



Chairman Tom Graves

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

Department of the Treasury – FY 2018 Budget Hearing

June 12, 2017

Opening Statement As Prepared

Good afternoon. The hearing will come to order.

I would like to welcome our witness, the Secretary of the Department of the Treasury, Steven Mnuchin. Today, we look forward to discussing the Department's budget request, as well as some of the assumptions and policies included in the President's overall request for fiscal year 2018.

The President's budget proposes cutting spending by \$3.6 trillion over 10 years while making key investments to spur economic growth and job creation. I am sure today's hearing will include a healthy debate on the merits of the President's approach to balancing the budget and I look forward to a productive discussion.

The Department of Treasury's mission is vast and plays a vital role in helping to shape and implement the President's economic policies. This includes working to reform the tax code, monitoring risk and fostering growth in the financial system, increasing access to credit for small businesses, and promoting economic prosperity for all Americans.

For fiscal year 2018 the Department is requesting \$11.2 billion, a decrease of 3.2 percent from the fiscal year 2017 enacted level. Treasury's largest bureau is the Internal Revenue Service, accounting for nearly 94 percent of Treasury's budget request. While the budget proposes a 2 percent decrease to the IRS's topline, funding within the request is prioritized to support IT infrastructure modernization and improved cybersecurity. I am interested in hearing from you on how funding for these priorities will improve the taxpayer experience.

The request includes \$117 million for the Office of Terrorism and Financial Intelligence, a \$5 million reduction from the fiscal year 2017 enacted level. This office does not just oversee policy, but it has the critical role of enforcing sanctions against rogue nations and nuclear proliferators; freezing accounts of terrorists, money launderers, and drug lords; and producing intelligence for Treasury leadership and national security officials. This office has the dual purpose of safeguarding our financial system against illicit use and protecting our citizens from national security threats. I'm also interested to know of the challenges facing Treasury in dealing with so many looming threats and ensuring that the Department has adequate resources to help keep our country safe.

The Secretary's budget also includes \$27 million for a newly created cybersecurity enhancement account. This account was established in our most recent government funding bill to strengthen Treasury's cybersecurity posture and mitigate threats to the U.S. financial infrastructure. Cybersecurity is one of the most urgent challenges facing the country and I hope to hear from you today how Treasury is using the resources that were recently provided to protect against and respond quickly to cyber threats.

Before closing, I want to say I'm grateful for the swift action the administration has taken to jump start our economy. Over the last few months, the Administration has issued executive orders to right size and streamline the federal government, reduce waste and duplication, and cut red tape. The positive effects are already being felt. Since January 20 – less than five months ago – GDP rose 1.2 percent, approximately 600,000 jobs were created, unemployment is down another half a percent to 4.3 percent, and business enthusiasm is up.

I look forward to learning more today about Treasury's continued role in spurring economic growth and job creation.

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