



COMMITTEES ON APPROPRIATIONS

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United States Senate

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U.S. House of Representatives

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SUMMARY: FY 2010 FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS CONSOLIDATED APPROPRIATIONS BILL

The Financial Services Appropriations bill is a key part of efforts to restore the stability of, and the public confidence in, America's financial institutions. It makes needed investments to strengthen the Securities and Exchange Commission's ability to enforce rules governing investments and financial markets and to detect and prosecute fraudulent schemes, and it increases the Federal Trade Commission's capacity to protect consumers and combat anti-competitive behavior.

The bill continues to invest in economic development programs for disadvantaged communities and makes resources available to small businesses. To protect consumers from dangerous products like toys with lead, it provides an increase for the Consumer Product Safety Commission for the third year in a row, helping that agency recover from neglect over the last decade.

At the IRS, the bill works to make it easier for honest Americans to file their taxes while it bolsters IRS enforcement to catch tax cheats. And for our courts, it provides increased funds to meet growing caseloads and ensure the equitable and efficient administration of justice. Finally, this legislation keeps our commitment to the District of Columbia: helping students, meeting priority needs, and funding needed improvements in wastewater systems to reduce water pollution.

The bill provides a total of \$24.186 billion in discretionary appropriations, \$1.635 billion above last year and \$40 million less than the President's request. Major increases include \$151 million for the Securities and Exchange Commission, \$212 million for the Small Business Administration, \$357 million for the Federal Courts, and \$624 million for the IRS.

Bill Total

FY 2009 Enacted:	\$22.551 billion
President's Request:	\$24.226 billion
House Passed:	\$24.150 billion
Senate Committee:	\$24.223 billion*
Final Bill:	\$24.186 billion

**Not including funding for the Commodity Futures Trading Commission which was included in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80)*

KEY INVESTMENTS

REBUILDING REGULATORY AGENCIES TO PROTECT CONSUMERS, TAXPAYERS, AND INVESTORS

Securities and Exchange Commission (SEC): \$1.111 billion, \$151 million above 2009 and \$85 million above the request, to strengthen and enforce rules that govern investments and financial markets and to detect and prosecute fraudulent schemes. Funds will allow hiring another 420 investigators, lawyers and analysts and enhance information technology investments to support SEC's mission.

Federal Trade Commission (FTC): \$292 million, \$33 million above 2009 and \$4.5 million above the request, to strengthen the FTC's capacity to protect consumers and combat anti-competitive behavior. Among other things, the FTC investigates and prosecutes unfair and deceptive practices in areas such as foreclosure rescue and credit repair services, non-bank mortgage lending, payday loans, and debt collection—all especially serious problems during times of economic hardship.

Consumer Product Safety Commission (CPSC): \$118 million, \$13 million above 2009 and \$11 million above the request. Funds will be used to continue implementing the landmark bi-partisan consumer protection legislation enacted in 2008 in response to massive product recalls, including children's toys from China. Funds are included to expand the Import Safety Initiative, which puts CPSC inspectors at key U.S. ports, and to further investigate suspected problems with imported drywall from China.

Special Inspector General for TARP: \$23 million, to allow the Inspector General to continue oversight and investigations related to the Troubled Asset Relief Program.

Treasury Inspector General: \$30 million, \$4 million above 2009 and \$3 million above the request. The increase above the request is to help the IG perform mandated reviews in cases where bank failures or other circumstances caused losses to the deposit insurance fund.

FDIC Inspector General: \$38 million, \$10 million above 2009 and matching the request, with the increase mainly for investigations related to bank failures.

SEC Inspector General: \$4 million to provide, for the first time, an independent appropriation for the SEC Inspector General as a safeguard against unwarranted interference.

PROVIDING CAPITAL AND OTHER ASSISTANCE FOR SMALL BUSINESSES AND DISADVANTAGED COMMUNITIES

Small Business Administration: \$824 million, \$212 million above 2009 and \$45 million above the request:

- **Overall Lending:** Supports \$28 billion in new lending to small businesses — critically important for firms having trouble borrowing funds in the current tight credit market.
- **Microlending:** Supports \$25 million in new microlending and \$22 million in related microloan technical assistance.
- **Small Business Development Centers:** \$113 million, \$3 million above 2009 and \$16 million above the request. These centers are located throughout the country and provide counseling, training, and technical assistance to small businesses.

- **PRIME:** \$8 million, \$3 million above 2009 and \$5 million above the request, for technical assistance to low-income small business owners.

Community Development Financial Institutions (CDFI) Fund: \$247 million, \$3 million above the request and \$140 million above 2009. The CDFI Fund helps supply credit to disadvantaged communities, with each dollar invested in the CDFI Fund leveraging at least 15 dollars, on average, in non-Federal investment. The appropriation includes \$80 million to launch the Capital Magnet Fund, a competitive grant program for development and renovation of low-income housing.

COMBATING TAX EVASION AND IMPROVING SERVICES TO TAXPAYERS

Combating Tax Evasion: \$5.504 billion for IRS tax enforcement, as requested and \$387 million above 2009. Among other things, the increase is for the Administration's initiative to target wealthy individuals and businesses who avoid U.S. taxes by parking money in overseas tax havens.

Improving Services to Taxpayers: \$2.279 billion for taxpayer services, \$9 million above the request and \$14 million below 2009 (reflecting one-time costs in 2009).

