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Entry

Legislative Cost Estimation Systems in South Korea and the U.S.

Joochul Yoon [1] **and Hyungjo Hur** [2,*]

[1] National Assembly Budget Office, Seoul 07233, Republic of Korea; cxielo@naver.com
[2] Department of Public Administration, College of Social Sciences, Konkuk University, Seoul 05029, Republic of Korea
* Correspondence: hjhur@konkuk.ac.kr

Definition

This entry aims to enhance the legislative cost estimation system in South Korea by conducting a comparative analysis with the Congressional Budget Office (CBO) in the United States. The analysis reveals significant structural divergences between the two systems. First, the US system operates under binding fiscal rules like PAYGO, whereas the South Korean system functions primarily as an informational tool. Second, a severe workload imbalance exists; South Korean analysts at the National Assembly Budget Office (NABO) handle approximately 12.7 times more estimates annually than their US counterparts, placing a substantial burden on personnel. Third, unlike the US, South Korea lacks institutional mechanisms to alleviate this workload or enforce the utilization of cost estimates. The findings suggest that expanding NABO's analytical workforce and institutionalizing the linkage between cost estimates and legislative decision-making are essential for improving fiscal efficiency.

Keywords: legislative cost estimation system; National Assembly Budget Office (NABO); Congressional Budget Office (CBO); cost estimates; comparative analysis

1. Introduction

Legislative cost estimation serves as a critical preventive mechanism against fiscally irresponsible legislation [1,2], promoting responsible policymaking and government accountability [3,4]. Ultimately, it ensures the efficient and rational management of government funds [2,5]. Ideally, accurate cost estimates enable legislators to weigh the financial implications of bills before enactment, thereby reinforcing fiscal discipline.

South Korea introduced its cost estimation system in 1973, incorporating it into the legislative process [5,6]. However, the system's early implementation was limited; historically, less than 5 per cent of bills included cost documentation, and the quality of cost estimation reports has been criticized for lacking objectivity and accuracy [7,8]. Since the establishment of the National Assembly Budget Office (NABO) during the 16th National Assembly, the volume of budget-related bills has surged, reaching 8341 in the 21st National Assembly. Despite this quantitative expansion and institutional development, South Korea's cost estimation system has remained largely unchanged in its operational framework.

The sharp increase in budget-related legislation has significantly expanded NABO's workload, limiting the system's effectiveness in achieving its original objectives [9]. A fundamental issue lies in the nature of the system: unlike the United States (US), where cost estimation strengthens the federal legislature's budgetary authority through binding mechanisms, South Korea's system functions primarily as an informational tool for lawmakers. Consequently, despite the exponential rise in budget-related bills, the cost

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estimation system is underutilized due to a lack of institutional mechanisms that mandate the integration of cost estimates into the legislative decision-making process.

By contrast, the US has developed robust institutional mechanisms that facilitate the practical application of cost information. For instance, the Pay-As-You-Go (PAYGO) system and mandatory fiscal impact assessments ensure that cost information is systematically utilized, thereby enhancing its practical relevance in the policymaking process [2,5].

This entry aims to conduct a comparative analysis of the legislative cost estimation systems in South Korea and the US, focusing on their institutional background, operational mechanisms, and practical utilization. Specifically, it examines how the system functions in each country, including the scope of cost estimation, workload distribution among dedicated personnel, and the structural differences in applying cost estimates to the budget process. By highlighting the operational divergence between NABO and the Congressional Budget Office (CBO), this entry seeks to provide policy implications for enhancing the effectiveness of fiscal scrutiny in South Korea.

2. Cost Estimate System in Korea

2.1. The Significance of the Cost Estimation System for Legislative Bills

The bill cost estimation system evaluates the net financial impact of proposed legislation by estimating both expected government expenditures and potential changes in financial revenues [10]. While bill cost estimation shares similarities with legislative impact analysis in evaluating legislative effects, their focus differs: the former is strictly confined to the financial impact on government expenditures and revenues, whereas the latter encompasses broader social and economic effects. Similarly, unlike cost–benefit analysis, which incorporates both costs and benefits, bill cost estimation focuses primarily on the fiscal costs required for implementation.

