



## Congressman José E. Serrano

Chairman, House Appropriations Subcommittee on Financial Services and General Government

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### **Opening Statement of Chairman José E. Serrano Subcommittee Markup of the FY 2009 Financial Services and General Government Appropriations Bill**

Today the subcommittee will mark up the fiscal year 2009 bill. I am pleased to present the Chairman's mark for the subcommittee's consideration. The proposed bill and report, as well as a summary, are before you. Your staff has also been briefed on the bill. The printed bill and report are embargoed until they are circulated to Members prior to full Committee markup, so subcommittee staff will be collecting them today after this markup. I ask your cooperation in leaving the copies of the bill and report on the table.

In a moment I will describe what is included in the Chairman's mark, but first I would like to again turn to my friend and colleague, Mr. Regula, to thank him for his hard work and collaboration. I know we may not be in agreement on everything in this bill, but we have worked together to develop the best possible bill.

This Subcommittee held multiple hearings in the spring to explore the issues facing agencies funded through this bill. As the hearings progressed, it became clear that this Subcommittee could do many things to bring government closer to the people, to better fit its services to their needs. The American people expect and deserve the best services their government can offer.

For example, with respect to the subprime mortgage crisis, we held a hearing that examined the situation facing subprime borrowers and what agencies funded by this bill – specifically Treasury and the Federal Trade Commission – could do to address this situation. The Treasury's Community Development Financial Institutions Fund helps expand the availability of credit, capital and financial services to underserved communities throughout the nation, including those particularly hard hit by the credit crisis.

The subcommittee also held a hearing on election administration issues, where we told the Commissioners of the Election Assistance Commission that they need to

use their bully pulpit to make reliable, accurate, and accessible elections a top priority.

Regarding consumer issues, we felt that more can be done to protect consumers and so told the Consumer Product Safety Commission to strengthen its consumer product monitoring capabilities.

I feel that through these hearings and through the funding initiatives and Congressional guidance contained in this bill, government will be more responsive and more proactive on behalf of the American people whom it serves.

The subcommittee's budget allocation is \$22.39 billion. That is the amount provided in this Chairman's mark. This is a tight but fair allocation. While it is \$1.5 billion above the fiscal year 2008 level, about \$400 million of that increase is due to accounts that have come into our bill this year that were not in the bill last year. Further, the allocation is tight because our ability to move money around is limited. More than 80 percent of this bill funds basic administrative accounts, such as the salaries of Treasury employees who are managing the Nation's finances. These accounts cannot be reduced without reducing the most basic and essential government services.

There were also a number of holes in the President's budget that needed to be filled. This bill directs funding to programs where we believe money will be well spent and will benefit, for example, disadvantaged communities and small businesses. These are important priorities that need to be increased from the President's budget and that are provided for within our allocation. However, our allocation is only \$150 million, or less than one percent, above the President's budget. We had to make some hard choices within this allocation and, unfortunately, were not able to do a lot of things Members would have liked us to do.

To summarize, this bill includes \$12.6 billion for the Department of the Treasury. Within this amount, \$11.4 billion is for the IRS, a \$304 million increase above fiscal year 2008 and \$37 million above the President's request. This increase includes more money than requested for taxpayer services and the IRS Taxpayer Advocate's office. The bill also includes \$105 million for the Community Development Financial Institutions Fund to increase economic development and financial opportunities for people living in disadvantaged communities.

The bill includes nearly \$700 million for the Executive Office of the President. Within this amount, \$1.4 million is for the Office of National AIDS Policy so it can move forward to develop a National AIDS Strategy.

Also within the amount, \$422 million is directed to the Office of National Drug Control Policy and its programs. This includes increases above the requested levels for the Drug-Free Communities grants program and the High Intensity Drug Trafficking Areas program.

The Judicial branch is funded at \$6.5 billion in this bill, which is \$304 million above 2008 but \$196 million below the request. While this is a reduction to the requested level, we believe that the amount in the bill will be sufficient to fund all necessary operations and staffing levels for the Judiciary.

Programs related to the District of Columbia would receive \$712 million, or \$102 million above fiscal year 2008. The total includes \$74 million for DC schools. Within this amount, public schools would receive \$41.2 million, an increase of \$28.2 million over last year. The mark funds the DC opportunity scholarship program at the current year's level.

