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REVIEW OF THE USE OF COMMITTEE FUNDS OF THE 112TH CONGRESS

HEARING

BEFORE THE

COMMITTEE ON HOUSE ADMINISTRATION HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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REVIEW OF THE USE OF COMMITTEE FUNDS OF THE 112TH CONGRESS

WEDNESDAY, NOVEMBER 30, 2011

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC.

The committee met, pursuant to call, at 10:45 a.m., in room 1310, Longworth House Office Building, Hon. Daniel E. Lungren (chairman of the committee) presiding.

Present: Representatives, Lungren, Harper, Gingrey, Schock, Nugent, Rokita, Brady, Lofgren, and Gonzalez.

Staff Present: Phil Kiko, Staff Director & General Counsel; Peter Schalestock, Deputy General Counsel; Kimani Little, Parliamentarian; Joe Wallace, Legislative Clerk; Yael Barash, Assistant Legislative Clerk; Salley Wood, Communications Director; Linda Ulrich, Director of Oversight; Dominic Storelli, Oversight Staff; Bob Sensenbrenner, Elections Counsel; Karin Moore, Elections Counsel; George Hadjiski, Director of Member Services; Richard Cappetto, Professional Staff; Jamie Fleet, Minority Staff Director; Kyle Andersen, Minority Press Secretary; Matt Defreitas, Minority Professional Staff; Khalil Abboud, Minority Elections Staff; Thomas Hicks, Minority Elections Counsel; Mike Harrison, Minority Professional Staff; and Greg Abbott, Minority Professional Staff.

The CHAIRMAN. I now call to order the Committee on House Administration for today's hearing on the use of committee funds during the 112th Congress. The hearing record will remain open for 5 legislative days so that members may submit any materials they may wish to be included therein. A quorum is present, so we may proceed.

As we all know, we are in the midst of difficult economic times, a $15 trillion debt and a trillion dollar annual deficit are incomprehensible, yet as we know, they are facts. The financial realities facing this country are dire and demand drastic restrictions in Federal spending.

And as stewards of taxpayers' dollars, not only should we rein in government spending, we should lead by example. So we, too, must do more with less. That is why, in January, the House adopted a resolution reducing member and committee budgets by 5 percent. And why the House moved again in July to further reduce legislative branch spending by an additional 6.4 percent in fiscal year 2012.

As the chairman of House Administration, I fully understand the practical impact these reductions have on committee operations. And as a Representative of California's Third Congressional Dis-

trict, where many families are faced with economic hardships, I appreciate every committee's willingness to find greater efficiencies and do more with less.

Today we look forward to hearing from all of our chairs and ranking members. These are very important discussions for us to have. Mr. Brady, my fellow committee members and I are strongly interested in hearing how committees were able to manage their reduced funds this past year; how they plan to continue operating and conducting effective oversight and continue tight budget circumstances; and how they adhered to a fair allocation of committee resources.

I want to thank all the chairs and ranking members who will testify here today. As I said this past March at our first committee funding hearing, I cannot stress enough the importance of their work. The executive branch is, as we all know, enormous. Our Federal Government is much too large, often at the expense of our States, our communities and our intermediary institutions. By comparison, our resources here in Congress are minimal. Thus, we often fight an uphill battle trying to conduct effective oversight for the American people, trying to ensure the responsible use of their taxpayer dollars.

Nevertheless, Congress and our committees have trimmed budgets and expenditures, and we have sought to find ways to do more with less while carrying out our essential constitutional duties. And I thank all of the members and the committees for their service.

I would like now to recognize my colleague and the committee's ranking member, Mr. Brady, for the purpose of providing any opening statement he wishes.

Mr. BRADY. Thank you, Mr. Chairman.

And thank you for having these hearings today. It is always a pleasure to see and hear from our chairman and ranking members of all the other committees, to say hello and find out how they are doing, review what they have been up to this session and what they are going to be doing in the next session.

These oversight hearings are always important, but especially so this year to examine the effects of the previous cuts and hopefully not have to consider, but I am sure we need to consider, additional reductions for 2012.

As the ranking member, my top concern is the fair treatment of the minority on each committee. I am fortunate to have a strong relationship with my chairman. And when I was chairman during the two preceding Congresses, I saw no reason to interfere with the minority's control of the one-third of the budget, and Chairman Lungren has extended me that same courtesy, and I do appreciate that.

I just hope that each committee has fairly applied the one-third rule. Where conflicts have arisen, I believe this committee will be able to help resolve them.

So I thank you for appearing with us. We are going to have a long day, but it is always a fun day. I reflect back to the days when we have long hearings because we had chairmen and ranking members here asking for more money that we had when we had it. Unfortunately, these have become very short hearings, because

they all know that we don't have any resources to give out, and they are probably trying to hold on to what they have, and hopefully, it doesn't get any less.

So, again, Mr. Lungren, thank you.

And I look forward to hearing from our chairmen and our ranking members. Thank you.

The CHAIRMAN. I thank the ranking member, and I would reiterate the spirit of cooperation that he spoke and is a mark of this committee. And I appreciated his cooperative spirit when he was chairman. And I hope I have extended the same sort of cooperation as I have acted as chairman.

The committee now welcomes Chairman Ryan and Ranking Member Van Hollen on the Committee of the Budget.

And, gentlemen, we would love to hear from you how you budgeteers are taking care of your budget as an example for the rest of us.

STATEMENT OF THE HON. PAUL RYAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN, CHAIRMAN, COMMITTEE ON THE BUDGET

Mr. RYAN. Well, thank you very much.

Chairman Lungren, Ranking Member Brady. We have the same tradition of collegiality in the Budget Committee as you do here in House Administration.

And onto the chairman's point, the Budget Committee has requested a flat budget for the past 8 years. And we have kept spending within the levels approved by this committee. In addition, regardless of which party has been in the minority or in the majority, we have always had the kind of collegial relationship of which you are discussing. We have gotten along very well. I got along extremely well with Mr. Spratt, Mr. Van Hollen's predecessor, on the two-thirds/one-third and we continue that relationship going forward. And I am determined to keep that going.

You asked us to address two questions. With respect to the impact of this year's 5 percent cut, we have managed our operations to stay within that level. Our personnel costs are the largest part of our budget, as with most committees. We have had an extraordinary year with enormous demands on the committee's resources. We currently have some vacancies in our staff that we will need to fill, particularly before we go into next year's budget cycle. But we have avoided any adverse impact on the nonpersonnel portion of our budget, which is comprised mainly of administrative services, equipment and travel costs.

An additional 6.4 percent reduction for the next year we will clearly present a more significant challenge for our committee. Under this scenario, it provides us with less possibility to meet our mission going forward, but it is manageable, and we will do so.

It presents, I would argue, a greater challenge for the minority. At the beginning of this year when we moved into the majority, we transitioned to a much larger budget. Mr. Van Hollen had to go in the other direction and make large reductions to meet their smaller budget. That smaller budget has already been reduced by an additional 5 percent, and this would obviously be the third round of reductions for them on a very tight budget to begin with.

While it is not part of our committee budget that you approve, the sound system in our hearing room is antiquated and expensive to maintain. In addition to the committee's business, we loan out the hearing room quite frequently, particularly to the Joint Economic Committee and for other outside events.

In our opinion, transparency is critically important in our deliberations and increasingly we and others who use our hearing room are having audio and video equipment troubles, and this is something that we are going to have to address at some point in the near future.

I appreciate the committee's efforts and it is great to be back with you guys. Thank you.

[The statement of Mr. Ryan follows:]

Statement of the Honorable Paul D. Ryan
Chairman, Committee on the Budget
November 30, 2011

Thank you, Mr. Chairman and Congressman Brady, for the opportunity to testify concerning the Budget Committee's funding situation for the 112th Congress.

The Budget Committee has requested a flat budget for the past 8 years and we have kept spending within the levels approved by this Committee. In addition, regardless of which party has been in the Majority, we have always fostered a collegial relationship on the issue of the Committee's budget. I have followed that tradition and am determined to continue to do so as we move forward.

You have asked that we address two questions:

With respect to the impact of this year's 5 percent cut, we have managed our operations to stay within that level. Our personnel costs are the largest part of our budget. We have had an extraordinary year, with enormous demands on the committee's resources. We currently have some vacancies on our staff that we need to fill, particularly before we go into next year's budget cycle. We have avoided any adverse impact on the non-personnel portion of our budget which is comprised mainly of administrative services, equipment, and travel costs.

An additional 6.4 percent reduction for next year could present a more significant challenge for our committee. Under this scenario, it provides us less flexibility to meet our mission going forward but is manageable. It presents a much greater challenge to the minority.

At the beginning of this year, when we moved into the majority, we transitioned into a larger budget. Mr. Van Hollen had to make large reductions to meet their smaller budget. That smaller budget has already been reduced by an additional 5 percent, and this would be the third round of reductions for them from a very tight budget to begin with.

While it is not part of our committee budget that you approve, the sound system in our hearing room is antiquated and expensive to maintain. In addition to the committee's business, we readily make our hearing room available to others, particularly the Joint Economic Committee and for outside events. Transparency is critically important in our deliberations. Increasingly, we and others who use our hearing room are having audio and video equipment troubles and this is something that needs to be addressed at some point.

I appreciate the support this committee has provided to us in the past and I would be happy to answer any questions you have.

The CHAIRMAN. Mr. Van Hollen.

STATEMENT OF THE HON. CHRIS VAN HOLLEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND, RANKING MEMBER, COMMITTEE ON THE BUDGET

Mr. VAN HOLLEN. Thank you. Thank you, Chairman Lungren, Ranking Member Brady, members of the committee.

Let me start by thanking my friend, Paul Ryan, chairman of the Committee, for that spirit of collegiality that he talked about. We have the same tradition, as he said, on the Budget Committee as you do here on the Committee on House Administration.

And I appreciate the fact that our budget has been treated fairly by the majority in the committee. We have a third of the committee budget, and we have the same opportunity to share some of the overhead costs on the full committee budget, majority committee budget. So I appreciate that.

I also recognize, as all of us do, that the Congress needs to lead by example during these difficult times, and I fully support the need to tighten our belts. I would just want to emphasize the point that the chairman of our committee made with respect to the history of the Budget Committee when it comes to frugality. The Budget Committee has not increased its budget since 2004, not at all. Flat-lined.

During that same period of time between 2004 and today, other House committee budgets increased by an average of 21 percent, with one committee budget increasing by 84 percent, and the next lowest increase—again, we didn't increase at all. We were flat-lined—the next smallest growth was 8 percent.

During that period of time, the majority under the chairmanship of John Spratt did not use its full allocation, and so we were somewhat cushioned early on when the majority in the House shifted. But that loss, obviously, as many in this room have experienced, plus the first two rounds of cuts have meant that we had to lay off a good number of staff members and cut salaries by 5 percent in the Budget Committee across the board.

And so while we have been able to do that and still retain very good staff, I am very nervous that another round of cuts will mean that we are not able to keep or attract the kind of quality staff that we all need on all of our committees. And as all of you know, the Budget Committee has been very, very busy this year.

So what I would ask the committee to consider is that the Budget Committee not be penalized for its history of frugality because that is ultimately what will happen if you take just an arbitrary across-the-board approach. When you do that, you penalize those committees that have been frugal in the past, those whose budgets have not grown at the average of 21 percent. And you often see this phenomenon in other parts of the Federal Government where agencies are penalized for having money left over; it means they often don't get as much as before, and that creates this perverse incentive for them to spend more at the end. And I think it would be a mistake to create that kind of incentive here in the House of Representatives, where ultimately committees that demonstrated frugality and fiscal discipline end up being punished for that fiscal discipline.

So we agree that we in the Congress should lead by example, and I would submit that the Budget Committee has been leading by example by having a flat-lined budget since 2004. By taking arbitrary across-the-board cuts and applying that to the Budget Committee, you are going to punish a committee that has led by example, not just in the last couple of years, but for the last 8 years. So I ask the committee members to take that into consideration as you consider our budget. Thank you.

[The statement of Mr. Van Hollen follows:]

Statement of Chris Van Hollen
Ranking Democrat, House Budget Committee
November 30, 2011
10:30 a.m.
1310 Longworth House Office Building

Review of the Use of Committee Funds of the 112th Congress

Thank you, Chairman Lungren, for providing this opportunity to testify about the Budget Committee's use of funds in the 112th Congress.

I am pleased to join Chairman Ryan today in discussing the Budget Committee's funding. Our Committee has a long and successful history of bipartisan cooperation and collegiality in requesting and disbursing the Committee budget.

In keeping with past policies, in the 112th Congress the majority has made one-third of the funding and resources available to the minority for personnel. The majority budget continues to cover costs of equipment for both staffs, providing the same quality and services for both majority and minority.

Across the country, federal, state and local budgets are being cut in light of deficits, and the Budget Committee is doing the same. In fact, we have long been appropriately frugal with federal funds. Our Committee's budget is the same this year as it was in 2004. For eight years in a row, we did not ask for a funding increase. During that period, other House committee budgets increased by an average of 21 percent, with one committee budget increasing by 84 percent. The Budget Committee is the only House committee whose funding is the same in 2011 as it was in 2004. In comparison, the committee with the smallest growth grew by 8 percent in that time.

After years of maintaining a productive staff with the same funding level, as you know this year we took a 5 percent cut in the total budget, as all House committees did. That austere total budget combined with going into the minority required the Democratic staff to make painful personnel decisions. We had to lay off several staffers – some of whom had served the Committee for more than a decade – and to impose a 5 percent pay cut for the remaining staff. And this cut in staff pay affected only the Democratic staff, as the majority side of the Budget Committee has never used all of its allocation, regardless of the party in power. That means that the majority could absorb a 5 percent cut in total payroll without having to cut any staff salaries.

We are fortunate to have an excellent and productive staff that we want to keep. However, it's important that they receive fair compensation commensurate with their credentials and hard

work. Our staff has been working overtime since January, first on the budget resolution, then on the deficit talks chaired by Vice President Biden this summer, and then on the Joint Select Committee on Deficit Reduction this fall. The minority Committee staff is definitely doing more with less.

We know that next year promises to be an equally important and busy year for the budget and thus for our committee's workload. A third round of funding cuts in one year – from the majority to the minority, with an additional 5 percent cut this year and then a further cut of 6.4 percent for 2012 – will have a very detrimental impact on the minority staff. This could mean a pay cut of more than 10 percent for each staffer in just one year. Again, this cut will not affect staff salaries on the majority side, which can absorb that funding cut without lowering staff salaries. Cutting the minority payroll by 6.4 percent will affect not only our staff's morale, but also our ability to retain and attract professionals who can continue to undertake such high quality work. We are competing with organizations in the private sector for those with the specific skills and knowledge of federal budgeting, and if we continue to cut pay, we will inevitably lose some of our best staff.

I join my colleagues in acknowledging that the federal government in on a fiscally unsustainable path. We all have been working hard to change that, and that involves painful sacrifices as we set priorities. As we move forward in deciding where and how to trim Congress's budget, I urge you to keep in mind the very negative effects that an across-the-board budget cut will have on the minority side of this Committee, which already has a very disciplined budget that remains at the level it was in 2004.

The CHAIRMAN. I just want to reiterate or have you reiterate that you are satisfied with the two-thirds/one-third, that there is no question about, even in these tough budget times, the fairness within your committee itself.

Mr. VAN HOLLEN. Mr. Chairman, of course, we would always prefer more than one-third, but the answer to your question is, yes, we have been treated fairly. And as I said at the outset, I thank the chairman of our committee for that.

The CHAIRMAN. I thank you for that.

And, Mr. Ryan, with respect to your comments about the speaking system over there, I have tried to alert and the ranking member tried to alert the Members as to the need for us to do a major renovation of the Cannon Office Building. During the holidays, they had one hallway in which—I think it was a 64-square-foot section of—the ceiling fell down.

Mr. RYAN. That was the Budget Committee minority staff. They had—the ceiling came down, a flood and a little bit of a fire if I am not mistaken.

Mr. VAN HOLLEN. Yes. We invite any of you who want to take a tour of the Democratic offices; yes, we had a big flood.

The CHAIRMAN. And the only reason I bring that up is at some point in time, we have to stop deferring maintenance and actually have to try and restore this Capitol. And I consider the Cannon Office Building part of the Capitol since it is the first House Office Building. So we are going to have to make some tough decisions as we go forward. And I take your point about across-the-board cuts versus going in and looking at those committees which have been most frugal. Thank you.

Mr. BRADY. Thanks, Mr. Chairman.

The ceiling fell down only in the minority room? Thank you.

Okay. No, I just—did you lose any employment? Did you have to lay anybody off this last session?

Mr. RYAN. The minority obviously had to when we went from two-thirds to one-third.

Mr. BRADY. I am talking about as they—total—anybody have to leave because of the budget cut?

Mr. RYAN. Not on the majority. But you have to understand, we went from a one-third to a two-third. So ours didn't increase as much as one would normally because of the cut. So we had preparation for the cut knowing it was coming, so we didn't hire up as much as the majority in the past had.

Mr. BRADY. How about in the second session, you can maintain?

Mr. RYAN. Yes, we can maintain. We have lost a few people who went on to other things, and these are slots that we need to fill. In the Budget Committee, you need highly technical people to do the budget. And so we will have to replace a couple of these highly technical people. And we use some people from executive agencies on loan, detailees. We rely on some detailees, you know, like GAO or OMB or other areas for technical expertise. And that has been very helpful. And we lost one of those folks. So we are going to have to get some more technical people. So we will make it work.

Mr. BRADY. Okay. Thank you.

The CHAIRMAN. Mr. Schock.

Mr. SCHOCK. I would just add that we always get hit up at home about accountability for the dollars that we spend. And I can say with a straight face when my constituents ask me about the Budget Committee, you guys are not only leaders by example, but you actually produced. And so I think it goes without saying to both the majority and the minority staff because you moved a budget, whether your staffs or members voted for it or not, it actually required work, and it actually produced some results. And so for that, I say thank you, and I feel much better about the tax dollars that were spent.

Mr. RYAN. And the minority prepared a budget as well. So both our staff wrote budgets. And unlike the typical Budget Committee year, we are doing year-round work because our staffs did the supercommittee, the select committee's work on number crunching, on preparing estimates. And then we have also done very comprehensive budget process reform work as well. So we have—unlike the past, when the Budget Committee would just turn on during the budget season, it has been year round. And so we are doing a lot more work with less people.

Mr. SCHOCK. Great. Thank you.

The CHAIRMAN. The gentleman from Florida.

Mr. NUGENT. I just want to thank both of you for being here today. Obviously I am a little concerned as it relates to making sure that it is across the board in the majority and the minority.

And, Mr. Van Hollen, I don't know that you answered that.

Have you had to reduce your staff as it relates to the current budget and the upcoming cut? Are you going to have lay offs?

Mr. VAN HOLLEN. We will either have to lay off or have an across-the-board pay cut I believe of 6.4 percent. So that will necessitate one or the other.

And, again, that is why I thought it was important to make the point that, unlike every other committee in the Congress, our budget has been flat-lined, and therefore, there is a lot less room for maneuverability.

So, yeah, we will have to lay people off. And as the chairman mentioned, it has been a very busy period of time for the Budget Committee. I think all of you know well the issues that have been debated in the House, but also both the majority and the minority staff did staff this so-called supercommittee, the Joint Committee on Deficit Reduction, process.

Mr. NUGENT. And I would suggest you are going to be extremely busy in this upcoming year. I don't see any reduction in the workload. That is for sure.

Mr. VAN HOLLEN. No, I think it is going to be a very high workload. And as the chairman said, there are a number of initiatives that are going to be moving through the committee on budget process reform.

So, again, I would ask the committee to take into account our history of leading by example and that in answer to your question, we will either have to lay off people or have across-the-board pay cuts to deal with this.

Mr. RYAN. And we have not done bonuses as well for staff. So a lot of committees do bonuses at the end of the year or COLAs. We haven't done that.

Mr. NUGENT. Okay. Thank you. I yield.

The CHAIRMAN. Let me just ask one thing. Some folks would think that since we found ourselves into automatic budget sequestration, that that would minimize the work you have to do. Could you respond to that?

Mr. RYAN. It actually makes it more complicated for the Budget Committee because we police the sequester tool. It is the Budget Control Act, which is in the jurisdiction of the Budget Committee, which is in charge of this. So—versus Armed Services or authorizers or appropriators, we are sort of the ones that implement and police the sequester as we now know it.

The CHAIRMAN. So that would be an additional responsibility essentially?

Mr. RYAN. That is right.

The CHAIRMAN. Well, if you have no other comments, we thank you for your work, your leadership, your spirit of cooperation and the effort that you are putting forward on very difficult questions with respect to our budget. Thank you.

Mr. RYAN. Thank you.

Mr. VAN HOLLEN. Thanks.

The CHAIRMAN. I should have thought that folks that deal with those in the agricultural industry and farmers—including farmers—would be here on time. So I appreciate it very, very much.

The committee now welcomes Chairman Lucas, Ranking Member Peterson of the Committee on Agriculture. And we would ask you to give us a little bit about how you have managed with the already existing cuts and how you will manage under the projected cuts, as required by the resolution passed by the House earlier this year.

Mr. Lucas.

STATEMENT OF THE HON. FRANK D. LUCAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA, CHAIRMAN, COMMITTEE ON AGRICULTURE

Mr. LUCAS. Thank you, Mr. Chairman and ranking member and members of the committee, for the opportunity to visit with you today about those issues. And I want to express my appreciation to Ranking Member Collin Peterson for joining me to outline or committee's proposed budget for 2012. As all of you know, we have a very long and proud history of bipartisan cooperation, and I plan to continue that spirit of cooperation as we proceed with the work of the committee next year.

In addition to a bipartisanship, the Ag Committee has a strong history of fiscal responsibility. The modest spending and the cooperative nature of our committee spans back at least two decades under the control of both parties. And in support of the leadership in this committee, our budget submission for 2012 Congress includes a 5 percent reduction from the previous year's funding, but allocated a larger amount in 2011 than in 2012 in anticipation of increased travel needs for field hearings to prepare for the 2012 farm bill.

Salaries were budgeted to remain the same for both years, and I am pleased to report that we have successfully implemented the 5 percent reduction in this year's budget by making very conserv-

ative staffing decisions and stretching our resources as far as possible. We rehired staff that were with the committee previously to retain institutional knowledge, combine staff responsibilities where appropriate of course and have postponed filling the staff vacancies.

And on the operation side, all purchases have been kept to a minimum, savings incurred where possible by limiting travel and shopping around for the best possible prices on equipment and supplies.

The committee will continue to support the leadership in implementing an additional 6.4 percent cut. However, I must note that I am concerned about the long-term impact on the ability of the committee to retain qualified, experienced staff. In order to implement this additional cut, we will have to continue to make very conservative staffing decisions and additionally left to consider if we have the resources necessary to do our traditional series of farm bill hearings.

We intentionally allocated more money in 2011 for travel for farm bill field hearings. We had planned to hold those hearings this fall. However, we had to delay those hearings in order to work on a reduction package to submit to the supercommittee. Therefore, we anticipate holding the farm bill field hearings next year and will need the resources to do that.

Because we did not split our funding evenly between the 2 years as most committees do, we are already experiencing a reduction in funding for 2012 of $71,980.50, or about 1.2 percent, by taking an additional 6.4 percent reduction off the authorized 2012 account. We would really be taking a 7.6 percent reduction as compared to other committees. We ask that you take this into consideration when determining the final authorized amount for 2012.

Mr. Chairman, we truly have our work cut out for us in this Congress. But we firmly believe we can accomplish all that needs to be done on fewer resources. We greatly appreciate your consideration of our budget request and certainly will be pleased to provide any additional information you may offer and look forward to whatever questions the committee may have for us.

Thank you, Mr. Chairman.

[The statement of Mr. Lucas follows:]

Testimony of Agriculture Committee
Chairman Frank D. Lucas
House Administration Hearing on Committee Budgets
November 30, 2011

Mr. Chairman and Members of the Committee, thank you for this opportunity to speak with you today. I appreciate Ranking Member Collin Peterson joining me to outline our Committee's proposed budget for 2012. As you all know, we have a long and proud history of bipartisan cooperation, and I plan to continue that spirit of cooperation as we proceed with the work of the Committee next year.

In addition to bipartisanship, the Agriculture Committee has a strong history of fiscal responsibility. The modest spending and cooperative nature of our Committee spans back more than two decades, under the control of both parties.

In support of leadership and this Committee, our budget submission for the 112th Congress included a 5% reduction from the previous year's funding, but allocated a larger amount in 2011 than in 2012 in anticipation of increased travel needs for field hearings to prepare for the 2012 Farm Bill. Salaries were budgeted to remain the same for both years.

I am pleased to report that we successfully implemented the 5% reduction into this year's budget by making conservative staffing decisions and stretching our resources as far as possible. We rehired staff that were with the Committee previously to retain institutional knowledge, combined staff responsibilities where appropriate, and have postponed filling staff vacancies. In the operation budget, all purchases were kept to a minimum and savings incurred where possible by limiting travel and shopping around for the best prices on equipment and supplies.

The Committee will continue to support leadership in implementing an additional 6.4% cut. However, I am concerned about the long-term impact on the ability of the Committee to retain qualified, experienced staff. In order to implement this additional cut, we will have to continue to make conservative staffing decisions. Additionally, we will have to consider if we have the resources necessary to do our traditional series of farm bill field hearings.

We intentionally allocated more money in 2011 for travel for the farm bill field hearings. We had planned to hold those hearings this fall. However, we had to delay those hearings in order to work on a reduction package to submit to the Super Committee. Therefore, we anticipate holding the farm bill field hearings early next year and will need the resources to do that.

Because we did not split our funding evenly between the two years as most Committees did, we are already experiencing a reduction in funding for 2012 of $71,970.50 or 1.2%. By taking an additional 6.4% reduction off of the authorized 2012 amount, we would really be taking a 7.6% reduction as compared to other Committees. We ask that you take this into consideration when determining the final authorized amount for 2012.