To institutionalize this process, South Korea revised the National Assembly Act in 1973, requiring legislative proposals with budgetary implications to be accompanied by a "Budget Statement" and supported by at least 50 members of the National Assembly. However, legislative amendments alone did not ensure effective implementation. In practice, budget statements were only attached to bills starting in 1988, and utilization remained low—just 121 cases (3.1% of all legislative proposals) in the first half of the 16th National Assembly [11]. The system became more systematically operational after the establishment of the National Assembly Budget Office (NABO) in October 2003 [12] and the 2005 revision of the National Assembly Act, which mandated that both lawmakers and the government attach cost estimates to legislative proposals.

According to Article 79(2) of the National Assembly Act, cost estimation applies to "proposals involving budgetary or financial measures" [3]. Here, "cost" refers to the net financial expenditure or the net change in revenue resulting from the proposal's implementation. The estimation generally covers a five-year fiscal period, though this may be extended for complex cases with long-term impacts. Notably, the term "legislators" in this context includes both individual members of the National Assembly and committee chair-initiated proposals.

2.2. Operational Status of the Cost Estimation System at NABO

Before examining the operational status, it is essential to outline NABO's primary responsibilities (Table 1). The Cost Estimation and Analysis Office is specifically tasked with estimating government expenditures and revenues based on budget-related bills [13].

The number of bills subject to cost estimation has been steadily increasing. As illustrated in Figure 1, the volume of legislative proposals has surged from 6387 in the 17th National Assembly to 25,027 in the 21st, while the number of bills with attached cost

estimates has correspondingly risen from 1398 to 8122. This steep upward trend visually demonstrates the expanding workload pressure on NABO analysts.

Table 1. Major Tasks of the National Assembly Budget Office (NABO) (Data from [13]).

Task	Content
- Research and analysis of budget proposals, settlement of accounts, and fund management plans - Analysis and evaluation of major national projects and mid- to long-term fiscal demand assessment	1. Analysis and research on proposed fund operation plans. 2. Examination of settlement of accounts and fund management. 3. Evaluation of national fiscal operations. 4. Analysis of financial soundness, including integrated financial assets and national liabilities. 5. Research on domestic and international financial institutions. 6. Mid- to long-term financial analysis and evaluation of national projects. 7. Monitoring and assessment of the implementation of major national projects. 8. Performance evaluation of government programs.
- Estimation of expenditures for proposals related to budgetary or financial measures	1. Cost estimation of proposals involving budgetary or financial measures. 2. Analysis and research on institutional frameworks related to the cost estimation system. 3. Forecasting of government expenditures, revenues, fiscal balances, and national debt. 4. Analysis and recommendations on revenue budget legislation. 5. Examination of tax policies, institutions, and administration.
- Analysis and forecasting of national fiscal operations and macroeconomic trends	1. Macroeconomic trend analysis and forecasting. 2. Monetary policy trend analysis and forecasting. 3. Industrial and labor market trend analysis and forecasting. 4. Demographic structure analysis and long-term economic strategy forecasting. 5. Economic impact analysis of government policies. 6. Analysis of foreign economic policy trends and case studies.
- Investigation and analysis upon request from parliamentary committees or members of the National Assembly	Conducting research, analysis, and support based on official requests from parliamentary committees or individual lawmakers.

