



# Congressional Budget Office

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## **CBO's Role in the Legislative Process**

Budget Line of Business  
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# The Congressional Budget Act of 1974

The act created a formal process through which the Congress could **develop**, **coordinate**, and **enforce** its budgetary **priorities**.

As part of that process, the act created the House and Senate Budget Committees and the Congressional Budget Office.

The **budget committees oversee** the budget process, draft an annual budget plan, and monitor the action on the budget.

**CBO provides** the budget committees and the Congress with **objective, impartial information** about budgetary and economic issues.

## CBO does not:

- Make policy recommendations
- Write legislation
- Implement programs or regulations
- Enforce budget rules
- Evaluate the historical performance of government programs

# CBO's Products

CBO provides:

- **Baseline budget projections and economic forecasts** covering the 10-year period used in the Congressional budget process
- **Long-term budget projections**
- **Cost estimates** for legislation, including analyses of federal mandates
- **Scorekeeping** for enacted legislation

CBO also produces:

- An **analysis of the President's budget**, including economic effects and their budgetary feedback
- **Analytic reports** about federal programs, aspects of the tax code, and budgetary and economic challenges



## CBO consults:

- Staff at federal agencies
- Counterparts in the Office of Management and Budget
- Outside experts
- Stakeholders

# *CBO's Budget and Economic Outlook*

CBO is required to provide the Congress with an **annual report** on the federal budget and the economy.

CBO provides projections of **revenues** from each major revenue source, **spending** for every federal budget account, and the resulting **deficits**, along with **forecasts of the nation's economy**.

CBO prepares those **baseline projections** following rules that are largely set forth in law. The projections incorporate the assumption that current laws governing taxes and spending would generally remain in place.

The baseline serves as a **neutral benchmark** for the Congress to use in determining whether proposed legislation is subject to various **budget enforcement procedures**.

# CBO's Cost Estimates

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

The estimates **focus on the next 10 years** but sometimes look ahead 20 years or more.

They **reflect the middle of the distribution** of possible outcomes.

The estimates **incorporate behavioral responses** to the extent feasible, on the basis of the available evidence.

They **are open to new information** and may change as a result.

They **include explanations** of the analysis to the extent feasible.

# How Agencies Can Assist CBO



CBO needs to understand:

- How agencies are implementing activities under **current law**
- How **agencies' behavior and costs would change** if legislative proposals were enacted

Open, transparent lines of **communication** are vital.

Preliminary, unofficial feedback helps CBO provide **timely responses to Congressional staff**.

Formal responses from agencies are usually not necessary.

# Additional Resources

*Ten Things to Know About CBO* (January 2018),  
[www.cbo.gov/about/10-things-to-know](http://www.cbo.gov/about/10-things-to-know).

*Seven Things to Know about CBO's Analyses*  
(February 2018), [www.cbo.gov/publication/53603](http://www.cbo.gov/publication/53603)

*The Budget and Economic Outlook: 2018 to 2028*  
(April 2018), [www.cbo.gov/publication/53651](http://www.cbo.gov/publication/53651).

*How CBO Prepares Baseline Budget Projections*  
(February 2018), [www.cbo.gov/publication/53532](http://www.cbo.gov/publication/53532).

*How CBO Prepares Cost Estimates* (February 2018),  
[www.cbo.gov/publication/53519](http://www.cbo.gov/publication/53519).

*How CBO Produces Its 10-Year Economic Forecast*  
(February 2018), [www.cbo.gov/publication/53537](http://www.cbo.gov/publication/53537).