



United States House of Representatives  
One Hundred Eighteenth Congress  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

## **Testimony of Chairman Patrick McHenry, Committee on Financial Services**

Thank you, Chairman Steil, Ranking Member Morelle, and Members of the Committee. I appreciate you giving Ranking Member Waters and I the chance to present our budget request for the Financial Services Committee.

We are at a pivotal moment for our financial system and the economy as a whole. Ranking Member Waters and I worked together to develop a thoughtful request that reflects this reality and allows us to deliver on the critical work we will undertake this Congress.

We are requesting a 5% increase for the 118<sup>th</sup> Congress. This request is based on our massive workload that focuses on the issues that directly impact all of our constituents. We have provided specific details about how these additional resources would be utilized in our written documents. I would like to briefly walk you through a few examples that highlight why this additional funding is so important.

Too many Americans feel unheard and cut off from the legislative process. Field hearings give us the opportunity to meet our constituents where they are and help show Members the unique needs of different regions of the country. But they require time and money—from travel and lodging to research, materials, and production. It's my goal for each of our six subcommittees to conduct a field hearing to hear the diverse viewpoints across the U.S. using this new funding.

Next is staff. Hiring and retaining talented staff to work on behalf of our constituents requires paying them a decent wage. We know rampant inflation has made the cost of everything rise, including wages and labor. Additionally, changes to the rules governing staff pay that were put in place last Congress put further pressure on wage inflation in Congress. Job creators in the private sector have been reeling from these challenges and the House is no different. In light of this inflationary environment, a 5% budget increase to cover staff salaries alone is a very modest request.

I'd also like to discuss the pressing issues I intend to address this year and how this increased funding would help the Committee achieve its objectives.

Advances in technology have benefited consumers but they've also created gaps in our consumer financial data privacy laws. We must modernize and strengthen existing protections to ensure consumers control their data. Last night, the Committee considered my Data Privacy Act to do just that.

The second pressing issue is enhancing capital formation opportunities, just as we did a little over a decade ago with the bipartisan JOBS Act. It is my hope we can build on the success of the JOBS Act to deliver the type of growth that has proven enduring.

Finally, digital assets. Americans have lost billions of dollars in digital assets to bad actors. This technology also has the potential to bring more Americans into our financial system and holds promise as the building blocks of the next generation of the internet. It's our job as legislators to provide clear rules of the road for this technology to protect consumers, while allowing innovation to thrive here in the U.S. I think we can achieve that balance, which is why I created a subcommittee on digital assets, chaired by Congressman Hill.

Digital Assets are a new technology. Bringing regulatory form to these assets will require extensive education of members and staff alike. It will also require a great deal of oversight over this marketplace. Both of these priorities require us to have the staff expertise and educational resources that necessitate our budget request.

Republicans will also return the Committee's attention to responsible, but rigorous oversight of the executive branch. Oversight and Investigations require a great deal of resources, including hiring top notch oversight attorneys and the software, like Clearwell, needed to process and analyze enormous document productions.

Let me conclude with this. The next two years of policy will set the terms of debate for the next decade. The Financial Services Committee is ready with solutions to foster innovation and create economic opportunity for all Americans, but we need the resources to deliver.