- **Pre-Filing Taxpayer Assistance and Education:** \$685 million, \$24 million above 2009, including \$6.1 million for Tax Counseling for the Elderly (\$1 million above the request), \$10 million for low-income taxpayer clinic grants (\$500,000 above the request), and \$12 million for Volunteer Income Tax Assistance grants (\$4 million above the request).
- **IRS Taxpayer Advocate:** \$206 million, \$13 million above 2009, to help individuals solve ongoing tax problems with the IRS.

SUPPORTING EQUITABLE, EFFICIENT ADMINISTRATION OF JUSTICE IN FEDERAL COURTS

Federal Judiciary: \$6.432 billion, \$357 million above 2009 and \$175 million below the request, to keep up with costs and growing workloads.

- Funds 300 additional staff for the bankruptcy courts, to help deal with the 55 percent increase in bankruptcy filings since 2008. Also adds 135 staff for probation and pretrial services and 118 staff for district courts, to handle increased caseloads.
- Provides \$15 of the \$29 per hour increase recommended by the Federal Courts in payment rates for attorneys appointed to represent criminal defendants who cannot afford to hire a lawyer.

MEETING OUR RESPONSIBILITIES TO THE NATION'S CAPITAL CITY

- **Funding D.C. Courts and Related Agencies:** \$566 million, \$26 million above 2009, to fund the District of Columbia courts and for related defender services and pre-trial and post-conviction supervision programs.
- **Assisting D.C. Students:** \$111 million, \$1 million above 2009, including \$35 million for college tuition support, \$62 million for improvements to public and charter schools, and \$13 million for continuation of the school voucher program for students already enrolled in the program.
- **New Initiatives for Priority Needs:** \$17 million for housing for the homeless and \$4 million to assist youth that are disconnected from positive school or work influences.

- **Protecting Water Quality:** \$20 million for continued work on an infrastructure project to alleviate combined sewer and storm water overflows and the water pollution they cause.

OTHER IMPORTANT PROGRAMS

Office of National Drug Control Policy:

- **Drug-Free Communities Grants:** \$95 million, \$5 million above 2009 and the President's request, for grants to local community-based coalitions to develop and implement plans to reduce youth drug abuse.
- **High-Intensity Drug Trafficking Areas (HIDTAs):** \$239 million, \$5 million above 2009 and \$19 million above the request, for joint Federal-state-local efforts to address drug production and trafficking and drug-related violence.
- **National Youth Anti-Drug Media Campaign:** \$45 million, \$25 million below 2009 and the budget request, for a national ad campaign providing anti-drug messages directed at youth. Reductions were made in this program because of evaluations questioning its effectiveness. Part of the savings was redirected to other ONDCP drug-abuse-reduction programs.

Financial Crimes Enforcement Network (FinCEN): \$111 million, \$20 million above 2009 and \$8 million above the request, to safeguard the financial system against drug traffickers, money launderers, terrorism financiers, tax evaders, and others involved in criminal activity.

Election Programs: \$92.9 million to help state and local governments improve and conduct elections, including \$17.9 million for the Election Assistance Commission, matching 2009 and \$1.4 million above the request, and \$75 million for Election Reform Programs, \$23 million above the request and \$31 million below 2009.

General Services Administration: \$8.544 billion for the Federal Buildings Fund, \$116 million above 2009 and \$13 million above the request, including \$894 million for construction and acquisition and \$414 million for repairs and alterations.

National Archives and Records Administration: \$457 million, \$3 million above the request and \$9 million above 2009, including \$13 million for National Historical Publications and Records Commission grants.

Executive Office of the President: \$344 million (excluding the Office of National Drug Control Policy), \$55 million above 2009 and \$138 million below the request. Includes funds to deal with antiquated computer systems and for Federal and State pilot programs to improve services and reduce improper payments in jointly administered programs.

IMPORTANT POLICY ITEMS

Removing Special Restrictions on the District of Columbia: Eliminates a prohibition on the use of local tax funds for abortion, thereby putting the District in the same position as the 50 states. Also allows the District to implement a referendum on use of marijuana for medical purposes as has been done in other states, allows use of Federal funds for needle exchange programs except in locations considered inappropriate by District authorities, and discontinues a ban on the use of funds in the bill for domestic partnership registration and benefits.

TARP Oversight: Requires the Treasury Department to report to the Appropriations Committees on matters related to the financial stabilization program, including progress in implementing the recommendations of various oversight bodies and specifics of staffing and resources for enforcing program rules and protecting taxpayers' investments.

Service Contract Inventory: Requires civilian agencies to create an annual inventory of service contracts and then evaluate whether it makes sense to bring the work performed by the contractor "in house." The National Defense Authorization Act for fiscal year 2008 contained a similar requirement, and the Army states that it has already saved \$50 million by in-sourcing functions identified through the inventory process.

Inverted Corporations: Prohibits the Federal Government from entering into new contracts with "inverted" corporations (U.S. firms that moved their headquarters to tax haven countries to avoid U.S. tax obligations), except in cases where a waiver is granted on national security grounds.

Federal Civilian Pay Adjustment: Provides a 2.0 percent overall pay adjustment for Federal civilian workers, effective January 2010. This will be composed of a 1.5 percent nationwide increase in base pay and a 0.5 percent average increase in locality pay.

Protection for Auto Dealers: Establishes a process of binding arbitration to determine whether dealership agreements terminated by auto manufacturers receiving Federal assistance should be reinstated.