Mr. Chairman, we truly have our work cut out for us this Congress. But, we firmly believe that we can accomplish all of this on fewer resources. We greatly appreciate your consideration of our budget request. Please let us know if we can provide you any additional information.

The CHAIRMAN. Thank you.

Mr. Peterson.

STATEMENT OF THE HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA, RANKING MEMBER, COMMITTEE ON AGRICULTURE

Mr. PETERSON. Thank you, Mr. Chairman and Mr. Ranking Member and members of the committee. I am pleased to be here today in support of the Agriculture Committee's budget request.

The Agriculture Committee has a history of putting aside partisanship and working together in the best interests of our constituents. In fact, we were the only congressional committee to propose a bipartisan, bicameral deficit reduction package to the Joint Committee on Deficit Reduction.

Much of the committee's work for the coming year will be focused on the reauthorization of the 2008 Farm Bill, which expires next fall. This is something that the committee had originally planned to begin considering this year, but the work of the supercommittee modified our original timeframe.

I share Chairman Lucas' concern about the potential long-term impact of committee funding reductions and echo the request that you take into consideration the fact that the Agriculture Committee's original 112th Congress budget submission placed greater resources in 2011 than 2012. A percentage cut off the lower number will mean that the Agriculture Committee would take a greater cut than committees that kept funding levels equal between the 2 years or had a larger 2012 number.

So, as I said, Chairman Lucas and I have a good working relationship, not just on policy issues but on the day-to-day functions of the committee. I appreciate the chairman's respect for the minority's control and direction of our one-third of the budget, and I look forward to continuing to work together on committee priorities.

I appreciate your consideration of the Agriculture Committee's budget request, and I am happy to respond to any questions.

[The statement of Mr. Peterson follows:]

Testimony of Agriculture Committee Ranking Member Collin C. Peterson House Administration Hearing on Committee Budgets November 30, 2011

Mr. Chairman and members of the Committee, I am pleased to be here today in support of the Agriculture Committee's budget request.

The Agriculture Committee has a history of putting aside partisanship and working together in the best interests of our constituents. In fact, we were the only Congressional Committee to propose a bipartisan, bicameral deficit reduction package to the Joint Committee on Deficit Reduction.

Much of the Committee's work for the coming year will be focused on the reauthorization of the 2008 Farm Bill, which expires next fall. This is something the Committee had originally planned to begin considering this year but the work of the Super Committee modified our original timeframe.

I share Chairman Lucas' concern about the potential long-term impact of committee funding reductions and I echo the request that you take into consideration the fact that the Agriculture Committee's original 112th Congress budget submission placed greater resources in 2011 than 2012. A percentage cut off the lower number will mean that the Agriculture Committee would take a greater cut than committees who kept funding levels equal between the two years or had a larger 2012 number.

Chairman Lucas and I have a good working relationship; not just on policy issues but on the day-to-day functions of the Committee. I appreciate the Chairman's respect for the minority's control and direction of our one-third of the budget and I look forward to continue working together on committee priorities.

I appreciate your consideration of the Agriculture Committee's budget request. Thank you.

The CHAIRMAN. Thank you very much.

Mr. Peterson, I take it from your comments that while we can argue about what the overall numbers are, at least the way it is allocated between Mr. Lucas and yourself in terms of your staff and so forth, it is acceptable and is consistent with what you folks testified to last year?

Mr. PETERSON. Yes.

The CHAIRMAN. For the benefit of the membership of the committee and also any member of the public who might be watching, could you tell us what the implications are of the farm bill reauthorization coming up this next year? That is the work your committee has to do, and what are the ramifications if we were not to have reauthorization in 2012?

Mr. LUCAS. First off, let me say, Mr. Chairman, I think we need to look at the nature of the House Agriculture Committee. Collin and I have 46 members, counting ourselves, of the total committee. Of that 46, 23 have never served on the committee before, and I know those challenges are shared by other committees. Of the 23, 16 have never served in Congress before. If you look at the nature of the farm bill, it is not just the wheat and the corn programs, the cotton programs; it is also conservation. It is rural development. It is ag research. It is farm credit. It is the nutrition programs.

Literally, 74 percent of farm bill spending under this present farm bill goes to the feeding programs.

It is a very diverse set of jurisdictions, and there are huge differences between commodities and regions. These field hearings are important so that we can take not only our brand new members who have never served on the committee before and give them an opportunity to learn about the needs and the diversity of the country in the field, so to speak, but it also an important refresher for upper classmen to understand the impact the comprehensive farm bill has on everyone, producer and consumer alike, in this great country. So being able to do that is a very important thing.

And you are exactly right, if you care about the food on your plate, then it is important that we continue to raise the safest, most affordable, abundant supply of food in the world. If you care about water quality, air quality, if you care about preserving the soil in place, for instance, the conservation programs are incredibly important. I like to say, in Oklahoma, it doesn't matter whether you are a hook and bullet kind of person or a camera lens person; the conservation programs help enhance the diversity and the quality of the wildlife of the environment out there, all of those things. And not to mention or forget rural development, all of the other programs.

But we have a large jurisdiction. We have got a lot of important issues. And if we can't—Collin and I working together—build a consensus and bring our committee together and up to speed, then we won't be able to present a comprehensive package to the entire House, ultimately a conference committee, and the environment as well as the consumers will suffer if we are not able to do that.

Mr. PETERSON. Well, I agree with a lot of what the chairman said.

But, you know, as I said earlier, we took the Super Committee's and Congress' request seriously and produced a product and that

probably, preempted what might have been some field hearings that we would have been doing to do the farm bill in the regular order next year.

So I am not sure how much time there is going to be, frankly, to do field hearings. We can try to fit them in. But I think if we get too far into the year, we are going to run into the politics of the election year and so forth. But the bill expires September 30th. You know, we have in the past gone by the deadline and not done a bill, you know, until I guess one year, it was May of the next year.

So it is not the end of the world, but people like winter wheat guys end up planting not knowing what the situation is. The Southerners plant rice and sometimes cotton without knowing what the situation is, which is not an ideal situation.

So we will just have to juggle this. I mean, see how the rest of this year plays out, and see if we can find time to fit hearings in if we have the resources.

But given the cuts that we are taking, I am not sure that we are going to have the money to do a whole lot of that anyway, you know. So we will just have to work through it. We have always been able to work together and make things work out.

You know, the chairman had a hearing in every area of our jurisdiction, so these new members have been exposed to all of the very—they went through all of these programs and had an opportunity to ask questions and learn and so forth.

But we do have a lot of new members. We have a lot of new members on the Democratic side as well. And we are trying to bring them up to speed as best we can.

The CHAIRMAN. Ranking Member.

Mr. BRADY. Thank you, Mr. Chairman.

I know that I am not being presumptuous, but I know on the majority part, you had to hire new people because you became the majority. But with the projection that may happen in this next go around, do you think you will have to lay anybody off? Any people have to be laid off?

Mr. PETERSON. No, I don't think we are going to have to lay anybody off. When I was chairman, I spent below our budget every year by a considerable amount. When we went into the minority, we obviously had to let a number of people go. It is going to be tight next year, but I think we will be able to work through it by—we are going to have to freeze salaries basically is what it is going to boil down to, but I think we will be able to maintain the people that we need on our side to do the work that we need to do.

Mr. LUCAS. I would just note, Ranking Member, that there is really a very limited pool of people with the kind of agricultural policy or agricultural economic experience. Collin and I are very fortunate in both the majority and the minority staff, the people we have. We are going to work really hard to hold onto those good folks until whatever is concluded in the farm bill process, at whatever point this year or next year that may be.

Mr. BRADY. How do you get along with the Secretary of Agriculture? Both of you. The response is, well, the Secretary of Agriculture, you get along well?

Mr. LUCAS. Yes, I believe we both have a good relationship with Secretary Vilsack and with the department agency heads down there.

Mr. BRADY. Now is your chance, because I am taking mine.

Mr. LUCAS. I would just say, Ranking Member, to go for a moment back to what Collin said. The ability of the Ag Committee to work in a bipartisan way on the House and in a bicameral way with the Senate to come up with $23 billion in savings, to make dramatic proposals in policy changes, stepping away from the direct payment and a number of these things—and I say this respectfully to all other standing committees—but Collin and I and the Ag Committee, we stepped up, and I think that says something about our relationship together and, yes, for that matter our relationship with the department.

Mr. BRADY. I am not talking about—I am talking about your relationship with the Secretary of Agriculture. I am not talking about the relationship between each other. The reason why I say that is because I have had bad experiences with him, and I hope that maybe he probably can't hear my voice, but at least I am on record saying that; I might be able to get a phone call back from him.

Mr. LUCAS. I promise you, Mr. Brady, we have had a long series of oversight hearings, as I call them, looking at how the departmenthas implemented things. And we have had a long series of what I call auditing hearings, looking at how the money has been spent. If there are issues that any Member has with the department, let us know. We will work with all of you.

Mr. BRADY. Thank you.

Mr. PETERSON. If I could just—I think that Secretary Vilsack has brought considerable management expertise to the department. We have made significant progress I think since he has been Secretary, compared to what was going on before, especially in the IT area.

And they are rolling out new IT—well, we have had a problem there because we were tied into some old system 36 and AS400 computers that kept us from going to a PC-based system. But they brought in a couple of people now, and they are going to roll out for NRCS and FSA this year the ability for farmers to be able to sign up over the Internet. And they are going to have mobile computer capability, so the conservation people can actually sign up people out in the field and only enter it once, instead of 10 times. And they think it is going to make their people go twice as far.

So he is dealing with a lot of cuts. We are going to probably have to consolidate FSA offices because of the cuts that he has had. But they are responding to it. And one of the things that was a very difficult thing for me, when I was chairman, is that I was consistently fighting the Department of Agriculture. They were opposed to everything that we were doing on the committee. And they developed their own farm bill, you know, and caused us all kinds of problems. At the end of the day, we worked through all of that, and then we went to the floor, and we passed the bill with 300 and some votes, and the President vetoed it twice. And we overrode the veto. So this Secretary has I think learned from that and has been helpful to us in terms of working with us but has deferred to us in terms of us setting the policy, and that has made it a much bet-

ter situation in my opinion than what went on when we did the last farm bill.

The CHAIRMAN. Thank you.

Mr. Schock.

Mr. SCHOCK. Yes. I am just interested in—I know that according to our records, that you have spent just over half of the budget allotment for the 2 years in the first year, and I wondered if you could maybe speak to that as to why, and if perhaps we are able to pass the farm bill, whether or not you have got the staff and the resources necessary to commit to do that in the next year?

Mr. LUCAS. Part of the extra spending in the first year was staffing up in preparation for the farm bill process. I brought on additional agriculture economists and positioned my staff to be able to work on the policy issues.

We also made provisions, as has been noted, for field hearings, which we were not able to conduct. Once the farm bill process is over with, then because—at least in my tenure in Congress and I think most of Collin's, too—we have done farm bills on an every 5-year cycle. So there is some surging up and down in anticipation of the every 5-year farm bill.

The present farm bill begins to expire at the end of July, September of 2012. If we are able successfully to craft and put into place a new farm bill in calendar year 2012, then, yes, potentially in 2013 and 2014 and on down the road, Congressman, you would see some of our needs reduced.

If we are not able to pass a farm bill—and I cringe at the thought of a 1-year extension or I cringe at the thought of a conference that goes until December of 2012 or we can't pass a bill and we go into the next cycle—then our tempo will be maintained for the next couple of years. But I want to do this farm bill, and I want to do a good farm bill, and I want to put this puppy to bed for 5 years, which will be good for our budget request in the future, too.

Mr. PETERSON. The only other thing—what a lot of people forget about is that we had about half of the work and jurisdiction in the Dodd-Frank bill that nobody really pays attention to very much, but we did all of the derivative work. And we continue to work on that. I don't know how many hearings we have had. There have been all kinds of bills to change this and that and the other thing, and you have probably run into some of that with end users and co-ops and those kinds of people coming and lobbying you to get out from under this and so forth.

But we have had a lot of work that we have had to do, especially this year and in the last couple of years before that, getting up to speed on what was going on in this derivative market. This is complicated stuff, and we have had to bring on people that have expertise, you know, so we can try to keep up with it. And now there has been a lot of lobbying—I think there has been way more money spent lobbying the regulators than there ever was spent lobbying us, trying to undo these regulations.

And so we keep sorting through that, and we don't necessarily always agree on this particular thing, but I would just warn people that I am sure in your district, you probably have some people who got caught up in this MF Global, where they had their margins fro-

zen. So be careful what you are doing here because, you know, these guys are slippery, and they need to be regulated.

I am not a big guy for regulating everything that moves, but after spending 3 years—we need to be careful in what we are doing to protect people from some of this stuff. And I know I had a bunch of my guys get caught up in this, and I am not sure when they are going to get their money back.

Mr. LUCAS. Just to note for the record, the Securities and Exchange Commission is under jurisdiction of the Financial Services Committee, but the Commodity Futures Trading Commission is our jurisdiction, and that is the primary regulator of the derivatives market.

Mr. SCHOCK. Thank you.

The CHAIRMAN. The gentleman from Florida.

Mr. NUGENT. I appreciate both of you being here. Interesting to hear about the derivatives, obviously. I think that is a little known fact that everybody kind of forgets about in regards to agriculture and this committee.

I am concerned about the ability to do field hearings as it relates to the farm bill, and the ranking member brought that up, and I want to make sure that we are on track to do that, Mr. Chairman.

Mr. LUCAS. If we are not doing a farm bill markup in February, it is my intention working with the ranking member to take our folks to the field. Because literally, I think it is important with 23—half the committee never serving before, 16 of the 46 members never having been in Congress before; it is important to be in the field.

But as Collin very correctly noted, it comes down to a scheduling issue. Do we write a farm bill next summer under regular order? Do we become a part of some effort once again to address the budget situation and have to move early, February, March? It is a timing issue. But I want to go into the field, yes, and with the resources of course, I want to go into the field.

Mr. PETERSON. The other thing—there has been all this commotion about the secret farm bill. And you need to recognize where this is coming from. These people that are complaining don't agree with anything we are doing. They have a completely different agenda. And they would be complaining no matter what happened. So people need to understand that.

But during that process, it was a truncated process, but I know Chairman Lucas met with his members all the time. They had input into this. I met with my members. We met with all of the commodity groups and the nutrition groups and the conservation groups and all of the things that we always do. The only thing different is we didn't have a markup process but we kind of had one behind the scenes, if you will.

So it wasn't a perfect process, but it was something that was put on us by the supercommittee and by that process, and I think we managed it pretty well. Not everybody is happy. The corn growers are not completely happy. Some of the conservation folks aren't completely happy. Some of the nutrition people—even though we cut very little out of nutrition and cut no benefits, they are not happy because they wanted more money, and I don't know how anybody in this climate thinks that they can get more money.

So I think we did a pretty good job. And I think the members learned through this process—I know mine did and I assume Chairman Lucas' did—because they were involved. They were engaged. They were being talked to by their constituents and the different groups, and they would come to us, and we would work through the process.

So, you know, we will see. If we have time. But I am just afraid if we get bogged down doing a lot of field hearings, we are going to delay getting started on this, and then we are going to get too far into the political year and not be able to get it done. Then we are going to be without a farm bill when it expires, and that is a worse outcome in my opinion.

Mr. NUGENT. We certainly would like to see you get back to regular order. That is for sure. I think it is good for this body, and I think it is good for the American public.

Mr. PETERSON. We didn't ask for this. I was not a big fan of the supercommittee. But they asked us to do this. We did it. We were the only people that did it. It wasn't pretty, but——

Mr. LUCAS. And as of all of the committees in Congress in particular that would understand better than no other, House Administration, making cuts is tough. And we proposed cuts everywhere, just as you are having to propose cuts everywhere. It is tough.

Mr. PETERSON. What we don't get credit for is that we cut $12 billion out of the ag budget before we even started this. So we had $23 billion that we put forward in this proposal. We had cut $12 billion the last 2 or 3 years before that. And $4 billion of it went directly to the deficit. We are the only committee in the Congress that has done this. And I think it just shows that if you work in a bipartisan basis, you can get stuff done. And the rest of Congress could take a lesson from us, I think.

The CHAIRMAN. I want to thank both of you for your testimony, for your work and the cooperative spirit with which you approach it. I would say, Mr. Peterson, I am shocked that you would suggest that agriculture issues might be political in a Presidential year.

But anyway, thank you for your work. And we appreciate your candor and appearing before us. All right.

Thank you very much for being here on time. The committee now welcomes Chairman Kline and Ranking Member Miller, the Committee on Education and Workforce. We are pleased to have you here.

These hearings are somewhat different than they have been in the past in that we would ask you to tell us how you handled this 5 percent cut we have already been under and this perspective 6.4 percent that we are talking about in the upcoming year and bring us up to date on how the budget sharing has gone on between your two operations.

And with that, I would just recognize Mr. Kline.

STATEMENT OF THE HON. JOHN KLINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA, CHAIRMAN, COMMITTEE ON EDUCATION AND THE WORKFORCE

Mr. KLINE. Thank you, Mr. Chairman and Ranking Member Brady, members of the committee. Thank you for the opportunity

to appear with my colleague, the senior Democratic member, George Miller, to testify about our budget for the 112th Congress.

In the first session, our committee was allocated $8,346,254, of which we are on target to spend roughly 76 percent. Our goal is to spend only what is necessary as we strive to be good stewards of the taxpayer dollars.

Among the cost-saving measures we embraced on the Republican side of the committee were the elimination of end-of-year bonuses for staff and a decision not to fill all of our staff slots. In the second session of the 112th Congress, if we face the additional 6.4 percent cuts we anticipate, we will continue to do what we can to be good stewards of the taxpayer dollars.

I remain confident that our team will be able to maintain our current workflow and carry out our agenda for 2012 by taking advantage of cost-saving measures, including collaborating with other committees and personal offices and negotiating prices with current publication vendors, finding multiple price quotes on equipment and supply purchases before making a final decision, using new media to get our message out without incurring printing and publication costs, and producing posters and reports inhouse rather than hiring outside vendors.

While I am confident in our ability to weather this additional 6.4 percent reduction in resources, I caution the committee that cuts above and beyond that figure could compromise our ability to carry out our agenda. I have serious concerns that additional cuts could threaten our ability to conduct rigorous oversight while carrying out our legislative responsibilities. Thank you for the opportunity to testify. I appreciate your time. I would be happy to answer any questions.

[The statement of Mr. Kline follows:]

Testimony of Rep. John Kline (R-MN)
Chairman, U.S. House Committee on Education and the Workforce
Committee on House Administration Hearing on the "Committee Budget for the 112th Congress"
November 30, 2011

Chairman Lungren, Ranking Member Brady, and members of the committee, thank you for the opportunity to appear with my colleague, Senior Democratic Member George Miller, to testify about our budget for the 112th Congress.

In the first session of the 112th Congress, our committee was allocated $8,346,254 – of which we are on target to spend roughly 76 percent. Our goal is to spend only what is necessary as we strive to be good stewards of taxpayer dollars. Among the cost-saving measures we embraced on the Republican side of the committee were the elimination of end-of-year bonuses for staff and a decision not to fill all of our staff slots.

In the second session of the 112th Congress, if we face the additional 6.4 percent cuts we anticipate, we will continue to do what we can to be good stewards of taxpayer dollars. I remain confident our team will be able to maintain our current workflow and carry out our agenda for 2012 by taking advantage of cost-saving measures, including: collaborating with other committees and personal offices in negotiating prices with current publication vendors; finding multiple price quotes on equipment and supply purchases before making a final decision; using new media to get our message out without incurring printing and publication costs; and producing posters and reports in-house rather than hiring outside vendors.

While I am confident in our ability to weather this additional 6.4 percent reduction in resources, I caution the committee that cuts above and beyond that figure could compromise our ability to carry out our agenda. I have serious concerns that additional cuts could threaten our ability to conduct rigorous oversight while carrying out our legislative responsibilities.

Thank you for the opportunity to testify. I appreciate your time and would be happy to answer any questions.

The CHAIRMAN. Thank you very much.

Mr. Miller.

STATEMENT OF THE HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, RANKING MEMBER, COMMITTEE ON EDUCATION AND THE WORKFORCE

Mr. GEORGE MILLER of California. Thank you, Mr. Chairman and Ranking Member Brady for the opportunity to discuss our budget for the 112th Congress.

I also want to thank Chairman Kline for his cooperation on the budget and the other administrative matters during our first session. As you know, the minority was allotted the customary one-third of the total committee budget, and the majority provided the minority the autonomy over that share.

At the beginning of the year, the minority's authority was $2,782,000. And while the year is not complete, we are currently anticipating the yearend balance of at least $100,000. As I said in our last appearance in March, the committee needs sufficient funding, not only to conduct the normal legislative and oversight business but also to be able to deal with sudden critical needs.

This committee has experienced that time and again with our jurisdiction over mine safety, where we have had tragedies across the country and have had to dedicate staff and acquire expert witnesses and talent to understand what happened in many of those explosions.

The same was true in the British Petroleum oil spill in the Gulf. Staff was sent to be on the ground. So these kinds of things come across this committee's jurisdiction with no warning and no notice. And hopefully, we will be able to respond to that.

While they were unexpected in that fashion in the 112th Congress, on the minority side, we have had four staffers in critical positions on necessary Family and Medical Leave simultaneously. And this has required the hiring of additional staffers to help fill those two positions. Chairman Kline was also very kind and helpful to authorize the use of a detailee from the Department of Education, which has helped with that sudden change in the workload and the workforce.

In the next year, we have begun making preparations for a cut of at least 6.4 percent from the committee budget. We do not seek to cut any staffers' salaries. Those salaries are hard-earned and long hours, and to retrain and attract the top quality staff, we need to avoid cutting too deeply into our overall staffing budgets. Instead, we plan to try to focus on our cuts in other areas, such as equipment. We are trying to replace and upgrade equipment as necessary to meet the workload of the minority staff and the members. We are doing that now, trying to do that to the extent that we could out of this year's budget.

We think that we, obviously, can live with the 6.4 percent. It is going to be difficult. I would join Chairman Kline in that going beyond that starts to change substantially the nature of the decisions and the resources that are available to us both for the legislative calendar and for the oversight commitments that the majority has made and, again, that arise sometimes without notice.

But thank you very much for your cooperation in allowing the committee to testify.

[The statement of Mr. Miller of California follows:]

Statement of
HON. GEORGE MILLER
Senior Democrat
Committee on Education and the Workforce
Before the Committee on House Administration
Hearing on "Review of the Use of Funds for the 112th Congress"
November 30, 2011

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Chairman Lungren, Ranking Member Brady, Members of the Committee, thank you for the opportunity to appear before you today to review the use of committee funds in the 112th Congress.

I would also like to thank Chairman Kline for his cooperation on the budget and other administrative matters during this first session.

As you know, the minority was allotted the customary one-third share of the total Committee budget. The Majority provided the Minority with autonomy over its share.

At the beginning of the year, the Minority's budget authority was $2,782,085.

While the year is not complete yet, we are currently anticipating having a year-end balance of at least $100,000.

As I said at our last appearance in March, Committees need sufficient funding to not only conduct their normal legislative and oversight business. But, they should also have sufficient funds to deal with sudden critical needs.

For example, our Committee has had to deal with sudden and tragic events like mine disasters. In the case of the 2007 Utah disaster, we had staff on the ground there for several days, gathering information on the rescue and recovery efforts.

Our investigation also required the services of an engineering firm to provide the Committee with expert analysis.

Another example is the BP oil spill. We had staff on the ground to gather information on cleanup worker health and safety.

All of these expenses, unexpected though they were, made for more effective oversight by the Committee.

In this first session of the 112th Congress, other kinds of contingencies have arisen.

We have had four staffers in critical positions on necessary family and medical leave simultaneously. This required the hiring of an additional staffer to fill in for two of these positions.

Chairman Kline was also kind to authorize our use of a detailee from the Department of Education, which has helped with the sudden workload.

For next year, we have begun making preparations for a cut of at least 6.4 percent to the Committee budget.

We do not seek to cut any staffer's salary. Those salaries are hard-earned with long hours. To retain and attract top quality staff, we need to avoid cutting too deeply into our overall staffing budget.

Instead, we plan on focusing most of our cuts in other areas, such as equipment.

This has meant that we are now in the process of upgrading key pieces of equipment this year, including replacing five-year-old servers that have begun slowing down computers.

We're making these investments now, to avoid having to dedicate a significant sum of money to these issues in next year's tighter budget.

Obviously, the 6.4 percent cut could make it difficult for the Committee to effectively and efficiently deal with contingencies that may arise, like those investigative needs that can strike at any time.

And I expect next year to be a busy one.

I can assure you that, whatever funds are made available by our budget, they will be put to appropriate and efficient use.

Thank you again for the opportunity to testify, and I am happy to answer any questions.

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The CHAIRMAN. Thank you very much.

And let me just ask you about the responsibilities of oversight that you have in your committee. I mean, one of the things that seems to me that some people could look at in the Congress and say, this is my own observation, that we never do enough oversight, and it is a responsibility that we need to take very seriously, and I think most Members do. And as we are about the process of cutting our budgets, I want to make sure we at least have the continuing capability to do the oversight where the big money is being spent over in the Federal establishment better known as the executive branch.

Do you believe with these cuts you will be able to do the kind of oversight that you think is necessary for all of those areas of the Federal Government that are within your jurisdiction? Mr. Kline, Mr. Miller.

Mr. KLINE. Yeah, Mr. Chairman, I think that we will. We organized, like some committees and unlike others, we don't have a specific oversight subcommittee. Each of our legislative subcommittees has an oversight responsibility.

We did however on the majority side dedicate some staff specifically to doing oversight. So I think we can carry out those responsibilities. I believe we have been able to do so with this year's budget, and we will be able to do so with the projected 6.4 percent cut.

