

## RESEARCH SUMMARY

# Enhancing CBO's Evaluation of Program Integrity Spending

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The Congressional Budget Office (CBO) performs scorekeeping—assessing the budgetary effects of proposed legislation—so that budget-enforcing rules and procedures may be applied accordingly. When scorekeeping is improperly done, it can create bias against program integrity spending and lead to more government waste, fraud, and abuse. In “Beyond Dynamic Scoring: Enhancing CBO’s Evaluation of Program Integrity Spending,” Keith Hall argues that changing CBO scoring guidelines would improve the budgetary process.

### **Assessing the “Behavioral Response” to Legislation**

In its scorekeeping, the CBO makes 10-year estimates of the likely impact of proposed legislation on federal outlays and revenues. To make accurate and unbiased projections, the CBO spends considerable time and resources to try to understand

1. how individuals, firms, and government entities would react to a specific policy; and
2. how this reaction would affect the federal budget.

These so-called behavioral responses to legislation are an important part of budget scores.

### **An Unprecedented Surge in Waste, Fraud, and Abuse**

Hall shows how scorekeeping guidelines can interfere with the scoring of spending on program integrity activities. Program integrity activities are those designed to ensure that government programs (a) deliver on their mission and (b) reduce waste, fraud, and abuse in federal programs. As such, higher or lower spending on the former may be expected to lower or raise spending on the latter.

Program integrity activities are important for a well-functioning government, especially given the unusual level of federal spending brought on by the global pandemic. The Government Accountability Office estimates that waste, fraud, and abuse have cost taxpayers a trillion dollars since 2020.

### **The Challenge for Scorekeeping Accuracy**

Spending on program integrity must rise significantly to combat the current surge in waste, fraud, and abuse. However, scorekeeping accuracy faces the following challenge: The guidelines often dictate that a change in spending on program integrity be estimated, but the program’s effect on waste, fraud, and abuse—the reasons for the spending—cannot be estimated.

The result? A bias in scoring that works against program integrity and in favor of higher levels of waste, fraud, and abuse. A change in the guidelines is needed to correct this bias and free the CBO to fully score program integrity.