



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

What They Are Saying:

H.R. 8341, the Cost Estimates Improvement Act

WASHINGTON, D.C. – Last week, the House Budget Committee **marked up five additional budget process reform bills**, including **H.R. 8341**, the “*Cost Estimates Improvement Act*.” The bill **was favorably reported** by the House Budget Committee on a bipartisan vote of 17 ayes to 7 nays.

The “*Cost Estimates Improvement Act*,” sponsored by Rep. Michael Cloud (R-TX), Rep. Ed Case (D-HI), Rep. Dan Meuser (R-PA), Rep. Jared Golden (D-ME), and Rep. Tom McClintock (R-CA), will require the Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT), to the extent practicable, to include the cost of servicing the public debt in legislative cost estimates.

Stakeholders and industry experts urging swift passage of H.R. 8341 include:

WHAT THEY'RE SAYING



Kurt Couchman, Americans for Prosperity

“Members of Congress rely on timely and complete cost estimates from the Congressional Budget Office and the Joint Committee on Taxation to guide legislative decisions. CBO and JCT’s traditional practice of excluding interest effects from cost estimates is increasingly untenable. The federal debt burden is high and rising. It drags on economic opportunity while pushing inflation and interest rates higher.”



Including interest effects would provide a more comprehensive account of legislation. It would highlight the dead weight of proposals with new borrowing that increasingly competes with other spending and revenue priorities.”



Michele Stockwell, BPC Action

“As net interest on the debt soars, surpassing what the federal government spends annually on Medicaid and even the military, it is more important than ever that lawmakers understand how major fiscal legislation would impact the costs of servicing the growing debt. This bipartisan bill aims to show lawmakers a more comprehensive cost for legislation, allowing Congress to practice more informed decision-making that prioritizes the nation’s long-term fiscal health.”



Romina Boccia, Cato Institute

“The Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT) play crucial roles in informing legislators on the fiscal costs of new policies. However, a critical gap in their analysis is the routine exclusion of debt service costs. Because Congress does not usually ask CBO and JCT to account for interest costs, legislators and the public underestimate the long-term impact of deficit spending.

The Cost Estimates Improvement Act would make congressional scorekeeping more accurate by mandating that CBO and JCT cost estimates include interest costs. Establishing a more realistic, accurate understanding of the cost of fiscal policy choices is a critical step in improving the fiscal outlook.”



Maya MacGuineas, Committee for a Responsible Federal Budget

“Our nation’s challenging fiscal situation is increasingly pressing. Debt is on track to exceed the record as a percentage of the economy set just after World War II in just four years. Interest payments are skyrocketing, on pace to grow to \$1.6 trillion by 2034. Lawmakers and the public ought to know the interest costs of legislation, which is not currently provided by Congressional scorekeepers. The Cost Estimates Improvement Act would address this problem and allow for a more complete and transparent picture of the fiscal repercussions of bills. We appreciate Representatives Michael Cloud, Dan Meuser, Tom McClintock, Ed Case and Jared



Golden for introducing the Cost Estimates Improvement Act, which presents a common-sense and bipartisan fix.”



[Ryan Walker, Heritage Action](#)

“Interest on the federal debt is increasing much faster than the government predicted and the rate at which America is running out of time to solve its debt crisis is alarming... To begin addressing this multifaceted crisis, legislative cost estimates by the federal government should include the true cost, which includes servicing the resulting public debt.”

“Heritage Action offers our strong support of the Cost Estimates Improvement Act.”



[Demian Brady, National Taxpayers Union Foundation](#)

“While the Congressional Budget Office (CBO) produces official scores that account for changes in spending and revenues in proposed bills, debt service costs are notably absent from these evaluations. This omission obscures the full budgetary cost of legislation.

The Cost Estimates Improvement Act introduced by Representative Michael Cloud (R-TX) addresses this critical gap by requiring CBO to include the impact of proposed legislation on debt interest payments in its cost estimates. By incorporating debt service costs into the official cost estimates, lawmakers and the public will have a more accurate understanding of the long-term fiscal implications of legislative proposals. This additional information is essential in providing legislators with the tools to make informed decisions about budgetary priorities and act as responsible stewards of taxpayer dollars.”



[Brian Riedl, Manhattan Institute](#)

“CBO bill scores have long been incomplete because they fail to include the interest costs of deficit-expanding legislation. This loophole understates the true cost of legislation and allows Congress to satisfy its “payfor” requirements without offsetting the interest costs – which are escalating with rising interest rates. The Cost Estimates Improvement Act will more accurately score the cost of tax and spending legislation, and induce Congress to offset more of those costs.”





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[Brett Loper, Peterson Solutions Fund](#)

“Interest is the fastest growing ‘program’ in the federal budget, driving deficits higher and threatening to crowd out our ability to invest in priorities for the future. When running a deficit as we are today, any new program is funded with more debt, making additional interest a budget reality. Including an estimate of the interest costs resulting from proposed legislation would give lawmakers and the public a fuller understanding of a bill’s fiscal impacts to support informed decision-making and a more sustainable debt outlook.”



[Nan Swift, R Street Institute](#)

“We pleased to support the “Cost Estimates Improvement Act,” which would provide a more accurate accounting of the true cost of our incessant borrowing. Current practices for producing official cost estimates are inadequate and misleading because they only provide policymakers with a figurative “sticker price” for the proposal but fail to include the cost of financing. Understanding how much a proposed project or policy will add to the debt in total is essential information that will help policymakers gain a more complete understanding of the long-term outlays and economic ramifications of new spending.”