But again, my caution would be if we were to cut more than that, it would make that increasingly difficult to do that oversight. It is time-consuming. As you pointed out, this committee has got two major departments, Education and Labor; multiple agencies, OSHA, MSHA, and so forth. So it keeps the oversight effort pretty busy.

And I would also agree with you, Mr. Chairman, that both parties, since I have been here, I think have been remiss in providing all of the oversight that should have been done.

There is, as you know, a tendency when there is a Democrat in the White House and a Republican majority over here for oversight to get more intense, and the reverse is true. We need to provide that oversight as a constitutional and congressional responsibility all of the time.

The CHAIRMAN. Mr. Miller, you mentioned a couple different instances that required your staffers to be on location. For me, that is not only legislative, but that is oversight as well. Do you feel that—I mean, given these resources that we have, that you will be able to continue to be able to do that kind of oversight?

Mr. GEORGE MILLER of California. Well, we have been able to do it in the past. I mean, hopefully, we won't have mine explosions and oil spills and any of these kinds of problems, and we will be able to do it.

I may not always agree with the oversight selections that the majority makes, but I think they have actually had a fairly robust oversight calendar this year, ranging across—we have a significant number of new members on the committee, and so just doing oversight, both for the purposes of oversight but also of helping the members understand the higher education, the elementary, sec-

ondary education, the National Labor Relations Board, how all of this has played out. But it has been pretty robust.

I don't know how much you get to do of that when the cuts go beyond—the chairman says he thinks he can handle this 6.4 percent. And that includes—I assume that includes a continuation of the kind of oversight they have been doing.

The CHAIRMAN. Thank you very much.

Mr. BRADY. Yes.

Mr. Chairman or/and Ranking Member, you don't foresee laying anybody off this next—the second session? With a possibility of a 6.4 percent cut, you won't have to lay anybody off the job?

Mr. KLINE. No, sir. No, sir. We do not anticipate that. We have a couple of staff slots that we may have to fill, and I hope we will be able to do that. It puts a little bit of pressure on our ability to do that. But under no circumstances are we looking at laying off staff in order to meet the 6.4 percent cut.

Mr. GEORGE MILLER of California. That would be our goal, that we would try to avoid that. And we are trying to make those adjustments now in looking at how we would manage other changes in the committee to hold onto the personnel.

Mr. BRADY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Schock.

Mr. NUGENT. Thank you very much. I appreciate it.

Mr. KLINE. Thank you.

The CHAIRMAN. Thank you.

Well, the committee now welcomes Chairman Hall and Ranking Member Johnson of the Committee on Science, Space and Technology. We would appreciate hearing how you have handled your committee with the 5 percent cut that is ongoing this particular year and the projected 6.4 percent cut for the upcoming year. And also, Mr. Hall, I want to know how your 88-year-old neighbor is doing. You mentioned him last year in your testimony before us, and I hope he is having a happy honeymoon.

Mr. HALL. Well, they didn't get married, but they are living together. And she can still drive.

Mr. BRADY. Push the button.

Mr. HALL. How is that?

The CHAIRMAN. Very good.

Mr. HALL. Do you want us to start over?

The CHAIRMAN. We are happy to hear from you on how your committee is doing and how you would project you will be able to do in the next Congress with the—or the next session with the 6.4 percent cut.

STATEMENT OF THE HON. RALPH M. HALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, CHAIRMAN, COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

Mr. HALL. Well, I will say to you good morning and thank you for having me here. And I guess I am glad I am here. But, you know, I checked the first of the year, from January to the end of January, how much more I had to do as the chairman, and it is about four or five times as much, and then when I got my dang

check, it is the same as it had been the last 30 years. There is something wrong with my thinking and everything.

But I am going to do my best to read this statement that they wrote for me. They say I am supposed to thank you for having me here and that we have had a good year on the committee conducting careful oversight and advancing good pieces of legislation. Our country is facing major economic challenges, and we are mindful that we have to be prudent with our spending. And I think we have been, and I think that Ms. Johnson has been very prudent.

You asked for a review of the committee funding. Like all committees we had to shoulder a 5 percent cut this year, and we were able to use the funds that we were provided and put off buying some major equipment in the computer field, and that kept us within our budget.

Our total budget for the 112th Congress is $13 million, divided up $6.6 million for 2011 and $6.6 million for 2012. For 2011, we are currently projecting a surplus of approximately $860,800 as a result of, I think, careful budgeting.

And as always the case, personnel costs make up most of the budget. In 2011, almost 95 percent of our budget was allocated to personnel costs, and in the majority we didn't staff all of our slots right away, and we haven't staffed all of them yet. But with the money that was budgeted and the surplus accumulated from the unallocated slots, we were able to manage the surplus in the salary to approximately $846,500. In years past we have, I think, been careful about making sure the minority—well we were positive, not just being careful about it—the minority received one-third of the total staff slots as well as control over one-third of the personnel salary budget, and the minority had a surplus of approximately $154,200 giving us a total surplus together of approximately $1,000,700.

Our other main budget categories are travel, supplies, equipment, and this is where we shouldered most of the 5 percent cut early this year. Since our budgets are tighter in these categories, we anticipate using the salary funds to purchase some items, including an upgraded server for our leave-tracking system. That is, as well as the remote applications access, travel through computer, both of which the House doesn't provide at this time. This will give increased longevity to existing systems and defer the costs in the future. With the purchase of the remote application access, this is the first step of the committee to move toward virtual desktops.

In 2012, we showed a possible 6.4 percent cut. We found out that was put into place, and we will continue to meet the needs of the committee and stay within our means. However, unlike this year, the bulk of further reductions would need to come from our salary budget, which is 89 percent of the cut, because we have already pared down spending in the operational budget. In order to ease the reduction on salaries, we reduced our travel budget by nearly 35 percent and our supplies budget by almost 20 percent.

Our travel budget this year, I think we are at $70,000, and I am not sure Ms. Johnson is happy with that, but I will be glad to talk with her about it.

With these cuts, our staff and Members would be further capped in the amount they can travel to see projects. You know, travel, we

get—our overseas travel is what we have had more of than the other type travel, and the State Department pays for that, so that doesn't come into effect here.

With the reduction in supplies, we need to make additional cuts in publications, and in anticipation of a further cut, we will make use of the surplus that we have this year to purchase supplies such as paper and toner for use next year.

I think it says here I would be happy to answer any questions you may have. That is not exactly true, but I will do my best.

The CHAIRMAN. Thank you very much, Mr. Hall.

[The statement of Mr. Hall follows:]

Testimony Before the Committee on House Administration

Ralph M. Hall
Chairman, House Committee on Science, Space, and Technology
November 30, 2011

Good Morning. Thank you for having me here today. We have had a great year on the Committee conducting careful oversight and advancing good pieces of legislation that will keep our country competitive into the future. Our country is facing major economic challenges, and we are mindful that we need to be prudent with our spending.

You asked for a review of committee funding. Like all committees, we had to shoulder a 5% cut this year. We were able to prudently use the funds that we were provided and we put off buying some major equipment, thereby keeping within our budget. Our total budget for the 112th Congress is $13.3 million divided into $6.6 million for 2011 and $6.6 million for 2012. For 2011, we are currently projecting a surplus of approximately $860,800 as a result of careful budgeting.

As is always the case, personnel costs make up most of our budget. In 2011, almost 95% of our budget was allocated to personnel costs. In the Majority, we did not staff all of our slots right away. With the money that was budgeted and the surplus accumulated from the unallocated slots we were able to manage a surplus in salary of approximately $846,500. As in years past, we have been diligent about making sure the Minority receives one-third of the total staff slots as well as control over one-third of the personnel/salary budget. The Minority had a surplus of approximately $154,200, giving us a total surplus in salary of approximately $1,000,700.

Our other main budget categories are travel, supplies, and equipment, and this is where we shouldered most of the 5% cut earlier this year. Since our budgets are tighter in these

categories, we anticipate using the surplus salary fund to purchase some items, including an upgraded server for our leave tracking system, as well as remote application access, both of which the House does not provide at this time. This will give increased longevity to existing systems and defer the costs in the future. With the purchase of the remote application access, this is the first step for the Committee to move towards virtual desktops.

In 2012, should a possible 6.4% cut be put into place, we would continue to meet the needs of the Committee and stay within our means. However, unlike this year, the bulk of a further reduction would need come from our salary budget (89% of the cut) because we have already pared down spending in our operational budget. In order to ease the reduction on salaries, we will reduce our travel budget by nearly 35% and our supplies budget by almost 20%. With these cuts, staff and Members would be further capped on the amount they could travel to see the projects and programs that our Committee oversees. With the reduction in supplies, we would need to make additional cuts to publications we hold. In anticipation of a further cut, we will make use of the surplus we have this year to purchase supplies such as paper and toner for use next year.

I am happy to answer any questions you may have.

The CHAIRMAN. Ms. Johnson.

STATEMENT OF THE HON. EDDIE BERNICE JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, RANKING MEMBER, COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

Ms. JOHNSON. Thank you, Mr. Chairman, and good morning. Thank you for the opportunity to speak today on the committee funding. Chairman Hall has already presented an overview of the committee finances, so I will just make brief remarks.

As he has noted, we had to absorb the 5 percent cut in our budget this year, as did other committees, and he already described the areas impacted by the cuts. And I would just like to add that the 5 percent cut combined with uncertainty about the potential additional cuts in the second session of the 112th led the minority to defer filling two staff slots for the time being as well as to cut salaries of almost—most of the staff who were retained from the 111th Congress.

And this has been a desirable situation, but it was deemed prudent—it has not been desirable—to ensure that we would not have a layoff of additional staff beyond those who lost their jobs when we became the minority. And we have to make additional cuts in salaries in the event that Congress mandated additional cuts of our committee's budget in the second session.

As a result we will be able to end the current year with a surplus of approximately $154,000. I do not anticipate being able to have a similar surplus in 2012 as we would like to fill the vacant minority slots as well as potentially adjusting staff salaries as appropriate to attempt to give back what we cut the staff when we got to the freeze level.

And I would also anticipate that some oversight travel that had been deferred this year due to committee and congressional commitments, schedules, were necessary to carry out this year, so clearly an additional 6.4 percent cut to the committee funding would adversely impact our ability to meet our responsibilities for the coming year.

And so I would respectfully request that we attempt to leave us where we are. I know your hands are tied, but in moving forward we hope to experience as little cuts as possible, because we have attempted to reduce our spending, and we have also done without a couple of staff people.

So thank you again, and I will be happy to answer your questions.

The CHAIRMAN. Thank you very much.

[The statement of Ms. Johnson follows:]

Testimony for the Committee on Administration

U.S. House of Representatives

by

Hon. Eddie Bernice Johnson

Ranking Member, Committee on Science, Space, and Technology

November 30, 2011

Good morning, and thank you for the opportunity to speak with you today about our Committee funding. Chairman Hall has already presented an overview of the Committee's finances, so I will be brief in my remarks.

As Chairman Hall has noted, we had to absorb a 5% cut to our budgets this year, as did other Committees. He has already described areas impacted by the cuts. I would just add that the 5% cut, combined with uncertainty about potential additional cuts in the second Session of the 112th, led the Minority to defer filling two staff slots for the time being as well as to cut the salaries of most of the staff who were retained from the 111th Congress. This has not been a desirable situation, but it was deemed prudent to ensure that we would not have to lay off additional staff beyond those who lost their jobs when we went into the Minority or have to make additional cuts to salaries in the event that Congress mandated additional cuts to our Committee's budget in the second Session of the 112th Congress. As a result, we will be able to end the current year with a surplus of approximately $154,000.

I do not anticipate being able to have a similar surplus in 2012, as we would like to fill the vacant Minority slots. Chairman Hall has already outlined some of the impacts on the Committee of the proposed 6.4% funding cut for 2012. I would just add that we had to defer most oversight travel to laboratories, Federal R&D Centers, and other facilities due to Committee and Congressional commitments and schedules this year, but I anticipate that such travel will be necessary in the coming year. In sum, an additional 6.4% cut to Committee funding would adversely impact our ability to carry out the oversight responsibilities that the

American people have entrusted to us. I thus respectfully hope that our Committee will be provided with much needed budgetary stability next year by not moving forward with additional funding cuts in 2012.

Thank you again for the opportunity to testify before you today.

The CHAIRMAN. I appreciate the work that both of you do on this committee.

Mr. Hall, you brought up the issue of travel. Congress gets a lot of criticism for travel. Can you tell us the nature of the kind of travel that your committee needs to do for oversight and for anticipation of legislation?

Mr. HALL. Well, this wouldn't apply to oversight, but we made two trips to the liftoffs at Kennedy, and we travel to Johnson and to Huntsville and to Kennedy from time to time.

The new Members need—the first thing I did when almost 30 years ago I came here and got on the same committee, I wanted to go to Huntsville and see what they were doing, and I wanted to go to Kennedy and see what they were doing, and I wanted to go to Johnson to see what they were doing. And I took a half a day and a night at each place. And I found some things that were unusual to me then, because the McDonnell Douglases and all of the people that were contracting with the government were all together, and I thought that probably impaired the bidding, the competitive bidding. But the answer I was given almost everywhere, and I was new, was that they had what they wanted because of the danger of the mission that they were overseeing, that they trusted those that they had been doing business with, and they wanted to keep on doing that business.

And just recently there has been an effort for the commercial people to go into the business of travel and making some trips to the space station, and maybe one day to Mars or wherever they are going to go, realizing that we are not going to get to go anywhere until people can go to the grocery store. But those are things in store, and we need to try to keep our space station alive and keep alive just a thread of making it to Mars when we can. But I think we need to keep—try to keep NASA going, keep them up and have a little closer supervision on what they are doing.

The CHAIRMAN. Since your committee is called Science, Space, and Technology, maybe we can ask you to figure out what technology might be able to get us to keep a warm but not freezing hearing room. This morning it was 80 degrees in here, and they decided they would cool it down a little bit, and I think that they have succeeded. I am kind of reminded of Rocky hitting that slab of meat. This feels about as cold. That doesn't need an answer.

Mr. Brady.

Mr. BRADY. I just thank you for being here today, and I appreciate your testimony.

Mr. NUGENT. I just echo that. Thank you so very much, particularly in keeping your spending rates down. Thank you.

Ms. JOHNSON. I just want to say that, and Mr. Hall pointed out, there are times when the State Department underwrites some of our travel. I just returned from Brussels, where I represented the U.S. Congress, but it was paid for by the State Department to the European Union on science. So we are grateful for that help. It is still government money, but it didn't come directly out of our committee.

We have been very prudent in our spending, but we do have a large number of new people who have not been to many of the places that we have jurisdiction, research labs and the space—the

network of space interests we have invested in. So some are beginning to ask for travel. So we might have to do a little bit of that more early on in the year.

The CHAIRMAN. We thank both of you for testifying.

I don't know, Mr. Hall, if you have any parting thought for us this year as you gave us a wonderful parting thought last year.

Mr. HALL. No. I hope I am back next year, and I will try to save up something for you.

The CHAIRMAN. Thank you very much.

Mr. HALL. And thank you. And I still think you should have been Attorney General.

The CHAIRMAN. Thank you, gentlemen, for appearing.

The committee now welcomes Chairman Peter King and Ranking Member Bennie Thompson of the Committee on Homeland Security.

We would like an update on how your committee is doing from a budget standpoint after working through the 5 percent cut this last—or the current year, and projected 6.4 percent cut as a result of the resolution passed by the House earlier this year that will affect us in the upcoming year.

STATEMENT OF THE HON. PETER T. KING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, CHAIRMAN, COMMITTEE ON HOMELAND SECURITY

Mr. KING. Thank you, Chairman Lungren and Ranking Member Brady. We appreciate the opportunity to be here today.

You are right, we did have the cuts last year. We face more cuts coming into the next year. The ranking member and I have attempted to work together to work within those cuts. Basically we have managed to do it.

I should point out that our budget for 2012 will be roughly what it was back in 2006. And even though we have 75 authorized positions this year compared to 60 in 2012, we expect to come in at the same number. We expect to live within the budget itself. We have done this in a number of ways. We agreed last year, pledged to do more with less, but in doing that, we still wanted to have a full range of hearings, of field hearings, of site inspections, of rigorous oversight. We have had hearings on radicalization. We have sent Members to the border. There has been field hearings at the border. We sent staff to investigate security breaches at airports around the country, to visit local police departments.

We have also had natural disasters, which come under FEMA, such as the terrible tornadoes; Hurricane Irene; the tornado in Joplin, Missouri, which directly affected one of the members of our committee Mr. Long, and with all that we have managed to, I believe, do a very admirable job and still live within the budget.

We didn't fill all authorized staff positions. We did use existing staff for roles that could have been filled with experienced, higher-paid staff. We also made use of senior fellows and detailees, which are at no cost to the committee. For instance, we have a member of the New York Police Intelligence Unit who—a full inspector who has been at the committee now for almost a year at no expense at all. We have attempted to reduce travel expenses. We have imple-

mented internal administrative reforms, and we are going to be coming in under budget for this year.

I will say that with some of the savings from the 2011 budget, we intend to prepay some of the expenses for 2012 as far as equipment and supplies that will enable us to live within the 2012 budget. We have eliminated intern stipends, and we also intend to recruit a GAO office detailee and senior fellows to augment committee staffing without additional costs to the committee.

Let me, Mr. Chairman, also maybe in the hope that you will ask me easy questions, give you credit for the great job you do as chairman of the cybersecurity subcommittee, which will be moving ahead in a dramatic way over the next several weeks.

I will continue to leave this to Mr. Thompson to describe that we have followed the committee's customary two-thirds, one-third division, and we intend to follow that division in 2012.

So with that I thank you, Mr. Chairman, Ranking Member, members of the committee, for the opportunity to be here today and again look forward to going ahead into a new year and also to continue to work with all of you. Thank you.

The CHAIRMAN. All right. Thank you.

[The statement of Mr. King follows:]

STATEMENT OF CHAIRMAN PETER T. KING
Committee on Homeland Security

Before the
Committee on House Administration

Hearing on "Review of the Use of Committee Funds of the 112th Congress"
November 30, 2011

Thank you Chairman Lungren, Ranking Member Brady, and Members of the Committee on House Administration for the opportunity to testify in support of funding for the Committee on Homeland Security in the Second Session of the 112th Congress.

On January 6, 2011, the Full House passed *House Resolution 22, Reducing the Amount Authorized for Salaries and Expenses of Member, Committee, and Leadership Offices in 2011 and 2012.* By an overwhelming vote of 410-13, House Members approved a binding resolution that would reduce the operating budgets of Member, Leadership, and committee offices by 5%, or about $35 million annually. House committees incorporated a decrease in funding of 5% in 2011, and are preparing to incorporate an additional decrease in funding of 6.4% in 2012.

My testimony today will address the three issues highlighted by your Committee; specifically, (1) how the 5% cut impacted the operations of the Committee on Homeland Security in the First Session; (2) how a possible 6.4% cut will impact the Committee's operations in the Second Session; and (3) how the Committee's Minority is funded.

1. How the 5% cut impacted Committee operations in the First Session

When the Committee on House Administration held its hearing on March 1, 2011, on the proposed committee budgets for the 112th Congress, the Committee's funding was reduced by 5% from the amount allotted in the 111th Congress, a cut of approximately $900,000. The House Appropriations bill for the Legislative Branch includes a 6.4% reduction for 2012, which equates to a further reduction of $540,000. The Committee's 2012 funding level will be $3,352 more than the funding level in 2006. In 2006, 50 staff positions were authorized for the Committee on Homeland Security, whereas in 2012, 75 staff positions are authorized.

As I testified on March 1st, we intended to do more with less and the Committee on Homeland Security would pursue an aggressive agenda to help keep our Nation safe from future terrorist attacks.

Since that hearing, the Committee on Homeland Security has launched a series of hearings on one of the major threats facing our country – the radicalization by al Qaeda and its affiliates of U.S. citizens and others lawfully residing in the United States and the threat these radicalized terrorists pose to the Homeland. To date, the Committee on Homeland Security has held hearings on the threat of radicalization in the Muslim American community; the role of al

Shabaab in recruiting Americans to fight in Somalia and potentially threaten the Homeland; and the extent of radicalization in U.S. prisons.

As part of this radicalization series, the Committee will end the year with an unprecedented joint hearing with the Senate Homeland Security and Governmental Affairs Committee on December 7th to examine the threat of homegrown terrorists to military installations within the United States, as well as military personnel and their families. The growing threat of the last topic was underscored on November 20th with the announced arrest of Jose Pimentel, a 27-year-old U.S. citizen who was radicalized by al Awlaki and his "Inspire" on-line magazines to plot attacks on police stations and post offices in New York City, as well as military personnel returning from Iraq and Afghanistan.

The Committee on Homeland Security and its six subcommittees also held hearings to receive testimony from Homeland Security Secretary Janet Napolitano, former Director of the National Counterterrorism Center Michael Leiter, and numerous other witnesses from the Department of Homeland Security, other Federal agencies, State and local governments, and the private sector on key homeland security issues. Hearing topics included: identifying what is necessary to achieve operational control of the border; strengthening our Nation's cyber security; improving communications for our Nation's first responders; strengthening our defenses against terrorist use of weapons of mass destruction; and overseeing the Department of Homeland Security's operations to ensure they are efficient and cost-effective. The Subcommittees also held numerous oversight hearings and sent many oversight letters. The Subcommittees also held field hearings and conducted site visits on critical homeland security issues in different regions of the country.

The Committee on Homeland Security also passed the first authorization bill since 2007 for the Department of Homeland Security. We currently are working with other committees with related jurisdiction to prepare the bill for consideration by the full House early next year. The Full Committee and its subcommittees also have reported a number of other homeland security bills, including legislation to address chemical plant security. Two of the reported bills have been passed by the full House, one of which has been signed into law. In addition, the Committee is working on additional legislation to move next year, including bills to address cybersecurity, port security, and other homeland security priorities.

We were able to implement this aggressive oversight and legislative agenda, while at the same time incorporating a 5% reduction in Committee funding for the First Session. The impact of the 5% cut was absorbed or minimized through specific steps we took for the Majority, which included:

- Streamlining the subcommittees to sharpen their focus on major homeland security priorities;
- Not filling all authorized staff positions pending assessment of the impact of the budget cuts;
- Hiring staff and utilizing existing staff for positions and roles that could be filled with more experienced staff (commensurately, with higher salaries);
- Utilization of senior fellows and detailees at no cost to the Committee;

- Judicious use of committee travel funds, including use of internet tools to secure lowest fares for airline tickets and lowest rates for rental vehicles;
- Implementation of 'best practices' to reduce overall travel expenses;
- Elimination of year-end staff bonuses;
- Reform of telecommunications options for staff, including use of most cost-effective voice and data plans; and
- Implementation of internal administrative reforms to realize cost savings in publication subscriptions, supplies, and information technology (IT).

2. How a possible 6.4 percent cut will impact Committee operations in the Second Session

As the Committee on Homeland Security prepares for the Second Session of the 112th Congress, absorbing a 6.4% cut will be difficult for staff and Committee operations. In light of the Federal Government's fiscal situation and the multi-year pay freeze imposed on Executive Branch employees, it is important for Congress to lead in this regard. Therefore, it is my intent to continue to do more with less by continuing a number of the management reforms and cost-savings measures we implemented in the First Session.

In addition to the cost-saving measures mentioned above, we will realize savings from our information technology (IT) contract, since the IT contractor advised that it will not exercise its contractual option to increase base fees in 2012. This will result in significant cost-savings that can be applied to other Committee operations and staff salaries.

To help maintain Committee staff currently on board at their current salary levels, we plan to purchase equipment and supplies for 2012 with the funds we saved in 2011. To further reduce the Committee's expenditures, intern stipends which helped recruit and support legal interns and graduates with related experience will be eliminated.

We also intend to bring on board a detailee from the Government Accountability Office and recruit senior Fellows to augment Committee staffing in key priority areas.

3. How the Committee's Minority is funded

At the beginning of the 112th Congress after prior consultation with Ranking Member Thompson, we adjusted the budget of the Committee on Homeland Security for the Majority and Minority offices to fully meet the budget reduction for the First Session. We also continued to follow the Committee's customary 2/3 – 1/3 division of funding between the Majority and Minority offices.

It is my intent to continue to follow the Committee's 2/3 – 1/3 division of funding between the Majority and Minority offices.

We appreciate the continuing support of Chairman Lungren, Ranking Member Brady, and Members of the Committee on House Administration for the work and mission of the Committee on Homeland Security. I look forward to continuing to work with all Members of

this Committee in the Second Session of the 112th Congress to strengthen our country's defenses against terrorist attacks.

Thank you again for the opportunity to testify. I would be happy to answer any questions you may have.

# # #

The CHAIRMAN. Mr. Thompson.

STATEMENT OF THE HON. BENNIE G. THOMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI, RANKING MEMBER, COMMITTEE ON HOMELAND SECURITY

Mr. THOMPSON. Thank you very much, Chairman Lungren, Ranking Member Brady and members of the committee for the opportunity to testify regarding the 112th Congress committee allocation and possible cuts.

In March of this year, I had to reduce the size of the committee staff by three employees and reduce all of my staff's salaries by between 2 and 8 percent. Consequently, I also was not able to fill vacancies.

Our participation in travel on committee business has been limited, and we have been very conservative in the purchases of office supplies. With the limited funds remaining, we plan to replace an aging copier and computers.

For next year, for 2012, an additional 6.4 percent cut for the Democratic side would place our panel at even greater disadvantage than we are experiencing this year. At this point we are not making—talking about any amenities, but rather bare essentials, like adequate staffing levels. In my estimation we would not be able to sufficiently execute the duties of a committee staff without additional funding.

