



## Congressman José E. Serrano

Chairman, House Appropriations Subcommittee on Financial Services and General Government

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### **Statement of Chairman José E. Serrano FY09 Financial Services and General Government Appropriations Bill Continues to Address Consumer and Good Government Issues**

Washington, DC — Congressman José E. Serrano, Chairman of the House Appropriations Subcommittee on Financial Services and General Government, delivered the following statement at the full committee markup of the Fiscal Year 2009 bill today:

“I’m pleased to present the Financial Services and General Government’s FY 2009 bill for the Committee’s consideration. This bill is the result of the subcommittee holding 15 hearings, with 32 witnesses, earlier this year.

Before I discuss the bill, I want to thank the Ranking Member, Mr. Regula, on the work and leadership he has put into this bill. As you all know, Mr. Regula is retiring at the end of this year. That is a great loss to this Committee and this House. It has been an honor and a privilege to work with you, Mr. Regula, and I will miss the partnership we have had on this bill.

This bill does 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.

The subcommittee’s budget allocation is \$22.4 billion, which is the amount provided by the subcommittee’s recommended bill.

This is a tight but fair allocation. The allocation is \$1.5 billion above the fiscal year 2008 level and \$150 million, or less than one percent, over the President’s request.

We used that modest increase to try to fill a number of holes left by the President’s budget. 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.

You have had a chance to look at the subcommittee’s bill and report, so in the interest of time, I am not going to go into a lot of detail regarding each program and agency. However, I do want to highlight three important themes in this bill –consumer protection, small business development, and election administration improvements.

Regarding consumer protection, the Consumer Product Safety Commission would receive \$20 million above this year's level. These extra funds would be used to continue the effort we started last year to restore the Commission's ability to keep unsafe products, including unsafe imported products, off the marketplace. We are reversing years of neglect and budget cuts that left the Commission with a fraction of the people and resources it needed to do its job. Money is also available in the bill for the Commission to improve the safety of pools and spas so that tragedies involving child drowning can be prevented.

Consumer protection is also important with respect to financial products such as mortgages. We held a hearing this spring that examined the situation facing subprime borrowers and what the Treasury Department and the Federal Trade Commission could do to address this situation. Treasury's Community Development Financial Institutions Fund, which would receive \$105 million in this bill, or \$76.4 million above the President's request, helps to 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 Federal Trade Commission would also receive increased funding for investigation and enforcement in the financial services area, including subprime lending investigations.

I also view investor protection as another form of consumer protection. This bill includes \$928 million for the Securities and Exchange Commission, which is \$22 million above the current year and \$15 million above the request. This will enhance the SEC's enforcement, capital market oversight, and investor protection activities.

This bill also does a great deal to support small businesses by including \$880 million for the Small Business Administration. This includes \$110 million for Small Business Development Centers, which is \$13 million over this year's level, \$23 million over the request. We also provide \$100 million to support loan guarantees, reversing the Administration's policies that have resulted in a higher cost of financing for struggling small businesses. The bill also includes \$22.5 million for microloans and technical assistance to the smallest companies.

In addition, the bill funds SBA programs that target disadvantaged and low-income communities and entrepreneurs, including the HUBZone program, the PRIME program, and the 7(j) program. The PRIME program, which once again was proposed for termination by the President, will be doubled to \$6 million to help very low income small business owners.

The third important theme is improving election administration. The Election Assistance Commission is a small agency that works on issues that are extraordinarily essential to the nation and to voters' 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 will help ensure that elections are fair, accessible, and accurate.

This bill also includes a number of policy provisions 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 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.

The recommendation 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 taxes, purchase products, and start small businesses. Compromises have been made, but the final product is one that the Committee can be proud to support.

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