

FOR IMMEDIATE RELEASE: Wednesday, June 15th, 2011 Press Contact: Ryan Nickel  
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**WASHINGTON-** House Appropriations Committee Ranking Member Rep. Norm Dicks made the following comments after release of the FY2012 Financial Services and General Government bill text:

"Once again we have a bill with a completely inadequate allocation. At these funding levels many agencies will not be able to pay their employees, much less effectively perform the tasks expected of them.

"Take the IRS for example. Republicans are very fond of saying that we don't have a revenue problem, we have a spending problem. Well we didn't have a revenue problem until the Bush-era tax cuts cost us 1.5 trillion dollars. To make matters worse, this bill exacerbates our revenue problem by not providing the funds the IRS needs to fully enforce current tax law. The levels proposed in this bill are almost identical to the cuts proposed for the IRS under HR 1. Those cuts were rejected and should be again. At this level, enforcement and customer assistance at the IRS would be adversely affected. The agency estimates that as many as 4,100 employees would have to be furloughed.

"The IRS estimates that this cut will end up costing \$4 billion per year due to the lack of enforcement on tax cheats. This remains one of the only examples I've found yet where the GOP's "Cut and Grow" theory works – this cut literally increases the deficit. The Majority will undoubtedly tout this allocation as "fiscally responsible" but I'd like to warn my colleagues that it's only achieved at the expense of substantial deficit growth in out-years.

"Another cut that costs more than it saves is the gutting of the GSA Federal Building Fund, which will result in delayed construction, costly hold-over leases, and potential for lease terminations with costly penalties. Simply kicking expenses down the road may help the Majority meet their allocation but it's not good governance and is fiscally irresponsible in the long run.

"After our financial system came dangerously close to collapse, Republicans stood with banks and fought tooth and nail to prevent any reform of Wall Street. This bill is a continuation of the Majority's effort to obstruct the reform that was enacted last year. The allocation for the SEC does not provide the resources needed to investigate potential misconduct and police securities markets to prevent another financial crisis.

"In conclusion, I believe this bill is critically flawed and irresponsible. I will continue to cooperate with my Republican colleagues to ensure it is considered in the manner in which we took up the Military Construction, VA and Homeland Security bills as I committed to the Chairman earlier this year. I did not agree with everything in those bills and did not support the Homeland bill, but I agree with Chairman Rogers that the Committee and House should be allowed to do its will and consider appropriations bills in regular order and under open rules."

Below is a brief summary of funding levels and other key provisions in the Financial Services bill:

**Total Allocation: \$19.895 billion, -\$1.85 billion** below the FY2011 enacted and **-\$5.78 billion** below the President's FY2012 request.

**Internal Revenue Service (IRS):** The bill provides \$11.5 billion total, -\$606 million below the FY2011 enacted level and -\$1.77 billion below the President's request. Every dollar invested in the IRS for enforcement, modernization and management systems returns \$200 to the government – money that helps to reduce the deficit.

**Security and Exchange Commission (SEC):** The bill provides \$1.185 billion total, equal to the FY2011 enacted level and -\$223 million below the President's request. This bill does not provide the funds needed to fully implement the Dodd-Frank Financial Reform Act.

**Judiciary:** The bill provides \$6.3 billion total, -\$151 million below the FY2011 enacted level and -\$530 million below the President's request. Cuts to the Judiciary will force the federal courts to lay off more than 5,000 support staff, meaning the federal courts will be unable to properly supervise thousands of persons under pretrial release and convicted felons released from federal prisons, thus compromising public safety in the community.

**General Services Administration (GSA):** The bill provides \$0 for the Federal Building Fund,

-\$82 million below the FY2011 enacted level and -\$840 million below the President's request. Gutting the GSA Federal Building Fund means that 16,000 private-sector construction jobs will be terminated, as well as 40,000 janitorial and maintenance jobs in existing buildings. GSA will stop work on several multi-year, on-going construction projects, which will result in costly hold-over leases. This reduction also jeopardizes GSA's ability to meet contractual obligations to pay private sector landlords for office space leased by the Government, possibly leading to termination of leases and costly penalties.

**Consumer Finance Protection Bureau (CFPB) Restriction:** Blocks an important element of the Dodd-Frank Financial Reform Act by restricting the transfer of funds raised from fees at the Federal Reserve to finance the CFPB.

**"Czars" Restriction:** Contains highly partisan and constitutionally questionable language that blocks funding for a select list of the President's staff.

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