Mr. Chairman, resources matter. Without them we would not be able to fill vacancies, maintain competitive salaries or continue to offer paid internships for deserving, eager college students. While we continue to be frugal with purchases like news subscriptions and equipment, I am sure our travel will be even more limited even as the Speaker has directed all committees to engage in field hearings. I cannot overstate the difficulty an additional budget cut would create on this committee's staff. As it stands now, many of them are doing the work of two or three staffers at reduced salaries.

Let me repeat, my greatest concern is we will be told that more than 6.4 percent will be taken. If this happens, I will have no alternative but to, yet again, terminate more staff. Therefore, I am respectfully requesting this committee to keep that in mind.

Our legislative and oversight activities require, our mission and jurisdiction as a committee require us to, in some instances, go all over the world. That travel in some instances comes out of the committee's budget. But our mission is to keep America safe, and we have to do it, obviously within the confines of the budget, but obviously notwithstanding the fact that our country deserves no less than to be safe.

And I yield back.

The CHAIRMAN. I thank both of you. And let me just ask one question to start off, and that is, how do you work out the issue of field hearings majority to minority? Is there consultation? Is that done from the subcommittee level, full-committee level? How does that work?

Mr. KING. Well, it ends up going to the full-committee level for the decision, but for the most part we allow the hearings. It is pret-

ty much the same procedure that was in effect when Ranking Member Thompson was the chairman. We generally have at least one Member from each party. They lay out the reason for the field trip, and almost all of them have been approved. I can think of a number of bipartisan hearings that have been held, including some in the districts of the Democratic Members.

So I would say probably the main field hearings have been at the—regarding border security, they are the main ones that I can focus on right now. But I am not aware, for instance, in the last year of any significant cutback in field hearings.

The CHAIRMAN. Mr. Thompson.

Mr. THOMPSON. Well, that is absolutely correct. I think we have been to Texas, Pennsylvania, Massachusetts, Michigan and several other States with field hearings both at the subcommittee level where the chair and ranking member of the committees agreed. So that policy continues.

The CHAIRMAN. Good. I am glad to hear that. I had requested a field hearing for 2 years in the previous Congress and didn't get it, and so I was hoping there was a spirit of cooperation that prevails today.

I would ask this, Mr. Thompson. You have mentioned that you had to lay off staff. Now, we had testimony from others that as Democratic membership went from majority to minority, they necessarily went from the two-thirds to one-third. Are you saying that in addition to that you have had to lay off staff on the minority side?

Mr. THOMPSON. Yes. What we did, obviously, we came from two-thirds to one-third. We had to make significant adjustments as well as reduce salaries, and we did it, and we are presently managing a committee. But it is also indicated that, at some point, if this cut that is proposed goes into effect, obviously, we would have to let someone else go.

Mr. KING. If I can just note, Mr. Chairman, one of the toughest moments that I had was when the Democrats did take control of the committee back in 2007, and I had to make those decisions to lay a significant number of people off as you go from majority to minority, and it is always painful because these are very qualified people.

The CHAIRMAN. I am just trying to get at the point that Mr. Brady had made with several other committees, and that is have the 5 percent cut required any layoff of staff in this current year? I think that is what Mr. Brady was asking.

Mr. THOMPSON. It was three for me.

Mr. BRADY. Thank you, Mr. Chairman.

Also I was interested in the 6.4 projected cut that would require also the majority and the minority to lay more people—to lay people off.

Mr. KING. Right now I don't believe we will have to lay anyone off. There are spots we are not going to fill. I think there are six vacancies right now. I don't if we are going to be filling them. There are also several more that may be leaving. We may not be filling them either. So we can work within the budget we have right now. Obviously it is not going to be easy. But as of now I do not anticipate having to lay anyone off on the majority side.

Mr. BRADY. You are a pretty important committee, and you functioned for a lot of years with a—for a limited amount of years, it was brand new, but now are you going to be able to function with six being not filled and maybe a possible couple others not being filled. And as you say in your testimony, and I agree with you, you have got to keep us safe. And I think of any committee, I would fight as best as I can to try to make sure that that doesn't happen to your committee because you need to keep us safe. And not only us I am talking here, I am talking about the American people. But that is on the majority side. But yet on the minority side with a projected 6.4, you are saying that you probably have to lay three people off?

Mr. THOMPSON. That is correct.

Mr. BRADY. Thank you.

Thank you, Mr. Chairman.

Mr. KING. I would just add to your point. I agree this is going to be difficult, and in an optimum situation we could certainly use additional personnel in a very worthwhile way. Chairman Lungren is a member of our committee. He is a very senior member of the committee, and he realizes the type of work we do. I am not saying that these cuts are good for the committee, I am just saying we can live within them.

The CHAIRMAN. It would also help if we finally got settlement of the jurisdictional question since the last remaining unfilled recommendation of the 9/11 Commission is that the Congress consolidate its authority for homeland security matters in a single committee in the House and the Senate, and unfortunately, under both Democrats and Republicans, we failed to do that thus far.

Gentleman from Mississippi.

Gentleman from Florida.

Mr. NUGENT. No, sir.

The CHAIRMAN. I would like to thank you for your testimony and thank you for your work. And the only thing I would add is we have outstanding staff on that committee, and there is a certain amount of particular expertise that we need in order for us to be able to cover the subject matter that comes under homeland security. And it is not just when we lose a person we can necessarily say we are not going to fill that position if it is an area of expertise in nuclear materials, for instance, or other types of things. And so I just hope anybody who might be listening might understand that for us to do the important oversight, we have to have the expertise to ensure that the Department is doing what we intended it to do when we set it up.

Mr. KING. I agree with you completely. The staff does a phenomenal job, and I can understand, again, Mr. Thompson's situation is you let people go that have unique talents and unique abilities. It is not just a staff member who can go from one committee to another. Many of the people we have, whether it is a scientific background, intelligence background or law enforcement background, it is a very unique skill set, and once you lose them, it is hard to get them back, and it is very hard to replace.

Mr. THOMPSON. Absolutely.

The CHAIRMAN. We thank you both.

Mr. FILNER. I have been delegated to speak for the majority.

Mr. MILLER of Florida. No, you haven't.

Mr. BRADY. You know, coming from anybody but you, we might be able to believe that.

The CHAIRMAN. It is a pleasure to welcome both Chairman Miller and Ranking Member Filner of the Veterans' Affairs Committee before our committee to hear how well you are getting along this year, to find out how you are operating under the current 5 percent cut that was imposed by a vote of the House, and how you would anticipate operating with the projected 6.4 percent cut that was also the result of a vote on a House resolution. And I am glad to hear from both of you.

Mr. Chairman.

STATEMENT OF THE HON. JEFF MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, CHAIRMAN, COMMITTEE ON VETERANS' AFFAIRS

Mr. MILLER of Florida. Thank you very much, Mr. Chairman, Ranking Member Brady. Good to see you both for the opportunity to appear before you for the Veterans' Affairs budget for the 112th Congress, for the second session. My good friend Bob Filner is with me today, and we have worked side by side very well this year, and we look forward to continuing to work on issues that are important to our veterans community.

As the committee knows, we have oversight over the Department of Veterans Affairs with a staff of close to 300,000 individuals and a budget of over $120 billion, and we have what I think is an aggressive plan of action that has already engaged in oversight in several of the areas that are included in our oversight plan.

The VA Committee's total budget request for the 112th Congress was a 5 percent decrease in funds from the 111th Congress, and we did manage to find those savings by decreasing our salary and equipment budget at the beginning of the year. We had to make some decisions on staffing, equipment and travel this year based on our cuts, and we are going to be returning money to the Treasury due to the fact that we have not fully staffed the majority, and it allowed us some flexibility within that 5 percent decrease for any needed purchases or committee travel since we have such a small travel budget for the size of the committee.

Remember, the vast majority of our travel that we are engaged in is paid for by the very agency that we have oversight on. VA pays for the majority of the VA Committee's travel.

The committee's equipment funds were one-third of what was requested in the 111th Congress; therefore, we made only major purchases when absolutely necessary, but by the end of the year, we do hope to replace some outdated equipment and a constituent management system that has not been updated since 2005.

We have asked for and received requests from the majority and minority staff for needed items, and we will consider them for purchase within our remaining balance for 2011.

Now, the additional 6.4 percent cut from our 2012 budget will be challenging, but we are anticipating and planning for it by decreasing the total salary allotment number and providing the minority with one-third of that salary budget.

This is a small committee charged with an awesome responsibility: oversight of those who care and provide services for our Nation's warriors and their families.

Mr. Chairman, you have my assurance that we will account for every dollar, we will stretch every dollar afforded us as we outstrive the expectations placed upon us, and we will welcome any questions that you have before us.

[The statement of Mr. Miller of Florida follows:]

Veterans' Affairs
Jeff Miller, Chairman

House Administration Budget Hearing
1309 Longworth House Office Building
Wednesday, 30 NOV 2011
Topic: COMMITTEE BUDGET FOR 2011 AND 2012
Up to 5 Mins.

THANK YOU CHAIRMAN LUNGREN AND RANKING MEMBER BRADY FOR THE OPPORTUNITY TO APPEAR BEFORE YOUR COMMITTEE TO DISCUSS THE COMMITTEE ON VETERANS' AFFAIRS BUDGET FOR THE 112TH CONGRESS.

RANKING MEMBER BOB FILNER JOINS ME HERE TODAY.

AS YOU KNOW, THE COMMITTEE HAS OVERSIGHT OVER THE DEPARTMENT OF VETERANS AFFAIRS.

VA IS THE SECOND LARGEST FEDERAL AGENCY, EMPLOYING NEARLY 300,000 PEOPLE WITH A CURRENT BUDGET OF ROUGHLY $125 BILLION DOLLARS.

THE COMMITTEE HAS AN AGGRESSIVE PLAN OF ACTION AND HAS ALREADY ENGAGED IN OVERSIGHT IN SEVERAL OF THE MANY AREAS INCLUDED IN ITS OVERSIGHT PLAN.

THE VA COMMITTEE'S TOTAL BUDGET REQUEST FOR THE 112TH CONGRESS WAS A 5% DECREASE IN FUNDS FROM THE 111TH CONGRESS.

WE MANAGED TO FIND THOSE SAVINGS FROM DECREASING OUR SALARY AND EQUIPMENT BUDGET AT THE BEGINNING OF THE YEAR.

WE HAVE HAD TO MAKE SOME TOUGH DECISIONS ON STAFFING, EQUIPMENT, AND TRAVEL THIS YEAR BASED ON OUR CUTS.

WE WILL BE TURNING MONEY BACK IN DUE TO THE FACT THAT WE HAVE NOT FULLY STAFFED THE MAJORITY TO ALLOW US SOME FLEXIBILITY WITHIN THAT 5% DECREASE FOR ANY NEEDED PURCHASES AND COMMITTEE TRAVEL SINCE WE HAVE SUCH A CONSTRAINED TRAVEL BUDGET.

THE VAST MAJORITY OF THE COMMITTEE TRAVEL IN WHICH OUR MEMBERS ENGAGE IS FUNDED BY THE VA, THE VERY AGENCY OVER WHICH WE ARE CHARGED WITH OVERSIGHT.

THE COMMITTEE'S EQUIPMENT FUNDS WERE ONE-THIRD OF WHAT WAS REQUESTED IN THE 111TH CONGRESS, AND THEREFORE WE MADE ONLY MAJOR PURCHASES WHEN ABSOLUTELY NECESSARY.

BY THE END OF THE YEAR, WE HOPE TO REPLACE SOME OUTDATED EQUIPMENT AND A CONSTITUENT MANAGEMENT SYSTEM THAT HAS NOT BEEN UPDATED SINCE 2005.

WE HAVE ASKED FOR AND RECEIVED REQUESTS FROM THE MAJORITY AND MINORITY STAFF FOR NEEDED ITEMS AND WILL CONSIDER THEM FOR PURCHASE WITH OUR REMAINING BALANCE FROM 2011.

AN ADDITIONAL 6.4% CUT FROM OUR 2012 BUDGET WILL BE CHALLENGING BUT WE ARE ANTICIPATING AND PLANNING FOR IT BY DECREASING THE TOTAL SALARY ALLOTMENT NUMBER AND PROVIDING THE MINORITY WITH ONE-THIRD OF THAT SALARY BUDGET.

THIS IS A SMALL COMMITTEE CHARGED WITH AWESOME RESPONSIBILITY: OVERSIGHT OF THOSE WHO CARE AND PROVIDE SERVICES FOR OUR NATION'S WARRIORS AND THEIR FAMILIES.

MR. CHAIRMAN, YOU HAVE MY ASSURANCE THAT WE WILL ACCOUNT FOR, AND STRETCH EVERY DOLLAR AFFORDED US AS WE OUT-STRIDE THE EXPECTATIONS PLACED UPON US.

I AM HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

Mr. GINGREY. Mr. Chairman, is it appropriate to ask the chairman a question, or do you want to wait until after the ranking member testifies?

The CHAIRMAN. After the ranking member.

Mr. Filner.

STATEMENT OF THE HON. BOB FILNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, RANKING MEMBER, COMMITTEE ON VETERANS' AFFAIRS

Mr. FILNER. Thank you, Mr. Chairman, and as Chairman Miller said, we have had a great working relationship, and we are here to talk to you about the budget cuts.

And the concern I have, and it picks up for the end of the discussion I just heard with Homeland Security, that the impact upon the staff and on this institution both in the near term and the future, I think, is threatened by applying these cuts across the board. The cuts I think we can handle, as the chairman said, but I really think we should exempt the salaries from the proposed cuts. I am not sure that in these tough economic times the ordinary staff person should absorb those cuts, functioning with that is going to be very difficult.

That is, as—when we went from majority to minority, obviously we had to cut our staff in half, but we didn't just cut the staff in half, their salaries went down as was mandated basically by the cuts that we had and the way they were distributed. So we already cut the salary of our working staff members. And, that, as you heard from Homeland Security, the chair and ranking member—affects the ability to keep good people, that affects the institutional memory of the institution, that affects our ability for oversight as the chairman said was our prime responsibility.

That is, if we continue to have to cut back, reduce salaries, we are going to lose the very people that we need to do the function that this Congress is supposed to do, and that is oversight. We have a small committee, we have the second biggest bureaucracy to oversee, and it is hard to do that with the contemplated cuts in the staff salaries.

I don't think that we should make it in those areas. It becomes really a token demonstration of our seriousness to cut back, and we risk losing the most able staff among us, the loss of the ability, the institutional knowledge, and the effect of the quality of the laws we pass and the oversight that we can exercise.

So, Mr. Chairman, I agree with Chairman Miller that we can deal with these cuts. I would just not apply them across the board and exclude the salaries.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank both of you for testifying. I just want to say our staff does a great job of doing preparation for us, and they always have pictures of those who are to appear, and I must say that they gave us very youthful pictures of the two of you. They look very, very good.

Mr. FILNER. What is he talking about? What are you referring to, Mr. Chairman?

The CHAIRMAN. I think they are your official photos.

Anyway, thanks for the work that you are doing on the committee, and thank you for your members' work on the committee as well.

Have you had to—now, look, I know you went from majority to minority status, and we went from minority to majority status, but in terms of the 5 percent imposed cut for this year, have you had to lay off any members of your staff?

Mr. MILLER of Florida. We actually have not fully implemented the staff level that we are budgeted for. We actually held open numerous positions on the committee so that we would have flexibility at the end of this session, contemplating the additional cuts that probably would be coming forward.

So the answer on our side is we are not fully staffed. I would say that some areas that we are looking at bringing additional staff on is within our oversight and investigative committee, because we have really started what I think is an important requirement of this committee, and we have very aggressively been looking at VA in some areas that they have not been looked at in the past. And I think we have been derelict from a congressional standpoint in providing the oversight that has been necessary, and that is going back to when the Republicans held the majority the last time.

So in answer to your question, we are understaffed at this point, so it has not been an issue for us.

The CHAIRMAN. Mr. Filner.

Mr. FILNER. We did not have to lay off anybody, but we did significantly reduce our staff salaries.

The CHAIRMAN. Mr. Miller, you mentioned something, and I think you mentioned it to me before, and that is when you do your oversight, your travel is paid for by those you are overseeing?

Mr. MILLER of Florida. We only have a $50,000 travel budget for the committee, and so we have been very careful in expenditure of those funds, and I wanted to be extra careful in the first session because I just didn't know how far we would be able to expand. However, outside of that, most of the times when we travel to a Veterans Affairs whether it be hospital, cemetery, clinic, the VA actually picks up and provides for that. And my concern is——

The CHAIRMAN. Does that cause a difficulty?

Mr. MILLER of Florida. It has not caused us a problem yet, but I am still concerned that it may because they do get a heads up as to when the committee is coming in and what we are actually looking for.

But I would say this: Secretary Shinseki has been very helpful in the areas that we have worked on in this last year, and we have told each other that we want to continue to work with the ranking member in helping them fix some of the issues that are out there.

So, while I was very concerned last time we appeared before your committee, it has not come to fruition, but it very easily could.

The CHAIRMAN. Mr. Filner, how about you on that issue?

Mr. FILNER. When I was chair, by the way, and we had a significantly higher travel budget, we tried to free ourselves from that; that is, we did not want to get permission as it were to travel, and so we paid for it pretty much. And I think the cutback led to this more—they seem to be willing to step in, and we know why. But I think we have to be careful of that, because this is our prime re-

sponsibility as a committee is oversight. And yet if you cut us back so significantly that they have to pay for it, you have given up some of your independence in that oversight.

The CHAIRMAN. Thank you very much.

Mr. Brady.

Mr. BRADY. Thank you, Mr. Chairman.

Mr. Filner, you talked about your cuts to personnel. If the projected 6.4 cut comes to you on the minority side, would you have to lay people off?

Mr. FILNER. I don't think so—I don't think officially, but the cutback in salary may lead to movement and basically the effect of a layoff, because either people will not accept——

Mr. BRADY. I don't think you lessen the pain by laying somebody off unofficially. You said "officially." I don't think——

Mr. FILNER. Well, we may not have laid them off, but they will have looked for a better job and left.

Mr. BRADY. Okay.

Mr. FILNER. De facto as opposed to de jure. I don't know, I am not a lawyer.

The CHAIRMAN. The gentleman from Mississippi.

Mr. HARPER. Since I hold the seat that the late Sonny Montgomery held for 30 years, and knowing how important what you do is, I just want to say thanks for the great job you are doing, and we look forward to working with you.

The CHAIRMAN. Mr. Gingrey.

Mr. GINGREY. Mr. Chairman, thank you.

Chairman Miller, I want to go back to that point in regard to the travel budget, that you are underfunded, obviously badly, in your account in the department of which you and Ranking Member Filner so clearly said that you have the oversight responsibility, and yet you rely on them to travel. Are there any other committees that are in that situation? Is that unique to Veterans Administration?

Mr. MILLER of Florida. Armed Services, I would expect, is that way as well, although it is a little bit different.

However, I will say this: With the travel budget that we do have, we have been able to send our investigators and committee staff members and Members on certain occasions out without VA's knowledge, and I think that is an important part of what we do. And so I think we will have the ability to do more, but it is just—I understand why it is done, but it could be abused if not looked at very carefully. And the ranking member and myself have worked as closely as we possibly could to make sure that that does not become a major issue for our committee.

Mr. GINGREY. Well, I am reassured by what you said in regard to your working relationship with General Shinseki, and everything, at least in the first session, so far so good. But if we get into the second session of 112, and you take another 6.4 percent cut, then it may be very difficult. And we will be interested in hearing back from you next year.

Mr. MILLER of Florida. Certainly.

The CHAIRMAN. Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman, and thank you both for being here.

You know, having a district that has over 116,000 veterans, and I do veterans advisory board meetings on a monthly basis throughout the district in different counties, so I would certainly encourage you to keep your oversight up. My ears get blistered sometimes in reference to some of the issues that they see not with the quality of care, but the processing of their claims.

And so I think that is one area that I know where there has been some positive movement, but we need to move further, and I think we need to move faster. But I would like to see more oversight, and I am concerned about the VA having basically control over when and where you come and how you do that.

Mr. MILLER of Florida. Well, and as you might well imagine, when you go to a VA facility, whether we were in control or the Democrats were in control, they will let you see what they want you to see. If you drill through that and begin the possibility of talking with some of the employees off site, you will find a much different picture.

But we all want the same thing, and that is, as Mr. Harper said, to serve those individuals who have served and protected this Nation.

For the record, if the Florida maps hold as the Senate released, my district will then have 147,000 veterans.

Mr. FILNER. Let me make clear for the record I don't think the chairman was implying that they control what we do and where we go. Like the military, they find it in their interest to help pay for it. I mean, it makes it friendlier. But then that, of course, sets some of the stage.

So they have never, I am sure, Mr. Miller, said, you can't go here, or we are not going there, or because we won't pay for it. They have just stepped forward to help us like the military steps forward, but they make sure then they know when you are coming, and it is a little too friendly a relationship. But I don't think Mr. Miller would want to imply that they would ever tell us what to do or where to go.

Mr. MILLER of Florida. If my statement needs to be clarified, I will use a perfect example of the Miami VA Medical Center where there were significant problems with sterilization issues, with colonoscopy material a couple years ago. The director of that facility was removed temporarily, sent to the VISN, and then ultimately when they did their internal investigation, they brought that director back.

We continued to drill into and try to find out exactly what happened and some of the things that took place. While we were down at the facility sometime earlier this year, I began hearing rumors of other things that took place. And we had the director and brought her up here for a hearing and asked her questions in an open hearing. She was not able to answer those questions well at all. She is now being reassigned.

The only way that we were able to get the information that we needed was to go off site, because what I was saying in my comments was when you go to a facility, as does DOD many times, they provide you the picture they want you to see. Everything is rosy, everything is great. But then when you do have an opportunity to visit with individuals outside of that setting that the di-

rectors never would have allowed us to talk to had we been in that facility, and we wouldn't have known to ask to talk to them, we were able to find out some things that were pretty damaging and unfortunately put veterans in places that they did not need to be.

In fact, one was shot by a police officer shortly after walking out of the facility, having been Baker Acted and put into Jackson Memorial facility involuntarily, and then somehow when they got brought from Jackson to the VA, it appears there was a mix-up in the paperwork, and they claim that this person voluntarily admitted himself even though they had already said that they were going to commit suicide by cop. This veteran walked out the doors of the hospital and was actually killed by a police officer just a short time after walking out the door.

Mr. NUGENT. I yield back.

The CHAIRMAN. We thank the gentlemen very, very much. I hope if I went off site to talk to the two of you, I wouldn't find a different story than I had here from you. This spirit of cooperation that you have exhibited is refreshing, and I am glad that we are working together on behalf of our veterans. In tough budget times we are trying to make those decisions that are best under those circumstances, so I thank both of you.

Mr. MILLER of Florida. Thank you.

The CHAIRMAN. Thank you very much, Mr. Bachus, for being here. I understand the ranking member is not going to appear.

Mr. BACHUS. Yes, but he and I, I think, are in accord as to what I am going to say. He is aware——

The CHAIRMAN. Actually, it is kind of funny. I considered Barney a friend, and I saw what he said in his announcement that he no longer had to be nice to people he didn't want to be nice to anymore, and I hope that is not an indication of his failure to appear here.

But we welcome you representing the entire committee, and we would love to hear from you as to how well your committee is doing while operating under the 5 percent cut that was imposed this year and the prospective 6.4 percent cut for next year.

STATEMENT OF THE HON. SPENCER BACHUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA, CHAIRMAN, COMMITTEE ON FINANCIAL SERVICES

Mr. BACHUS. Thank you, Mr. Chairman, and members of the committee. I am pleased to appear before you today as chairman of the Financial Services Committee.

Our budget continues the policy of providing the minority a full one-third of both funding and staff slots allocated to the committee.

For the first session of the 112th Congress, our committee has managed the 5 percent budget reduction prudently, and it has not negatively affected our day-to-day operations. Recognizing that further cuts could occur, we did not fill all our vacant slots, thus avoiding the need to terminate any staff from our payroll or reduce salaries.

The budget cuts have not been without impact, however. The positions we have not filled are analytical and research positions, the absence of which has restricted our resources we can devote to fore-

casting financial, economic and regulatory developments and researching those that arise under our jurisdiction.

For the second session, of course, we have been advised to plan for a 6.4 percent reduction in the amount allocated to our committee. We will continue to be cautious in our spending and in our staffing, and although it will be tight, we anticipate we will be able to operate given the 6.4 percent additional reduction. We want to be team players, and I think we are asking the taxpayers, the American citizens, to sacrifice, and we want to be a part of that sacrifice.

That will restrict our ability to fill some vacant staff slots, and, as I said, it will reduce our analytical abilities, and that could prove to be penny wise and pound foolish. As we have seen many times, government policies sometimes can cause dire economic and financial consequences.

Our committee continues with a significant amount of work ahead, given the financial challenges, the economic challenges, and the events in Europe. They obviously are in a recession today. And with the interconnectivity of our global economy, that is going to be a challenge for all of us. We ask you to continue to provide us with the resources we need to do our job, particularly in an era where our oversight of financial markets is critical. But all in all, I am happy to report to you that we will live within the restrictions you impose.

[The statement of Mr. Bachus follows:]

Statement of Chairman Spencer Bachus

Committee on Financial Services

November 30, 2011

Mr. Chairman and Members of the Committee, I am pleased to appear before you today as the Chairman of the Committee on Financial Services.

Our budget continues the policy of providing the Minority a full one-third of both the funding and staff slots allocated to the Committee.

For the first session of the 112th Congress, 2011, our Committee has managed the 5% budget reduction prudently, and it has not negatively affected our day-to-day operations. Recognizing that further cuts could occur, we did not fill all of our vacant slots, thus avoiding the need to terminate any staff from our payroll or reduce salaries. Therefore, at this point, we will have remaining funds at the end of 2011. The budget cuts have not been without impact, however. The positions we have not filled are for analytic and support staff, the absence of which has restricted the resources we can devote to forecasting and anticipating issues that may arise in the Committee's jurisdiction.

