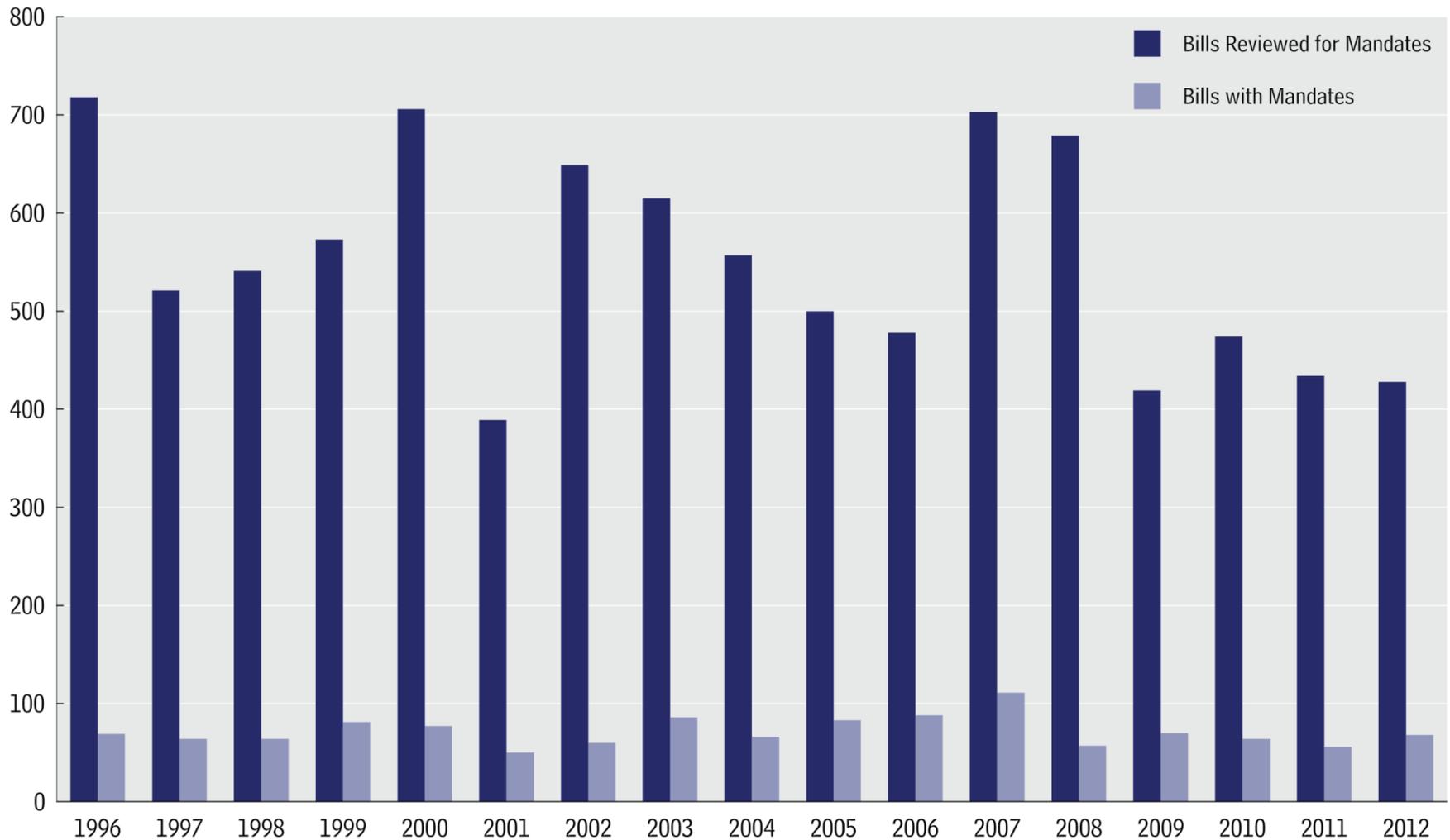
# Exclusions

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- Constitutional rights
- Statutory rights
- Accounting (auditing)
- Emergency assistance
- National security (treaties)
- Presidentially designated emergencies
- Social Security, Title II (OASDI)

# Bills Containing Intergovernmental Mandates

(Number)



# Intergovernmental Mandates With Costs Over the Threshold

- From 1996 through 2012, 18 intergovernmental mandates with costs over the threshold were enacted
  - Health care (5)
  - Child nutrition (2)
  - Internet taxation (2)
  - Rail and transit (2)
  - Minimum wage (2)
  - Child support (1)
  - Drivers’ licenses and identification documents (1)
  - Food stamps (1)
  - Premium taxes for prescription plans (1)
  - Tax withholding (1)