

**Opening Statement of Chairwoman Kay Granger  
House Committee on Appropriations  
Subcommittee on State, Foreign Operations and Related Agencies  
Hearing with USAID Administrator Dr. Raj Shah  
March 30, 2011**

The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I would like to welcome the Administrator of the U.S. Agency for International development, Dr. Raj Shah to discuss the fiscal year 2012 budget request.

Dr. Shah, thank you for appearing today. The fiscal year 2012 request for the State-Foreign Operations bill is \$59.5 billion, which is \$10.7 billion, or 22%, above the 2010 level.

USAID administers a large portion of the funding in the bill -- key programs like global health, economic growth, democracy and governance, and disaster assistance.

Last week I led a delegation of members from this Subcommittee and the Defense Subcommittee to Colombia, Panama, Guatemala, and Mexico. We saw first-hand the positive impact programs like these can make to transform countries. Your staff in the field are truly dedicated, and I thank them for their service.

While I understand the value of many of these important programs, the funding requested for next year is unrealistic in today's budget environment. Although the Administration characterizes this request as a lean budget, the truth remains that an increase of almost \$10 billion is a significant amount for American taxpayers.

As we all know too well, the federal government's debt has grown enormously. With debt at historic levels, the Congress must demonstrate an immediate commitment to restrain federal spending. As this Subcommittee works together to make difficult funding decisions, I will ask members to look first at programs that support our highest priority national security needs. We must make a conscious effort to identify what is most important and meet those requirements within our Subcommittee allocation. We simply cannot fund everything that has been funded in the past, and we certainly can not continue to fund programs that are duplicative and wasteful.

A large portion of the USAID request directly supports our national security, including programs for the front-line states and the Middle East. I will have a number of questions about these activities today.

There are other requests that will require more discussion. Specifically, I hope you will address the large requests for global health, food security, and climate change. We need to better understand what has been achieved, what is planned, and what efficiencies can be identified so that the Subcommittee can prioritize these requests accordingly.

The Subcommittee also needs to hear more about USAID's staffing surge – the development leadership initiative. I understand that the goal is to increase the agency's in-house staff so that they can better manage contracts and monitor and evaluate projects. However, doubling the number of Foreign Service Officers – an increase of 1200 employees above fiscal year 2008 – is extremely ambitious. With this country facing such a dire fiscal situation, we need to know if this global staffing surge should remain a priority.

We would also like to hear more about your efforts to reform the agency through the initiative you began last year called USAID Forward. While the goals you have laid out are important, this proposal is expensive. We need to understand why it takes more money just to conduct business a little differently.

Dr. Shah, I hope you will address all of these themes in your testimony and during questions, and I look forward to hearing from you today.

Let me close by reiterating that I want the Subcommittee to work closely with you to craft a bill that funds the highest priority programs that support our national security. But at the same time we must focus on slowing the rapid growth of some programs, eliminating duplicative programs and personnel, and increasing oversight and transparency. I know that, working together, we can achieve these goals.

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