



May 19, 2017

CBO's Role in the Congressional Budget Process

2017 Financial Management Conference

Department of Commerce

National Institute of Standards and Technology

Gaithersburg, Maryland

Megan Carroll

Budget Analysis Division

CBO's Role

CBO and the staff of the Joint Committee on Taxation (JCT) provide estimates that the Congress can use to implement its rules and procedures related to budget enforcement.

Those procedures and 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 such procedures for bills that change authorizations of spending that is subject to future appropriations.

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:
**CBO's Estimates and the
Congressional Budget Process**

The House and Senate Budget Committees determine the budgetary effects of legislation for purposes of rules and procedures related to budget enforcement.

The estimates prepared by CBO and JCT are provided to assist the committees in making that determination.

CBO and JCT 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 communication is 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 it would not otherwise pursue or would pursue differently than under current law?

Preliminary, unofficial feedback helps CBO gauge how much time an estimate will take. Formal responses usually are not needed.