

Comparison of the role and powers of the omb to the cbo

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Comparing the role and powers of the OMB to the CBO Affiliation

Budget development and execution in United States is a process managed by the Executive Office of the president. The president implements his priorities, policies, and actions in everything from NASA to Department of Defense via the budget. The Management and Budget (OMB) office is within the United States executive office of the president. Its director is a member of the executive office of the president. The primary role of the agency is to assist the president in overseeing budgetary process and supervision of its administration by the executive branch agencies (Executive Office of the President of the United States, 2013).

The OMB undertakes the measurements of quality of agency policies, procedures and programs to ensure they comply with the president's policies and administration policies. Additionally, The OMB coordinates and oversees the administration's financial management, procurement regulatory policies and information. In each section, OMB plays a role to improve administrative management, to better the coordination mechanism and performance measures and to lessen the burden on the public (Dewhirst & Rausch, 2007).

On the other hand, Congressional Budget and Impound Control Act of 1974 led to the establishment of the Congressional Budget Office (CBO). The role of this office is to project the costs of legislation, as well as federal programs to congress and offer counterweight to President's Budget (Stapenhurst, 2008). The CBO directly reports to the Joint Committee on Taxation. The reports include the Cost Estimate for Individual Bills, Budget Baseline and Economic Forecast products. Congress uses the CBO's projections as

baseline for developing legislation. However, CBO does not make a recommendation on policy. This means implies that the CBO`s projections are monitored carefully and are released annually in January and updated in August (Dewhirst & Rausch, 2007).

The conclusions made by CBO are generally not challenged though many scrutinies are done. Therefore, the services of CBO can be categorized into four areas. Firstly is helping the congress formulate a budget plan. Secondly is to help the budget process stay in the plan. Thirdly is to help assess the impact of federal mandates. Finally contributes to consider issues related to economic policy and budget. The office is purely analytical and is not involved in bill writing, conduct audits, enforce budget rules, or implement regulations (Dewhirst & Rausch, 2007).

The overlap of CBO and OMB

Both OMB and CBO are involved in scoring legislation costs. This includes the appropriation and direct spending included in authorization bills. Budget committees have the responsibility for determining the scoring effects of legislation for enforcement by congress. However, the budget committees rely on CBO estimate during congressional consideration of individual bill so that consistency with the budget resolution is achieved. The President utilizes estimates of OMB to determine the cost of budget-related legislation. OMB explains the differences or reconciles the two sets of discretionary estimates.

The difference between OMB and CBO

The difference between OMB and CBO lies on their roles and powers. The CBO is a legislative agency that is involved in advising the congress on the

general budget matters. The first and foremost agency that is accountable to congress specifically the Budget Committees. On the other hand, the OMB is an executive agency that is a branch of the White House. The OMB is involved in overseeing the operations of the federal department and agencies. They work with other agencies to make their budget that is forwarded into the President`s budget and presented to the congress. Unlike the CBO that is accountable to the congress, the OMB is accountable to the president. It is also involved in monitoring the performance of the agencies and ensures compliance with executive policies (Stapenhurst, 2008).

References

Dewhirst, R. E., & Rausch, J. D. (2007). Encyclopedia of the United States Congress. New York: Facts On File.

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