

Conferees Will Seek Balance on Budget Rules



Adam Graham-Silverman
and Chuck Conlon, Co-editors
budget@cq.com

So-called pay-as-you-go rules will pose the biggest obstacle to speedy completion of a House-Senate conference on the fiscal 2005 budget resolution, which begins this week.

Language in the Senate plan would require offsets for any spending increases or tax cuts.

Any bill that violates the rule would need 60 votes to pass the Senate, usually a high hurdle in the closely divided and increasingly partisan chamber.

The House has no such provision, and GOP

leaders strongly oppose the idea. Finding offsets on tax cuts would make it harder to extend President Bush's signature 2001 and 2003 tax cuts.

Senate GOP moderates are threatening to oppose any deal if the pay-as-you-go rules are stripped out. Four moderates joined almost all Democrats to support the rules, and their lack of support could kill the resolution.

The potential impasse means a budget deal this week is unlikely.

Congress faces an April 15 deadline for completing its budget plan. The deadline is non-binding and largely symbolic, but meeting it would require a deal before the House leaves town on April 2 for a two-week recess.

It is the prerogative of either chamber to determine its rules; if the House were to follow congressional tradition, it would demur and leave the decision to the Senate.

[CQ Today Story](#)

The House would rather deal with budget enforcement rules through separate legislation, which will be considered before Memorial Day. House GOP leaders extended that promise to recalcitrant GOP deficit hawks in exchange for their votes on the budget resolution.

[Hastert Letter on Budget Enforcement](#) (pdf)

"The rest of the stuff is cats and dogs in terms of splitting the differences," said G. William Hoagland, top budget adviser to Senate Majority Leader Frist. The House budget resolution would allow \$821 billion in discretionary spending, the chunk that falls under Congress's control. The Senate budget would allow a near-identical \$819 billion, though it includes mechanisms that could increase that total. Both assume \$421 billion for defense spending, matching Bush's request.

Conferees will have to hash out how much in tax cuts the budget should protect. The House plan includes \$138 billion over five years, enough to extend all expiring portions of Bush's tax cuts through 2009. The Senate plan includes \$80.6 billion, which would extend three popular tax cuts that expire at the end of this year. Calling for tax cuts in a budget resolution

Senate Agriculture

April 1 Food Safety and Marketing Programs

House Commerce-Justice-State

March 30 National Oceanic and Atmospheric Administration (10 a.m.)

March 30 Members of Congress (2 p.m.)

March 31 Federal Communications Commission (10 a.m.)

March 31 Securities and Exchange Commission (2 p.m.)

April 1 Broadcasting Board of Governors (10 a.m.)

April 1 Department of State: International Organizations (2 p.m.)

April 2 Legal Services Corporation
Date TBA Department of Justice

Senate Commerce-Justice-State

Date TBA Department of Justice

House Defense

March 30 Air Force (9 a.m.)

March 30 Air Force acquisition (1:30 p.m.)

March 31 Missile defense

Senate Defense

March 31 Intelligence

April 7 National Guard and Reserve

April 21 Missile Defense

April 28 Medical

May 5 Public witnesses

May 12 Secretary of Defense; Joint Chiefs of Staff

House District of Columbia

April 1 Public Defender Service; Court Services and Offender Supervision

House Energy-Water

March 31 Contributions of the Army Corps of Engineers in the restoration of Iraq and Afghanistan

Senate Energy-Water

March 31 Department of Energy: Office of Environmental Management; Office of Civilian Radioactive Waste Management; Office of Environment Safety and Health

Date TBA Bureau of Reclamation; Army Corps of Engineers

House Foreign Operations

April 1 Future of development assistance

Senate Foreign Operations

March 31 World-Wide HIV/AIDS Programs

April 8 Department of State

April 21 Foreign assistance; Combatting international terrorism *Corrected*

House Homeland Security

March 30 Science and Technology

makes them easier to pass in the Senate because they are protected under reconciliation procedures from non-germane amendments or filibuster.

Neither plan contains any bold proposals to reduce the deficit by limiting mandatory spending. The House calls for \$13.2 billion in cuts to mandatory spending over five years, while a \$3.4 billion cut in the Senate measure was stripped out during floor debate. Lawmakers backing the resolutions assume most deficit reduction will occur because of continued economic growth and the resulting federal revenues such growth generates. [CQ Weekly Story](#)

The House this week will take up a measure calling for “pay parity” for federal workers. That’s the result of a promise GOP leaders gave Reps. Thomas M. Davis III and Frank R. Wolf — both of whom have plenty of federal workers in their Northern Virginia districts — in exchange for their votes on the budget. The budget usually includes language calling for equal pay increases, but it was excluded this year because of opposition by conservatives. The president has proposed a 3.5 percent pay raise for the military, but only 1.5 percent for federal workers.