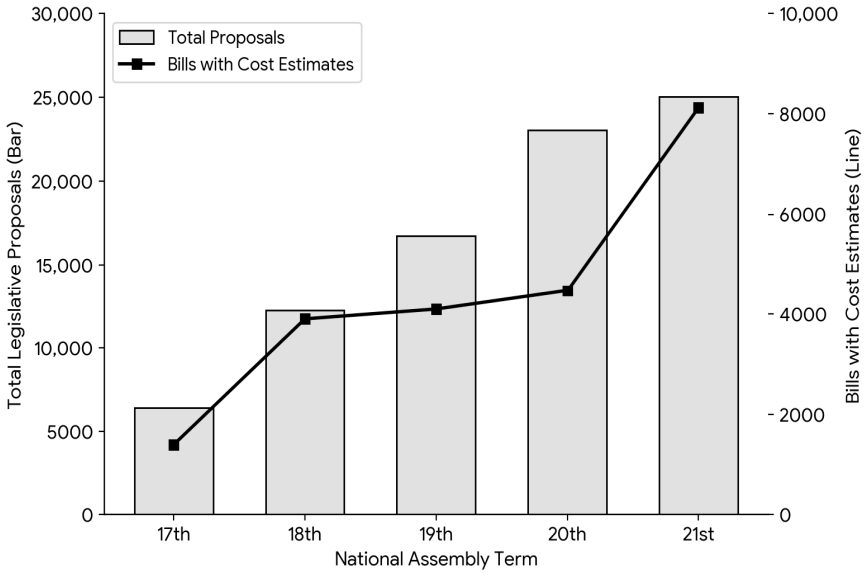

Figure 1. Trends in legislative bill submissions and cost estimate attachments (17th–21st National Assembly) (Data from [14]).

Detailed data supporting Figure 1 are provided in Tables 2 and 3. The proportion of parliamentary bills relative to the total number of legislative proposals has increased to 96.8% in the 21st National Assembly, reflecting the growing diversity of societal interests.

Table 2. Trends in Legislative Bill Submissions (Data from [14]).

	17th	18th	19th	20th	21st
Legislative proposals	6387 (85.3%)	12,220 (87.8%)	16,729 (93.9%)	23,047 (95.5%)	25,027 (96.8%)
Government-initiated bills	1102 (14.7%)	1693 (12.2%)	1093 (6.1%)	1094 (4.5%)	831 (3.2%)

Table 3. Trends in the Attachment of Cost Estimates (Data from [14]).

	17th	18th	19th	20th	21st
Legislative proposals	1398 (85.1%)	3906 (88.2%)	4103 (92.6%)	4475 (94.7%)	8122 (97.4%)
Government-initiated bills	245 (14.9%)	522 (11.8%)	328 (7.4%)	250 (5.3%)	219 (2.6%)

Examining the annual legislative status, the number of bills undergoing NABO's financial inspection shows a notable upward trend. Figure 2 presents the annual composition of bills subject to fiscal review, categorized into expenditure and revenue bills. The data reveals that while both categories have increased, expenditure-related bills consistently constitute a larger share [15,16].

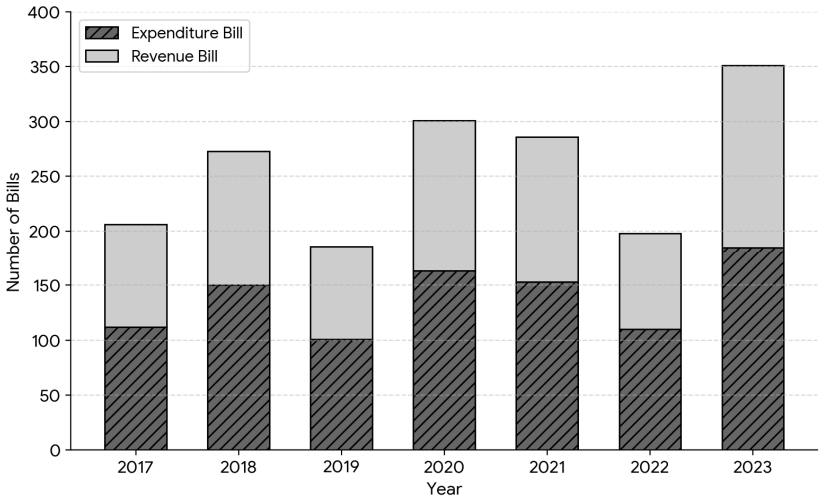

Figure 2. Annual trends in bills subject to fiscal review by NABO (Expenditure vs. Revenue) (Data from [17]).

Table 4 provides the detailed breakdown of these trends. The increasing proportion of budget-related bills indicates a growing legislative focus on fiscal accountability.

Consequently, NABO's cost estimation workload has significantly increased. The number of requests for cost estimates rose from 1994 in 2015 to 5033 in 2023. However, as shown in Table 5, a significant number of requests result in "cost estimates unattached statements" rather than full cost estimates. This is often due to the lack of specific details in legislative drafts, which are frequently delegated to subordinate legislation, making precise estimation difficult at the legislative stage. This high frequency of unattached statements suggests that the system is not fully achieving its intended purpose of providing concrete cost information during committee reviews [18,19].

