

Statement by

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Secretary

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before the

Financial Services and General Government Subcommittee

Committee on Appropriations

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Chairman Womack, Ranking Member Hoyer, and Members of the Subcommittee: Thank you for the invitation to testify.

Over the past three years, the Treasury Department has helped drive a historic economic recovery, including through our implementation of the American Rescue Plan. We are now playing a leading role in advancing President Biden's medium- and long-term economic agenda, including through our implementation of the Inflation Reduction Act. Today, our economy is growing, the labor market is historically strong, and inflation has declined substantially. Companies have announced \$650 billion in clean energy and manufacturing investments since the start of the Administration.

We've also been focused on taking necessary action beyond our borders to advance our economic priorities and national security, including continuing to respond to Russia's invasion of Ukraine as part of a strong global coalition. Our coalition recently imposed additional Russia-related sanctions. Here at home, the Senate passed a bipartisan national security supplemental package that provides critical support for our allies including Ukraine and is vital to our national security. I urge the House of Representatives to send it to the President's desk. Treasury also continues to closely monitor the conflict in the Middle East and use all the tools at our disposal to counter the financing of Hamas, other Iranian proxies, and their facilitators; stabilize the West Bank; and help humanitarian aid reach Palestinians in Gaza.

Securing funding for fiscal year 2024 is crucial to achieving these and other priorities, including to support a fair tax system, promote access to capital in disadvantaged communities, and combat terrorism and financial crimes. Let me now briefly highlight several key requests included in the President's Fiscal Year 2025 Budget.

First, the Budget requests \$12.3 billion in discretionary resources for the IRS. Decades of underfunding the IRS had done a disservice to American taxpayers and undermined our country's economic strength. Now, funding from the IRA and discretionary appropriations have driven unprecedented improvements in customer service, technology, and enforcement to ensure that wealthy taxpayers pay their fair share and help reduce the deficit. We need to continue IRA investments and maintain base funding to sustain this momentum. The Budget also requests \$325 million for the Community Development Financial Institutions Fund, which is key to our efforts to increase fairness and grow our economy through support for historically underserved and low-income communities.

Second, the Budget requests funds to allow Treasury to address emerging threats, such as \$312 million for Treasury's Departmental Offices, including to support promoting investment security in sensitive technologies and the stability of the financial system. Treasury is also requesting \$150 million to enhance cybersecurity to protect and defend sensitive agency systems and information.

Third, advancing our work abroad requires \$231 million for the Office of Terrorism and Financial Intelligence, which provides critical financial intelligence and sanctions-related economic analysis, including to support sanctions related to Hamas, Iran, and Russia. We've also requested \$216 million for the Financial Crimes Enforcement Network. This will allow us to build on the significant milestone of launching the beneficial ownership reporting system while taking other actions to protect the financial system and combat illicit finance.

All of Treasury's work is enabled by my dedicated and skilled colleagues, who should be equipped with the tools and resources they need to advance key priorities on behalf of the American people.

I am happy to now take your questions.