

House Appropriations Committee

Chairman Hal Rogers

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

FY 2015 Omnibus – Financial Services Appropriations

Bill cuts funding and increases oversight of the IRS, invests in programs to help small businesses and law enforcement

The Financial Services portion of the Omnibus funds the Treasury Department, the Federal Judiciary, the District of Columbia, and various independent agencies. In total, the bill includes \$21.8 billion – \$246 million below fiscal year 2014. The bill provides increases to high-priority programs such as law enforcement, drug abuse prevention, assistance to small businesses, and combating terrorist financing, while freezing or reducing funds for low-priority or ineffective programs, such as the Internal Revenue Service (IRS).

Internal Revenue Service (IRS) – The bill provides \$10.9 billion for the IRS – a reduction of \$345.6 million below fiscal year 2014 and \$1.5 billion below the President’s request. This level will bring the IRS below its fiscal year 2008 total. The bill also does not provide any additional funds for the IRS to implement Obamacare.

In addition to reducing agency funding, the bill contains several important oversight and policy provisions related to the IRS, to combat waste and increase accountability following several instances of impropriety and abuse 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 funding for improperly disclosing confidential taxpayer information;
- 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 and activities, official time and document retention.

Judiciary – The legislation provides \$6.7 billion for the Federal Courts, which is \$182 million above fiscal year 2014. 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 the FCC at \$340 million, the same as the fiscal year 2014 level. This is the fourth consecutive year that funding for the FCC has been frozen.

Small Business Administration (SBA) – The bill includes \$195 million – full funding – for small business loans that support \$18.75 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 \$24 million above fiscal year 2014.

Federal Buildings Fund (FBF) – Included in the legislation is \$9.2 billion for the General Services Administration’s FBF, which is \$132 million below fiscal year 2014 and \$679 million below the request. The bill also requires extensive reporting on GSA’s facilities inventory, spending, and facilities exchanges.

District of Columbia – The bill contains a \$680 million federal payment to the District of Columbia – \$6.4 million above fiscal year 2014. Within this amount, the bill targets resources on public safety and security costs – including \$245 million for DC Courts and \$234 million for supervision of offenders and defendants.

The legislation also includes \$45 million for school improvement. This includes \$15 million, which is \$12 million above the request and the Senate level, for scholarships to low-income students in DC to attend private schools.

In addition, the legislation maintains a longstanding provision prohibiting federal and local funds from being used for abortion in the District of Columbia, and prohibits both federal and local funds from being used to implement a referendum legalizing recreational marijuana use in the District.

Securities and Exchange Commission (SEC) – The bill includes \$1.5 billion for the SEC, which is \$150 million above the fiscal year 2014 enacted level and \$200 million below the budget request. \$57 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 also rescinds \$25 million from the SEC “reserve fund” – a slush fund for SEC programs that have no congressional oversight.

The bill also includes language amending Dodd-Frank swaps pushout requirements to protect farmers and other commodity producers from having to put down excessive collateral to get a loan, expand their businesses, and hedge production.

Treasury Terrorism and Financial Intelligence – The bill provides \$112.5 million for terrorism and financial intelligence activities, including sanctions enforcement. This is \$10.5 million above the fiscal year 2014.

Drug Control Programs – Included in the legislation is \$245 million, an increase of \$6.5 million over the fiscal year 2014 level – for the High Intensity Drug Trafficking Areas program. The bill also contains \$93.5 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 that entities bidding for federal contracts disclose campaign contributions;
- A prohibition on the use of funds for painting portraits;
- 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;
- Requires Executive Orders issued during fiscal year 2015 to 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; and
- A requirement that the Office of Management and Budget report on the costs to the government of Dodd-Frank.

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