



Chairman Ander Crenshaw

*Subcommittee on Financial Services and General Government
House Committee on Appropriations*

**Full Committee Markup
FY 2015 Financial Services and General Government Appropriations Bill
June 25, 2014
Opening Statement As Prepared**

As you know, this Subcommittee has jurisdiction over a diverse group of agencies and activities including financial regulators, tax collection, the White House, the Federal courts, DC, GSA and the Small Business Administration.

The bill we are considering today provides \$21.3 billion in discretionary funding which is \$566 million or 2.6 percent less than fiscal year 2014 and \$2.3 billion or 9.6 percent below the request. The Subcommittee's allocation is a reduction, but one that is necessary to live within the Ryan-Murray discretionary budget cap. The allocation is sufficient to fund priority programs while reducing funding for activities that are not essential to the operations of the Federal government or that have a history of wasting taxpayer resources.

One of the main priorities of the bill is funding for law enforcement activities. The High Intensity Drug Trafficking Areas program receives a \$6.5 million increase over last year. The Drug Free Communities program gets a \$3 million increase, and Treasury's Office of Terrorism and Financial Intelligence activities, which develop and enforce sanctions programs, receive an \$18 million increase.

Another priority for the bill is supporting small businesses and assisting in private sector job creation. The bill provides \$195 million for SBA's business loan programs to support \$18.5 billion in 7(a) lending and \$7.5 billion in 504 lending. The bill also provides increases over the current year for Small Business Development Centers, Women's Business Centers and Treasury's Community Development Financial Institutions Fund program.

In order to live within our allocation, we had to reduce funding in some areas. We eliminate 9 programs, such as the Christopher Columbus Foundation and the Election Assistance Commission, that are neither necessary nor critical to the operations of the Federal government. We reduce funding for more than a dozen agencies and programs that can operate with a little less, like the General Services Administration, the Federal Trade Commission, and the Federal Communications Commission.

In order to increase transparency and accountability of agencies created by Dodd-Frank, the bill makes the Consumer Financial Protection Bureau and the Office of Financial Research subject to the appropriations process and requires reports on their activities. Dodd-Frank created these agencies and purposefully put their funding outside of an annual review by the Congress. This bill corrects that flaw.

The bill drops language that has been included in the bill for several decades requiring the Postal Service to deliver the mail on Saturdays. The Postmaster General, the President, and the House authorizing committee have asked us to drop this language. GAO says that the Postal Service is “facing a deteriorating financial situation in which it does not have sufficient revenues to cover its expenses and financial obligations”. CBO estimates that dropping this requirement will save the Postal Service \$1.2 billion in fiscal year 2015 and over \$13 billion over the next decade. I know this is a controversial topic that will be discussed further today.

Finally, I would like to discuss the IRS. The Committee remains outraged by their activities including the inappropriate singling out of certain tax-exempt groups based on their political beliefs, wasteful spending on conferences and videos, and providing bonuses. The bill provides the IRS with \$10.95 billion, which is \$341 million below the current level and \$1.5 billion below the request. This funds the IRS below their fiscal year 2008 level. In addition, the Committee includes language which:

- Prohibits funds for employee bonuses and awards for IRS employees that do not consider the conduct and tax compliance of such employee,
- Prohibits funds for targeting groups for regulatory scrutiny based on their ideological beliefs or for exercising their First Amendment rights,
- Prohibits funds for inappropriate conferences and videos,
- Requires a report on the amount of official time used by IRS employees for union activities,
- Prohibits the White House from ordering the IRS to determine the tax-exempt status of an organization, and
- Requires extensive reporting on IRS spending.

Language is also included prohibiting funds for Treasury to implement or revise regulations regarding the standards and definitions used for determining the tax-exempt status of organizations under section 501(c)(4) of the tax code. I believe that the Administration should wait until the investigations into the inappropriate singling out of certain tax-exempt groups based on their political beliefs are completed before proposing to make any regulatory changes regarding section 501(c)(4). It is troubling that the IRS expects Americans to keep their tax records for seven years, but isn't capable of retaining emails from a few years ago.

In addition, I believe the IRS should have no role in the implementation of the Affordable Care Act at a time when the agency has demonstrated little ability to either self-police or self-correct. I find this expansion of IRS authority to be unacceptable and, therefore, the bill prohibits funding to implement the individual mandate and prohibits transfers from the Department of Health and Human Services to fund the IRS' implementation of the Affordable Care Act.

I want to thank all of the Subcommittee Members for their input into the bill. I also want to thank Chairman Rogers for his assistance in moving the bill.

To conclude, I would like to thank Ranking Member Jose Serrano. I appreciate Mr. Serrano's approach to the Committee's work and his desire to get back to regular order. His input has improved the bill. I know that he believes there should be additional funds in the bill and I look forward to working closely with him and all Members of the Subcommittee as the bill moves forward.

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