For the second session of the 112th Congress, 2012, we have been advised to plan for an additional 6.4% reduction in the amount allocated to our committee for the year. We will

continue to be cautious in spending and staffing. It will be tight, but we anticipate that we would be able to operate given the 6.4% additional reduction. However, we would lack the ability to fill vacant staff slots, which again reduces our ability to look for problems in the future.

Our Committee continues with a significant amount of work ahead given our nation's economy and financial health. Therefore, I am asking you to continue to provide us with the resources we need to do our job, particularly in an era where our oversight of the economy is so critical.

The CHAIRMAN. We thank you very, very much for your work.

Does the committee anticipate what—let me put it this way. Some people would look at it and say, well, your committee spent a good deal of time passing what is known as Dodd-Frank, and this was a monumental task, and there are obviously different opinions as to its success. And some would say, well, therefore, that is in your back—in your rearview mirror; you won't have as much to do now. How would you respond to that?

Mr. BACHUS. Several different ways. We have only implemented 27 percent of the regulations. We still have at least 73 percent of the implementation. The bill may be about 3,000 pages long, but the regulations presently—and this is—we are 27, 28 percent through—they fill two bankers boxes. So we are dealing with really the largest financial services changes in regulation in the history of our country.

It is putting tremendous stress particularly on our community banks and our credit unions. It is affecting their financial health. And we are having to oversee a new agency with sweeping powers, the Consumer Financial Protection Bureau, integrating mergers of different regulators, instituting a Financial Stability Oversight Board.

We are beginning, as with the European crisis, which is—53 percent of our multinational corporations', American multinational corporations', profit is generated in Europe. The European banks are having trouble financing American companies' operations in Europe. So there is always—every day there is a new—there seems to be a new financial challenge.

The CHAIRMAN. One of the biggest complaints I have in my district, I deal with the difficulty of small business getting loans, and then when I talk to my community bankers, they say that some of this regulatory reform and implementation of regs that seemingly were done in reaction to what the, quote/unquote, "big banks" did has come down on them in such a way that they can't be reasonably flexible and prudent. And my response to them has been, among other things, that the Congress of the United States is conducting oversight on that, and that we are looking at these things, and that as the regulatory scheme goes forward, we have to ensure that the voices of our constituents, small business community and small bankers, that is community bankers, is heard.

For the record, your committee is one that is charged with that responsibility, correct?

Mr. BACHUS. That is right. That is correct. In fact, we have passed 15 legislative bills which address small business and job creation, and I am happy to report that those were done in a bipartisan manner.

The CHAIRMAN. We passed them in the House.

Mr. BACHUS. They have all passed. I think 14 of the 15 passed the House. We considered three more today.

The CHAIRMAN. What has the Senate done so far?

Mr. BACHUS. Nothing. The Senate has not done anything.

The CHAIRMAN. I want to make it clear that your committee is working on these requests for consideration by small businesses and community banks in our districts, and that you have brought forth legislation. The only reason they say "do-nothing Congress,"

and yet on a bipartisan basis your committee has considered a number of these things and passed out legislation——

Mr. BACHUS. And the Congress has picked them up in a bipartisan way, and most of them have passed with over 400 votes. So there is a consensus in the House that these are important measures. I am disappointed in the Senate. It is very good work product.

There are two ways that small businesses can finance their operations.

Mr. BACHUS. In fact, 70 something percent of your small businesses say that given additional capital, they would hire people today. In fact, if you look at the job numbers, 70, 80 percent of your new jobs are in small businesses.

And there are two ways for them to build capital or seek funds. One is lending, go to a bank and lend. And many small businesses, because they are new in many cases, they are sometimes risky enterprises and the regulators are urging the banks not to take risks. Well, most new businesses don't have a track record. So the way that they normally do is raise—have capital contributions, people that are willing to come in and participate as—you know, put capital in, and, if they lose their capital, if the company loses money, they lose their investment. But if the company is successful, their capital grows.

And we have passed at least six or seven measures which should enable small businesses to raise capital. But none of them have been taken up in the Senate.

The CHAIRMAN. I thank you.

Mr. BACHUS. In fact——

The CHAIRMAN. Sometimes we don't connect the budgets that you have and the staff that you have with the work that you do. And that is certainly vital at this present time.

Mr. BACHUS. And I will say this, I think one thing that we all feel great about America; America is a country of entrepreneurs. It is a country of risk takers, people who are willing to put their capital behind either their own efforts or the efforts of others and participate in the profits but share the risk. And there are restraints in peoples' abilities to become entrepreneurs and to invest in the ventures of other entrepreneurs. But as I said, we have, in a bipartisan nature—and many of the Democratic House freshmen have been the major sponsors on some of the bills.

The CHAIRMAN. Thank you.

So you did double duty here and you get out on time. Thank you very much, Mr. Bachus.

Mr. BACHUS. Thank you.

The CHAIRMAN. Thank you very much for being here.

Thank you for adjusting your schedules to be here at this time. Representing the Oversight and Government Reform Committees, the chairman of the committee, Mr. Issa; the ranking member, Mr. Cummings.

We would appreciate hearing from you as to how you are operating this year with a 5 percent cut that was imposed and also how you anticipate operating next year with the 6.4 percent cut that is projected as a result of the House resolution which was passed earlier this year.

Mr. Issa.

STATEMENT OF THE HON. DARRELL E. ISSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, CHAIRMAN, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

Mr. ISSA. I would ask unanimous consent that my entire opening statement, plus collateral material, be placed in the record.

The CHAIRMAN. Without objection.

Mr. ISSA. Thank you, Mr. Chairman.

Mr. Chairman, Ranking Member, these are great questions.

Ranking Member Cummings and myself have made the adjustments to live within our means, barely within our means. The fact is that both of us could oversubscribe this year and do more as a result. Clearly, I will finish out the year obligated greater than the funds available and will then make appropriate cuts in the future obligations and hope that next year, additional cost savings we can find will allow us to take care of those items that we will defer at the end of the year.

Every committee has an obligation to use the money wisely. I think our committee has done that. Every committee should look, though, at the Oversight Committee on a bipartisan basis, which has for multiple Congresses been moving toward greater transparency. Some of these investments include, we broadcast every hearing, field hearing or here, to the greatest extent possible in realtime. With rare exception, we stream, even from the field, hearings so that the public has full access. Every single one of our hearings, going back through multiple chairmen, are online today and available to the public. The investment in making sure we are not just open in discussion, but we are open in all access, is critical to our committee.

We require open government every day, no matter who is in the chair. We work together on a bipartisan basis to make sure that we open up government. A number of initiatives coming out of our committee are designed to invest money in open government. The DATA Act and other bills that are pending now before the Congress are designed to make government more accessible and ultimately, as a result, save money for the taxpayers. Sometimes you have to spend money to save money.

I will tell you that it is my opinion, both having been a ranking member and now a chairman and looking at the balance between the executive branch and our branch, that we couldn't be more wrongminded in what we are doing. Oversight under Speaker Pelosi and oversight under Speaker Boehner have been spoken of as extremely important. Committees of all jurisdiction have been instructed to do more oversight. And they have tried. Our committee has tried to do an even better job with even less money.

Having said that, let us just give a couple of comparisons that will be more fully laid out in my opening statement. There are 12,000 employees that work for or are the IGs of the executive branch. They spend over $2 billion, quote, maintaining an effort against waste, fraud and abuse.

We don't have within our committee's jurisdiction or funds, the majority and minority combined, enough resources to simply assign one person per IG to see what they are doing to see whether or not we can help or whether they are doing their job.

The comparison between the executive branch's resources and ours shows the difference in whether or not we maintain properly the balance of power.

Congress, both the House and the Senate, must do a great deal more if we are going to contain government. Two generations ago, Harry S. Truman asked for and received at the start of World War II, a special Senate Committee. That task force, the Truman Commission, rooted out waste in government procurement at the start of a war. His resources were roughly equal to what our combined committee resources equal today. The investment saved countless, hundreds of millions of dollars. Today that would be tens of billions of dollars.

We can save $80 billion if we do a better job of oversight. We can save a few million dollars if we cut budgets. So today I recognize that we will be operating on a 6.4 less next year, and we will do what we have to do. But I would say to this committee on behalf of our constitutional responsibility, that we need to do a great deal more, and we need to allocate the resources vastly greater than we are to oversight.

I recognize that there will be asked for cuts everywhere. I would only say here today that cutting across the board, as we did last year and as we are being asked to do again this year, makes the exact wrong message.

And, Chairman Lungren, you and I are often asked whether we will vote for a 2 percent or a 5 percent across-the-board cut. Sometimes perhaps we do, sometimes we don't. But we always say it is not the right way to make cuts. The right way to make cuts is to say, where should you cut, and where should you invest?

I would say that there are opportunities to cut both in the executive branch and in this branch. But there are requirements that as government grows, that our oversight, whether done by this committee or other committees of the Congress, be in fact beefed up, and I would hope that we would make that point here today.

And I lastly would say that many of the efficiencies that we are achieving have to do with leveraging electronic technology. And for the chairman and the ranking member, I want to thank you for the work you have done with the various committees to try to give us better resources in the House, which we leverage to try to do a better job.

And I know there is an initiative by the end of the year to try to duplicate what we have done doing in our committee so that all of the House's historic and current hearings be simulcast so the public has the full access so that our committee perhaps more uniquely stands with those groups in support of.

And I thank the gentlemen, and I yield back.

[The statement of Mr. Issa follows:]

Opening Statement
Chairman Darrell Issa (R-CA)
House Administration Committee Testimony

Chairman Lungren and Ranking Member Brady, thank you for the opportunity to testify today.

The federal bureaucracy has been asked to absorb and disseminate and unprecedented amount of new dollars following the approval of a $700 Billion Wall Street bailout, the $800 billion stimulus package and a trillion-dollar health care overhaul. This new spending has resulted in a massive expansion of government and has flooded the bureaucracy with trillions of new taxpayer dollars even though adequate oversight to protect the American people's money from waste, fraud and mismanagement is severely lacking.

The Oversight and Government Reform Committee exists so that it can focus on identifying ways to identify and address that waste, fraud and mismanagement. Our Committee is a unique body with a specific mandate to oversee not just one federal agency, but the entire federal government and workforce. Because of the enormity of our mission it is imperative that we have the resources needed to keep pace with this unprecedented growth in government spending.

Unfortunately, our resources have not kept pace with the growth of government, instead and when President Obama took office, then-House Speaker Nancy Pelosi flat-lined us.

Our Committee, led by then-Chairman Edolphus "Ed" Towns (D-NY) requested a 10.9 percent increase – it received a 3.43 percent increase.

Alternately, she increased funding for 19 other House Committee with many of them receiving more than they even requested. Others, such as Energy and Commerce, enjoyed a double-digit funding increase.

The following year, our Committee's budget was cut by 5 percent.

Now, we are expected to receive a 6.4 percent cut.

As the size and scope of the federal government has expanded dramatically, the Oversight and Government Reform Committee is continually being asked to do more with less.

Throughout this country, millions of Americans are struggling while the federal bureaucracy is over-run by waste, fraud, abuse and mismanagement. Quite frankly, there couldn't be a more important time for us to be better stewards of taxpayer dollars.

The fact is we have a constitutional obligation to be vigilant in our oversight. As our mission statement says: "Americans have a right to know that the money Washington takes from them is well spent. And second, Americans deserve an efficient, effective government that works for them. Our solemn responsibility is to hold government accountable to taxpayers..."

Despite having to absorb budget cuts, the Oversight and Government Reform Committee has held 116 full committee and subcommittee hearings during the 112th Congress examining a range of issues from identifying solutions to our nation's job creation crisis to contracting in Iraq and Afghanistan. We've highlighted areas of federal agency waste while fighting for additional transparency to better monitor how taxpayer dollars are spent.

We've worked with the GAO to identify government agencies and programs included on their "high risk" and "duplicative programs" lists and overseen efforts to reduce fraud at the IRS and Centers for Medicare and Medicaid.

We shined a light on the reckless gun-walking operation known as Fast and Furious. Pressing the Justice Department and Attorney General Holder for the full facts regarding this gun smuggling program that led to the death of our own Border Patrol agents.

With the federal government issuing more than $125 billion in improper payments in FY 2010 and the bureaucracy struggling to absorb the impacts of the $1 trillion new health care program can anyone credibly make the case that we need less, not more oversight?

The only way we can adequately fulfill our mandate for conducting aggressive and legitimate oversight is to have the resources needed to do it.

Conducting meaningful, real oversight, can lead to billions in savings for the government.

Still, other entities under the Executive and Legislative Branch are given far more resources.

Today, there are a total of 73 Inspectors General supported by 12,000 staff and with a budget of more than $2 billion.

The work of the Inspector General community has produced more than $44 billion in savings.

The General Accountability Office (GAO) has more than 3100 employees with a budget of $565 million. They've made more than 2,132 recommendations to improve government operations that could save taxpayers upwards of $45 billion.

It's clear that when we provide the resources needed for oversight, we get results.

The American people sent a loud and clear message last November delivering a new Congress with a new mandate to cut spending and conduct aggressive oversight over the federal bureaucracy.

We can fulfill that mandate by undoing what previous Congresses started and move resources away from spending and legislating and allocating it towards fulfillment of the American people's call for rigorous and credible oversight.

As I said then, I come from a manufacturing background and I believe that independent checking for failures, imperfections, and design flaws is essential to providing quality control to American consumers.

Conversely, this Committee is our way of providing the American taxpayers with quality control over their government.

Limiting our resources limits the Committee's ability to uncover the next Fast and Furious.

It hurts our ability to hold a federal bureaucracy making $125 billion in improper payments accountable.

It suffocates our ability to examine the impacts that regulations are having on our nation's ability to create jobs.

It prevents us from being able to examine the implementation of Obamacare or track how stimulus dollars are being spent.

Cutting the resources of this Committee is sending the message to the American people that we need less oversight of this Administration, not more.

I am hopeful, that with the testimony provided today, the House Administration Committee will work with us to ensure that we have the resources necessary to continue conducting meaningful oversight over the federal government so that we can all be better stewards of taxpayer dollars.

The CHAIRMAN. Thank you.

Mr. Cummings.

STATEMENT OF THE HON. ELIJAH CUMMINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND, RANKING MEMBER, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

Mr. CUMMINGS. Thank you and good afternoon.

I ask unanimous consent that my entire statement be made a part of the record.

The CHAIRMAN. Without objection, it shall be.

Mr. CUMMINGS. First of all, let me say to you that I associate myself with the words of Mr. Issa.

You know, our staff took a 5 percent cut, which meant that almost every employee on my staff took that cut. We have had a situation where, of course, now with the 6.4 percent cut, we are going to have to let people go. And the work is increasing.

Chairman Issa is absolutely right. Our—the job that we do is one of trying to bring about transparency as best we can and accountability. And we have on our side some major priorities and one of them being foreclosure. We have taken the money that we have, and we have used it effectively and efficiently, inquiring into foreclosure with regard to the banks, with regard to why this is happening and how we can solve it, addressing the head of the various agencies, including Mr. Geithner and others.

But I have got to tell you that to cut, cut, cut, I don't think is the way to go, because I believe now that when people will hear that Government Reform and Oversight—Oversight and Government Reform is even looking at them or thinking about them, they begin to tremble because they know that we are going to do a thorough job. They know that we are going to be fair, but they know that we are going to demand accountability.

So when you take away resources, I think all that does is weaken our position, and at some point, the chairman is right; the question is, are you cutting in one place but cutting money that could be used to make sure that you maintain that accountability?

I am proud of the job that we have been doing. And I have obviously said that we have to be very careful, not only with regard to government agencies but to ourselves, that we do not become mired in a culture of mediocrity, and that is exactly what can happen. If you continue to pull resources away, you don't have the personnel. The personnel that you do have is stretched to the limit. People then look at a situation where they say, wait a minute, not going to get a raise; I am working harder and harder. And they don't mind working hard. I know for a fact that people on the chairman's staff and my staff work very, very long hours, sometimes late into the night, because I get the emails.

And I just think that if we are going to try to accomplish the things that we want to accomplish, another 6.4 percent cut, I think it does much harm. And again, we will work within the bounds that you set for us. I mean, we have no choice. But the question becomes at what price?

And I just think that sometimes we have got to stop and think about what we are doing. I realize that everybody wants to have

cuts here and cuts there, but sometimes, to be frank with you, it doesn't make any sense. And in this instance, with a committee like ours, doing the things that we do, I think other committees kind of depend on us. I mean, when they see what we are doing, a lot of times they either use the information that we are able to obtain, or they find ways to piggy back on what we are trying to do.

So I would urge—and I would hope that this practice that we are going through is not one where we just sort of are sitting here and just talking. I am hoping that you are listening to us very carefully because I think if there is any committee that deserves to have the resources that are necessary to do its job is this committee.

And by the way, our responsibilities are only going to increase because again, we are demanding excellence from government. Just as we demand excellence from our ourselves, we demand excellence from government. And so with that, Mr. Chairman, I yield back and thank you very much.

[The statement of Mr. Cummings follows:]

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COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515–6143

MAJORITY (202) 225–5074
FACSIMILE (202) 225–3974
MINORITY (202) 225–5051

http://oversight.house.gov

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

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Statement of Representative Elijah E. Cummings

Ranking Member, Committee on Oversight and Government Reform
Before the Committee on House Administration

November 30, 2011

Chairman Lungren and Ranking Member Brady, thank you for the opportunity to testify today. Let me start by expressing my strong support for Chairman Issa's statements regarding the Oversight Committee and the funding we need to fully accomplish our goals on behalf of the American taxpayers.

We are different than other House committees in the extent to which our work in shining a light on waste, fraud, and abuse results in significant savings to the taxpayer without the need for legislation. As previous Chairmen and Ranking Members have testified on numerous occasions before your Committee, investing a dollar in prevention can often result in savings that are many times greater.

In addition, although our legislative jurisdiction is smaller than other committees, it includes key transparency initiatives that make government work better for the American people. So far this year, our Committee has passed bipartisan bills to improve the functioning of the Government Accountability Office, ensure that records are preserved electronically under the Presidential Records Act, and close loopholes in the Federal Advisory Committee Act. We are also dealing with legislation to address the financial challenges faced by the Postal Service, an issue that affects every single American.

On the question at issue today, we were forced to make some difficult choices last year when we faced the 5% cut. We had to let staff go, and we had to do more with less. As I said when I appeared before you earlier this year, we recognized that our nation was facing difficult circumstances, and we were willing to do our part to tighten our belts. However, facing an additional 6% cut next year will be very difficult, especially in the minority.

As Ranking Member, I have tried to use part of my resources to bring additional focus to issues I believe are not being addressed adequately. For example, economists have called the housing and foreclosure crisis "ground zero" for the nation's economy and jobs. But as Chairman Issa has heard me say many times, I do not believe our Committee has done enough to address it. And, for the record, I do not believe the Administration has done enough either.

As a result, I have used my position and resources to bring greater focus to this issue, with many positive results. For example, I hosted a forum on illegal foreclosures against U.S. servicemembers. I organized meetings with the head of the Federal Housing Finance Agency to help develop refinancing options. I pressed mortgage banks to turn over documents relating to inflated fees and improper foreclosures. And I have written dozens of letters to federal agencies urging them—and sometimes convincing them—to extend forbearance programs, investigate reports of abuse, and be more transparent about their actions.

Although I have not always been successful, I am certain that no other Member of Congress works harder than I do to protect the interests and rights of American homeowners. My concern with an additional 6% cut is that I will need to curtail at least some of this critical oversight work.

With that, I stand ready to answer your questions.

The CHAIRMAN. I thank both of you for your testimony.

You remind me of something that I heard from the Supreme Court Justice Scalia this summer when he was speaking to a group of college students, and he asked them what they thought made us the freest nation in the world, what protected our freedoms in the governmental sense? And he said it is not the First Amendment, not the Second Amendment, not the Fifth Amendment, not the Bill of Rights together. He said it is the construct of government that was established by our Founding Fathers.

And by way of illustration, he said, what is the British equivalent of our President? He said the prime minister. He said, what does the prime minister have to be? A sitting member of Parliament. He said they have no concept; they have it difficult to wrap their minds around our different branches of government that create a tension in our constitution for the purpose of protecting our freedoms from an overreaching government. He said we have a difference between the executive and the legislative branch, and that is why I have always been so strong on the concept of our responsibility, not just of legislation but oversight, of every committee, including your committee.

And when you see the size of the Federal establishment, primarily the executive branch, versus the size of the legislative branch and we are supposed to do oversight, we have to make sure that we have the resources that allow us to do that oversight. Because if we are talking about saving trillions of dollars, the savings are going to be in the executive side, not the legislative side. And in order for us to make the proper decisions, we need to have the ability to look across the horizon of the executive branch. So I understand what both of you are saying.

We are in very difficult times where we believe it was important for us to set the example. We did a 5 percent cut from our Members' individual staffs, committee staffs, leadership staff, followed up by the 6.4 percent. Reluctantly, the Senate joined us. At least the information I have is the Senate voted a 5 percent cut for the remainder of fiscal year 2011 in March, which resulted in a 1.3 percent cut. And now they have decided that leadership, committee and support staff on the Senate side will be cut 6.3 percent next year, but personal staffs by 3.2 percent.

So I think we are providing that leadership, but I do think you make a point. At what point do we say we have to have the resources to be able to really do the oversight that is necessary on a regular basis, no matter who is President, no matter what party happens to control the White House.

I think as much as I always talk about the trespass on the proper legislative role of the executive role by the judiciary, I am concerned about the trespass on our job by the executive branch by way of regulation, by way of ignoring what we say in terms of legislation.

So I thank you for the work you are doing. We have a difficult task. I mean, this is a very different set of hearings we are having this year and last year. Usually people come before us seeing how much they are going to get an increase, and frankly, they didn't pay a whole lot of attention when they came here because they expect the increase.

So we are on different times. Folks back home are hurting. I think they expect us to show an example, give an example. I think we are. But I think we also have to at some point in time say, how are we going to effectively do our role in curbing what I think is the excessive spending and the excessive power and reach of the Federal Government by way of the executive branch.

I know that is not a question; it is a statement. But I thank you for it.

Mr. Brady.

Mr. ISSA. Chairman Lungren, in answer to your statement, just for example, the GAO as an independent body under our auspices, shows in the last 5 years under these two administrations, $1.8 trillion in the high-risk loss to the government. This is either failure to get revenue or excess spending. It began at $1.31 billion in 2003. This year, the 2011, is at 551. At that rate of lost revenue and/or wasted money, we are looking at the savings that the supercommittee not only didn't get in 10 years; this could have gotten it to us in 5. But the rate of growth means that virtually half of our projected deficit is right here to be wiped out. But it is only wiped out by getting these high-risk groups to actually change.

And many of these, as the chairman and the ranking member know, many of these high-risk losses, including the IRS's failures, these, in fact, are on the list every year for 10 years. So it is clear the executive branch won't do it, and if we keep doing what we are doing, plus or minus 6.4 percent, we won't get it done either.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. Thank you, Mr. Chairman.

If this 6.4 percent comes to you and your committee, will you have to lay anybody off?

Mr. ISSA. Yes.

Mr. CUMMINGS. Oh, definitely.

Mr. ISSA. Both of us hire primarily a great deal of attorneys, and they are already paid far less than other attorneys, not just in this town but around the country.

Mr. BRADY. That is not making an impact on me, but go ahead.

Mr. ISSA. We are the investigative committee of the Congress, and I am not a lawyer. The ranking member is an experienced lawyer. But there comes a point at which we don't get the caliber. So having a few less but maintaining at least the minimum salaries so these people don't have to leave elsewhere will become necessary. Both the majority and the minority are currently under our maximum cap; something we never envisioned. We usually bump up against our cap. But that has been part of what we have done in anticipation of the 6.4 percent cut.

Mr. BRADY. Thank you.

Thank you, Mr. Chairman.

Mr. ISSA. If you want to say, darn it, we have changed our mind, we are going to give you the increase you need in order to do the oversight, we will take it from somewhere else, is there a motion on the floor?

The CHAIRMAN. Darrell, I have known you long enough that I knew I didn't need to have to say that. Thank you very much.

Mr. ISSA. Thank you.

[Recess.]

The CHAIRMAN. All right.

The committee will now welcome Vice Chairman Sessions and Ranking Member Slaughter of the Committee on Rules. We would ask you to give us an idea of how you have been operating this year with the 5 percent cut that was imposed by the resolution passed by the House and how you will operate with the expected 6.4 percent cut as a result of the House resolution passed by our Chamber earlier this year.

Mr. Sessions.

STATEMENT OF THE HON. PETE SESSIONS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, VICE CHAIRMAN, COMMITTEE ON RULES

Mr. SESSIONS. Mr. Chairman, thank you very much. And also certainly, Ranking Member Brady, I want to say thank you for allowing Louise Slaughter and I the opportunity on behalf of Representative David Dreier, who is still on an official business mission over in Egypt as an observer for the free elections in that country.

Today what I would like to do is represent Chairman Dreier and let you know that the Rules Committee is the tool by which this House of Representatives manages its legislative agenda and schedule. And it is a very small committee, a small staff, but I believe has a very important responsibility.

And as we work to meet that responsibility, we have been busy in the last 11 months. We have reported 76 rules that allowed 89 bills to come to the floor. We have also processed more than 900 amendments and 103 revisions. The end result is that floor debate, I believe and the chairman believes, is more open than it has ever been by either party for sure in the 15 years that I have been here, and it has, I believe, changed in a positive way the way that we do business. And the accessibility and the ability for the Rules Committee to continue this important mission is why we are here today.