Table 4. Annual Trends in Bills Subject to Fiscal Review by NABO (Data from [17]).

Approved Year	Bill						
	Approved Bill	Budget-Related Bill					
		Total		Expenditure		Revenue	
		Total	Estimated	Total	Estimated	Total	Estimated
2017	810	228	112	208	94	22	18
2018	936	225	150	197	123	35	30
2019	565	182	101	159	85	31	16
2020	1039	302	163	258	138	62	27
2021	887	283	153	246	133	49	21
2022	433	154	110	118	88	38	22
2023	920	281	185	244	166	54	21

Table 5. Cost Estimates Response Performance of NABO (Data from [17]).

Year	Number of Cost Estimates Requested	Number of Cost Estimates Response		
		Cost Estimate	Cost Estimates Unattached Statement	Not an Object of Cost Estimate
2017	3407	931	1264	1212
2018	3179	929	990	1260
2019	2779	751	1019	1009
2020	4645	926	1919	1800
2021	4910	1152	1474	2284
2022	4009	1335	654	2020
2023	5033	1392	1158	2483

2.3. Literature Review

2.3.1. Theoretical Background: Deficit Bias and Independent Fiscal Institutions

Academic discourse on legislative cost estimation is rooted in the broader theory of Independent Fiscal Institutions (IFIs). Theoretical literature suggests that democratic governments often suffer from a "deficit bias" due to political incentives to increase spending or reduce taxes before elections [20,21]. In this context, scholars have emphasized the role of IFIs, such as the US CBO and Korea's NABO, in providing unbiased "honest numbers" to mitigate information asymmetry and promote fiscal discipline [22,23]. OECD principles further reinforce that the effectiveness of these institutions relies heavily on their non-partisan nature and technical capacity to hold the executive branch accountable [20,24].

Recent studies have reaffirmed the critical role of Independent Fiscal Institutions (IFIs) in maintaining fiscal discipline, especially during and after economic crises. Davoodi et al. (2022) highlighted that while fiscal rules provided necessary flexibility during the COVID-19 pandemic, the presence of effective fiscal councils was instrumental in ensuring transparency and guiding a return to fiscal sustainability [25]. Furthermore, comparative analyses by the OECD (2021) and Căpraru et al. (2022) provide empirical evidence that countries with stronger IFI mandates and binding fiscal rules tend to exhibit better fiscal outcomes [26–28]. In the Korean context, Kim and Park (2021) emphasized the need for reinforced fiscal rules and expenditure controls to manage the increased debt levels post-pandemic [29]. These recent findings bolster the argument that operational mechanisms are crucial for fiscal accountability

2.3.2. Comparative Studies on Budgetary Authority

Existing comparative research has largely focused on the legal and constitutional authority of legislatures. Studies such as Wehner [30] and Posner & Park [31] classify legislative budget institutions based on their "power of the purse". These studies consistently highlight the structural divergence between the US and South Korea: the US Congress possesses strong amendment powers supported by the CBO's analytical capacity [32], whereas the South Korean National Assembly operates under a constitutionally limited framework where the executive maintains dominance over budget formulation [33].

2.3.3. Limitations of Existing Studies and Research Gap

Despite the extensive literature on institutional design, there is a paucity of research analyzing the operational mechanics that hinder the practical utilization of cost estimates. First, while recent Korean studies have pointed out the "limitations of non-binding estimates" [19,34], they often lack a quantitative analysis of how workload constraints directly affect the quality and utility of these estimates. Second, few studies have empirically compared the specific impact of binding fiscal rules (like PAYGO) versus advisory rules on legislative behavior in a cross-country context. Theoretical warnings about "optimism bias" in official forecasts [35] have not been sufficiently linked to the absence of procedural enforcement mechanisms in the Korean context.

2.3.4. Contribution of This Entry

This entry bridges these gaps by shifting the focus from "institutional design" to "operational reality". Unlike previous descriptive comparisons, this research: (1) quantifies the workload disparity (estimates per analyst) between NABO and CBO to provide empirical evidence of structural overburdening; and (2) analyzes the correlation between binding mechanisms (e.g., PAYGO vs. mandatory attachment) and the actual utilization rate of cost estimates. By doing so, this entry provides a more granular explanation of why South Korea's cost estimation system remains largely informational despite its institutional growth.