The District of Columbia Court system would be allocated \$301 million. Within this figure, the bill assumes an increase in the reimbursement for attorneys who defend indigent clients so that these clients have a greater opportunity for proper representation.

The bill also includes funding for the DC Tuition Assistance Grant program, the water and sewer authority, construction of a forensic lab, library improvements, and other items requested by the DC government.

In this mark, I have continued my basic philosophy that the Federal government should not dictate to the District how to manage its own affairs or spend its own money. We have further reduced the number of riders from last year, and have rejected the Administration's proposal to reinstitute the ban on the use of local funding for needle exchange programs and on funding for the District to lobby Congress for voting representation or statehood.

The recommended bill includes funding for numerous independent agencies. Some, including the General Services Administration and the Office of Personnel Management, support government-wide functions and are essential to the day-to-day operations of the entire government.

Other agencies are small but play a critical role for our nation. For example, the Election Assistance Commission deals with issues that are extraordinarily important to the nation and the ability of voters to have confidence that their votes are counted accurately. This bill includes \$110 million for payments to States to help them meet the requirements of the Help America Vote Act of 2002, as well as additional funding for research and testing of voting systems. This funding is a statement of Congressional intent to help ensure that the elections process is fair, accessible, and accurate.

The bill also includes funds for important regulatory agencies, namely the Consumer Product Safety Commission, the Securities and Exchange Commission, the Federal Trade Commission, and the Federal Communications Commission. We have provided a total of \$83 million in increases above fiscal year 2008 for these agencies, and we are recommending funding to ensure that they have the ability to

oversee, investigate, and take necessary actions relating to their respective missions. For example, the Consumer Product Safety Commission would receive \$20 million above this year's level to enhance consumer protection activities, including improving the safety of pools and spas so that tragedies involving child drowning can be prevented, and ensuring that products imported into the country are safe.

Another vitally important agency in this bill is the Small Business Administration. The bill includes \$880 million for the SBA, including \$110 million for Small Business Development Centers, \$100 million to support loan guarantees, and \$22.5 million for direct loans and technical assistance to the smallest companies.

The recommendation also provides funding for SBA programs that target disadvantaged and low-income communities and entrepreneurs, including the HUBZone program, the PRIME program, and the 7(j) program.

This bill also includes numerous general provisions that apply to funds in the Act or government-wide. The mark includes some new initiatives that will address some ongoing congressional concerns.

It includes, for example, a one-year moratorium on new competitive sourcing – also known as A-76 – activities. The provision halts this Administration's controversial and detrimental Federal workforce program until the next Administration has had an opportunity to consider and implement its own workforce policies.

Another provision in this bill relating to the Federal workforce is the annual civilian employee cost-of-living adjustment. The recommendation is for a 3.9 percent adjustment, which is the same as the adjustment the House approved for military personnel and higher than the 2.9 percent increase the President recommended.

The mark also contains a provision to prohibit funds from being used in support of the IRS private debt collection program. Under this very misguided and wasteful program, the IRS allows private contractors to collect unpaid taxes and to keep up to 24 percent of the tax revenue they bring in. This program should be terminated.

The bill would also prohibit funds from being used to implement or enforce the Federal Communications Commission's recent changes to the newspaper-broadcast cross-ownership rules. I believe that the loosening of media consolidation rules is detrimental to the goals of diversity in ownership and viewpoints, as well as to localism and independence in the news media.

This mark also includes provisions to liberalize travel to Cuba for Americans who have family members living in that nation. There is no reason to place harsh restrictions on those who simply wish to visit close family members. In addition, the bill contains a provision to facilitate agricultural trade with Cuba, allowing more American farmers to sell their products to Cuba.

I believe that this is a good bill that allows us, within the allocation that we were given, to make some important funding and policy choices to improve the services that our government agencies provide to our constituents as they pay their taxes, purchase products, and start their own small businesses. Compromises have been made, but the final product is one that we as a Subcommittee can be proud to move forward to the full Committee.

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*Congressman José E. Serrano has represented the Bronx in Congress since 1990.*