



COMMITTEE ON APPROPRIATIONS

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SUMMARY: 2009 FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS

Full Committee Markup

The Financial Services Appropriations bill is responsible for ensuring that the agencies of government meet the needs of our citizens.

As our country faces tough economic times, this bill invests in economic development programs for disadvantaged communities and provides record loans to small businesses. To protect consumers from dangerous products like toys with lead, the bill provides a substantial increase to the Consumer Products Safety Commission for the second year in a row, helping that agency recover from neglect over the last decade.

Recognizing that the right to vote is fundamental to the strength of our democracy, the bill helps states upgrade voting equipment to meet the requirements of the Help America Vote Act. At the IRS, it works to make it easier for honest Americans to file their taxes while it beefs up IRS enforcement to catch tax cheats.

Finally, this bill keeps our commitment to the District of Columbia with a significant one-time investment to jump start improvements to the city's public schools.

Bill Total

2008 Enacted: \$20.6 billion

President's Request: \$22.2 billion

Committee Mark: \$22.4 billion

KEY INVESTMENTS

Small Business Administration: \$880 million, \$311 million above 2008 and \$222 million above the President's request, to help small businesses during tough economic times.

- **Small Business Loans:** \$100 million to subsidize the 7(a) loan guarantee program, restoring cuts made to the program since 2004, to lower the costs to small businesses for these loans and to see that more veterans receive these loans.
- **Small Business Development Centers:** \$110 million, \$12.9 million above 2008 and \$22.9 million above the President's request, to provide free or low-cost management assistance to small businesses customized to local conditions.
- **Disaster Loans:** \$160 million to assist homeowners and business-owners in recovering from disasters such as the recent Midwest floods.

Community Development Financial Institutions (CDFI): \$105 million, rejecting the President's \$65 million cut and \$11 million above 2008. On average, each dollar invested in CDFI leverages \$19 for housing and microbusiness loans, community development banks, and other economic development efforts.

Financial Education: \$1.8 million, \$700,000 above the President's request, for Treasury's Office of Financial Education to help Americans make smart financial choices through initiatives in schools as well as efforts to combat predatory lending.

Strengthening Regulatory Oversight and Consumer Protection: The consumer protection and regulatory agencies under this bill will be given additional resources to improve oversight and enforcement.

- **Consumer Product Safety Commission:** \$100 million, rejecting the President's shortsighted proposal to freeze funding and \$20 million above 2008, building on a 27.5% increase in 2008, to keep unsafe products from the marketplace.
- **Securities and Exchange Commission:** \$928 million, \$22 million above 2008 and \$15 million above the President's request, to enhance enforcement, oversight, and investor protections.
- **Federal Trade Commission:** \$259.2 million, \$15 million above 2008 and \$3 million above the President's request, to protect consumers, including investigations into sub-prime lending, identity theft, and to free the marketplace from anti-competitive practices.

Advancing Election Reform: \$116 million, rejecting the President's proposal to eliminate grants to help states ensure reliable, accurate, and accessible elections, providing \$1 million above 2008, including \$110 million for grants to States to help them meet the requirements of the Help America Vote Act.

IRS: Improving Services for Taxpayers and Catching Tax Cheats

Improving Services for Taxpayers: \$2.2 billion, \$60 million above 2008 and the President's request.

- **IRS Pre-filing Services:** \$47 million of the increase supports educating taxpayers about their rights and obligations before they file, improving the IRS 1-800 help line and assisting taxpayers at IRS walk-in sites around the country. The total number of taxpayers who received help preparing their tax returns at walk-in sites fell from 665,000 in 2003 to 406,000 in 2006 after years of inadequate funding.
- **IRS Taxpayer Advocate:** \$192 million, \$15 million above 2008 and \$10.5 million above the President's request to help individuals solve ongoing tax problems with the IRS. From 2004 to 2006, the Taxpayer Advocate Service's caseload rose 43% while its staff declined by 7% due, resulting in long delays in assisting taxpayers.
- **Tax Counseling for the Elderly:** \$5.1 million, \$2.1 million above 2008 and \$1 million above the President's request, for grants to organizations that provide free tax preparation services for seniors.
- **Low-Income Taxpayer Clinic:** \$9.5 million, \$500,000 above 2008 and \$1.5 million above the President's request, for grants to help provide legal representation for low-income taxpayers involved in disputes with the IRS.

