

## Full Committee Ranking Member Rep. Norm Dicks

*June 20, 2012*

"I thank Chairman Rogers for recognizing me, and I want to acknowledge his work, as well as that of Chairwoman Emerson and Ranking Member Serrano on this bill. And I'd like to take this opportunity to thank the staff on both sides for their exceptional effort in putting this bill together.

"That said, I have some serious reservations about this bill. Although the allocation of just over \$21 billion is a better starting point than we have seen for the past two House bills, it is \$376 million below the FY12 enacted level and \$2 billion below the President's request. Further, the Senate allocation for this bill is more than \$1.8 billion higher. For a bill that is largely comprised of salaries and expenses for numerous federal agencies, this allocation, if enacted into law, would result in a substantial reduction in services to the public, severely hinder many very basic functions of government and cause furloughs, layoffs and vacancies at a time when employment remains the nation's top concern.

"This bill continues the senseless attack on the Internal Revenue Service by this House. The funding level provided last year required the IRS to cut staffing by approximately 5,000 positions through buy-outs and attrition. This bill would freeze funding for the IRS at the FY12 enacted level – almost a billion below the President's request – ensuring more staff cuts, particularly in the area of enforcement. Thus, fewer audits will be performed, more tax cheats will get away with not paying their fair share and the tax gap will grow. Most frustrating to me is that these cuts lead to increased deficits, as enforcement resources have been proven to have a return-on-investment ratio of at least 4-to-1, so this reduction will reduce revenue and increase the deficit by about \$4 billion per year.

"The day of the Subcommittee's markup, the Wall Street Journal had an article on just how much difficulty the IRS is experiencing in dealing with past budget cuts while, at the same time, being tasked with addressing problems like identity theft and the frequent changes that Congress is making to the tax code. It makes one reference to the IRS Oversight Board's annual report that I would like to read for my colleagues.

*"IRS resources continue to be stretched thin, and the current trend of decreased resources coupled with increased complexity exacerbates the problem. The Board cannot predict that a breaking point will occur, but a continuation of current trends increases the risk that the IRS will experience serious problems in the future."*

"I hope my colleagues will consider this point as they review the bill.

"The bill underfunds the Securities and Exchange Commission, part of the Majority's strategy to undermine the implementation of the Dodd-Frank Act. The allocation for the SEC is \$195 million below the President's request, providing only a small increase specifically for technology improvements. Funding the SEC at this level prevents the hiring of the staff needed to finalize the remaining Dodd-Frank rules and regulations.

"I find it terribly ironic that at a recent Commerce Committee hearing addressing the widely publicized trading blunders at JP Morgan Chase, Majority members of the Committee roundly criticized the Chair of the SEC for not enforcing regulations that haven't been implemented yet – in large part because of the efforts of these same Members to cut funding for the SEC and block their implementation.

"I hope my colleagues will reconsider not meeting the President's request for the SEC and other agencies tasked with the duty of implementing the Dodd-Frank Act. If the JP Morgan Chase case has taught us anything, it is that the nation's financial sector continues to make very risky decisions with the life savings our constituents, decisions that should be overseen by federal regulators with the tools they need to do their job.

"This bill also proposes a politically-motivated, 10 percent cut to the Office of Management and Budget. This cut would severely impact OMB's ability to carry out its responsibility to ensure the sound use of taxpayer dollars and to fulfill its statutory duties as required by Congress over the years.

"Last, I wanted to note my very serious concerns about the proposed \$ 209 million cut from the President's request for the Judiciary. The Judiciary has reduced staffing by 1,200 employees in the past year to deal with reduced budgets and further cuts will force the federal courts to cut several hundred more jobs and to stop payments to attorneys who represent indigent criminal

defendants. These layoffs will include probation officers and pre-trial staff, therefore there will be fewer probation officers to monitor sex offenders and felons, perform law enforcement duties, and protect the general public. These cuts also will cause further delays in court dockets around the country. For many Americans, the ability to access the courts is the only way they can access justice, and I worry that the funding level in this bill will only hinder that access.

"I know that our side has a number of amendments that we intend to offer today to improve the bill. I intend to offer one later that will fix the problems I've outlined here and my colleagues intend to offer amendments that will address some of the more egregious legislative provisions attached by the Majority. I believe adopting these would go a long way toward gaining bipartisan support for the bill.

"Again, I thank the Chairman for yielding to me."