3. Cost Estimate System in the US

3.1. Introduction and Significance of the Cost Estimation System in the US CBO

In the US, the cost estimation system was established under the Congressional Budget and Impoundment Control Act of 1974 [36,37]. The primary legislative intent behind this system was to strengthen Congress's budgetary authority and prevent the executive branch from unilaterally impounding funds approved by Congress [37]. During the Nixon administration, frequent instances of impoundment led to significant conflicts between the legislative and executive branches. Consequently, the introduction of the cost estimation system was intended to limit the executive's ability to withhold funds and reinforce Congress's control over fiscal policy [36].

Since 1975, the Congressional Budget Office (CBO) has provided independent analyses of budgetary and economic issues to support the congressional budget process [36]. CBO economists and budget analysts prepare cost estimates for dozens of reports and hundreds of bills annually, covering the majority of bills approved by Congress. Additionally, under the Unfunded Mandates Reform Act (UMRA) of 1995, the CBO assesses the financial impact of legislative mandates on state and local governments, as well as the private sector [38].

While the CBO objectively summarizes the financial impact of legislative proposals, it does not provide policy recommendations; its findings serve as a reference for enforcing budgetary rules and setting government fiscal targets. The CBO's primary responsibilities are outlined in Table 6, highlighting its comprehensive role in supporting various committees.

Table 6. Key Responsibilities of the CBO (Data from [37]).

Task	Content
Support for the Budget Committee	- Provides budget proposals, expenditure bill analysis, and information on new budget authority or legislation involving tax expenditures. - Estimates revenue and tax-related changes. - Supplies necessary information to the Bicameral Budget Committee.
Support for the Taxation, Revenue, and Finance Committees	- Responds to information requests from relevant committees regarding taxation, revenue, and fiscal policy.
Support for Other Committees and Legislative Bodies	- Provides information to other congressional committees and members upon request, within the scope of availability. - Supplies requested information to state and local governments, as well as the private sector. - Responds to requests from both the Senate and the House of Representatives regarding fiscal policy and budget analysis.
Committee and Joint Committee Delegation	- Temporarily dispatches staff upon request by the budget committees of the House and Senate.
Transfer of Functions from the Federal Joint Committee on Expenditure Reduction	- Transfers specific tasks, functions, and personnel from the Federal Joint Committee on Expenditure Reduction to the CBO following the committee's dissolution.
Reporting to the Budget Committees	- Submits an annual financial policy report for the new fiscal year to both House and Senate Budget Committees by February 15. - Provides data to the Tax Expenditure Committee when drafting reports. - Reports on expenditure-authorized projects that have not been enacted during the fiscal year, as well as projects awaiting authorization in the new fiscal year.
Use of Technology in Budget Analysis	- Implements advanced computer systems and technical support for budget evaluation. - Enhances budget assessment techniques through computer engineering expertise.
Research and Federal Mandate Analysis	- Conducts ongoing research and evaluates federal mandates to assess their fiscal and economic impact.

3.2. Utilization and Operation of the Cost Estimation System in the US CBO

The CBO provides cost estimates to assist members of Congress in evaluating the financial implications of proposed legislation. These estimates are utilized when lawmakers consider how to vote on a bill and when Congress applies budgetary rules to legislation affecting the federal budget. Specifically, these estimates analyze how a bill affects the three primary components of the federal budget: (1) mandatory spending (e.g., entitlement programs), (2) discretionary spending, and (3) federal revenues [36].

Figure 3 illustrates the operational flow of the CBO's cost estimation process, emphasizing the binding review mechanisms that distinguish it from the Korean model.

A critical feature of the US system, as shown in the process flow, is its direct link to fiscal discipline mechanisms. The Pay-As-You-Go (PAYGO) Act of 2010 requires that any proposed legislation affecting mandatory spending or revenues must include offsetting measures to prevent an increase in the federal deficit [39]. Consequently, cost estimates must incorporate PAYGO considerations. If a new bill is projected to increase the federal deficit without offsets, the Office of Management and Budget (OMB) is required to implement

sequestration measures (automatic spending cuts) to maintain fiscal balance [39]. This mechanism ensures that cost estimates are not merely informational but have binding procedural consequences.

