



Chairman Ander Crenshaw
*Subcommittee on Financial Services and General
Government, House Committee on Appropriations*

**FY 2015 Budget Hearing – Office of Management and Budget
April 9, 2014
Opening Statement As Prepared**

The hearing will come to order. Director Burwell, welcome to the hearing today.

OMB has significant responsibilities in assisting the President -- any President, Republican or Democrat -- in the development and execution of their policies. In meeting this responsibility, OMB develops the budget request, and coordinates management, legislative, regulatory, financial, procurement and other proposals to ensure that agencies' practices are good for the country and consistent with the Administration's objectives. OMB does this with fewer than 500 people.

The purpose of today's hearing is to discuss OMB's appropriation request. Since OMB is the agency that prepares the budget request for the entire Federal government, we will also want to discuss some of the important policies and assumptions in the President's overall request for fiscal year 2015.

I know you're pleased that the deficit dropped to 4.1 percent of GDP last year, but the deficit is also highest that it's ever been under any other Administration. The Federal debt last year exceeded 100 percent of GDP for the first time since World War II and will remain there for the rest of this Administration. I am disappointed that the request doesn't do more to reduce spending.

The mandatory spending proposed in your budget is estimated to grow from \$2.5 trillion in fiscal year 2014 to \$3.6 trillion in fiscal year 2019. This includes over \$750 million in gross interest payments on the debt in fiscal year 2019. This is more than the entire Defense appropriations bill.

I am disappointed that the Administration has not proposed mandatory spending reforms to rein in more of this spending. I urge you to work with the Budget Committees and authorizing committees to implement responsible mandatory reforms.

As an Appropriator, who has implemented spending reductions since fiscal year 2011, I want to impress upon the Administration to make more progress on the mandatory side of spending.

I am also disappointed that the budget request was submitted late. We are six years into the Obama Administration and the budget request is still late. I know that the fiscal year 2014 appropriations process did not finish until January but the Ryan-Murray agreement provided a fiscal year 2015 top line appropriation to use in December and the request was still late. I hope next year's request is submitted on time.

Regarding OMB's appropriation request, it is discouraging that you are proposing a 4.5 percent increase for your operating account. In times of fiscal constraint, most Americans want to see their nation's leaders lead by example.

Between fiscal year 2010 and 2014, total discretionary spending has been reduced by 13 percent. During that same time period, House Members' office budgets have been reduced by 16 percent, but OMB's operating budget has only been reduced by 3.4 percent. So while I know you and your staff have a lot to do, I believe that in times of fiscal constraint when services to Americans are being reduced, policy makers should share in the sacrifice. This is why Members' offices have reduced their own office operations by 16 percent over the last 4 years. My constituents don't ask me to do 16 percent less work for them, we just found a way to do our work with what we have.

Regarding your request for a \$12 million increase for IT Oversight and Reform, I appreciate that the Administration has made efforts to improve the use of IT resources through cloud computing, data center consolidations and other efforts. However, I would like to understand how *Healthcare.gov* failed to launch successfully and how such IT failures can be avoided in the future.

While we may not agree on all budget policies and I have raised concerns about your budget request, I do recognize the challenges that you face. The Committee appreciates your hard work and the hard work of the OMB staff. We look forward to your testimony.

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