We also serve the House as a whole and our award-winning Web site serves as a location where members and the public can go quickly to the latest text of bills and to amendments. And we are working closely with the Clerk and the Government Printing Office to streamline our document production and to reduce printing costs. We are doing this as a result of not just trying to stay more efficient but also because we need to do that. We need to do that because, as you have already alluded to, Mr. Chairman, a 5 percent reduction from 2010 levels has made us change the way we operate.

But we have been able to meet our obligations. We are staying lean, and we are leveraging our investments in technology to do more with less.

We understand that the committee is also considering, as the chairman also said, a 6.4 percent reduction for next year. And we estimate that we will be able to continue to meet our obligations under a reduced budget. Again, in order to do that, once again, we are going to use technology, and we are going to try and do more with less by streamlining our operations.

This year also represents the first year when the Rules Committee minority has controlled a full one-third of the budget. We are concerned, however, that next year's cut may disproportionately affect the minority simply because they have a smaller share of that budget.

Chairman Dreier has committed to Ranking Member Slaughter, who is here with us today, that he will continue to work with her on essential needs that she has in order to perform the duties that are necessary, not just to her party but also to the overall effectiveness of the Rules Committee.

Finally, we want to encourage the committee to exercise caution in future years because the role of the Rules Committee is unique, and we believe that further additional cuts, even though we are working within the context of what we have been given, would mean that it would affect us and our ability to effectively get our job done.

So with that said, I note you may want to go and allow Ranking Member Slaughter to give her words, but I will open myself up for any questions that you have on behalf of the committee.

[The statements of Mr. Sessions and Mr. Dreier follow:]

Talking Points for Pete Sessions, Vice-Chair
Committee on Rules
Before the Committee on House Administration

November 30, 2011

- Chairman Lungren, Ranking Member Brady, and Members of the Committee, thank you for the opportunity to testify today.

- I am appearing on behalf of Chairman Dreier who is returning today from Egypt, where he served as an observer of the first free elections in that country.

- As this Committee knows, the Rules Committee is the tool by which the Speaker manages the floor. It is a small committee, with a small staff, but it has a big responsibility.

- As we have worked to meet that responsibility, we have been busy. In the past 11 months, we have reported 76 rules that allowed 89 bills to come to the floor. We have also processed more than 900 amendments and 103 revisions.

- The end result is floor debate that is more open than it has been under recent majorities of either party.

- We are also serving the House as a whole. Our award-winning web site serves as the location where Members and the public go to find the latest text of bills and amendments. We are working closely with the Clerk and the Government Printing Office to streamline document production, and reduce printing costs.

- The Rules Committee's budget this year reflects a 5 percent reduction from 2010 levels. We have been able to meet our obligations by staying lean and leveraging our investments in technology to do more with less.

- We understand that the Committee is considering another 6.4 percent reduction for next year. We estimate that we will be able to continue to meet our obligations under that reduced budget. In order to do that, we will be forward-funding certain technology investments this year, rather than spreading them over the entire congress.

- This year also represents the first year when the Rules Committee's minority has controlled a full one-third of the budget. We are concerned, however, that next year's cut may disproportionately affect the minority, simply because they have a smaller share of the budget.

- Chairman Dreier has committed to our ranking member that he will work with her to ensure that their essential needs are met.

- Finally, we want to urge the Committee to exercise caution in future years. Because the role of the Rules Committee is unique, additional cuts could adversely affect the ability of the House to legislate more than they would with another committee.

- I am pleased to answer any questions the Committee may have.

DAVID DREIER, CALIFORNIA
CHAIRMAN

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DANIEL WEBSTER, FLORIDA

HUGH N. HALPERN, STAFF DIRECTOR
(202) 225-9191
www.rules.house.gov

Committee on Rules
U.S. House of Representatives
H-312 The Capitol
Washington, DC 20515-6269

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MILES M. LACKEY, MINORITY STAFF DIRECTOR

MINORITY OFFICE
H-152, THE CAPITOL
(202) 225-9091

November 30, 2011

Statement of the Honorable David Dreier, Chairman Committee on Rules Before the Committee on House Administration Regarding Committee Budgets for the 2d Session of the 112th Congress

Thank you Chairman Lungren and Ranking Member Brady for the opportunity to testify today on the status of the Committee on Rules' budget for this congress.

As I have testified previously, the Rules Committee has a unique role in this institution, simultaneously serving as both the Speaker's "traffic cop" and "first responder;" we facilitate the day-to-day operations of the House, but are always on call to respond when there is a critical need. As a result, we operate on much tighter deadlines than other committees and have no margin for error.

The Committee's Activity this Congress

So far this Congress, the Committee has reported 76 rules to the House that provided for consideration of 89 separate measures. Additionally, the Committee has reported 3 "original jurisdiction" measures that were also considered by a rule.

In terms of amendments, we have also been busy. To date, we have processed 918 amendments and an additional 103 revisions. This has translated to far more amendments in order on the Floor, with the 112th Congress outpacing the number of amendments offered in the last congress by nearly 2 to 1.

The Committee has also been fulfilling functions for the entire House. For instance, our web site, which recently was named one of the best websites in Congress by the Congressional Management Foundation, serves as the official repository for electronic versions of text for the House. We have been working closely with the Clerk to transfer the hosting of this function, but will still be working with the Majority Leader to update

and provide content for the site once the official repository comes online after the first of the year.

We are also working hard to assist in the transition to electronic documents and reduce printing costs for the House. For instance, we have leveraged our internal CORED software to produce our resolutions in the House-standard XML format, enabling GPO to print directly from our files rather than having to re-key the data into their typesetting system. We hope to have similar functionality for committee reports online after January first.

The Committee's Budget and its Impact on Operations

Like other committees, our budget for LY2011 reflects a 5 percent reduction from last-year's levels. I am happy to report that we have been able to continuing meeting the needs of the institution by reducing staff and continuing our investments in information technology.

Due in part to the time it takes to hire staff in a new congress after a change in Majorities, we were not fully staffed until the spring, easing the impact of this cut for this year. Understanding our fiscal situation, we have maintained our staffing level significantly below our overall staff ceiling, but are able to fulfill our mission. We are using that additional budgetary flexibility to aggressively pre-fund some of our IT investments this year.

This year also marks the first time that the Minority on the Rules Committee has controlled a full 1/3 of the budget. While I'm sure that Ms. Slaughter will more fully address their experience, I believe that both the Minority and Majority have been able to operate under this arrangement without any difficulties.

Looking forward to next year, we understand that most committees will face an additional 6.4 percent cut in committee funding. Because majorities of both parties have been consistently making investments to streamline the operations of the Rules Committee, I believe that we can absorb this additional cut without impacting the level of service that we provide the House.

I do have some concerns that this additional cut could impact the Minority more severely than us, just given the relative sizes of our budgets. I have committed to my Ranking Member that we will ensure that their essential needs are met, even within our lower overall budget.

Looking Forward

While I recognize our fiscal situation as keenly as anyone, I do want to caution the Committee about further cuts to the Rules Committee's budget beyond the nearly 11.5

percent this Congress. Our work is highly specialized, and, frankly, the conditions under which we perform are not always optimal. Our staffs frequently work extremely long hours and are always on call. It is not unusual to have personal or family obligations interrupted by a change in plans or last-minute crisis.

Nearly 80% of our budget is salary. The Rules Committee has the benefit of a number of veteran staff, working along side some very talented new team members. In order to retain staff with the ability to execute their mission as flawlessly as our work demands in the time frames set out by the Speaker, we need to be able to compensate them fairly.

At the moment, we are able to do that. However, if we continue to face significant cuts year after year, there will come a point where it will impact our operations. And when the Rules Committee's operations are curtailed, that is reflected in a bill that won't come to the floor or a problem to which we cannot respond.

Thank you for the opportunity to testify today, and I am happy to answer any questions the Committee may have.

The CHAIRMAN. Thank you very much, Mr. Sessions.

Ms. Slaughter.

STATEMENT OF THE HON. LOUISE SLAUGHTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, RANKING MEMBER, COMMITTEE ON RULES

Ms. SLAUGHTER. Thank you, Mr. Chairman, Ranking Member Brady, and our fellow Rules Committee person, Mr. Nugent.

I am glad to be here with you today regarding the budget request for the Committee on Rules. As I testified to the panel earlier this year, the Rules Committee has a long and great tradition, regardless of which party controls the House, of conducting its administrative functions in a collegial, nonpartisan way.

Although we often disagree about important policy issues, we have a deep respect for our committee and for each other, and we have always managed to ensure that it can fulfill its unique and essential role. The tradition of working in a bipartisan fashion on our budget and administrative activities continues today.

Chairman Dreier, as Mr. Sessions has said, has already said that we will be able to work together on problems that we may have in the minority. We are fully prepared to continue those efforts in the next session as we implement the additional cuts that will be approved by the House.

I would like to highlight one important concern that has been raised by Mr. Sessions, a concern which I share. Given the unique circumstances of our committee and the relatively small size of our budget compared to other House panels, an additional 6.4 percent reduction next year could have, as Mr. Sessions noted, a disproportionate impact on the minority. So, given this concern, I appreciate Chairman Dreier's commitment to work with us next year to make sure that the essential needs of the minority are met.

As ranking member, I look forward to working with Chairman Dreier and the other members on the committee to continue to make our committee transparent, fair and responsible.

Thank you very much.

[The statement of Ms. Slaughter follows:]

Rules Ranking Member Louise Slaughter Statement to House Administration Nov. 30 2011

Thank you Chairman Lungren, Ranking Member Brady and Members of the Committee. It is a pleasure to appear before you today regarding the budget request for the Committee on Rules.

As I testified to this panel earlier this year, the Rules Committee has had a long tradition -- regardless of which party controls the House -- of conducting its administrative functions in a collegial, non-partisan manner.

Although we often disagree about important policy issues, we both have a deep respect for our Committee, and we have always managed to ensure that it can fulfill its unique and essential role.

That tradition of working in a bipartisan fashion on our budget and administrative activities continues today.

I agree with Chairman Dreier that the Rules Committee has done its part during this Congress to reduce costs and tighten our belts – just like so many other Americans are doing in these difficult economic times.

And we are fully prepared to continue those efforts in the next session, as we implement the additional cuts that have been approved by the House.

I would like to highlight one important concern that our Chairman has raised in his remarks – a concern which I share.

Given the unique circumstances of our Committee, and the relatively small size of our budget compared to other House panels, an additional 6.4 percent reduction next year could have a disproportionate impact on the minority.

Given this concern, I appreciate Chairman Dreier's commitment to work with us next year to make sure the essential needs of the minority are met.

As Ranking Member, I look forward to working with Chairman Dreier to continue to make our committee transparent, fair and responsible.

The CHAIRMAN. I thank both of you for your testimony.

Just a question, are all proceedings before the Rules Committee now televised?

Ms. SLAUGHTER. Yes.

Mr. SESSIONS. Mr. Chairman, I believe that all of them are. I don't know that they are live necessarily, but I believe that all of the committee hearings would be made available.

Ms. SLAUGHTER. I think they are streamed in real-time.

The CHAIRMAN. Well, I just want to thank both of you on that.

I always wondered why the Rules Committee, as important a committee as it is, has the smallest hearing room in the entire House of Representatives.

Ms. SLAUGHTER. With the worst ventilation on the face of the Earth. When we have a long hearing——

The CHAIRMAN. At least you have got a heater. If you had been here earlier, you would have said you wish you were back in the Rules Committee. But we have managed to bring our temperature up to almost comfortable.

Ms. SLAUGHTER. We watch them drop off one by one.

The CHAIRMAN. I just want to say, I think it is important for the American people to be able to see what is happening with the Rules Committee because otherwise it is kind of like the mystery of the Supreme Court. It is almost too important for the public to see it, which is a bugaboo of mine. I think the court ought to allow people in.

I could never understand why we didn't make every effort to be as transparent as possible in the Rules Committee, where people could see what the Rules Committee does, which is very, very important in setting the rules of the terms of the debate up for the floor. And often, I think there is a great advanced debate on some of the issues that are going to be on the floor before the Rules Committee, and I think it is very highly educational for members to see it and the public to see it.

So I am very, very pleased that that is the case. I know that there are—I have noticed before the Rules Committee that occasionally the two of you have differences of opinion. But I am pleased to see that there is acknowledgement of the cooperative spirit with respect to the administration of the committee itself.

Ms. SLAUGHTER. Exactly. That has existed as long as I have been on the committee. And Pete would say the same thing.

The CHAIRMAN. And I know these cuts are tough. I happen to think we have an obligation to show the American people that we would lead. At some point in time, we have to make sure that we still have the capacity to do the job that we have to do as a coequal branch of government, particularly up against that large behemoth called the executive branch. That is why oversight is so important.

But we are going ahead with that. There are tough decisions that we are to make here on the committee. The expectation is about 6.4 percent for all committees. We will see what the final decision is. But I am happy that you at least are prepared to work within that.

Ms. SLAUGHTER. Indeed.

Mr. SESSIONS. Mr. Chairman, I believe that your points are well made, and I believe that what the gentlewoman has spoken about

is a level of consistency and professionalism. We believe we have now cut there. And we were very eager as a committee, all of us, Republicans and Democrats, to recognize that the House of Representatives must lead.

We now think we have done our peace dividend, and it has given us what we have got. But we have to make sure; for instance, we had a hearing problem; you could not hear effectively in the room, and we had to make some other changes that were necessary. But we will get our job done. But we have now tried to also say, well, we have accepted the 5 percent, the 6.4 percent. We think any further cuts would need to be reviewed as to what we could——

The CHAIRMAN. Let us make it clear, the 6.4 percent is on the reduced number. So it is actually, over 2 years, more than 10 percent. Probably closer to 12 percent. What if we could get the executive branch to accept a 12 percent cut over 2 years? It might balance the budget.

Ms. SLAUGHTER. To show how frugal the Rules Committee is, our chairs, the chairs on which we sit—and I really admire yours—were purchased in 1967. They have not been changed in all this time, although some of them are getting a little shabby. But I think we don't ever spend money up there frivolously.

The CHAIRMAN. I am glad to hear that you are using antiques so well over there.

Ms. SLAUGHTER. We did go through a flurry of looking at some chairs and we said, no never mind.

The CHAIRMAN. Mr. Chairman.

Mr. Ranking Member, former chairman.

Mr. BRADY. Thank you. Sometimes being comfortable has a disadvantage.

Ms. SLAUGHTER. Well I tell you being uncomfortable and not being able to breathe. I mean, we certainly do feel from time to time that we would like a little relief.

Mr. BRADY. Thank you.

I would like to ask the majority and the minority if these cuts become effective, would you lose any staff? Would you have to lay anybody off?

Mr. SESSIONS. We anticipate that as the change—when we find out what this will be, that we will balance that with the technology that needs to be gained and try to change the functions. At some point, there could be a push to have to do that, but at this time, we are not necessarily believing that that would occur.

Mr. BRADY. The minority also?

Ms. SLAUGHTER. We had the normal attrition going from 21 to 11 with the change in majority/minority. We hope not to have any more layoffs. What we do have, though, is a vacancy of one of our major positions that we hope to be able to fill. And we have worked with Mr. Dreier on being able to do that.

Mr. BRADY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. If you wouldn't continue to raid our Homeland Security Committee for Parliamentarians, maybe you wouldn't have to worry on your budget.

Mr. Nugent.

Mr. NUGENT. Well, as one of the junior members of the Rules Committee, I didn't realize the chairs——

Ms. SLAUGHTER. 1967.

Mr. NUGENT. My goodness.

Ms. SLAUGHTER. I have a child that age.

Mr. NUGENT. As many times as we meet, which is quite often, those are the lousiest chairs.

Ms. SLAUGHTER. I'm expecting we are going to have a collapse of one or two of them any day now.

Mr. NUGENT. I would think so. I want to thank both of you for appearing. It is a pleasure to serve with both of you on the Rules Committee.

I will say this, that there is a lot of mystique about the Rules Committee because it was not, I guess, televised in years past. I recommend that all Members come up in front of the Rules Committee at least once to see how the process works. It is a lively and open debate.

Ms. SLAUGHTER. Yes indeed.

Mr. NUGENT. One thing is there is no time limit on members to speak in front of the Rules Committee. So it certainly does keep things lively. Thank you very much.

Ms. SLAUGHTER. Thank you, Mr. Nugent.

The CHAIRMAN. So all of the aspiring Senators get to testify in front of the Rules Committee, is that it?

Mr. NUGENT. Basically they could filibuster that one.

The CHAIRMAN. All right. I want to thank both of you for appearing before us. We appreciate the work you are doing. And once again, I am very pleased to see that we have live streaming of the proceedings before the Rules Committee.

Mr. SESSIONS. Mr. Chairman, all we ask is that as you work through this process, if you will work with us to the best of your ability, we can then effectively plan our process. And we appreciate this committee and what they do, and respectfully would say to you that we believe that Mr. Nugent being on this committee is a plus for the Rules Committee because it brings the understanding of the importance——

The CHAIRMAN. That is true and your budget is all on him. Thank you very much.

Ms. SLAUGHTER. Thanks for your hospitality.

The CHAIRMAN. Gentlemen, thank you for appearing before us.

We now have the chairman and the ranking member of the Transportation and Infrastructure Committee. We would ask you to give us some idea about how the 5 percent cut affected your committee operations this first session, and you know, what efficiencies did you utilize? And we are facing a 6.4 percent cut for all committees as a result of the resolution passed by the House earlier this year, and we would love to hear from you on your ideas of how you are going to manage with that.

Mr. Mica.

STATEMENT OF THE HON. JOHN L. MICA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, CHAIRMAN, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. MICA. Thank you.

And let me try to summarize, and we will submit this whole statement to the record. But we have, as the Transportation and Infrastructure Committee, lived within our means. In fact, we intend to return to the Treasury a greater amount in 2011 than was returned in 2010.

Part of that was accomplished by not fully staffing up. We have had to not fill some positions. We have tried to do more with less, both as far as personnel and also with our public resources.

We have at the same time run a full operation. We have done probably close to an unprecedented series of public hearings during the past year on major legislation across the country, and we have allowed members on both sides of the aisle to travel. I don't think any request has been denied that conformed with the rules.

We have a full schedule ahead, but I think we can do it with—within the 6.4 percent and maybe even better than that. I know you are going to hear from my counterpart, the Democrat ranking member, they have had a rough time of it. And they did transition into the minority. And I recall from Mr. Rahall that I had to do the same thing some 4 or 5 years ago when I became the ranking member. We went from 58 or 59 positions to 29, and that was also right about the holiday time, which wasn't an easy task. But both sides, minority and majority, in difficult times, the public has had to cut back.

We have asked others to be more frugal and more productive and that is what we have hoped to achieve. I don't think it is going to impede with any of our agenda, and we do have a full agenda for the next year.

So, with that, I will also submit this longer testimony. But we appreciate your work and yield back.

[The statement of Mr. Mica follows:]

Statement of the Honorable John L. Mica
Chairman, Committee on Transportation and Infrastructure

Before the
Committee on House Administration
November 30, 2011

Mr. Chairman, Ranking Member Brady, and Members of the Committee, I appreciate the opportunity to appear before you today as you review the use of Committee funds for the 112th Congress.

When I appeared before you in March, I stated that the Committee on Transportation and Infrastructure was prepared to do more with less. Since then, we have pursued an ambitious legislative agenda – conducting a total of 70 hearings and mark-ups thus far this year -- while living within a budget that is five percent less than the previous Congress' budget. I am pleased to report that, not only have we lived within this reduced budget, we have remained under budget, and are on track to return to the Treasury a greater amount in 2011 than was returned in 2010.

We recognize the need for continued austerity in Fiscal Year 2012, and are prepared to adapt to the Committee's requirement of a further reduction of 6.4 percent from the Fiscal Year 2011 level.

My goal is to run as lean an operation as we can and still accomplish the Committee's agenda for the benefit of our country. This agenda is significant. It includes enactment of several major reauthorization bills, including the long-delayed reauthorization of the Federal Aviation Administration, which is unfortunately on its 22nd extension.

In addition, we must enact a multi-year reauthorization of surface transportation programs. The previous authorization for these programs, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), expired at the end of fiscal year 2009. Since that time, the highway, transit, highway safety, and motor carrier safety programs have been operating under a series of eight short-term extensions.

Earlier this year, the Committee on Transportation and Infrastructure conducted a series of Committee meetings and field hearings with State and local transportation officials and other stakeholders to help inform the Committee's development of the surface transportation reauthorization bill. I and many of my Committee colleagues traveled to 16 cities across the country to conduct a total of five field hearings and 11 listening sessions.

In these meetings, the Committee gained valuable insight into how to consolidate and improve the performance of programs, cut government red tape and streamline the project delivery process, and increase private sector investment in our infrastructure. These insights have been incorporated into the surface transportation reauthorization legislation currently being developed by the Committee.

The Committee has also worked to reauthorize the United States Coast Guard to ensure that it has the authorities and resources to fulfill its many important missions. H.R. 2838, the Coast Guard and Maritime Transportation Act of 2011, passed the House on November 15, 2011, and is currently awaiting action by the Senate.

The Committee is also examining other areas within its jurisdiction, including Amtrak reform, high-speed rail, and pipeline safety, to name a few.

The Committee is performing aggressive oversight of controversial regulations issued by the current Administration, particularly by the Environmental Protection Agency.

The Committee will also continue its vigorous oversight of the tens of billions of dollars distributed to states for transportation infrastructure investments under the American Recovery and Reinvestment Act of 2009.

To accomplish this agenda, the Committee must maintain its skilled and technically knowledgeable Committee staff. Most of our budget goes to fund this staff.

With regard to the allocation of resources between the Majority and Minority, we propose to continue the method used by the Committee in the past, with 90 percent of the budget being used for salaries, divided one-third to the Minority and two-thirds to the Majority. The remaining ten percent of the budget is proposed to be used for the Committee's non-salary expenses. Consistent with the Committee's traditional approach for budgeting non-salary expenses, there will not be a separate Minority budget for travel and equipment, but we will make every effort to meet their needs. I was

satisfied with this approach when we were in the Minority, and I am confident that the Minority will feel that we have treated them fairly.

Again, thank you for the opportunity to testify in support of the Committee's budget. I would be pleased to answer any questions.

The CHAIRMAN. Thank you very much, Mr. Chairman. Mr. Rahall.

STATEMENT OF THE HON. NICK J. RAHALL, II, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. RAHALL. Thank you, Chairman Lungren and Ranking Member Brady, for having us back for this mid-Congress review of our committee's budget. As a general matter, I have no complaints regarding the way in which the T&I Committee handles administrative functions. I control one-third of the budget for salaries, and office supplies and electronic equipment are dealt with on a non-partisan basis. At the beginning of the year, I was able to fill 27 of the 29 staff slots allotted to me with available funds for salaries.

When the 5 percent committee funding reduction came down earlier this year, my senior staff took an across-the-board reduction in their salaries. As you contemplate an additional 6.4 percent cut for next year, I believe that the only way we will avoid any further salary cuts is through attrition.

I want this committee to know that I am fully aware of the problems this Nation faces in terms of fighting high unemployment rates and the overall economy. We all are quite aware of those facts. But if we continue to follow the path of consistently reducing House committee budgets, this place, I fear, Mr. Chairman and Ranking Member, will be staffed only by 20-somethings because we will not be able to retain professional staff.

Nothing against 20-year-olds, just I feel very strongly that the knowledge, the institutional memory, the background and the history of this institution afforded by those with experience to advise us on conflicts, legislative issues is vital to our functioning as effective Representatives of the people. And that, I would submit, if we were to allow only the younger—without this type of knowledge, we would not be best serving the American people.

In the case of the T&I Committee, we would not have the type of staff who knows the difference between contract authority under the Highway Trust Fund versus the General Fund authority, and who know when we talk about slots at Reagan National Airport, we are not talking about expanding gambling.

So I think it is important that we have that type of knowledge. And you know who would be grinning from ear to ear if we are not able to retain the experienced staff to which I reference, it would be K Street, because the lobbyists will be writing the bills, sending them up here for us to automatically introduce, and I hardly think that is in the best interest of the American public.

Thank you, Mr. Chairman.

[The statement of Mr. Rahall follows:]

REMARKS OF U.S. REP. NICK J. RAHALL, II
Ranking Member – Transportation & Infrastructure Committee
before the Committee on House Administration
November 30, 2011

Chairman Lungren and Ranking Member Brady, thank you for having us back for a mid-Congress review of our committee budget.

As a general matter, I have no complaints regarding the way in which the T&I Committee handles administrative functions. I control one-third of the budget for salaries, and office supplies and electronic equipment are dealt with on a non-partisan basis.

At the beginning of this year, I was able to fill 27 of the 29 staff slots allotted to me with available funds for salaries.

When the 5% committee funding reduction came down earlier this year, my senior staff took an across-the-board reduction in their salaries. As you contemplate an additional 6.4% cut for next year, I believe that the only way we will avoid further salary cuts in through attrition.

I want this committee to know that I am fully aware of the problems this Nation faces in terms of fighting high unemployment rates and the overall economy.

But if we continue to follow the path of constantly reducing House committee budgets this place will soon be staffed only by 20-somethings because we will not be able to retain professional staff with the knowledge, background and history to advise us on complex legislative issues. And that, I would submit, would ill-serve the American people.

In the case of the T&I Committee, we will not have the type of staff who knows the difference between contract authority under the Highway Trust Fund, and general fund authority. Who know that when we talk about slots at Reagan National Airport, we are not talking about expanded gambling.

And do you know who will be grinning ear-to-ear if we are not able to retain experienced staff? K Street. Because the lobbyists will be writing the bills. I hardly think that is in the interest of the American public.

Thank you.

The CHAIRMAN. I thank you much, Mr. Rahall.

I heard a rumor that you were a 20-something once; is that right?

Mr. RAHALL. I guess I was.

The CHAIRMAN. Thank you for your testimony.

Could you outline for me, Mr. Mica and Mr. Rahall, what the oversight responsibilities are within the jurisdiction of your committee?