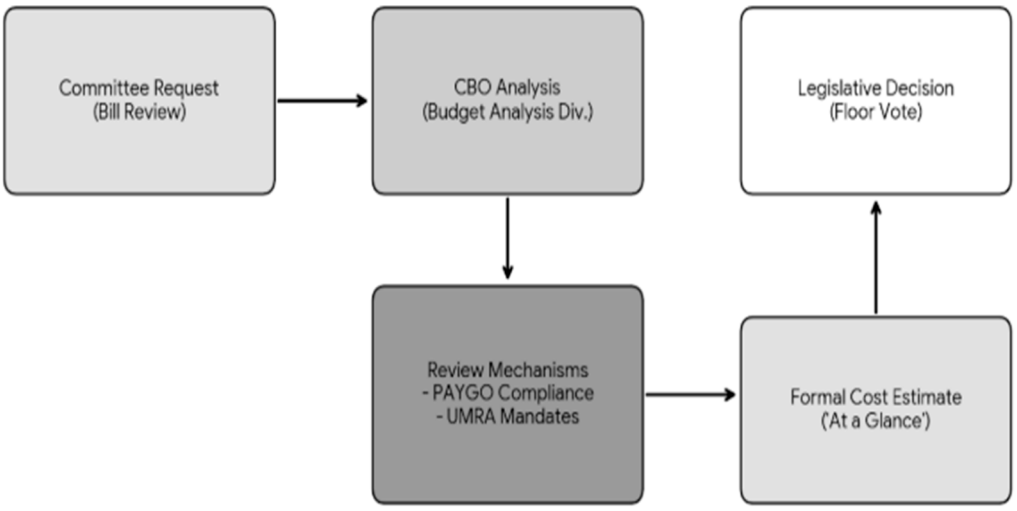

Figure 3. Operational process of CBO cost estimation and its linkage to legislative decision-making (Author's elaboration based on [36,38]).

The standard timeframe for CBO's cost estimation is 10 years for legislation affecting mandatory expenditures or revenues. For bills authorizing discretionary programs, which require separate appropriations, the CBO provides budgetary projections for a five-year period [36].

3.3. Categorization of Cost Information in the US CBO

CBO's cost estimates are structured to provide comprehensive information. The estimates classify cost burdens into three main groups: (1) Federal Government Burden, (2) State, Local, and Tribal Government Burden, and (3) Private Sector Burden [38]. This classification is mandated by the UMRA of 1995 to prevent the transfer of fiscal responsibilities without funding.

The cost estimation report typically follows a structured format. The first page, "At a Glance," provides a concise summary of the bill's impact on the federal budget, including compliance with PAYGO procedures and UMRA mandates. Subsequent sections detail the estimated federal cost by fiscal year and the basis of the estimate, outlining the assumptions used, such as macroeconomic variables and historical expenditure patterns. This structured approach ensures transparency and allows legislators to quickly grasp the fiscal ramifications of proposed laws.

4. Comparative Analysis of the Cost Estimation Systems in South Korea and the US

4.1. Comparative Analysis of NABO and CBO

4.1.1. Comparison of Cost Estimation System Operations

To systematically analyze the operation of cost estimation systems, this entry compares the most recent practices of NABO and CBO. As summarized in Table 7, the primary difference lies in the mandatory nature of the process. In South Korea, NABO is required to prepare cost estimates (or a non-attachment statement) for all budget-related bills [40]. By contrast, in the US, the CBO only produces official cost estimates for bills that are formally ordered to be reported to the full chamber by a congressional committee [41]. This

implies that while NABO aims for comprehensive coverage, CBO focuses its resources on legislation with a higher probability of enactment.

The timing also differs. South Korea requires estimates before a bill is formally considered by a committee to ensure early availability of information. In the US, estimates are typically produced during the committee review stage, meaning financial implications are considered at a more mature stage of legislative deliberation [42].

Table 7. Comparison of cost estimate system operation (Data from [43]).

