



Chairman Ander Crenshaw

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

FY 2017 Budget Hearing: General Services Administration

February 29, 2016

Opening Statement As Prepared

The hearing will come to order. Welcome everyone.

I'd like to welcome General Services Administrator Denise Roth to the hearing today. You met with us last year as Acting Administrator—a role you were in for just under a month. Now you've been on the job for a year and we're happy to have you here before our subcommittee today.

Maybe you all know today is Leap Day and so with that in mind, let's just jump right in.

GSA's budget request proposes \$10.18 billion for the Federal Buildings Fund, which is less than one percent below enacted. While GSA's request appears to be flat, it spends \$371 million more in rental income from agencies than it did last year. I caution GSA from growing overzealous in its requests. In the 2016 Omnibus GSA received an unprecedented 215 percent increase for construction and acquisitions for numerous construction projects. This was a significant funding increase, but this level of spending should not be viewed as the new norm. Therefore, I look forward to discussing GSA's request for new construction in fiscal year 2017.

This brings me to the Administration's request for the FBI Headquarters Consolidation. At last year's hearing, we discussed GSA's proposal to exchange FBI's current headquarters at the Hoover Building for a new 2.1 million-square-foot facility in the greater Washington area. It was my understanding when GSA started to pursue such a complicated property exchange of unprecedented size that GSA was convinced that the value of the Hoover building would more than pay for a new FBI headquarters. However, as we all know, the value of anything is whatever the market will bear. The market has spoken and the value of the Hoover building is \$1.8 billion less than what GSA expected. So, today, in addition to the \$390 million provided in the Omnibus, the Administration is asking the Subcommittee for \$759 million and another \$646 million from the Commerce Justice Science Subcommittee. I am very concerned by the size of this request and still believe GSA may not have the expertise to execute such a complex exchange. I expect to have a frank discussion on GSA's exchange proposal for the FBI building today.

To date, Congress has appropriated \$1.6 billion for full consolidation of the Department of Homeland Security headquarters at St. Elizabeths. GSA's request includes another \$267 million

for fiscal year 2017. As GSA moves forward with its Enhanced Plan for St. Elizabeths, I hope to hear more about GSA's continued effort with DHS to reduce construction costs and increase project efficiency.

The President's budget also seeks to establish a \$3.1 billion Information Technology Modernization Fund within GSA to replace legacy IT systems across the government. Now, as the subcommittee that oversees the Office of Personnel Management, we know as well as anyone about the numerous cybersecurity and operational risks that using an old system poses. And we have been continually supportive of funding IT upgrades as part of agencies' annual budget requests.

However, I question the proposed \$3 billion in mandatory funding and \$100 million in discretionary funding. For what exactly, we don't know as the Administration has not formally transmitted legislative language to Congress. What I do know is that agencies should be requesting funding to refresh their IT systems on a regular basis as part of their regular budget. The IRS is a good example of an agency that chooses to spend less and less on rudimentary IT and is experiencing more and more hiccups.

Now, in the fiscal year 2016 Omnibus, this Committee provided GSA with construction funding to address longstanding needs and dire conditions at Federal courthouses around the country. The funding provided is important to maintain an open, accessible, and well-functioning judicial system. Today I hope to learn more about how GSA will work with the Judiciary Branch to ensure the courts' needs are best met while also safeguarding the investment of the American taxpayer.

Finally, I want to emphasize this Committee's commitment to shrinking the Federal footprint through reductions to GSA's inventory of leased and owned space. Over the last several years this Committee has provided significant funding for GSA consolidation activities and I hope to hear today how GSA is using those resources to reduce space and lower rental costs to save your customers and, ultimately, the taxpayer money.

Once again, welcome, Administrator Roth. I appreciate your service and look forward to your testimony.

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