

**Subcommittee Ranking Member Rep. José Serrano**

*June 20, 2012*

"Thank you Chairman Rogers. The Financial Services and General Government bill funds vitally important programs for consumers, taxpayers, small businesses, and investors. The bill also funds our federal judiciary, and provides federal support to our nation's Capital.

"I want to thank Chairwoman Emerson for her willingness to work with our side of the aisle on this bill. She has been a true friend and partner in this process, and although we sometimes disagree, she has always been open and willing to hear my concerns. I believe that she has done her best to produce a good bill.

"In particular, I want to commend her for removing a number of controversial riders that were included in last year's bill. Additionally, I am particularly pleased that the Chairwoman has included the Administration's request of \$221 million in funding for the Community Financial Development Institutions Fund, which provides important economic development funding for underserved communities.

"Chairwoman Emerson has also included a significant increase for the Small Business Administration, which will help our nation's small businesses lead the way in our ongoing economic recovery. I am particularly thankful that she has restored proposed cuts to the PRIME and Microloan programs.

"However, there are some serious flaws in this bill- mostly due to the difficult 302(b) allocation that Chairwoman Emerson has been given. Because of leadership's decision not to abide by the 1.047 trillion dollar discretionary funding level that was agreed to in the Budget Control Act, this subcommittee's 302(b) allocation is \$376 million less than in FY 2012. Even more troubling, this allocation is more than \$1.84 billion less than the level our counterparts in the Senate received. As a result, there are numerous programs that are not adequately funded in this bill.

"For instance, the IRS is flat funded at \$11.816 billion, which is 944.5 million dollars below the request. Last year's funding level for the IRS was insufficient, and it is no better in fiscal year 2013. As a result of the identical funding level in today's bill, in FY 2012 the IRS was unable to collect more than 4 billion dollars owed to the government, and was forced to cut more than 5,000 staff. We should be filling the holes from the IRS's budget from last year, rather than entrenching them. The IRS brings in the vast majority of our nation's revenue, and this budget does not give them the tools to continue doing so.

"I am also extremely concerned about the level of funding at the Securities and Exchange Commission. Although the SEC receives a \$50 million increase from last year, this increase is essentially offset by restrictions placed on the SEC Reserve Fund. Moreover, this level of funding is nearly 200 million dollars below the Administration's request. America's investors need a strong cop on the beat to ensure that past abuses are not repeated, and to ensure that the SEC's new powers under Dodd-Frank are vigorously enforced. The funding level in this bill is inadequate given these needs.

"I'm also troubled by the 50% cut in funding for the Election Assistance Commission. We are in an election year, and the guidance and advice provided by this agency is vital to many states and localities.

"There are a number of other parts of the government that are underfunded in this bill, including the Federal Judiciary, the Federal Communications Commission, and the Federal Trade Commission. All the agencies mentioned above are part of a troubling pattern in this bill of underfunding the very entities that help our government obtain revenue, protect Americans from abusive practices, and ensure a fair playing field for all.

"And while Chairwoman Emerson has removed many controversial riders that have been added to this bill in past years, there are still some riders here that our side is very concerned about.

"First and foremost, this bill continues a ban on the District of Columbia from being able to use its own funds to pay for abortions. No other locality in the nation has such intrusive interference from Congress.

"Additionally, in subcommittee we had a vigorous debate over a rider that prevents the FCC

from implementing its recently announced rule requiring the posting of political file information online. I had intended to once again offer an amendment to remove this provision, but my understanding is that this morning, Ms. Emerson intends to offer an amendment that will do just that. I want to take a moment to thank her for taking this important step in favor of disclosure and transparency.

"I strongly suspect that by the end of this process, we will end up with a much higher funding level for this bill that what we are looking at today, and that many of the most troubling issues in this bill will be resolved. However, under the current funding levels in the bill, several agencies will be unable to perform the basic functions that the American people expect of them.

"Before concluding, I do want to once again thank both the majority and minority subcommittee staff, as well as my personal staff, for all of their hard work on this bill. The majority has received a lot of input from our side, and has been very considerate of our views.

"Thank you."