



# **Chairman Ander Crenshaw**

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

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**FY 2016 Budget Hearing -  
Office of Management and Budget  
March 16, 2015  
Opening Statement As Prepared**

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Good afternoon. The hearing will come to order. Thank you everyone for being here.

Director Donovan, welcome to the hearing today. We know how engaged you are with the pending budget resolution and appreciate the time you have made to give us testimony and take questions.

I'd be remiss if I did not first express our appreciation for getting the President's budget request submitted on time this year. I believe it's the first time since 2010. We're hoping this bodes well for a smoother budget process going forward.

The Office of Management and Budget has the great responsibility of constructing a budget that reflects the President's vision for our nation. It is because of this responsibility, I believe, your agency has an even greater duty to be judicious and deliberate with your own budget request.

Today, I hope to not only have an informative discussion about your fiscal year 2016 appropriation request, but also to dive into some of the important policies and assumptions included in the President's overall request for fiscal year 2016.

Since 2010, this Committee, under the leadership of the Full Committee Chairman Hal Rogers, has carefully worked to reduce discretionary spending by \$175 billion. However, in this same time period we have seen mandatory outlays and net interest increase significantly. While we have made significant strides on the discretionary side of the ledger, our long-term economic and national security interests require continued deficit reduction and renewed efforts to reduce our national debt.

Speaking of the debt, the statutory debt ceiling was reached yesterday and Treasury will yet again take extraordinary measures to avoid default. At some point, extraordinary becomes routine and ordinary. I would caution the Administration that this routine is not a comfortable one and remind you that Standard and Poor's downgraded the country's credit rating in 2013, in part, because of it. We expect you to use your influence with the Administration to keep the country from going over the fiscal cliff.

The demographic changes underway in this country means that the benefits of Social Security, Medicare, and Medicaid enjoyed today are bills to be paid tomorrow by our children's grandchildren.

Regrettably, the President's budget does not address the unavoidable question of how to distribute the economic costs of an aging population across generations. To ensure the health of our economic future, we must rein in out of control spending on the mandatory side of the ledger. Director Donovan, I hope you can explain how the Administration plans to address these looming challenges.

The fiscal year 2016 budget request for OMB includes large increases for both your operating account and your IT account. Your operating request is a 6.2 increase percent over the fiscal year 2015 enacted level. I think in a time where our nation needs to continue to exercise fiscal constraint, OMB should be leading by example.

You are also requesting a \$15 million increase in your IT account. I appreciate the strides the Administration has made to improve the use of IT resources across the government, and increase efficiency, reduce waste and identify savings. I'd like to hear more about your plan to improve digital services and prevent the kind of failure we saw with the rollout of HealthCare.gov in other high-priority programs. I'd also like to discuss the role OMB will play in strengthening Federal cybersecurity. More and more we are seeing threats to our national security via cyberattacks to our networks and operating systems. Your role in guiding and coordinating cyber policy is increasingly important.

In addition, OMB also has a critical task of reviewing all federal regulations to ensure all proposed regulations keep pace with modern technology, promote the changing needs of society, and avoid duplicative or inconsistent policies. As you know, Senator Boozman and I sent you a letter recently on the Department of Labor's proposed fiduciary standard. We believe the SEC should move first in any rulemaking in order to address issues of duplication and confusion surrounding different standards of care for broker-dealers and investment advisors. I look forward to your hearing from you today on the timeline of the proposal and public input.

Finally, I'm concerned with how the Administration is picking new start projects. After three consecutive fiscal years with no new starts, the fiscal year 2014 omnibus allowed the Corps to initiate a limited number of new studies and new construction projects.

Unfortunately, the Administration's mismanagement of the fiscal year 2014 funds led the need for the Committee to include more stringent guidelines for fiscal year 2015 funds. However, the Administration has yet again disregarded congressional recommendations and it appears they have been using their own budget metrics for choosing New Starts projects. I hope today we can shed some light on the criteria the Administration used in the selection of the four new starts in the 2015 work plan as well as the new starts in the 2016 budget request.

Again, thank you for taking the time to meet with us today Director Donovan. I look forward to hearing your testimony. Let me turn now to Ranking Member Serrano for his comments.

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