Press Release

How to Evaluate Costs in the CARES Act

ANDREW EVANS | MARCH 25, 2020

Under typical circumstances, the Congressional Budget Office (CBO) must estimate the cost of any bill Congress is considering — but that standard process will not work for the Coronavirus Aid, Relief, and Economic Security (CARES) Act that the Senate is currently debating, argues AAF's Director of Fiscal Policy Gordon Gray. After outlining the standard bill-scoring process, Gray notes the challenges posed by the COVID-19 pandemic and describes how Congress should use the scoring process now.

His central points:

- The CBO baseline is grounded in a January economic forecast that is now historical fiction;
- A conventional cost estimate of the CARES Act would not be valuable – but Congress should be relying heavily on the analytic capability of scorekeeping in designing CARES Act programs; and
- Congress should ensure that costs to the taxpayers are monitored on an ongoing basis, similar to the approach used for the 2008 Troubled Asset Relief Program.

Read the Analysis