Chairman Ander Crenshaw
Subcommittee on Financial Services and General Government
House Committee on Appropriations
Department of Treasury FY 2014 Budget Hearing
April 25, 2013
Opening Statement As Prepared

Welcome, everyone, the hearing will come to order.

I want to thank our witness Treasury Secretary Jack Lew for joining us this morning to give testimony about the President's 2014 budget and to respond to questions. As members of the Subcommittee have heard me say before, my hope for fiscal year 2014 is that we have regular order: marking up bills that reflect our nation's priorities, amending the bills in Committee and on the Floor, and conferencing with the Senate. Regular order, however, begins with the timely transmittal of the President's budget on the first Monday of February. But, better late than never, I suppose.

Presidents rarely get the budget that they request and this year looks no different. The House budget resolution assumes sequestration within the discretionary allocation, making budget increases such as the billion dollar increase requested for the Internal Revenue Service improbable, if not impossible. Nonetheless, we want to work with you and your staff to make informed investments and cuts so that the Department may fulfill its many missions within available resources.

Under Chairman Rogers' leadership, this Committee did a lot of heavy lifting in fiscal years 2011 and 2012 to reduce discretionary spending by $95 billion. Sequestration cut another 5 percent from non-security programs and almost 8 percent from security programs. My preference would be to fund successful programs and eliminate wasteful programs, but we must wait until the Administration and the authorizing committees find agreement on tax and entitlement reform policies.

The President's Budget masks proposed increases in mandatory and discretionary spending with even higher increases in taxes. I do not support this kind of approach to deficit reduction. Growing the government and taking more out of the wallets of Americans will neither lower unemployment nor excite the economy.

Yesterday, the Special Inspector General for TARP issued a report that highlighted the shortcoming of Treasury's programs to help homeowners and small businesses. The report states that homeowners who received mortgage modifications from Treasury's HAMP program are defaulting at an alarming rate. In fact, the report says that the longer a homeowner remains in HAMP, the more likely they are to redefault out of the program. In addition, the report highlights how billions of dollars provided to banks through the Small Business Lending Fund were used to repay TARP loans, with some banks paying dividends to shareholders without increasing their small business lending.

These seem to me to be good examples of how using taxpayer funds to intervene into the private sector does not always work out as intended. The Special Inspector General for the TARP program outlines a number of recommendations and I strongly encourage Treasury to take them seriously and to move forward quickly to implement them.

Mr. Secretary, you have a challenging job. Before the end of the year, Congress and the Administration will need to negotiate the debt ceiling, mandatory and discretionary spending, and revenue. You and your Department will play a critical role in all of these issues. We look forward to working with you on these challenges and hope that you attempt to have an open and frank relationship with the Congress.

Once again, welcome, Secretary Lew; I look forward to your testimony.

With that, I yield to Mr. Serrano for any opening statements he would like to make.

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