

THAD COCHRAN OF MISSISSIPPI, CHAIRMAN

FOR IMMEDIATE RELEASE June 15, 2016

CONTACTS
Chris Gallegos (202) 224-1010 or 224-6414
Stephen Worley (202) 224-3751
Twitter: @SenThadCochran

FY2017 FINANCIAL SERVICES & GENERAL GOVERNMENT APPROPRIATIONS BILL APPROVED BY SENATE SUBCOMMITTEE

Senate Bill Funds Treasury Counterterrorism Activities, Continues Prohibitions on Controversial IRS Activities

WASHINGTON, D.C. – The Senate Appropriations Subcommittee on Financial Services and General Government today approved a FY2017 funding measure that prioritizes national programs to enforce U.S. laws, combat terrorism, spur small business growth and target heroin and prescription drug abuse.

The bill, which will be considered by the Senate Appropriations Committee on Thursday, also makes cybersecurity and agency oversight a priority through funding, enhanced accountability and transparency, and reporting requirements.

The FY2017 Financial Services and General Government Appropriations Bill provides \$22.4 billion to fund the U.S. Treasury Department, the Judiciary, Small Business Administration, Securities and Exchange Commission, Commodity Futures Trading Commission, and several other agencies. Overall, the measure is approximately \$1 billion below the FY2016 enacted level and \$2 billion below the President's budget request.

"This bill represents important steps in our commitment to protect taxpayer dollars while improving our country's ability to fight terrorism, combat heroin and prescription drug abuse and improve accountability and transparency," said **U.S. Senator John Boozman** (R-Ark.), chairman of the Senate Financial Services and General Government Appropriations Subcommittee. "These investments will help provide the services taxpayers depend on."

Bill Highlights:

Treasury Departmental Offices – \$347 million for departmental offices within the Treasury Department, including \$123 million for the Office of Terrorism and Financial Intelligence, which combats terrorism financing and administers economic and trade sanctions through its Office of Foreign Assets Control.

Internal Revenue Service (IRS) – \$11.2 billion for the IRS, the same as the FY2016 enacted level. Of the total amount, \$290 million must be dedicated to measurable improvements in customer service level of service, identity theft protection, and enhanced cybersecurity to safeguard taxpayer data.

In addition, to ensure accountability and transparency, the bill includes:

- A prohibition on funds for bonuses or to rehire former employees unless employee conduct and tax compliance is given consideration;
- A prohibition on funds for the IRS to target groups for regulatory scrutiny based on their ideological beliefs;
- A prohibition on funds for the IRS to target individuals for exercising their First Amendment rights;
- A prohibition on funds for the production of inappropriate videos and conferences.

Executive Office of the President (EOP) – \$704 million for EOP, which is \$12 million above the FY2016 enacted level. The bill denies the President's proposed cuts of \$67 million to drug control efforts, including the High Intensity Drug Trafficking Areas (HIDTA) and Drug-Free Communities (DFC) programs. The bill instead increases HIDTA funding to \$255 million to combat heroin and prescription opioid abuse and provides \$95 million for the DFC program.

Judiciary – \$7.0 billion for the federal judiciary, an increase of \$208 million above the FY2016 enacted level. This will provide sufficient funding for federal court activities, including timely and efficient processing of federal cases, court security, and supervision of offenders and defendants.

Small Business Administration (SBA) – \$871 million for the SBA to provide assistance to small businesses, expand the economy, and increase job growth for unemployed and underemployed Americans. The bill fully funds business loans at \$157 million. It provides \$186 million to fully fund disaster loan implementation costs in order to quickly and efficiently provide assistance to families and small businesses affected by natural disasters. The bill also funds several valuable programs, including \$120 million for Small Business Development Centers, \$12.3 million for veterans outreach programs, and \$10.5 million for SCORE, formerly the Service Corps of Retired Executives.

General Services Administration (GSA) – The bill allows GSA to spend \$9.37 billion out of the Federal Buildings Fund, a decrease of \$818 million below the FY2016 enacted level. This account provides construction and repair funding for federal buildings, rent payments for privately-owned office space leased by the government, and operations and maintenance costs for buildings owned by federal government agencies across the nation.

Securities and Exchange Commission (SEC) – \$1.6 billion for the SEC, which is equal to the FY2016 enacted level. The bill targets funding toward economic analysis within the Division of Economic and Risk Analysis and critical information technology initiatives.

Commodity Futures Trading Commission (CFTC) – \$250 million for the CFTC, which is equal to the FY2016 enacted level.

Federal Communications Commission (FCC) – \$341 million for the FCC. The legislation also requires the FCC to complete an impact study of the agency's set top box proposal, and it reaffirms congressional intent on grandfathered joint sales agreements.

District of Columbia – \$746 million federal payment to the District of Columbia. Within this amount, the bill targets resources to public safety and security costs, and supports the District of Columbia Court system and offender supervision.

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

- A prohibition on funds for an increase in pay for the Vice President and other senior political appointees;
- A prohibition on funding for grants or contracts to tax cheats and companies with felony criminal convictions;
- A prohibition against the use of funds to paint portraits of federal employees, including the President, Vice President, Cabinet Members and Members of Congress; and
- A requirement that agency inspectors general have timely access to agency documents and records.

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