BUDGET: Budget Poses Another Potential Internal House GOP Clash

*CongressDailyPM*

April 28, 2006
By Peter Cohn

House Republican leaders cleared a major roadblock to adoption of the FY07 budget resolution by striking a deal with Appropriations Chairman Lewis on earmark curbs in the lobbying and ethics package. Now they can turn next week to reviving the budget, which flamed out spectacularly before the spring recess. The official line is the budget is a "possibility" for next week, although privately senior aides were more pessimistic. Republican leaders have all but given up on a House-Senate budget agreement, but the House has never failed to adopt a budget on its own since the requirement was instituted in 1974. House Majority Leader Boehner's spokesman said he "believes we can and should get it done" but gave no guarantee on timing. Other aides said leaders would give it another go but more likely later this month. Leaders still have to deal with the restrictions -- opposed by appropriators -- on emergency spending. Those restrictions are being sought by Republican Study Committee conservatives, while moderates are seeking more domestic spending than the measure's $872.8 billion discretionary cap allows.

The budget requires the Budget Committee to sign off on any non-defense emergency spending above a $4.4 billion cap in each of the next five years. But conservatives negotiated an agreement with leadership to allow members to force a separate floor vote challenging any spending above that cap. Appropriators argue the median 10-year disaster aid average is more than $7 billion, and they should have flexibility to swiftly respond to natural calamities.

With attention focused this week on earmarks, neither side has budged from its position; House Republican aides said there was room for compromise, however, to avoid yet another battle between the GOP camps. That suggests the focus will be on appeasing moderates. Before the recess, nearly 15 indicated they were opposed or leaning against the budget because it would not spend enough on education and health care. Lewis is beginning subcommittee markups of the FY07 spending bills next week and is expected to shift funds from defense to domestic programs.

Under the 1974 budget law, House GOP leaders can begin to bring appropriations bills to the floor May 15, which means the week of May 8 would be a likely target date to bring up the budget resolution. If not, GOP leaders will have to start thinking about "deeming" a discretionary spending cap, perhaps as part of the first spending bill that reaches the floor. If that proves problematic because of the moderate-conservative spending divide, they could resort to including individual spending caps bill-by-bill on the floor, as in 1998. In any case, House and Senate Republicans are likely on course for a post-election spending clash. The Senate approved about $16 billion more as part of its budget resolution, and Senate Majority Leader Frist does not plan to bring any FY07 spending bills to the floor until at least after the July Fourth recess, leaving little or no time for conference agreements before adjourning in October.