GOP SEES REASONS TO GET THE JOB DONE: Despite the budget’s modest goals, Republicans have big incentives to get it done. Nussle has predicted anarchy on spending bills if a budget is not agreed to.

A lack of agreement also could slow extending the tax cuts. Without fast-track treatment under reconciliation, bills to extend the cuts could be subject to amendments from Democrats on popular issues such as the minimum wage and unemployment benefits — all designed to embarrass the White House. Democrats used that strategy to force Republicans to pull a popular corporate tax bill in the Senate last week.

A completed budget also helps Congress raise the debt limit painlessly. A procedural rule allows the House to avoid a vote on raising the debt limit once Congress completes its budget. The debt is expected to reach its current limit of \$7.4 trillion sometime this summer, forcing Congress to raise the ceiling.

Finally, Republicans must prove they can run the government now that they control Congress and the White House. They hammered Democrats who controlled the Senate in 2001 for failing to complete a budget resolution for fiscal 2002.

In Brief

- **Raptor’s Wings Still Unclipped:** Congressional overseers have been frustrated for years with the Pentagon’s cost estimates for the F/A-22 Raptor, the most sophisticated fighter aircraft ever built. The aircraft has cost twice as much to develop as originally advertised and is nearly a decade behind schedule. Anyone expecting the Raptor to follow the Comanche helicopter to the procurement graveyard is mistaken, however.
- **Hiring Freeze Comes After Homeland Agency Was Warned to Better Manage Finances:** Last summer, congressional appropriators warned the Department of Homeland Security that it needed to do a better job of tracking its finances or it could face problems in its budget for immigration and border security. Apparently, that warning went unheeded.
- **CBO Studies Possible Costs of Privatizing Social Security :** With many Republicans calling for a system of private accounts in Social Security, CBO looks at the costs of administering such a system. House Democrats requested the study. [CBO](#)

(Homeland Security)
March 31 U.S. Coast Guard
April 1 Information and Analysis
and Infrastructure
Protection

Senate Homeland Security

March 30 Border security and
enforcement; Immigration
services

House Interior

March 31 Smithsonian Institution
April 1 National Endowment for
the Arts (10 a.m.)
April 1 National Endowment for
the Humanities (11 a.m.)
April 21 Interior Issues and
Programs

Senate Interior

April 1 Indian Health Service

House Labor-HHS-Education

March 30 Public witnesses
March 31 Centers for Disease
Control and Prevention
April 1 PANEL on Workforce
Preparation and Training;
Department of Education:
Vocational Education;
Student Aid; Department of
Labor; Employment and
Training Administration
April 21 National Institutes of Health
- Overview
April 22 National Institutes of Health
- Management Issues
April 28 PANEL: Global Diseases
April 29 PANEL: Substance Abuse
and Mental Health
Research and Services

Senate Labor-HHS-Education

April 1 National Institutes of Health

House Legislative Branch

Date TBA House of Representatives;
Government Printing
Office; General Accounting
Office; Library of Congress

Senate Legislative Branch

March 31 Senate Sergeant at Arms;
U.S. Capitol Police

House Military Construction

March 31 Pacific Command Request
Date TBA Air Force Request
Date TBA Army Request
Date TBA Navy Request

Senate Military Construction

March 30 Defense-wide and Air
Force

House Transportation-Treasury

April 1 Executive Office of the
President
April 21 Internal Revenue Service
April 22 Intercity Travel and Freight
Transportation
April 28 Federal Transit
Administration
April 29 Federal Highway
Administration
May 5 Secretary of the Treasury
Date TBA Election Reform

Senate Transportation-Treasury

[Study](#) (pdf)

• **JCT Says Bush Tax Cuts Did Not Cause Deficits:** During House consideration of the budget last week, Congress's Joint Committee on Taxation released a statement designed to blunt Democratic arguments that President Bush's 2001 and 2003 tax cuts caused current deficits. JCT says other factors are to blame, including the economic slowdown, terrorist attacks and war in Iraq. [JCT Release](#) (pdf)

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April 1 [Future Challenges Facing the U.S. Postal Service](#)

House VA-HUD

March 31 [Department of Veterans Affairs](#)
April 1 [National Science Foundation](#)
April 21 [NASA \(10 a.m.\)](#)
April 21 [NASA \(1 p.m.\)](#)


Senate VA-HUD

April 1 [Department of Housing and Urban Development](#)
Date TBA [Department of Veterans Affairs](#)

***Bush Fiscal 2005 Budget Request**
documents and agency-by-agency coverage*

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