Closing the Tax Gap: An estimated \$290 billion in taxes owed go unpaid every year. The IRS Oversight Board noted in a recent report that "the tax gap is an injustice to compliant taxpayers who ultimately are bearing the financial burden of those who do not pay what they owe, whether intentionally or not."

- **Enforcement:** \$5.1 billion, \$337 million above 2008 and matching the President's request, to catch tax cheats through audits, collection efforts, and technology improvements.
- **Business Systems Modernization:** \$222.7 million, matching the President's request, to update outdated computer systems and improve the overall efficiency of the IRS.

Private Debt Collection: Prohibits the IRS from contracting out debt collection as the IRS can perform the same function at less cost and with better safeguards for taxpayers.

District of Columbia

Assisting the District of Columbia's Students: \$109 million, \$35 million above 2008 and equal to the President's request, to support the District of Columbia's students. This includes \$35 million for college tuition support, \$54 million for school improvements, and a one-time payment of \$20 million for efforts to improve the District's public school system.

Supporting the DC Criminal Justice System: \$535 million, \$44 million above 2008 and \$29 million above the President's request, to support DC Courts, and other related services including \$76 million for renovations for the District Courts, \$202 million for the Court Services and Offender Supervision Agency, and nearly \$36 million for the Public Defender Service.

Strengthening National Security and Supporting the War on Drugs

- **Treasury's Office of Terrorism and Financial Intelligence:** \$62 million, \$5.2 million above 2008 and \$300,000 above the President's request, to track terrorist financing, support economic sanctions against terrorist networks, and reduce the backlog of Freedom of Information Act requests at the Office of Foreign Assets Control.
- **Financial Crimes Enforcement Network (FinCEN):** \$91.3 million, \$5.5 million above 2008 and matching the President's request, to detect and prevent money laundering and terrorist financing, coordinate financial crimes enforcement efforts with other countries, and make security improvements at FinCEN headquarters.
- **Office of National Drug Control Policy:** \$422 million, rejecting the President's \$3.6 million cut and equal to 2008.
- **High Intensity Drug Trafficking Areas:** \$230 million, \$30 million above the President's request and the same as 2008, to coordinate drug control efforts among local, state, and Federal law enforcement agencies, providing agencies with coordination, equipment, technology, and additional resources to combat drug trafficking and its harmful consequences in critical regions of the United States.
- **Drug-free Communities Grants:** \$90 million, rejecting the President's \$10 million cut and the same as 2008, including \$2 million for the National Community Anti-drug Coalition Institute.

Supporting the Judicial Branch: \$6.5 billion to support the Federal Judiciary, nearly \$280 million over 2008.

- **Defender Services:** \$863 million, \$17 million above 2008, to increase the rate for attorneys for indigent clients from \$100 to \$110 per hour, because every American should have access to quality legal representation.

General Services Administration (GSA): \$8 billion for the Federal Buildings Fund, including \$457 million for new construction and \$692 million for repairs and alterations of Federal buildings.

National Archives and Records Administration (NARA): \$330 million, \$2.2 million above the President's request and \$15 million above 2008, including \$567,000 to allow NARA, for the second year in a row, to add archivist staff after staffing reductions occurred between 2002 and 2007, allowing the Archives to continue its current levels of public research hours, and to process its backlog of Presidential records requests.

OTHER IMPORTANT POLICY PROVISIONS

Cuba: Language in the bill (1) allows visits to immediate family members in Cuba once a year, instead of only once every three years; (2) expands the definition of “immediate family” to include aunts, uncles, nieces, nephews, and first cousins; and (3) reverses the Administration’s 2005 regulatory impediments on the sales of food and medicine to Cuba.

Media Consolidation: Prohibits the Federal Communications Commission from implementing or enforcing changes to newspaper-broadcast cross-ownership rules. Changes adopted by the FCC in December 2007 would threaten competition and diversity.

Public-Private Competitions: Includes a one-year moratorium on new competitive sourcing activities. This halts a controversial and detrimental outsourcing program until the next Administration has an opportunity to consider and implement its Federal workforce policies. Restricts the conversion to contractors of work being performed by Federal employees and requires agencies to establish guidelines on insourcing of new functions and functions currently being performed by contractors.

Federal Employee Cost-of-Living Adjustment: A cost-of-living adjustment of 3.9% is included. The President’s request proposed a 2.9% adjustment.