Mr. MICA. Well, they are significant. We do have—we have an investigative staff on the majority side. And we, of course, cover all modes. We have also taken on some responsibility for oversight in the areas for which we have had previous authorization authority, but we continue oversight. For example, TSA, we just finished a 4-month pretty comprehensive review of their activities. So, both within all of the modes, highway, surface, rail, aviation, we try, both within our subcommittees and then we have separate investigative personnel to assist us with oversight and investigations.

The CHAIRMAN. Is that done on a bipartisan basis, the minority——

Mr. MICA. They are welcome to participate. We have operated—I think they do some, and we do some. And we always open any of our reports to their comments for minority report.

The CHAIRMAN. Mr. Rahall, do you have anything to say about oversight?

Mr. RAHALL. I think the chairman has adequately described our oversight. He did mention public buildings also. That is a very important part.

Mr. MICA. And we have done a—I think we have done a pretty good job, too. We should have a bipartisan bill coming up pretty soon to dispose of some of the property in a more orderly fashion. But we have published a report, when we were in the minority, we did a report entitled "The Federal Government Must Stop Sitting on Its Assets." And that has become sort of the blueprint for what we want to do, take buildings that have been vacant for sometime. The first hearing we did, an oversight hearing on the subcommittee we held down in a building half occupied, the old post office, next door, totally unoccupied, 60,000 square feet, two blocks from the U.S. Capitol. It happened to be in February; we did it in a building with no heat, which got a little bit of attention from GSA, and a little bit of movement working with Ms. Norton and Mr. Rahall and a great young leader, Mr. Denham.

In fact, now I am seeing that the proposals have come in. And instead of spending—costing us those buildings $10 million a year, that we will have that much in revenue. They are planning hotels, other improvements, and will employ about 1,000 people in the District of Columbia. So we can turn lemons into lemon aid, and our committee is working hard on oversight to do that.

The CHAIRMAN. We have a very difficult situation here in the Congress in which we have decided that we as a Congress do not involve ourselves in earmarks, and yet at the same point in time, there has been a historic record with respect to the Federal Government under the constitutional waters of the U.S., et cetera being involved in water projects, participating with local and State governments. Is it your committee that would be given the respon-

sibility of trying to thread that needle between what is earmarks——

Mr. MICA. Did you say water projects?

Mr. RAHALL. Yes, Corps of Engineers.

The CHAIRMAN. And water projects which have always been something from the beginning of the Republic, as I understand it, there has been a Federal nexus to that.

Mr. MICA. About some 11 months ago, I inherited a laundry list of to-do items that were left over, including a 4-year delayed FAA bill, including a more than year delayed transportation bill, now 2 years delayed, the reauthorization for Coast Guard pipelines and other things that needed to be done, and we have—we have moved forward. My hope is to get that FAA bill by working with Mr. Rahall hopefully by Christmas. And we got word today that we will have a little bit more time in January for the major transportation bill. We would like to get it out, but we have a jammed schedule, as you know.

But to answer your question, I would like to turn, with Mr. Rahall's consent, to a water resources reauthorization bill, and maybe we can't do earmarks as they used to do, but hopefully, we can prioritize projects, and I think Members of Congress deserve to be heard and also to help influence what gets done on what priority basis.

Mr. RAHALL. In addition, though, Mr. Chairman, I think our Army Corps of Engineers needs some direction on these projects. These are dams and other infrastructure projects across our country, many of which are in dire need of repair. And if they don't receive that repair and, God forbid, a disaster occurs, it is going to cost our government many times over in disaster recovery efforts, FEMA efforts, displaced housing and other untold expenses that will naturally occur if a disaster of that type would occur.

So the Corps of Engineers responsible, of course, for doing these projects needs that type of direction or authority from the Congress.

Earmarks in general, you know, when we were in the majority under then Chairman Oberstar, we had an extensive scrutinizing of every Member's request for a project. We had an extensive survey that went out to those Members. The responses to those questions scrubbed every aspect of an earmark or project request, local support, nobody would benefit personally, et cetera, et cetera, et cetera. And of all of the hundreds of projects we did, there was little if any—I cannot recall any pushback that we had from any outside group that scrutinizes our requests, our projects because every project was found to be worthy of the Member requesting it. So, you know, there is a process here that if we are open and transparent with the people, that I think is proper in whatever process you want to call it.

The CHAIRMAN. Do you two believe that you have sufficient staff to be able to work on that project this coming year?

Mr. MICA. I do.

The CHAIRMAN. That is—I am trying to find a solution to what we do in terms of water projects. You have a President who said he won't sign a bill with earmarks. So we voted that we won't have

any earmarks. The Senate has voted they won't have any earmarks with respect to certain things. Well, I guess the Senate hasn't.

But somehow we have to confront that question, what do we do with water projects? And it is going to be a real heavy lift. And I just want to know whether you think you have got sufficient staff that you can work on that next year.

Mr. MICA. On the majority side, we have great staff, fully staffed Subcommittee on Water Resources, experienced personnel, and I think the staffs have worked very well together. But we are going to try to do that bill. A lot depends on what our leadership agrees to. We can't bring any bill to the floor, Mr. Rahall and I. And I would like, if I had my druthers, by Friday, we would finalize our transportation bill, and then we would introduce it on Monday together and mark it up next week and have it on the floor. But we do not have that ability.

The CHAIRMAN. Okay.

Mr. RAHALL. Yes, to answer your question.

The CHAIRMAN. Okay.

Mr. Brady.

Mr. Nugent.

Thank you both. We appreciate it.

Now the Armed Services Committee.

Mr. RAHALL. Where do we get the check?

The CHAIRMAN. It is in the mail.

Welcome. It is good to have you here. Armed Services Committee Chairman McKeon, Ranking Member Smith. We appreciate you being here. We would ask that you give us an idea of how you were able to operate this year after we had the 5 percent cut that we imposed and the expected 6.4 percent cut for the upcoming year and the kinds of efficiencies that you were able to implement and those that you look at for the coming year.

STATEMENT OF THE HON. HOWARD P. "BUCK" MCKEON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

Mr. MCKEON. Thank you, Mr. Chairman, Mr. Brady, distinguished members of the committee. Thank you for the opportunity to testify on behalf of the Armed Services Committee's funding requirements.

I am also grateful to have my good friend, Ranking Member Adam Smith, here today also.

Our committee has one of the widest, most critical mandates in Congress. We conduct oversight of a military that is engaged in combat operations in Afghanistan, the Horn of Africa and Yemen, sustaining a drawdown from Iraq, successfully concluding operations over Libya and are engaged in a wide variety of training and assistance missions in support of our allies globally.

We further oversee a Defense Department that is undergoing one of the most revolutionary periods in its history, both from a strategic and a budgetary perspective.

The tasks we ask our military to accomplish have greatly expanded since the end of the Cold War. Annually and without fail, we produce a National Defense Authorization Act, which fulfill's

Congress' constitutional obligation to provide for the common defense.

We further conduct a steady series of hearings that, under the direct—under the joint direction of Ranking Member Smith and myself, have included rigorous oversight to improve efficiencies, spending and acquisition programs in the Defense Department without compromising our national security.

We also must ensure that our men and women in harm's way are properly equipped, supplied, trained and led. Our staff provides—prides itself on doing more with less. This committee provides the American people with an admiral bang for their buck, especially given our low number of staff relative to the immense number of defense dollars we are charged with watching.

We rank 12th in overall funding and second to last in member-to-staff ratio, with 1.15 staffers for every member. It is important to note here that we are the largest committee in the House with 62 members. We are proud of our long history operating in a fiscally conscious manner. That history includes time-tested operating practices that eschew excess and focus on providing legislation that is on time, on budget, without fail.

It is worth noting that in addition to the broad Defense Department portfolio, we also provide significant oversight and resourcing to the Department of Energy. With that in mind, it is my opinion that the Armed Services Committee stands above our fellow committees in both cost effectiveness and productivity.

Though we have long been a model for fiscal efficiency, we understand that we live in tough economic times. And everyone must sacrifice in order to right our financial ship. However, after absorbing a tough 6.8 percent cut from 2010 to 2011, I must strongly caution against any further decrease beyond 1 percent from our 2012 budget. It is important to note that approximately 98 percent of our budget goes to payroll. We currently have 69 staff members, but should the committee receive a 6.4 percent cut, the only way to achieve budget compliance would to be reduce our workforce, which as I noted already has the second lowest member-to-staff ratio in the House.

We did not provide COLA allowances in 2011 and currently do not have resources to offer COLA or nominal end-of-year bonuses in year 2012. These staffing shortages were the reason I requested that our committee be reduced in member numbers last year. I was, unfortunately, unsuccessful in this appeal.

It should be noted that the committee absorbed this year's reduction by delaying the equipment and supply purchases and slowly backfilling six staff vacancies created from the new Congress reaching 69 staff in August. The committee intends to utilize any nominal remaining funds for necessary equipment, Web hosting and database upgrades and supplies in anticipation of next year's budget reduction.

To date, the committee still hopes and expects to return $50,000 of this year's funds. A 1 percent cut coupled with the over $540,000 decrease we absorbed last year would still significantly impact the effectiveness of our personnel and the committee's mission but would allow us to perform the basic functions of the committee.

Within that cut, we would operate at absolute bare bones for technology, equipment and incentives but would be able to sustain our most critical resource, our staff levels.

Additionally, committees have been directed to reinstitute reimbursement of Government Printing Office detailees. This was neither expected nor budgeted for at the beginning of this Congress. Due to the volume of hearings, the committee holds, over 113 this year, we have come to rely on our two GPO printers. However, coming in at a cost of approximately $225,000, it cuts into personnel funding, funding needed to sustain our current staffing level.

As you know, attracting seasoned professionals, many of them military veterans, to staff our ranks is one of our top priorities. These staffers are our physical warriors, working to ensure through their oversight the defense programs are brought in on time and on budget. Forcing us to shed key talent from our ranks represents a penny-wise/pound-foolish strategy, as we would lose the ability to properly monitor certain areas of Pentagon spending, some of which account for billions in taxpayer dollars.

Further cuts would stretch the remaining staff, already overworked by a wartime portfolio, and harm their ability to do their jobs. This committee has always stood ready to do its part and pay its fair share.

But Mr. Chairman, you simply cannot scrutinize an agency like the Defense Department on a skeleton crew. I frequently note that the charge of our committee is specifically enumerated in the U.S. Constitution. The Armed Services Committee has faithfully executed that charge through good times and bad, and we pride ourselves in accomplishing this on a fully bipartisan and cost-efficient basis.

Thank you for your time, Mr. Chairman. And I am happy to answer your questions once Ranking Member Smith completes his opening statement.

[The statement of Mr. McKeon follows:]

STATEMENT OF THE HONORABLE HOWARD P. "BUCK" McKEON
CHAIRMAN, COMMITTEE ON ARMED SERVICES
BEFORE THE COMMITTEE ON HOUSE ADMINISTRATION

November 30, 2011

Mr. Chairman, Mr. Brady, distinguished members of the committee, thank you for the opportunity to testify on the Armed Services Committee's funding requirements. I'm also grateful to have Adam Smith, our Ranking Member, with me today.

Our committee has one of the widest and most critical mandates in Congress. We conduct oversight of a military that is engaged in combat operations in Afghanistan, the Horn of Africa, and Yemen, sustaining a drawdown from Iraq, successfully concluding operations over Libya, and are engaged in a wide variety of training and assistance missions in support of our allies globally. We further oversee a Defense Department that is undergoing one of the most revolutionary periods in its history, both from a strategic and a budgetary perspective. The tasks we ask our military to accomplish have greatly expanded since the end of the Cold War.

Annually and without fail, we produce a National Defense Authorization Act, which fulfills Congress' Constitutional obligation to provide for the common defense. We further conduct a steady series of hearings that, under the joint direction of Ranking Member Smith and I, have included rigorous oversight to improve efficiency spending and acquisition programs in the Defense Department without compromising our national security. We also must ensure that our men and women in harm's way are properly equipped, supplied, and led.

Our staff prides itself on doing more with less. This committee provides the American people with an admirable 'bang for their buck,' especially given our low number of staff relative to the immense number of defense dollars we are charged with watching. We rank 12th in overall funding and second to last in member-to-staff ratio, with 1.15 staffers for every 1 member. It is important to note here that we are the largest committee in the House with 62 members.

We are proud of our long history operating in a fiscally conscious manner. That history includes time-tested operating practices that eschew excess and focus on providing legislation that is on time, on budget, without fail. It is worth noting that

in addition to the broad Defense Department portfolio, we also provide significant oversight and resourcing to the Department of Energy.

With that in mind, it is my opinion that the Armed Services Committee stands above our fellow committees in both cost-effectiveness and productivity.

Though we have long been a model for fiscal efficiency, we understand that we live in tough economic times, and everyone must sacrifice in order to right our financial ship. However, after absorbing a tough 6.8% cut from 2010 to 2011, I must strongly caution against any further decrease beyond 1% from our 2012 budget.

It's important to note that approximately 98% of our budget goes to payroll. We currently have 69 staff members, but should the committee receive a 6.4% cut, the only way to achieve budget compliance would be to reduce our workforce, which – as I noted- already has the second lowest member to staff ratio in the House. We did not provide COLA allowances in 2011 and currently do not have resources to offer COLA or nominal end-of-year bonuses in 2012.

These staffing shortages were the reason I requested that our committee be reduced in member numbers last year. I was, unfortunately, unsuccessful in this appeal.

It should be noted that the committee absorbed this year's reduction by delaying equipment and supply purchases and slowly backfilling 6 staff vacancies created from the new congress, reaching 69 staff in August. The committee intends to utilize any nominal remaining funds for necessary equipment, webhosting and database upgrades, and supplies in anticipation of next year's budget reduction. To date, the committee still hopes and expects to return $50 thousand dollars of this year's funds.

A 1% cut, coupled with the over $540 thousand dollars decrease we absorbed last year, would still significantly impact the effectiveness of our personnel and the committee's mission, but would allow us to perform the basic functions of the committee. Within that cut, we would operate at absolute bare bones for technology, equipment, and incentives – but would be able to sustain our most critical resource, our staff levels.

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Printers. However, coming at a cost of approximately $225 thousand dollars, it cuts into personnel funding. Funding needed to sustain our current staffing level.

As you know, attracting seasoned professionals, many of them veterans, to staff our ranks is one of our top priorities. These staffers are our fiscal warriors, working to ensure –through their oversight – that Defense programs are brought in on time and on budget. Forcing us to shed key talent from our ranks represents a "penny wise, pound foolish" strategy – as we would lose the ability to properly monitor certain areas of Pentagon spending, some of which account for billions in taxpayer dollars.

Further cuts would stretch the remaining staff, already overworked by a wartime portfolio, and harm their ability to do their jobs. This committee has always stood ready to do its part and pay its fair share. But, Mr. Chairman, you simply cannot scrutinize an agency like the Defense Department on a skeleton crew.

I frequently note that the charge of our committee is specifically enumerated in the US Constitution. The Armed Services Committee has faithfully executed that charge, through good times and bad, and we pride ourselves in accomplishing this on a fully bipartisan and cost-efficient basis.

Thank you for your time Mr. Chairman. I'm happy to answer your questions once Ranking Member Smith completes his opening statement.

The CHAIRMAN. Thank you very much.

Mr. Smith.

STATEMENT OF THE HON. ADAM SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SMITH of Washington. Thank you, Mr. Chairman. I have a full statement I will submit to the record, but I will summarize.

I agree with all of the chairman's statements and just want to start by answering your question about how we found the efficiencies. I think the chairman has done a pretty adequate job of that. We reduced our overall staff level. As has been mentioned, relative to the size of our committee in terms of members and also relative to the size of the budget that we oversee, we already have one of the smallest committee staffs in Congress.

So we found those efficiencies where we could, and I believe we are on a very lean, mean operation already. Further cuts would require reductions in staff, which would make that more difficult, and I agree with the chairman's assessment that that should be avoided, and I do think we should look at, committee by committee, the circumstances and where they are at, and not simply take a broad brush and say, we are going to cut everything across the board. It does differ in terms of responsibilities that different committees have.

I believe we have a fairly large responsibility and more importantly I think we have already put in place efficiencies that have got us to a more efficient use of our staffing. The numbers reflect that. So I think a simple across-the-board cut approach at that point would be unfair to those of us like our committee who tried to find those savings up front in the first place to run a more efficient operation.

And the Department of Defense in general, given the size of the budget and the responsibilities, our responsibility for oversight and to implement the defense authorizing bill which allocates those funds is enormous in the best of times. But we are still at war in Afghanistan. That requires a substantial amount of oversight. We are facing the specter of sequestration, given the inability of the supercommittee to find necessary cuts. Trying to plan for those significant changes is a huge, huge responsibility for the staff and for the members of the committee.

To force further reductions in our staffing would, quite frankly, undermine our ability as committee members to exercise appropriate oversight over how the Department of Defense spends its money and, as importantly, what strategic choices they make in making sure that our national security is protected. That is one of the paramount duties of the legislative branch, is to exercise that oversight and provide for our national security. And our staff is absolutely critical to us successfully accomplishing that task.

And I hope the committee will keep all of that in mind as they try to figure out what to do in this admittedly very, very difficult budget environment.

And with that, along with the chairman, I am happy to answer your questions.

[The statement of Mr. Smith of Washington follows:]

STATEMENT OF THE HONORABLE ADAM SMITH
RANKING MEMBER, COMMITTEE ON ARMED SERVICES
BEFORE THE
COMMITTEE ON HOUSE ADMINISTRATION

November 30, 2011

Mr. Chairman, Mr. Brady, and the distinguished members of the committee, thank you for allowing me the opportunity to testify here today with my Chairman and friend, Buck McKeon, on continuing funding needs of the Committee on Armed Services.

We appear before you now at a time when the country is faced with difficult fiscal challenges. As you are all well aware, the recent failure of the joint select committee on the deficit to produce savings has imposed sequestration on the DOD which will be very difficult to execute. This drastic cut comes after the DOD had already taken $489 billion in cuts from the Budget Control Act and while we continue to have troops deployed to the fight in Afghanistan. Our military's challenges have not diminished, but the outlook for future funding is grim. Given these challenges I believe it is imperative that the Armed Services committee continue its oversight of the DOD to ensure that our nation's defense is assured both physically and fiscally.

The committee maintains a bipartisan staff with fifteen of the total seventy-one slots allocated to the minority. When we last appeared before you in March, the committee had submitted a budget for the 112th Congress that reflected a five percent reduction from the 111th budget. This cut of nearly 800,000 dollars has been manifest in reduced staffing for both the majority and minority below the authorized level. My current staff of fourteen includes one administrative professional and one part-time

staffer I share with my personal office. The remaining twelve professional staff are required to oversee the complex 642 billion dollar defense budget and support the members on the committee.

I understand that there is a proposed 6.4% reduction in funding for 2012 above the reductions already applied to the 112th committee budget. This 482,000 dollar decrease will be difficult to absorb and I fear it will force yet another reduction in committee staff. Any further reduction to the current minority staffing would make it much more difficult to prepare the annual National Defense Authorization act and to conduct oversight of DOD programs. I understand and strongly support the need for fiscal responsibility but I believe that reducing committee staff will impair the Congress' ability to conduct oversight and will most certainly cost money in the long run. Clearly, we must find efficiencies and I am committed to working with the Chairman to find savings in the committee operating budget. But we must be careful to not blindly cut operations to the point where the committee fails to accomplish its mission of providing effective oversight for the Congress.

I am proud to serve on the Armed Services committee with my friend the Chairman as we execute our duty to provide for our men and women in uniform and for the defense of the nation. We are both committed to ensuring responsible defense spending that secures our nation. I hope your committee will carefully weigh any committee budget recommendations before you and support us as we continue that vital mission.

Thank You, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Let me ask you this. Some would say that the failure of the Congress to reach agreement with the special select committee or supercommittee, whatever we call it, requires sequestration in the military and that, therefore, your responsibilities would be less rather than more because these are across-the-board cuts in the Defense Department, as opposed to you carefully going through and finding out where cuts should be made versus where they should not be made. How would you respond to that, both of you?

Mr. SMITH of Washington. In two ways. First of all, it is far from clear that sequestration is going to happen. I think if you polled the majority Members of Congress, they would say, we are not going to let that happen, one way or the other; we are going to find that $1.2 trillion. Sequestration doesn't happen until January 2013. So the actual situation the DOD and those of us committed to doing the oversight of it find ourselves in now is we don't know, we don't know how much money there is going to be for the fiscal year 2013 budget, even as we are trying to plan it. So that increases the workload; it doesn't decrease it because you have got to play out two, three, four, five, maybe more, different scenarios about how much money you are going to have, to do what? And even if it winds up being straight sequestration, there are a number of choices involved in that and how you move money around in other places to try to deal with that. I cannot imagine an argument that says that the specter of sequestration coming down at us reduces our workload. Our staff would laugh out load at that notion. It clearly increases it.

The CHAIRMAN. Mr. Chairman.

Mr. MCKEON. We already are faced with cuts of about somewhere between $465 billion and $500 billion that will be budgeted next year. So we are going over the next 10 years, we are looking at about a $50 billion annual cut; sequestration hits, you have another $50 billion on top of that. One thing we could do is just eliminate the Defense Department, and we could probably save our whole budget. But I think that most of us would agree that the world is a much safer place than it has been. I mean, with the places we are already fighting right now and with the prospects of what is happening in Egypt and Iran; I mean, we just have to turn on the TV every morning to see what new place is erupting. North Korea sank a South Korean ship. We were very close to war in this last year, and South Korea says, the next time it happens, they are going to take action.

So—I mean, to think that we are on the verge of cutting our Navy to the lowest it has been since World War I, to cutting our Air Force down to the smallest it has been since it was put into existence, to cutting 200,000 end strength off of our Army and our Marines, and think that we are not going to have to spend a lot more time trying to decide what they should be doing and how they are going to be able to do it and overseeing the Pentagon to make sure that the proper cuts are being made. I think our staff has done a fantastic job this year on preparing us for these future problems that we see coming at us. And I think to contemplate that we are going to have to cut them down—we already are authorized 71, and we have only filled 69 slots. And it looks like if these cuts that

are contemplated—if everybody gets the same cut and we are not spared any—given the fact we are already so low on the totem pole, we would have to lose five staff people is the nearest we have been able to figure. And I tell you, we are not wasting any money in our committee.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. Yes.

Thank you, Mr. Chairman.

Mr. Chairman, losing five spots, losing five people on your staff, is that the minority and the majority together or just the minority side?

Mr. MCKEON. We do our staff different than probably any other committee. It is bipartisan. So when we had the transition from majority to minority, we were able to use a lot of the same people. We didn't have to go through some of the things that some of the other committees have to go through. So when we cut, it would be—it would affect both the majority and the minority.

Mr. SMITH of Washington. We do have some staff that are specifically assigned to the minority. I have got 14 spots, one of which is actually split between my office and the committee. But the larger—the bulk of the folks on the committee work in a bipartisan way. That staff would impact minority as well as majority, the losses there.

Mr. BRADY. Mr. Chairman, I am probably one of the most fortunate people in this Congress. I have been allowed to be able to be on two committees. This one here, which I have a great relationship with my chairman and the members, and the Armed Services Committee, which I also have a great relationship with my chairman and the ranking member. And the class that they show on committee hearings—and we don't always agree, like you and I don't always agree, but we don't always become disagreeable. We don't hold any grudges, and we don't let the American people be responsible for any bad actions that we do do from time to time. And I do think that that is a reflection of the trickle down from the leadership, both in this committee and the Armed Services Committee. And I thank you both for allowing me to be a member of that committee and be able to function. And I thank you for being here.

The CHAIRMAN. We thank you very much. You have made a strong case.

It is a pleasure to have the chairman and the ranking member of the committee most sought after by Members of Congress upon which to serve in the entire Congress. I salute you for the service that you do in this regard because it is a thankless but necessary job and one that serves the institution and Members and the country well. So I appreciate your service.

We would like you to give us an idea of how you have been able to operate this last year under the funding restrictions we had, 5 percent cut; how you would be able to operate under a proposed 6.4 percent cut; and efficiencies that you have already put into effect, and those that you would project to be put into effect in the next year.

STATEMENT OF THE HON. JO BONNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA, CHAIRMAN, COMMITTEE ON ETHICS

Mr. BONNER. Well, Chairman Lungren, Ranking Member Brady and members of the committee, thank you very much for inviting Congresswoman Sánchez and me to share with you today, to the best of our ability, some of the budget challenges facing the Ethics Committee. And thank you also for your nice comments about service, and I say that on behalf of all the members of the committee, present and former, who have served on this committee.

I trust that the Committee on House Administration probably more than most committees appreciates the fact that some of our funding challenges are made more difficult by some of the work that our committee does, which specifically, because of our strict rules of confidentiality out of necessity, might prevent me from answering some of the questions which would normally come from your committee to committee chairmen and ranking members, especially those who might be seeking additional funding.

As you well know, the Ethics Committee has a distinct and vital role within this body and in many ways is more like your own committee in that our mission is mostly internal and nonlegislative. In much of our work, particularly in the area of advice, education and financial disclosure, our objective is to have a customer service-oriented focus such as the Offices of the General Counsel and the Parliamentarian. In addition, the committee serves as the internal agency disciplinary office, a role of equal importance, that also presents unique responsibilities and challenges for our investigative team.

In all of these roles, as your committee staff experiences with their own responsibilities, we do not have the luxury of setting our own workload or agenda. Our committee's core mission is, and always has been, to provide fair, prompt and thorough advice and education, and to conduct investigations whenever that aspect of our work is required in a professional, nonpartisan environment that is always driven by the facts and in search of the truth.

To that end, Mr. Chairman, by and large our largest consumption of resources is a top-notch professional, nonpartisan staff who handle our everyday advice, education, review and investigative functions. Unfortunately, by the very nature of our work, and consistent with committee precedents, this committee does have matters, on occasion, that require an increase in staffing or even the employment of an outside counsel. I would like to give you some sense of what that workload looks like.

