40 Years and Counting: The Independent and Effective Congressional Budget Office
Alice M. Rivlin  
(Feb. 1975 – Aug. 1983)

Rudolph Penner  
(Sept. 1983 – Apr. 1987)

Robert Reischauer  

June O’Neill  

Daniel Crippen  

Douglas Holtz-Eakin  

Peter Orszag  
(Jan. 2007 – Nov. 2008)

Douglas W. Elmendorf  
(Jan. 2009 – Present)
This February marks 40 years since the establishment of the Congressional Budget Office (CBO) — a nonpartisan government agency that provides information to Congress about the budget and economy. Since its inception, CBO has earned a well-deserved reputation as an impartial budget referee, widely respected for its independence and effectiveness in providing information and analysis to lawmakers.

CBO was established under the Congressional Budget and Impoundment Control Act of 1974 that organized the budget process in the legislative branch. Prior to that law, the president’s Office of Management and Budget was the primary source of budgetary and economic information for the federal government. Congress’s dependence on the executive branch for this important information was at odds with the principle of separation of powers of our three branches of government. With the establishment of CBO, Congress created an agency to support its budgeting activity, freeing itself from dependence on the executive branch.

The CBO director is appointed by the Speaker of the House and the President pro tempore of the Senate “without regard to political affiliation and solely on the basis of [his or her] fitness to perform [his or her] duties.” The budget committees in the House and Senate both make recommendations during this process. Each director serves a fixed term of up to four years and may be reappointed.

"CBO has been a counterweight not merely to the Office of Management and Budget but to the centrifugal tendencies of the congressional committee system. The strength of the central budget office has resided in its independence. The political standoffs over the budget in recent years have obscured CBO's contribution, but its calm yet insistent analyses have raised the quality of fiscal debate in Congress, and between Congress and the executive, enormously."


CBO was formally established as a nonpartisan agency, and that has been a critical and enduring part of the office’s effectiveness. This concept has been reinforced by the actions of its directors, following the path charted by the agency’s first director, Alice Rivlin. In the agency’s first year, Dr. Rivlin clearly articulated this principle of impartiality, stating, “Let me say strongly and loudly that CBO wants to be fair and nonpartisan... and to be an analytically straightforward and professional organization that calls issues as we see them, without any bias in any political direction.” For the past 40 years, this vision of independence has continued at the agency, pursued with firmness by subsequent directors and staff alike.

CBO has a highly-skilled staff which numbers about 235, most with backgrounds in public policy or economics. The agency’s staff produces a wide variety of reports every year that fulfill the agency’s three key responsibilities:

- **Producing projections of the budget and the economy:** CBO provides projections of the budget and economy over 10 years. These budget projections are known as the baseline and generally assume that current laws for taxes and federal spending remain in place. CBO also produces a long-term outlook for the budget, extending 75 years into the future.

- **Estimating the budgetary impact of legislation:** One of CBO’s primary responsibilities is providing a cost estimate or score for nearly all bills that are approved by a Congressional committee (House or Senate). This cost estimate is a critical component of the legislative process, as it provides lawmakers and the public with an independent assessment of a bill’s projected impact on federal spending. (The congressional Joint Committee on Taxation prepares all revenues estimates, which are included in CBO’s cost estimates for legislation affecting spending and revenues.) Each year, CBO estimates that it produces between 500 and 700 formal cost estimates, as well as informal cost estimates for thousands of preliminary proposals being developed by Congress.

- **Providing budgetary and economic analysis for the Congress:** CBO analyzes the fiscal and economic impact of timely policy issues facing the nation, such as immigration, tax reform, and
energy production.

Carrying out these duties for 40 years and upholding a commitment to quality and integrity, the Congressional Budget Office has become an indispensable part of the nation’s policymaking process. The milestone of CBO’s 40th anniversary provides a good opportunity for policymakers to reaffirm their support for the independence of this important institution.

**Additional resources**

For further reading on CBO and its history, we recommend:

- [Congressional Budget Office. An Introduction to the Congressional Budget Office](#), November, 2014.
- Joyce, Philip G. "The Congressional Budget Office at Middle Age." [The Brookings Institution](#), February 17, 2015.

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