



Congressman José E. Serrano

Chairman, House Appropriations Subcommittee on Financial Services and General Government

For Immediate Release: March 6, 2008

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Opening Statement of Chairman José E. Serrano Hearing on the Office of Management and Budget's Fiscal Year 2009 Budget Request March 6, 2008

Today the subcommittee will hear from the Director of the Office of Management and Budget, the Honorable Jim Nussle. Mr. Director, welcome. This is your first appearance before the Appropriations Committee as OMB Director, and we are pleased to have you.

Today's hearing has a dual purpose. Our subcommittee has jurisdiction over OMB's budget, and we will be interested in your presentation on that budget. The hearing will also delve into government-wide budget and management issues that OMB oversees.

With respect to OMB's budget, the fiscal year 2009 request is about \$5 million below the enacted fiscal year 2008 level, but that decrease is due to a proposed shift of rent costs from OMB's budget to the White House Office of Administration. The actual proposed change from the current year is an increase of nearly \$2 million, or about 2.5 percent. This would allow you to maintain your current staffing levels. The subcommittee will continue to take a close look at your budget proposals, and we look forward to working with you on that.

I would also like to make a few comments regarding the bigger budget picture. The President's fiscal year 2009 budget proposes \$991.6 billion in nonemergency discretionary spending according to the Congressional Budget Office. While this is a substantial increase over fiscal year 2008, the increase is for defense and other security spending. Nondefense, non-security spending for the basic operations of government would actually decline by 1.6 percent, even before accounting for inflation, based on CBO estimates.

This budget continues the squeeze on the programs that provide essential government services to the people who need them most. These include programs to protect the environment, educate our children, provide medical research and

health care, retrain the jobless, support law enforcement, revitalize communities, and offer social services to the most needy. Cuts to these programs hurt the most disadvantaged of the population, and they concern me deeply.

The total proposed cut to domestic discretionary programs, according to the nonpartisan Center on Budget and Policy Priorities, is around \$15 billion. As a share of the economy, non-defense discretionary programs have declined from 5.2 percent of gross domestic product in 1980 to 3.7 percent today, and further declines in coming years are anticipated under this budget.

But talking about these raw numbers doesn't do justice to the millions of Americans who are affected by these cuts. Take, for example, the proposed cuts to the Community Services Block Grant and the Social Services Block Grant – a combined \$1.2 billion cut from the current funding level. This will affect services for low-income seniors, children, the unemployed, and the disabled. The Social Services Block Grant touches the lives of nearly 17 million people, most of whom are children. The Community Services Block Grant supported services to about 21 percent of people living under poverty in 2005, or about 5 million people. There is a significant human cost to making the kind of cuts to these programs that are envisioned.

It is my hope that over the next several months the Appropriations Committee will play a key part in restoring balance and fairness to the budget, and, while we may not see eye-to-eye on all matters, I am hoping to work closely with Director Nussle on the issues relating to this subcommittee.

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Congressman José E. Serrano has represented the Bronx in Congress since 1990. He is the Chairman of the House Appropriations Subcommittee on Financial Services and General Government, which oversees the budget of the Office of Management and Budget.