

House Appropriations Committee

Chairman Hal Rogers

Website address: <http://appropriations.house.gov/>

FY 2016 Omnibus – Financial Services Appropriations

Bill holds the line on the IRS, targets funds to taxpayer services, invests in law enforcement and programs to help small businesses

The Financial Services portion of the Omnibus funds the Treasury Department, the federal judiciary, the District of Columbia, and various independent agencies. The bill provides increases to high-priority programs such as law enforcement, drug abuse prevention, assistance to small businesses, and combating terrorism financing, while freezing or reducing funds for low-priority or ineffective programs, such as the Internal Revenue Service (IRS).

In total, the bill includes \$23.2 billion – \$1.7 billion above the fiscal year 2015 enacted level. This level reflects the increased domestic discretionary funding provided by the Bipartisan Budget Act of 2015, which was enacted on November 2nd. Additionally, the bill includes several policy provisions to reduce unnecessary regulatory burdens that stifle economic growth, and to increase transparency and accountability in government agencies.

Internal Revenue Service (IRS) – The bill freezes most funding for the IRS at the fiscal year 2015 level. The legislation includes the 2015 level of \$10.9 billion for base IRS activities, but provides an additional \$290 million targeted solely for taxpayer services to ensure that the agency responds to taxpayer questions in a timely manner, and to improve fraud detection and prevention and cybersecurity. In total, this is a reduction of \$1.7 billion from the President's request for the agency. The bill does not provide any additional funds for the IRS to implement ObamaCare.

In addition, included are several important oversight and policy provisions to eliminate waste and increase accountability and transparency at the agency. Some of these provisions include:

- A prohibition on funding for inappropriate videos and conferences;
- A prohibition on funding to target organizations for regulatory scrutiny based on their ideological beliefs or for exercising their First Amendment rights;
- A prohibition on a proposed regulation related to political activities and the tax-exempt status of 501(c)(4) organizations;
- A prohibition on funding for improperly disclosing confidential taxpayer information;
- A prohibition on funds for preparing tax returns, with certain exceptions;

- A prohibition on funds for bonuses or to rehire former employees unless employee conduct and tax compliance is given consideration;
- A prohibition on funding for the White House to order the IRS to determine the tax-exempt status of an organization; and
- A requirement that the agency report on spending activities and official time.

Treasury Terrorism and Financial Intelligence – The bill provides \$117 million for terrorism and financial intelligence activities, including sanctions enforcement. This is \$4.5 million above the fiscal year 2015 level and will provide for increased investigation and prosecution of terrorist threats to the U.S. financial markets and economy.

Judiciary – The legislation provides \$6.8 billion for the federal courts, which is \$80.4 million above fiscal year 2015. This will provide funding for all federal court activities, the supervision of offenders and defendants living in our communities, the maintenance of court security, and the timely processing of federal cases.

Federal Communications Commission (FCC) – The bill freezes funding for FCC salaries and expenses at the fiscal year 2015 level of \$340 million. The FCC’s budget has been frozen at this level since fiscal year 2012. The bill provides an additional \$44 million outside of salaries and expenses solely for a facility consolidation. The bill also provides \$11.6 million to the FCC Inspector General to ensure proper oversight of the agency.

Small Business Administration (SBA) – The bill includes \$871 million – full funding – for small business loans that support \$26.5 billion in 7(a) lending to help small businesses start up, grow, and thrive. The bill also fully funds the small business disaster relief program at \$187 million, and increases funding for entrepreneurial programs by \$11 million above fiscal year 2015.

Federal Buildings Fund (FBF) – Included in the legislation is \$10.2 billion for the General Services Administration’s FBF, which is \$1.07 billion above fiscal year 2015 level and \$176 million below the President’s request. This increase will provide for the construction of an additional 11 federal courthouses to address building conditions and security. The bill also seeks to increase accountability of GSA spending by requiring extensive reporting on GSA’s facilities inventory, spending, and facilities exchanges.

District of Columbia – The bill contains a \$730 million federal payment to the District of Columbia – \$50 million above fiscal year 2015. Within this amount, the bill targets resources on public safety and security costs – including \$274 million for DC Courts and \$244 million for supervision of offenders and defendants.

The legislation also includes \$45 million for school improvement, including \$15 million for scholarships to low-income students in DC to attend private schools.

Securities and Exchange Commission (SEC) – The bill includes \$1.6 billion for the SEC, which is \$117 million below the President’s budget request. \$68 million of the total is designated for the Division of Economic and Risk Analysis to improve the use of economic analysis in the Commission’s rule-making process. The legislation rescinds \$25 million from the SEC “reserve fund” – a slush fund with no congressional oversight.

Drug Control Programs – Included in the legislation is \$250 million, an increase of \$5 million over the fiscal year 2015 level – for the High-Intensity Drug Trafficking Areas program. The bill also contains \$95 million for the Drug-Free Communities program, an increase of \$1.5 million.

Other Legislative Provisions – The legislation contains several policy provisions, including:

- A prohibition on the use of funds for abortion under the federal employees health benefits program;
- A pay freeze for the Vice President and senior political appointees;
- A prohibition on funding to require entities that are bidding for federal contracts to disclose campaign contributions;
- A prohibition on funding for all agencies in the bill, including the IRS, to be used for activities in contravention of the Federal Records Act, such as inappropriately destroying documents;
- A requirement that Executive Orders and certain Presidential Memorandums issued during fiscal year 2016 include a budgetary impact statement;
- Additional reporting requirements to increase transparency of the activities of agencies whose funding jurisdiction fall outside annual congressional review, including the Office of Financial Stability and the Office of Financial Research;
- A requirement that the Office of Management and Budget report on the costs of Dodd-Frank to the government;
- A prohibition on DC using federal and local funds for abortion and abortion-related services, or to further legalize recreational marijuana;
- A prohibition on the use of funds for painting portraits of government employees;
- A prohibition on funding for all agencies in the bill, including the IRS, to conduct email searches in violation of the Fourth Amendment;
- An exemption until 2025 for broadcast companies from FCC TV ownership rules that would force them to undo joint sales agreements or sell stations;

- A prohibition on funding to implement an Executive Order on flood management with certain exceptions;
- Extends the Internet Tax Freedom Act for another year; and
- Prohibits funds from being used in fiscal year 2016 to finalize or implement the Consumer Product Safety Commission's proposed rule on recreational off-highway vehicles until a study is completed by the National Academy of Sciences.

For the full Committee Report on the Financial Services portion of the Omnibus, including a detailed funding table, please visit: <http://1.usa.gov/1O8ubB4>.

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