

FY 07 Budget Resolution Debate



Republicans are working to build on the success of the 2006 budget resolution and Deficit Reduction Act to restrain government spending and decrease the deficit.

- The Senate Budget Committee last year passed a budget resolution that held down non-defense discretionary spending.
- Congress last year passed the Deficit Reduction Act, a positive first step toward restoring fiscal discipline that slows the rate of growth of mandatory spending and saves \$39 billion over the next five years and \$100 billion over the next decade.
- Now we need to make disciplined, responsible choices on spending to ensure we leave future generations a manageable and financially healthy government.

Republicans will fight to keep the overall spending cap at \$873 billion while aggressively funding national priority issues.

- The budget keeps downward pressure on non-defense discretionary spending, limiting its growth to less than 1%. It limits discretionary spending to the \$873 billion cap recommended by President Bush.
- The budget also aggressively funds areas of national importance like homeland and border security, health care and education.
- The budget includes \$4 billion over the President's request for border security and \$3 billion over the President's request for health care and education priorities.

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Democrats continue to be the party of tax and spend, with no coherent alternative to the Republican budget plan – just tax and spend more.

- Democrat amendments offered in committee during the FY 07 budget markup would increase taxes by \$134 billion and spending by \$128 billion.
- Democrat amendments during the FY 06 budget resolution would have increased taxes by \$142 billion and spending by \$192 billion.
- Democrats last year offered amendments to the budget resolution, supplemental, appropriations, and Deficit Reduction Act bills that would have increased spending by a total of \$528 billion.

FY 07 Budget Highlights

The budget resolution encourages entitlement reform; limits the use of “emergency” appropriation bills that are not subject to spending caps; and funds national priorities such as the Global War on Terror, border security, and health and education programs.

The budget resolution cuts the deficit in half by 2008.

Compared to the President's deficit estimate for 2004 of 4.5% of GDP, the deficit under the Chairman's Mark for 2008 is \$250 billion, or 1.7% of GDP.

