Chairman Ander Crenshaw
Subcommittee on Financial Services and General Government
House Committee on Appropriations
Fiscal Year 2014 Financial Services and General Government Appropriations Bill
Full Committee Markup
July 17, 2013
Opening Statement As Prepared

Thank you Chairman Rogers.

The Financial Services Subcommittee has jurisdiction over a diverse group of agencies and activities including financial regulators, tax collection, the White House, the Federal courts, the District of Columbia, GSA and the Small Business Administration.

The bill before us today provides $16.97 billion in discretionary funding which is $4.3 billion, or 20 percent, less than the fiscal year 2013 CR level and $7 billion below the request. The reduction is large, but necessary to comply with the House Budget Resolution and to address the Federal government's spending problems. It has been a challenge to put this bill together, but we have done our best to provide adequate funding to essential and priority programs, while reducing funding for activities that are not essential to the operations of the Federal government or that have a history of wasting taxpayer resources.

One of the main priorities of the bill is law enforcement activities, including the operations of Federal and DC courts, supervision of offenders and defendants living in our communities, drug task forces, and Treasury's antiterrorism and financial intelligence activities.

Another priority for the bill is supporting small businesses and assisting in private sector job creation. The bill continues to support SBA's business loan programs, Small Business Development Centers, and Treasury's Community Development Financial Institutions Fund program. In addition, the bill requires certain regulatory agencies report to the Committee on their efforts to eliminate duplicative, outdated and burdensome regulations.

Regarding the IRS, I think we would all agree that the Treasury Inspector General for Tax Administration's report on wasteful conference spending and subjecting some groups to additional scrutiny because of their political beliefs is outrageous and unacceptable. In order to help the IRS regain American's trust, we need to be sure that they are more accountable for their spending and have safeguards in place to ensure that targeting of groups based on political philosophy never happens again. All Americans expect and deserve to be treated equally regardless of their political association, and the hard-earned taxpayer dollars they send to Washington must be spent wisely, effectively and legally.

Therefore, within this bill we:

- Reduce IRS funding by approximately 24 percent below the FY 2013 CR. This is only a small percentage higher than the overall percentage reduction to the bill;
- Condition 10 percent of Enforcement funding on full implementation of all nine of the IG's recommendations regarding the review of tax-exempt applications; and
- Place additional conditions on funding for conferences, bonuses, and videos to ensure spending in these areas is appropriate.

In addition to reducing IRS funding, we believe that the expansion of the IRS' authorities into healthcare at a time when they have earned the American people's suspicion is very troubling. Therefore, the bill prohibits funds provided in this bill from implementing the individual mandate and prevents HHS from transferring funds to the IRS for Affordable Care Act implementation.

I am sure that the other-side-of-the-aisle will say that the IRS reductions in the bill will result in reduced revenue. However, I do want to point out that there are many other factors that influence revenue besides the size of the IRS appropriation. Economic growth, unemployment, and changes in the tax code each can have a larger impact on revenue than the number of IRS employees. For example, even under the sequester the Administration is projecting to collect all-time high amounts of revenue. I believe we should reform the spending and examination processes at the IRS before we give them more funding to increase their enforcement and other activities.

Regarding GSA, another agency with a history of wasteful spending, the bill reduces spending in the Federal Buildings Fund by $2.4 billion below the request and makes GSA more transparent by requiring additional reporting, separating administrative funds from programmatic funds, and encouraging the better utilization of their space inventory.

The bill not only cuts the IRS and GSA, but also eliminates 10 programs, reduces all of the salaries and expenses accounts in the Executive Office of the President, reduces some Federal payments to the District of Columbia, and makes regulators such as the FCC and FTC do more with less.

In order to increase the transparency and accountability of agencies created by Dodd-Frank, the bill makes the Consumer Financial Protection Bureau and the Office of Financial Research subject to the appropriations process and requires reports on their activities. Dodd-Frank created these agencies and purposefully put their funding outside of an annual review by the Congress. This bill corrects that flaw.

I want to thank all of the Subcommittee Members for their input into the bill and their participation in our 11 hearings this year – two of which involved the IRS. I also want to thank Chairman Rogers for his assistance in moving the bill forward.

Finally, I would like to thank Ranking Member Serrano. When Mr. Serrano was Chairman of this Subcommittee, he was very fair and respectful of all Members' views and did an outstanding job. Now as Ranking Member, his input has improved the bill. I know that he believes there should be additional funds in the bill, and I look forward to working closely with him and all Members of the Subcommittee and Full Committee as the bill moves forward.

Thank you, Mr. Chairman.

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