



SUMMARY FY 2008 SENATE BUDGET RESOLUTION

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FY 2008 Senate Budget Resolution: Meeting Priorities While Restoring Fiscal Responsibility

The Fiscal Year 2008 Senate Budget Resolution provides a fiscally responsible budget plan for our country. It funds critical national priorities and reaches balance without raising taxes. While no single budget resolution can solve all of our budget challenges, this plan will begin to put the nation back on a sound fiscal path.

Restores Fiscal Responsibility

As an important first step in restoring our nation's fiscal security, the FY 2008 Senate Budget Resolution brings the budget back into balance – reaching a surplus of \$132 billion by 2012. Gross debt as a share of GDP will begin to fall after 2009. And spending as a share of GDP will decline in every year after 2008. The plan also restores crucial budget enforcement provisions such as a strong paygo rule and allowing reconciliation for deficit reduction only.

Funds Defense

The FY 2008 Senate Budget Resolution fully funds the President's core defense budget and the President's request for additional war funding in 2007, 2008, and 2009.

Supports Domestic Priorities

The FY 2008 Senate Budget Resolution rejects the President's proposals to again cut domestic priorities. It provides badly needed resources in key areas that have been underfunded by the Bush administration, such as:

Kids' Health - SCHIP

The FY 2008 Senate Budget Resolution recognizes that providing for our children's health care should be one of the most important priorities of our nation. It rejects the inadequate funding level proposed by the President and instead provides up to \$50 billion for the reauthorization of the State Children's Health Insurance Program (SCHIP). These additional SCHIP funds will expand coverage of the estimated six million children eligible but not enrolled in either SCHIP or Medicaid, and maintain coverage for all currently enrolled children.

Education

The FY 2008 Senate Budget Resolution rejects the President's proposed cuts in education and training and adds significant new resources for the Individuals with Disabilities Education Act (IDEA), No Child Left Behind Act, and Pell grants. It provides an increase for discretionary funding for the Department of Education of \$6.1 billion (including \$2 billion

in additional 2009 advance appropriations) above the President's request.

Veterans

The mistreatment of wounded soldiers at the Walter Reed Army Medical Center has highlighted the Bush administration's lack of focus on the well-being of our nation's veterans and military personnel. The FY 2008 Senate Budget Resolution provides critical resources to ensure that our nation's veterans get the high quality health care they deserve. In total, the resolution provides \$43.1 billion for veterans in 2008, representing 98 percent of the level requested in The Independent Budget, a plan developed by four leading veterans groups. This funding level is \$3.5 billion more than the President. The resolution also rejects the President's proposals to raise TRICARE co-payments and to impose new fees and higher copayments on certain veterans, which would result in more than 100,000 veterans leaving the VA health care system.

Addresses Long-Term Fiscal Challenges

To address the long-term fiscal challenges we face with the coming retirement of the baby boom generation, the FY 2008 Senate Budget Resolution includes a "comparative effectiveness" reserve fund. This reserve fund is designed to jumpstart a new initiative to bring down spiraling health care costs, which is the largest factor driving up the cost of our health care entitlement programs. The plan also includes a new point of order against measures that increase the long-term deficit.

Protects Middle-Class Taxpayers

The FY 2008 Senate Budget Resolution protects middle-class taxpayers by providing Alternative Minimum Tax (AMT) relief for 2007 and 2008 – one year more than the President – preventing millions of middle-class taxpayers from being subjected to the AMT. It includes no tax increase. It allows for new tax relief and the extension of expiring tax provisions, if the cost of these measures is offset. By requiring offsets, the resolution protects the American taxpayer from having to pay the higher interest costs on the debt that would accumulate when tax cuts are not paid for. The resolution also calls for strong new measures to close the tax gap, shut down tax scams, and address offshore tax havens. And it sets the stage for tax simplification and reform.

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