## **POLITICO**PRO

## Senate GOP adopts budget blueprint for Trump agenda — but hurdles loom

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Senate Republicans adopted a fiscal blueprint Saturday for President Donald Trump's "one big, beautiful bill." What comes next is anyone's guess.

The Senate voted 51-48 on a <u>budget resolution</u> that unlocks their ability to pass a party-line bill later this year that will combine an overhaul of the tax code with border, energy and defense policies. GOP Sens. <u>Susan Collins</u> of Maine and <u>Rand</u> <u>Paul</u> of Kentucky joined all Democrats and independent in opposing the resolution — though other Republicans still have concerns that will need to be addressed before passing the final bill.

Now the budget plan needs approval in the House, where Speaker Mike Johnson can only afford to lose three Republicans without having the entire effort unravel. House fiscal hawks are displeased with the Senate's framework and are threatening revolt.

"We're not going to do this for a third time," Sen. Josh Hawley (R-Mo.) said with a deep breath after he was asked about the House threatening to change the budget plan. "I assume it will pass."

Asked what he would say to House Republicans, Majority Leader John Thune added: "The more this drags on — the sooner we get to reconciliation the better."

Saturday's vote is a win for Senate Republicans after weeks of internal wrangling since their first budget resolution failed to win over their House counterparts. Both chambers must adopt the same blueprint to get onto the work of drafting and passing legislation to enact Trump's ambitious domestic agenda.

Thus also had to navigate last-minute, lingering anxieties among a handful of GOP senators. They were uneasy that a plan to <u>sidestep getting the parliamentarian's blessing</u> for now on the heart of their tax plan could come back to haunt them down the road.

Democrats, meanwhile, warned amid a market free-fall sparked by Trump's tariffs that proceeding with his agenda would quickly blow back on the GOP. "Republicans' obeisance to Donald Trump's increasingly unpopular agenda will cost them dearly in the future," Senate Minority Leader <u>Chuck Schumer</u> (D-N.Y.) said from the floor shortly after the resolution was adopted.

Republicans still had to run a gauntlet ahead of Saturday's final vote, too. Democrats said their strategy was to put Trump's agenda on "trial" and spent hours of floor time forcing votes on a slew of amendments designed to box Republicans in on issues like Medicaid cuts, Trump's tariffs and Elon Musk's Department of Government Efficiency.

GOP senators also rejected a proposal from Paul to shrink the size of the debt ceiling hike prescribed by the budget resolution from \$5 trillion to \$500 billion.

Despite the hours of voting, getting the budget through the Senate was also the easiest part of what Thune has described as a "long and arduous" process. And Republicans are fully aware that the hard work is still to come.

"The next one is where the battle will be," said Sen. Mike Rounds (R-S.D.).

The first hurdle will come when Johnson tries to get the budget resolution through his chamber without making any changes, expediting lawmakers' ability to begin writing a reconciliation bill and avoiding a scenario where the Senate has to hold a third vote-a-rama in as many months.

Members of Senate GOP leadership told their members this week that their understanding is the House would adopt the budget resolution without changes — though Johnson is facing pushback from a coalition of hard-liners, deficit hawks and tax writers who have issues with the Senate's budget resolution and don't want to vote for it as-is.

"There is significant opposition to the Senate budget and it will not pass next week," said one House Republican who was granted anonymity to speak freely.

Asked if Trump's endorsement of the Senate plan would make any difference, the House Republican replied: "Did his endorsement change the text of the resolution?"

Even if the House manages to adopt the budget resolution next week, the two chambers face a chasm between their competing visions. In an effort to adopt a budget resolution now and get the process moving, Republican leaders <u>punted many</u> of their biggest, and hardest, policy decisions to later on.

This will only delay the pain of resolving the different visions between the House and Senate for how much to find in savings to offset the final reconciliation bill. The Senate budget plan only requires a minimum of a few billion in deficit reduction, compared to the House GOP's promise to its members to hit \$2 trillion.

The House's instructions to its own committees have also sparked heartburn in the Senate over fears among some Republicans that it would require cuts to Medicaid. An amendment from Hawley and Sen. <u>Ron Wyden</u> (D-Ore.) to strip out the House Energy and Commerce \$880 billion instruction failed, though Collins and <u>Lisa Murkowski</u> of Alaska joined Hawley to support it.

Several GOP senators have said they won't cut Medicaid benefits or reduce the federal payment for Medicaid expansion enrollees — even as the latter is being discussed by House Republicans as a potential way to pay for the bill. And Hawley said Trump personally reassured him Medicaid benefits would not get slashed, giving him the confidence to vote in favor of the budget resolution.

At the same time, Thune still needs to wrangle his own deficit hawks, who agreed to vote for the budget resolution after some in-person soothing from Trump but still want steeper cuts in the reconciliation bill itself. Some Senate conservatives want to go as high as \$6.5 trillion in deficit reduction — though GOP leaders are hoping they can dangle the promise of codifying other federal funding freezes and the clawbacks by DOGE as a mathematical sweetener.

And then there's that controversial tactic to sidestep the parliamentarian on using "current policy baseline" — an <u>accounting</u> <u>maneuver that makes it look like</u> extending the Trump tax cuts costs nothing, which some Republicans worry could later be deemed incompatible with Senate rules. Republicans could technically overrule the parliamentarian but several vowed this week they would not, indicating the controversial maneuver wouldn't have the votes.

The Senate gave its tax writers a \$1.5 trillion cap, compared to a \$4.5 trillion cap for the House. But the Senate committees are factoring in using the current policy baseline for extending Trump's 2017 tax cuts, letting roughly \$3.8 trillion count as having no price tag.

Sen. <u>Bill Cassidy</u> (R-La.), in a speech shortly before the Senate started voting, warned that using a current policy baseline set a "dangerous precedent," and indicated that while he would vote for the budget resolution his support for the reconciliation bill was in no way guaranteed.

"As a conservative, I know sometimes that even if you can open a Pandora's Box, it's better not to," Cassidy said.

Meredith Lee Hill contributed to this report