



Don Nickles, Chairman
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HOUSE-SENATE CONFEREES REACH COMPROMISE ON FY05 BUDGET; BOTH CHAMBERS SET TO VOTE THIS WEEK

WASHINGTON The Joint House-Senate Conference Committee concluded extended negotiations today on a fiscal year 2005 Budget Resolution, paving the way for votes on the measure in both chambers by the week's end.

The one-year budget plan provides for the President's request for defense and homeland security spending, freezes most other discretionary programs, prevents tax increases by protecting \$27.5 billion in tax relief in reconciliation, and keeps Congress on a glide path towards significant deficit reduction.

"This agreement specifically addresses the fact that every budget is a one-year policy initiative," said Senate Budget Chairman Don Nickles. "This budget allows Congress to maintain an effective level of fiscal discipline and congressional management until next year's Congress can revisit the issues that fall within its scope."

The FY05 budget includes a traditional paygo rule requiring offsets for new mandatory spending proposals as well as tax cuts for one year, but exempts from this rule the extension of \$27.5 billion in cuts for working families by procedural protection known as reconciliation. The budget also provides for \$50 billion in supplemental appropriations for ongoing war operations in Iraq and Afghanistan.

The budget fully funds the President's defense and homeland security requests and accommodates higher funding levels for education programs such as IDEA and Title I and veterans health programs in FY05. The budget also provides room for an extension of surface transportation reauthorization programs.