How Does United States Compare to Its Neighbors?

France: 87
Germany: 68
Italy: 58
Norway: 83
Portugal: 58
Spain: 63
Sweden: 83
United Kingdom: 87
United States: 82

Key Findings

The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country’s budget process. These scores constitute the Open Budget Index (OBI).

The United States’ OBI 2010 score is 82 out of 100, which is higher than the average score for countries in Western Europe, though below that of France (87) and the United Kingdom (87). The U.S. score shows that the government provides the public with extensive information on the central government’s budget and financial activities during the course of the budget year. This makes it possible for citizens to assess how the government is managing public funds.

The United States’ score has essentially remained the same over the past four years.

Information in Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

<table>
<thead>
<tr>
<th>Document</th>
<th>Level of Information Grade</th>
<th>Publication Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>E</td>
<td>Not Produced</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>A</td>
<td>Published</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>A</td>
<td>Published</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>E</td>
<td>Not Produced</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>A</td>
<td>Published</td>
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<tr>
<td>Mid-Year Review</td>
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<tr>
<td>Year-End Report</td>
<td>B</td>
<td>Published</td>
</tr>
<tr>
<td>Audit Report</td>
<td>A</td>
<td>Published</td>
</tr>
</tbody>
</table>
* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An Executive’s Budget Proposal is the government’s most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In the United States the budget proposal provides comprehensive details. However, some gaps in information are found in the following areas:

- The budget proposal lacks some information on outputs and outcomes. This information is important for those who are interested in monitoring the budget’s impact.
- The budget proposal lacks information on certain fiscal activities that can have a major impact on the government’s ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and other assets. Without this information, the public does not know the government’s true fiscal position.

A Pre-Budget Statement sets forth the broad parameters that will define the government’s forthcoming budget. The United States does not produce a Pre-Budget Statement.

An Enacted Budget becomes a country’s law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government’s stated policy priorities and hold it to account. The United States publishes a comprehensive Enacted Budget.

A Citizens Budget is a non-technical presentation of a government’s budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government’s plans. The United States does not produce a Citizens Budget.

In-Year Reports provide a snapshot of the budget’s effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus can facilitate adjustments. The United States publishes comprehensive In-Year Reports.

A Mid-Year Review provides a comprehensive overview of the budget’s effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. The United States publishes a comprehensive Mid-Year Review.

A Year-End Report compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. The United States publishes a Year-End Report which is fairly comprehensive. However, the explanation of the difference between the original macroeconomic forecast for the fiscal year and the outcome for that year lacks important details.

An Audit Report is an evaluation of the government’s accounts by the country’s supreme
audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government’s bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. The United States publishes a comprehensive Audit Report.

Public Participation and Institutions of Accountability

Are oversight bodies effective in their budget role?

<table>
<thead>
<tr>
<th>Oversight Institution</th>
<th>Strength*</th>
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</thead>
<tbody>
<tr>
<td>Legislature</td>
<td>Strong</td>
</tr>
<tr>
<td>SAI</td>
<td>Strong</td>
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</tbody>
</table>

** Legislation and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, the budget oversight roles of both the legislature and the SAI in the United States are strong.

Recommendations

United States should:
- produce and publish a Citizens Budget and a Pre-Budget Statement; and
- improve the comprehensiveness of the Executive's Budget Proposal and the Year-End Report.