	US (CBO)	**South Korea (NABO)**
Purpose of the cost estimate	- Estimates changes in revenue and mandatory expenditures compared to the baseline budget. - Assesses the financial burden on local governments and the private sector.	- Does not include revenue projections. - Assesses local government financial burdens but does not consider private sector burdens.
Timing of Cost Estimate Preparation	- Prepared during committee deliberations for bills that will be introduced in the full chamber for a vote.	- Prepared within a specified period after a bill is proposed, covering all proposed bills. - Cost estimation can also be requested for bills that have not been formally proposed.
Request Process for Cost Estimation	- Conducted at the request of congressional committees.	- Conducted at the request of individual legislators. - Some committees may request cost estimates for alternative proposals or amendments, but this is limited to specific committees.
Method of Cost Estimation Report Preparation	- Uses various formats, including simplified versions or summary tables when time constraints exist.	- Uses a standardized format for all cost estimation reports. - Separate statements are prepared for cases where cost estimates are not attached or not applicable.
Structure of Cost Estimation Report	- Includes summary, estimated fiscal impact (including revenue changes), assumptions, PAYGO compliance, financial burdens on local governments and the private sector, long-term effects, and comparisons with previous estimates.	- Includes summary, estimated fiscal impact, assumptions, detailed breakdown, and committee opinions.
Budgetary Impact of Legislation	- Distinguishes between revenues, mandatory spending, and discretionary spending.	- Does not categorize budgetary impacts based on spending type but instead categorizes estimates based on the nature of expenditure items.
Revenue Estimation	- Jointly conducted with the Joint Committee on Taxation (JCT).	- Not conducted in coordination with any external entity.

4.1.2. Comparison of Organization and Workload

A significant disparity exists in the workload distribution. NABO employs 49 analysts in its Cost Estimation and Analysis Office, whereas the CBO employs 87 analysts in its Budget Analysis Division [44].

Crucially, the workload per analyst varies dramatically. NABO analysts handle an average of 92 cost estimates per year. In contrast, CBO analysts conduct approximately 7 cost

estimates per year. Even adjusting for joint tasks, NABO analysts process approximately 12.7 times more cases than their US counterparts. This structural overburdening in South Korea limits the depth and accuracy of individual estimates compared to the US model.

Figure 4 visually presents this workload disparity, highlighting the quantitative pressure on Korean analysts.

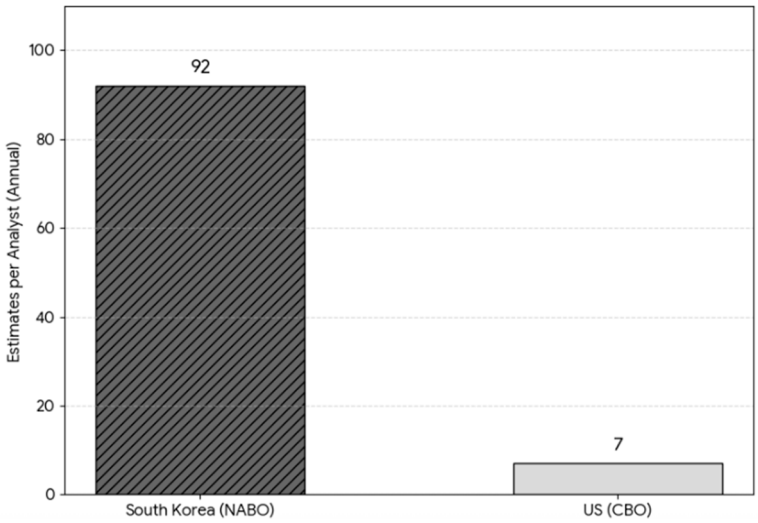

Figure 4. Comparison of annual cost estimation workload per analyst (NABO vs. CBO) (Author's calculation based on [44,45]).

4.2. Structural Divergence in Budgetary Governance and Legal Frameworks

The stark contrast in the operation and utilization of cost estimation systems stems from fundamental differences in budgetary governance structures and political incentives.

First, the difference in legislative budget authority is a primary factor. The US operates under a system of "budgetary jurisprudence," where the CBO was created specifically to empower Congress with independent analytical capacity to challenge the Executive's budget [36]. Conversely, South Korea operates under an executive-led budget system where the Constitution limits the National Assembly's power to increase the budget without the government's consent [33]. Consequently, NABO's estimates serve more as reference material rather than a binding constraint on legislative decision-making.

