



## **Chairman Mario Diaz-Balart**

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*Subcommittee on Transportation, Housing and Urban  
Development, and Related Agencies  
House Committee on Appropriations*

**Fiscal Year 2017 Budget Hearing: Housing and Urban Development**

**March 1, 2016**

**Opening Statement As Prepared**

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Before we get started, I want to recognize our minority clerk, Kate Hallahan. Today is Kate's last hearing and her last day after 29 years of Federal service. I have thoroughly enjoyed working with Kate. Her knowledge of transportation issues is incredible, and her dedication to the Committee has been unwavering. Kate, you will be deeply missed.

Joe Carlile will be taking over as minority staff director. Joe has been a valued member of the THUD team with a deep understanding of this bill. Congratulations, Joe – we look forward to working with you.

Today we welcome Secretary Julián Castro from the Department of Housing and Urban Development to discuss the Fiscal Year 2017 budget request. HUD is requesting a total of \$49 billion in new budgetary resources in Fiscal Year 2017 – about 3.5 percent above 2016. This is not a dramatic increase. Unfortunately, however, there are so many accounting gimmicks in the Budget as a whole, it makes it difficult to take any of it seriously.

We need look no further than the other cabinet agency funded by this Subcommittee to demonstrate the point. The Department of Transportation budget uses gimmicks to cheat the bipartisan budget agreement by nearly \$10 billion. However, the Appropriations committee must abide by the agreement – so the Administration is only cheating itself out of the opportunity to communicate its priorities.

The Appropriations Committee must pass bills within the discretionary caps we all agreed to in last year's deal – and we cannot depend on accounting gimmicks to do so.

Even in the HUD request itself, we find evidence of the Administration gaming the system and breaking promises made just last year. Like DOT, HUD proposes billions of dollars in extra spending by classifying new programs as mandatory. Spending is spending, regardless of how it is categorized. Just because you call it mandatory doesn't mean it won't increase our national debt.

Even more frustrating is the lack of specifics. Your request makes a commitment of over \$11 billion in new programs for which you provide no details, no legislative language, and really not much more than lofty talking points and wishful thinking.

Don't get me wrong – I represent low income and urban areas – and I totally support the spirit of HUD's mission and the desire to do more. My mayors, city councils, community leaders, and constituents all rely on HUD programs. But that is why it is so important that HUD be real about its resource challenges and help this Subcommittee identify which programs must be made a priority in 2017.

In addition to targeting the right priorities, it is critical that HUD be a good steward of its resources as nearly all of what HUD oversees helps the most vulnerable. Yet I continue receiving reports that HUD has tremendous difficulty with basic management. The number and seriousness of negative Inspector General reports is astonishing. Poor financial controls, possible Anti-Deficiency Act violations, lax program oversight, major risks to IT systems, major gaps in cybersecurity: the list goes on and on.

I want to work with the Administration to make HUD the high-quality, high-functioning organization it must be to oversee these important programs. If the department remains this dysfunctional, what hope is there that we can tackle homelessness, economic stagnation, and all the other major challenges that are a part of the HUD mission?

I look forward to working with you, Mr. Secretary, as we make the hard choices necessary to meet our Nation's housing and economic development needs – all while being accountable to the taxpayer and respectful of last year's bipartisan budget agreement.

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