Chairman Ander Crenshaw

Subcommittee on Financial Services and General Government
House Committee on Appropriations

FY 2017 Financial Services Appropriations Bill – Full Committee
June 9, 2016
Opening Statement

Welcome, everyone. Today, we are considering the fiscal year 2017 Financial Services and General Government Appropriations bill. As you know, this bill funds a diverse group of agencies and activities including financial regulators, tax collection, the White House, the Federal courts, the District of Columbia, the General Services Administration, and the Small Business Administration. The bill is the product of 8 hearings and more than 1,800 requests from Members on both sides of the aisle.

The bill provides $21.7 billion in discretionary funding, which is $1.5 billion, or 6.5 percent, less than fiscal year 2016 and $2.7 billion, or 11 percent below the request. The Subcommittee's allocation is a significant reduction compared to 2016. Nonetheless, the allocation is sufficient to fund vital Federal programs, as well as one-time set-asides for the expenses of the Presidential transition.

Law enforcement and the administration of justice are among the bill's priorities. Funding for the High Intensity Drug Trafficking Areas and Drug-Free Communities programs are at record-highs, as is funding for Treasury's Office of Terrorism and Financial Intelligence, which enforces sanctions programs. In addition, there's a healthy amount of funding for the both the Federal and DC judicial branches of government and for the supervision of offenders and defendants living within our communities.

Another priority for the bill is supporting small businesses to grow the economy. The bill provides $157 million for SBA's business loan programs to support $28.5 billion in 7(a) lending and $7.5 billion in 504 lending. The bill also provides record-high amounts of funding for the SBA grant programs in total, the Alcohol and Tobacco Tax and Trade Bureau, and Treasury's Community Development Financial Institutions Fund program, which includes, for the first time, a set aside for CDFI's that assist individuals with disabilities to overcome barriers to financial services.

In order to fund these high priority programs at these levels, we had to reduce funding elsewhere. We cut funding for nearly two dozen agencies and programs that can operate with a little less, such as the Office of Management and Budget and the Federal Communications Commission. The brunt of the reduction, however, is borne by GSA and IRS since they are the largest agencies in the bill and both have a recent history of inappropriate behavior.

While the bill reduces GSA funding for new construction by $1.1 billion, we provide a sizable amount for repair and alterations. In addition, we continue to push GSA to develop an accurate inventory of Federal property and designate funding for GSA to use existing space more efficiently.

It has been three years and three Commissioners since we learned that the IRS betrayed the trust of Americans by applying inappropriate scrutiny to certain groups. Instead of turning over a new leaf, the IRS made a series of embarrassing management mistakes at the expense of customer service. To remedy this, the bill includes numerous provisions to reform the IRS and reduces their funding $236 million below the current level and $1.3 billion below the request. Within the total for IRS, however, $290 million is set aside for the IRS to improve customer service, cybersecurity, and fraud prevention.

To increase transparency and oversight of agencies, the bill makes the Consumer Financial Protection Bureau and the Office of Financial Research subject to the appropriations process; changes the CFPB's leadership from a single director to a five-member commission; and requires the Federal Communications Commission to make orders publically available for 21 days before the Commission votes on them.

To prevent agency overreach, the bill gives businesses the opportunity to change their operations prior to being designated a systemically important financial institution, prohibits the CFPB from outlawing pre-dispute arbitration, requires certain court challenges to be resolved before the FCC implements the net neutrality order, and prohibits the FCC from regulating broadband rates.

In addition, this Committee has strong concerns that the FCC seems to be prolonging their pattern of regulatory overreach with its recent set-top box proposal. And so, we include language that requires the FCC to stop and study this controversial rule before they can move any further. The telecommunications industry is more competitive than ever. And yet, the Commission has been more active than ever in trying to exert regulatory control over market innovation. To return the FCC's focus towards mission critical work and away from politically charged rule makings, the bill requires the FCC to do less with less.

To give low-income families the option of selecting a school that best meets the educational needs of their children, the bill includes the text of the Scholarships for Opportunity and Results Act, which passed the House last month. The bill also includes two other bills that passed the House this year to adapt the Bankruptcy Code for large financial institutions and to establish a Small Business Advocate within the SEC.

I want to thank all of the Subcommittee Members for their input into the bill and their participation at our hearings this year. I especially want to thank Mr. Rigell and Mr. Fattah for their service to Committee and country. Like me, they will not be returning to this esteemed body at the end of this term. I also want to thank Chairman Rogers and Ranking Member Lowey for their leadership and support for advancing this bill.

To conclude, I would like to thank Ranking Member Jose Serrano. I know this is not the bill that he would present, but I appreciate Mr. Serrano's approach to the Committee's work and value his advice. It has been a pleasure to work side-by-side with him over the years.