Second, the institutional mechanisms for fiscal discipline diverge. The US has statutory enforcement mechanisms like PAYGO and the Unfunded Mandates Reform Act (UMRA). These laws legally require the consideration of CBO estimates. If a bill violates these rules, it faces procedural hurdles that can block its passage. South Korea lacks such binding mechanisms; while attaching a cost estimate is mandatory for proposing a bill, there is no legal requirement for the standing committee to modify or reject a bill based on its fiscal impact [40].

4.3. Practical Implications and Case Illustrations

The practical divergence is evident in legislative outcomes. In the US, cost estimates often determine the fate of a bill. For instance, under the PAYGO framework, legislation that increases the deficit must be offset by spending cuts or revenue increases. If a CBO score indicates non-compliance—specifically if a bill increases the federal deficit—the Office of Management and Budget (OMB) is required to implement sequestration measures (automatic spending cuts) to maintain fiscal balance. This makes the cost estimate a "hard" constraint [39].

In contrast, in South Korea, the system often functions as a "soft" constraint. Despite the mandatory attachment of cost estimates, the utilization rate in actual committee reviews

remains low. A significant number of bills are processed with "unattached cost estimate statements", often due to the lack of detailed provisions in the bill itself. This demonstrates that without binding procedural links between estimates and voting, the system's effectiveness remains limited to information provision rather than fiscal control [19].

4.4. Operational Strategies for Workload Management and Efficiency

The US system incorporates mechanisms to manage analyst workload, which South Korea lacks. The CBO utilizes a "Short Form" or simplified summary tables for legislation with minimal fiscal complexity [41]. Furthermore, CBO analysts provide "pre-emptive feedback" through informal channels (calls or emails) for individual legislator requests, which are not counted as official reports. This allows CBO to prioritize official committee requests. NABO, however, lacks this flexibility and must produce standardized reports for all requests, exacerbating the workload issues identified in Figure 4.

5. Conclusions

This entry conducted a comparative analysis of the legislative cost estimation systems in South Korea and the United States, focusing on their institutional backgrounds, operational mechanisms, and practical applications. While both countries share the common objective of enhancing fiscal accountability and legislative efficiency, the design and implementation of their systems exhibit significant divergence.

In South Korea, although the NABO plays a vital supportive role, the actual utilization of cost estimates in the legislative process remains limited [19]. The system functions primarily as an informational tool rather than a preventive fiscal control mechanism. By contrast, the US CBO holds strong institutional independence, and its estimates are directly integrated into fiscal decision-making through binding mechanisms such as PAYGO [39].

The comparative analysis highlights two critical structural disparities. First, the workload imbalance is severe; NABO analysts handle approximately 12.7 times more cost estimates annually than their CBO counterparts (as shown in Figure 4) [44]. This quantitative pressure limits the depth of analysis required for high-quality fiscal scrutiny. Second, the lack of binding procedural links in South Korea means that even when significant costs are projected, there is no automatic mechanism—unlike the US sequestration rules—to force legislative reconsideration [40].

Based on these findings, this entry suggests that South Korea's cost estimation system requires several reforms to function effectively. First, the legal use of cost estimates must be embedded in legislative deliberations. For instance, standing committees should be required to explicitly review cost estimates before voting on bills with high fiscal impacts. Second, mechanisms should be established to link legislative review with budgetary processes. Introducing a "Pay-As-You-Go" principle adapted to the Korean context could ensure that revenue-reducing or expenditure-increasing bills are matched with financing plans. Third, to address the structural workload disparity, expanding the analytical workforce and adopting "Short Form" reporting for low-impact bills—similar to the CBO's practice—is essential for efficiency [41].

This entry has certain limitations. The analysis is based on data available up to the 21st National Assembly. Furthermore, due to the relatively short history of NABO (established in 2003), long-term econometric analysis comparable to the US context (which has data since 1974) was limited. Future research should empirically investigate the actual influence of cost estimates on legislative voting behavior using a mixed-methods approach, incorporating both quantitative impact assessments and qualitative case studies of specific bill deliberations. Expanding the scope to include subnational governments or other countries would also yield broader insights.

Despite these limitations, this entry contributes to the literature by quantifying the workload disparity and identifying the specific institutional voids—specifically the lack of binding fiscal rules—that hinder the effectiveness of Korea's cost estimation system.

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Conflicts of Interest: The authors declare no conflicts of interest.

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