

May 16, 2007

WASHINGTON, DC—U.S. Rep. Peter DeFazio (D-Oregon) today voted in favor of S.Con.Res. 21, the federal budget resolution for fiscal year 2008. The budget was approved by the House 214-209.

"For six years, the President and his allies in Congress put our country on the path to bankruptcy. The borrow-and-spend policies of the President and Republicans in Congress led to record federal debt and put our nation in hock to foreign investors. The budget adopted today will begin the difficult and slow process of reversing the damage caused by the fiscal irresponsibility of the last six years," said DeFazio.

DeFazio continued, "This budget reflects the priorities of the American people. It is fiscally responsible and will restore the budget to balance in just five years.

It protects working families from tax increases and makes the tough choices necessary to be able to afford to boost investments in critical areas like education, children's health care, and fulfilling our promises to veterans."

The budget sets a cap on overall discretionary spending of \$954.1 billion, two percent more than the President proposed. Despite the additional spending for veterans, education, health care and similar priorities, the federal budget will achieve balanced by 2012.

The budget protects middle-class tax cuts including the child tax credit, marriage penalty relief, and the new, lower 10% tax bracket.

It also protects middle-income taxpayers from being hit by the Alternative Minimum Tax (AMT).

The budget provides for the President's request of \$503.8 billion for the Pentagon in FY08 and rejects the President's proposal to impose new health care and prescription drug fees on active duty troops and military retirees.

The budget increases funding for veterans' programs by \$3.5 billion (9%) more than the President proposed and rejects the President's proposal to impose new enrollment fees and co-pays on veterans.

The budget specifically rejects the significant cuts in education programs, job training programs and the Community Services Block Grant and the Social Services Block Grant proposed by the President.

The budget increases funding for education, job training, and social service programs by \$7.5 billion (10%) above the levels proposed by the President.

The budget sets aside \$50 billion to expand coverage under the State Children's Health Insurance Program (SCHIP).

And, importantly, the budget begins the process of restoring fiscal responsibility by re-instating pay-as-you-go rules. PAYGO rules require that any tax cuts or mandatory spending increases be offset by tax increases or spending cuts elsewhere in the budget so the budget deficit does not increase.