While public adjudicatory hearings happen on average of once a decade, one time last year our committee was looking at two such hearings within 2 months of each other. This would have been an unprecedented occurrence. While one of theaforementioned matters was concluded before the end of the 111th Congress, the committee is still working on the second matter and has employed, as your committee knows, an outside counsel to help us get through the challenges that that matter has presented. Needless to say, the entire membership of our committee very much appreciates you and your staff's working with us and their assistance in approving and financing that contract. Obviously, there is no guarantee that the

trend of Members invoking their rights, under our rules, to a public hearing may not continue to grow.

While the ranking member will describe for you the ever-increasing workload before our committee, I want to turn for just a moment to how we have handled that workload and how we have shouldered and continue to shoulder the financial burdens that all other offices in the House and, most importantly, the American people have been sharing.

After an admittedly controversial end to our work in the 111th Congress, the committee began this Congress with a downslide of staffing. On January 1, we had 23 staff positions filled out of a permitted cap of 29. While the ranking member and I worked very hard to find the best nonpartisan, professional staff we could to fill those ranks, we reached a low point of 15 sometime in June. At about the same time, we had found and brought on a new staff director and chief counsel, who is unquestionably nonpartisan and professional. As a result, I am pleased to report to your committee that the pathway toward fully staffing our committee has followed on our new staff director's leadership and personal example.

As I said, as of January 1, we had 23 staffers on the books. Today we have 24 full-time staff. But without having to reduce anyone's salary, and mostly by attrition of higher-salaried staff and leveling of base salaries, we are spending less on these 24 outstanding individuals than we were previously spending on the 23 staff that worked in the 111th Congress. In other words, as so many others are having to do, we at the Ethics Committee are trying to find new ways of doing more but costing less. Indeed, personnel is about 95 percent of our total budget, as currently 15 of our 24 staffers are experienced attorneys.

In anticipation of possible additional budget cuts, and in line with what the rest of the House and the rest of the country is facing, we have stopped hiring. We have asked our staff to do everything possible to continue to meet and maintain your expectations as our customers. And as the ranking member will also discuss, there is an ever-increasing challenge that comes with this, but one that we take with a sense of mission, duty and shared sacrifice.

Finally, and I know I am over my time, but if I might have an additional minute, I have been asked to discuss the unusual circumstances of requiring the assistance of an outside counsel. As leadership of your committee was briefed earlier this year, Mr. Billy Martin, with the firm of Dorsey & Whitney, has taken on an immense and vitally important task for us and is conducting his work with the utmost thoroughness, fairness, independence and impartiality that would be expected and required.

From what I have been told, our hopes and estimates for a quick resolution to Mr. Martin's work may not be realized. While no final conclusions have been reached about whatever the next steps in this process might encompass, it is highly possible that the contract with Mr. Martin will need to be extended into next year. It is necessary, therefore, in order to avoid overobligating and to ensure the consistent progress in this matter and the rest of our work, to plan for such contingencies before the committee reviews and acts on the step-by-step recommendations of our outside counsel.

The good news, though, is that we anticipate that the funding required for this year's work by the outside counsel will be well below the $500,000 estimated. More importantly, using the surplus of our budget left over due to the time that we were short-staffed this year, we have not had to come to ask for any additional funds for reauthorization to cover his 2011 bills. We consider this a significant accomplishment, and we are proud of that fact.

For next year, however, it is clear that at least one of our major investigative matters may require contract or other significant expenses for hearings and travels such that if our budget follows the standard formula, we will need to return to your committee in short order for a reauthorization. We have considered the work ahead and the stage of progress to date, and we believe that we will inevitably require a reauthorization of $350,000 to be safe from overobligating and to ensure that our duties to be thorough and fair do not suffer dramatically.

As we have been requested to do, we are proposing to deal with the outside counsel contract and the growing workload at this time rather than returning to you at a later date. Therefore we propose to add a good-faith and fair estimate of our special investigative needs to an amount that begins with our current budget of 2012 of $3,043,775. That additional request is $350,000, to a total of $3,393,775 for 2012.

We appreciate the hard and careful work that you are putting into your process, and I am happy to answer questions after our ranking member has had a chance to share some of her thoughts. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

[The statement of Mr. Bonner follows:]

Chairman Jo Bonner

Committee on Ethics

Testimony before the Committee on House Administration

November 30, 2011

Good afternoon Chairman Lungren, Ranking Member Brady, and members of the Committee. Thank you for inviting Congresswoman Sanchez and me to share with you today – to the best of our ability – some of the budget challenges facing the Ethics Committee. I trust the Committee on House Administration – more than most – appreciates the fact that some of our funding challenges are made even more difficult given the Ethics Committee's own strict rules of confidentiality, which, by necessity, might prevent me from answering some of the normal questions you would have for committee chairmen and ranking members that come to you in search of additional funding..

As you well know, the Ethics Committee has a distinct and vital role within this body and in many ways is more like your own committee in that our mission is mostly internal and non-legislative.

In much of our work, particularly in our Advice and Education and Financial Disclosure offices, our objective is to have a customer-service oriented focus, such as the offices of the General Counsel and the Parliamentarian. In addition, the Committee serves as the internal agency disciplinary office – a role of equal importance that also presents unique responsibilities and challenges for our investigative team.

In all of these roles, as your committee staff experiences with their own responsibilities, we do not have the luxury of setting our own workload or agenda.

Our Committee's core mission is – and has always been – to provide fair, prompt and thorough advice and education and to conduct investigations – whenever that aspect of our work is required – in a professional, non-partisan environment that is always driven by the facts and in search of the truth. To that end, by far our largest consumption of resources is a top-notch,

professional, non-partisan staff, who handle our every day advice, education, review and investigation functions. Unfortunately, by the very nature of our work, and consistent with Committee precedents, this Committee does have matters on occasion that require an increase in staffing or even the employment of an outside counsel. I'd like to give you some sense of what that workload looks like.

While public adjudicatory hearings happen on average once a decade, at one time last year the Committee was looking at two such hearings within two months of each other. This would have been an unprecedented occurrence.

While one of the aforementioned matters was concluded before the end of the 111th Congress, the Committee is still working on the second matter and has employed an outside counsel to help it get through the challenges that matter has presented. Needless to say, the entire membership of our Committee appreciates your and your staff's assistance in working to approve and finance that contract. Obviously, there is no guarantee that the trend of Members invoking their rights, under our rules, to a public hearing may not continue to grow.

While the Ranking Member will describe for you the ever-increasing workload before our Committee, I want to turn to how we've been handling that workload, and how we have shouldered - and intend to continue to shoulder - the financial burdens that all other offices in the House and most importantly, the American People, have been sharing.

After an admittedly controversial end to our work in the 111th Congress, the Committee began this Congress with a downslide of staffing. On January 1st, we had 23 staff positions filled, out of a permitted cap of 29. While the Ranking Member and I worked very hard together to find the best non-partisan, professional staff we could to fill those ranks, we reached a low point of 15 staff sometime in June. At about the same time, we had found – and brought on – a new Staff Director and Chief Counsel who is unquestionably non-partisan and professional. As a result, I am pleased to report that the pathway toward fully staffing our Committee has followed on our new Staff Director's leadership and personal example.

As I said, as of January 1st we had 23 staffers on the books. Today, we have 24 full time staff. But without having to reduce anyone's salary and mostly by attrition of higher salaried staff and leveling of base salaries, we are spending less on these 24 outstanding individuals than we were previously spending on the 23 staffers that worked in the 111th Congress.

In other words, as so many others are having to do, we at the Ethics Committee are trying to find new ways of doing more but costing less. Indeed, personnel is about 95% of our total budget, as currently 15 of our 24 staffers are experienced attorneys.

In anticipation of possible additional budget cuts, and in line with what the rest of the House and the rest of the Country is facing, we have stopped hiring. We have asked our staff to do everything possible to continue to meet and maintain your expectations as our customers. As the Ranking Member will also discuss, this is an ever-increasing challenge, but one that we take on with a sense of mission and duty and shared sacrifice.

Finally, I have been asked to discuss the unusual circumstance of requiring the assistance of an outside counsel.

As the leadership of your committee was briefed earlier this year, Billy Martin has taken on an immense and vitally important task for us and is conducting his work with the utmost thoroughness, fairness, independence and impartiality that would be expected and required. From what I have been told, our hopes and estimates for a quick resolution to Mr. Martin's work may not be realized. While no final conclusions have been reached about whatever the "next steps" in this process might encompass, it is highly possible that the contract with Mr. Martin will need to be extended into next year. It is necessary therefore, in order to avoid over-obligating and to ensure the consistent progress in this matter and the rest of our work, to plan for such contingencies before the Committee reviews and acts on the step by step recommendations of our outside counsel.

The good news, though, is that we anticipate that the funding required for this year's work by the outside counsel will be well below the $500,000 estimated. More importantly, using a surplus in our budget left over due to the time we have been short-staffed this year, we have not had to come to you to ask for a re-authorization to cover his 2011 bills. We consider this a significant accomplishment that we take pride in.

For next year, however, it is clear that at least one of our major investigative matters may require a contract, or other significant expenses for hearings and travel, such that if our budget follows the standard formula, we will need to return to your Committee in short order for a re-authorization. We have considered the work ahead and the stage of progress to date, and we

believe that we will inevitably require a re-authorization of $350,000 to be safe from over-obligating and to ensure that our duties to be thorough and fair do not suffer dramatically.

As we have been requested to do, we are proposing to deal with the outside counsel contract and the growing workload at this time, rather than returning to you at a later date. Therefore, we propose to add a good faith and fair estimate of our special investigative needs to an amount that begins at our current budget for 2012 of $3,043,775. That additional request is $350,000, to total $3,393,775 for 2012.

We truly appreciate the hard and careful work you all are putting in to this process, and I am happy to answer any questions you have after the Ranking Member has shared her thoughts.

The CHAIRMAN. Ms. Sánchez.

STATEMENT OF THE HON. LINDA T. SÁNCHEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, RANKING MEMBER, COMMITTEE ON ETHICS

Ms. SÁNCHEZ. Thank you, Mr. Chairman and Ranking Member Brady. We appreciate the opportunity to provide you with an overview of how the Committee on Ethics has used its budget in the 112th Congress and how we anticipate the committee will operate next year in light of possible budget changes.

As the chairman Mr. Bonner stated, and as we both noted when we appeared before this committee earlier in the year, we are a fairly unique committee. Approximately 95 percent of our budget is spent on staff salaries, and so therefore that is the focus of any budget conversation that we have to have.

Let me begin by saying how much both of us and our fellow committee members appreciate the staff and their incredible work. They work hard, they are dedicated, and the committee's success depends on this talented staff to do the bulk of the committee's work.

As has been noted, in addition to hiring a new staff director earlier in the year, we had to fill a number of vacancies that came up, but we have not been able to hire the full complement of staff even though our workload continues to increase, so our staff and our committee have necessarily had to do more with less.

Although the public attention tends to focus on the committee's work on investigations, much of our work is actually serving the House in other areas, and our work in those areas is definitely on the rise.

In the last Congress the House increased the committee staffing allotment in light of an increase in our investigative work and the creation of the Office of Congressional Ethics. There is no indication at this point that our workload in that area will decrease.

In the area of advice, the committee has issued nearly 500 confidential advisory opinions to Members and staff so far this Congress, and that is an increase of more than 10 percent from the same period in the last Congress. We also continue to build on the improved turnaround time for those requests, as timing is clearly of importance to the Members.

These formal advisory opinions don't include the many informal requests the nonpartisan staff field by phone, email and in-person visits. We estimate that the committee fielded more than 15,000 telephone calls and 3,000 email requests for advice between January 1 and October 31 of this year.

The committee's privately sponsored travel workload has increased even more, by more than 20 percent over the same period in the 111th Congress. We received over 1,700 requests for approval of travel between January 1 and October 31 of this year.

The committee's financial disclosure workload has also increased. So far this year the number of financial disclosure filings is up by about 20 percent over the same period in the 111th Congress. More than 5,600 financial disclosure statements have been filed so far this year, and all of these financial disclosure statements have to be reviewed. And many of those, in fact, have also been

prescreened before the filing as a service that the committee staff provides to any filer.

Finally, the committee continues to provide training to more than 10,000 House Members, officers and employees each year and to review their certifications for satisfying the House's mandatory training requirements.

The committee staff is handling this increased workload with excellence and professionalism even though we handled last year's budget cut by stopping short of our maximum staff slot allowance.

In addition to hiring fewer staff, the committee also handled the budget cut by forgoing other investments that we could have made. Most significantly we postponed a possible major investment in new financial disclosure software. This software could have allowed on-line filing, which would have had benefits to both the filers and the public alike, and may have made the financial disclosure process less expensive in the long run.

In addition, we also put off an investment of making our database of public documents more accessible to the House and the public. We also put off an investment in improving the committee's database of internal documents, many of which predate the digital age, which could have ensured greater consistency and efficiency in our advisory functions. Although we were able to make substantial investments in technology in the last Congress to make the committee and its work more efficient, we have postponed further investments at this time. I continue to think that these are worthwhile investments that would help the committee better serve the House and the public, and I hope that we will be able to pursue them very shortly in the future.

Finally, our outside counsel contract is vital to ensuring our committee, our colleagues and the public that we will resolve this matter with the utmost care, diligence and, above all else, integrity. The committee concluded that hiring an outside counsel would allow for an independent review and a faster resolution than if the committee staff were to handle it alone. We currently await the outside counsel's recommendations for our consideration so the committee can complete the matter as quickly as possible and ensure that the committee's work comports with the highest standards of integrity.

For these reasons I join with the chairman in presenting our joint request for our 2012 authorization as the chairman described. Thank you, and we look forward to any questions you may have.

The CHAIRMAN. Thank you very much for your presentation.

[The statement of Ms. Sánchez follows:]

Ranking Member Linda T. Sánchez

Committee on Ethics

Testimony before the Committee on House Administration

November 30, 2011

Good afternoon Chairman Lungren, Ranking Member Brady, and members of the Committee. We appreciate this opportunity to provide you with an overview of how the Committee on Ethics has used its budget in the 112th Congress, and how we anticipate the Committee will operate next year in light of possible budget changes.

As Chairman Bonner stated and as we both noted when we appeared before you earlier this year, we are a unique Committee. As approximately 95 percent of our budget is spent on staff salaries, that must be the focus of any budget conversation.

Let me begin by stating how much both of us and our fellow Committee Members appreciate our staff and their incredible work. The Committee's success depends on our talented nonpartisan staff.

As has been noted, in addition to hiring a new staff director earlier this year, we had to fill a number of other vacancies. However, we have not been able to hire to our full staff allocation, even though our workload has continued to increase, so our staff and the Committee has had to do more with less.

Although public attention to the Committee's work often focuses on investigations, much of our work is serving the House in other areas, and our work in all of these areas is on the rise.

In the last Congress, the House increased the Committee's staffing allotment in light of an increase in our investigative work and the creation of the Office of Congressional Ethics. There is no indication that that our workload in this area will decrease.

In the area of advice, the Committee has issued nearly 500 confidential advisory opinions to Members and staff so far this Congress – an increase of more than 10 percent from the same period in the last Congress. We also continue to build on the improved turnaround time for those requests.

Those formal advisory opinions do not include the many informal requests the nonpartisan staff field by phone, email, and in-person visits. We estimate that the Committee fielded more than 15,000 telephone calls and 3,000 email requests for advice between January 1 and October 31 of this year.

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The Committee's financial disclosure workload has also increased. So far this year, the number of financial disclosure filings is up by about 20 percent over the same period in the 111th Congress. More than 5,600 financial disclosure statements have been filed so far this year. All of these must be reviewed, and many of these have been pre-screened by our staff before filing, a service offered to any filer.

Finally, the Committee continues to provide training to more than 10,000 House Members, officers, and employees each year, and to review their certifications for satisfying the House's mandatory training requirements.

The Committee's staff is handling this increased workload with excellence and professionalism, even though we have handled last year's budget cut by stopping short of our maximum staff slot allowance.

In addition to hiring fewer staff, the Committee also handled the budget cut by foregoing other investments.

Most significantly, we postponed a possible major investment in new financial disclosure software. Such software could have allowed online filing, which would have had benefits to filers and the public alike, and may have made the financial disclosure process less expensive in the long run.

In addition, we put off an investment in making our database of public documents more accessible to the House and the public. We also put off an investment in improving the Committee's database of internal documents, many of which predate the digital age, which could have ensured greater consistency and efficiency in our advisory functions.

Although we were able to make substantial investments in technology in the last Congress to make the Committee and its work more efficient, we have postponed further investments at this time. I continue to think that these are worthwhile investments that would help the Committee better serve the House and the public, and I hope that we will be able to pursue them in the future.

Finally, our outside counsel contract is vital to ensuring our Committee, our colleagues, and the public, that we will resolve this matter with the utmost care, diligence, and integrity. The Committee concluded that hiring an outside counsel would allow for an independent review and a faster resolution than if the Committee staff were to handle it alone. We await the outside counsel's recommendations for our consideration so the Committee can complete the matter as quickly as possible and ensure that the Committee's work comports with the highest standards of integrity.

For these reasons, I join with the Chairman in presenting our joint request for our 2012 authorization, as the Chairman described. Thank you again, and we look forward to your questions.

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The CHAIRMAN. As I said before, I think you play a vital role in this institution. I noted that the public has now—I think the Congress has risen to double digits now. I think 12 percent of the American people have a favorable opinion of the Congress. And I think that is a tragedy, because I think we have a government that was born in a reasonable suspicion of government. And I am all for skepticism, I am not for cynicism, and when you move from skepticism to cynicism, you tend the undercut the foundations of the institution you are talking about, and that is why I am very concerned that we make a decision that allows you to have the budget that is necessary to do the job that you have.

My staff has received tremendous assistance from your committee staff. Before we take a trip, before we do anything that could possibly deal with the rules, we contact your office, we get an informal opinion. I think not only does that help Members, but it helps this institution in terms of its standing with the public. So I am very leery about us doing anything that would undercut your ability to respond in a timely fashion to a Member's legitimate request about ethical issues.

Furthermore, in terms of review of financial disclosure, that is crucial to the transparency necessary for the operations of this House.

And then lastly, the thing that you can talk least about, your investigation. There is a lot of cynicism out there about us; about us, I mean the institution of the House. And the fact that we do have investigations performed by a bipartisan committee on as objective a basis as you can possibly have in an institution like this is important not only for our image, but for the substance of this House.

So we have some very tough decisions to make because the rules—excuse me, the resolution passed by the House requires us to have a legislative branch cut of 6.4 percent. And by and large we have had committees come in and say they can accept 6.4 percent, they couldn't accept anything more. The Committee on Armed Services said they can accept 1 percent, but nothing more. And I read through your language, and it suggests that you are not looking for a cut, but an increase in part because of the obligation of outside contracts. Is that correct?

Mr. BONNER. Yes, sir.

The CHAIRMAN. Could you perform your task with respect to the reliability, the efficiency and the timeliness of response to which Members have a right to expect under our rules, as we are going into a very, very fractious year, if we were to cut you by 6.4 percent?

Mr. BONNER. Well, Mr. Chairman, as the ranking member and I have both tried to indicate in our testimony, we are trying to do more with less, but we have an obligation that in working with this committee, your committee, we were able to take what I think was the right step by bringing in the outside counsel, and we would like, and I believe have an obligation to all parties involved, to see that brought to a conclusion. That is the right thing to do.

But in terms of could our committee accept a reduction in funding in terms of our base committee and the work of the committee, the answer is yes, but it comes with certain conditions, and those conditions are there would be—if we had to cut salaries or cut our

staff even further, we would do so, obviously, but at the risk of losing institutional knowledge and skill in handling the kind of advice and instructions that Members such as yourself have come to us for in trying to be prompt and responsive.

Ms. SÁNCHEZ. If I could just add that because so much of our budget is comprised of staff salary, that continued cuts would necessarily mean at some point not either having the full complement of staff, which is the situation that we are working under now, or cutting further positions down the line.

And in terms of efficiency and timeliness of Members' requests, that most certainly would impact that area.

The CHAIRMAN. See, I sort of view a preliminary advice from your committee as an imprimatur essentially, am I doing the right thing ethically under the rules of the House of Representatives? I just want to make sure that whatever decision we finally make, you are able to allow that authority to be in place so that Members, who I think have a right to know what the rules are, have a right to know how facts are applied to the rules, have a right to know whether essentially they have permission—and I realize it is not total permission, but in the best sense of the word with an advisory opinion as to do something like that. Frankly, I think we owe it to the Members to be able to do that, and we as Members owe that to the public that we take that effort.

Mr. BONNER. Mr. Chairman, if I might interrupt, and I know you and the ranking member and your committee knows this, but we also serve the staff that serves the American people that work with us. So we are talking about thousands of additional people that come to us—and we encourage them coming to us. And with regard to the financial disclosure, we are also talking about candidates who are seeking these jobs.

The CHAIRMAN. If I can use an analogy, we have got the Cannon Office Building, it is falling down. All right. I briefed the staff, and we invited Members, but it was all staff just before we left. I didn't know the ceiling was going to fall down over there right after I made my talk. Maybe I shouldn't say as much. But anyway you can pretend we don't have to deal with that, and you can defer maintenance on that, which we have done, until the point in time in which it is collapsing. I don't think we can defer maintenance on the ethics of this House. That would be the analogy I would use.

So we have a tough decision to make with respect to your operation. I hope you will work with us in trying to figure out how to solve this problem, because it is a knotty problem.

Mr. Brady.

Mr. Nugent.

All right. Thank you very, very much.

Mr. BONNER. Thank you, and we look forward to working with you.

The CHAIRMAN. I guess Ways and Means is next.

Thank you very much for being here, Ways and Means Committee Chairman Camp and Ranking Member Levin of the committee. We appreciate the written testimony that we have received from you. We would ask you to try and highlight how the 5 percent cut that is already in effect this year affected your committee's operation in this the first session; secondly, how you propose to oper-

ate under what is most likely going to be a 6.4 percent cut in committee expenditures; and what efficiencies you have already implemented, and what you might be looking at with regard to next year.

Mr. Camp.

STATEMENT OF THE HON. DAVE CAMP, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, CHAIRMAN, COMMITTEE ON WAYS AND MEANS

Mr. CAMP. Well, thank you, Chairman Lungren, and Ranking Member Brady and Members of the Committee. I am here to talk about the budget for the Committee on Ways and Means for the 112th Congress and am joined by our Ranking Member and my friend from Michigan, Mr. Levin. And today I will give you an update on how the 5 percent reduction for legislative year 2011 has impacted our budget and operations to date, and what it will mean for the remainder of the year, as well as a preview of the 6.4 percent budget reduction slated for legislative year 2012.

And before I do so, I want to assure you that this budget, in accordance with the long tradition at Ways and Means, has been divided between the majority and the minority, the majority controlling two-thirds and the minority having full control over one-third of the budget.

In March, I reported that the Ways and Means budget reflected our nation's current financial problems, and that just as families were cutting back, so would we, and that is what we have done in the face of the 5 percent reduction in our budget.

Because staff salaries represent a substantial portion of the Committee's budget, we have met the challenge of the reduced funding in part by holding flat the number of staff allotted to the Committee, and, in fact, have left some staff slots open. I am pleased to report, however, that our staff, both the majority and the minority staff, have shouldered this responsibility and performed well for the Congress and the American people. In the majority we have used greater technological resources, especially mobile computer devices, to garner greater efficiencies.

Additionally, in order to ensure that we met our budget cuts, we also have carefully limited Committee-funded travel. Given the Committee's broad jurisdiction, especially with regard to international trade, the ability of our Members and staff to attend critical negotiating sessions across the country and world is imperative to our mission, so we have tried to balance the need for fiscal prudence with important policy considerations.

We are confident based on this year's activity that we have planned prudently for next year's reductions. The bottom line, we have managed to meet our responsibilities with our allotted budget and will continue to do so. And I thank the Chairman and Members of this Committee for the opportunity to update you, and I look forward to any questions you may have.

The CHAIRMAN. Thank you.

[The statement of Mr. Camp follows:]

Chairman Dave Camp
Committee on Ways and Means
Testimony before the Committee on House Administration Regarding the Ways and Means Committee Budget for the First and Second Sessions of the 112th Congress
November 30, 2011

Chairman Lungren, Ranking Member Brady and Members of the Committee, I am here today to discuss the budget for the Committee on Ways and Means for the 112th Congress and am joined by our Ranking Member and my friend from Michigan, Sandy Levin.

Today, I will give you an update on how the five percent reduction for Legislative Year 2011 has impacted our budget and operations to date and what it will mean for the remainder of the year, as well as a preview of the 6.4 percent budget reduction slated for Legislative Year 2012.

Before I do so, I want to assure you that this budget, in accordance with the long tradition at Ways and Means, has been divided between the minority and majority – the majority controlling two-thirds and the minority having full control over one-third.

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We are confident based on this year's activity that we have planned prudently for next year's reductions. The bottom line: we have managed to meet our responsibilities within our allotted budget and will continue to do so.

I thank the Chairman and the Members of this Committee for the opportunity to update you, and I look forward to any questions you have.

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The CHAIRMAN. Mr. Levin.

STATEMENT OF THE HON. SANDER M. LEVIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, RANKING MEMBER, COMMITTEE ON WAYS AND MEANS

Mr. LEVIN. Thank you very much. I am glad to join my colleague, the chairman of the committee. He has described it well.

I want to emphasize how hardworking staff is of this committee, both majority and minority. And there are so many issues, as you know, that come before Ways and Means, and that requires long hours, sometimes around the clock, and I think our staffs have very much met their responsibility.

Mr. Camp mentioned part of our jurisdiction relates to trade, and I simply want to add that we have had the need to be very, very careful about attendance at meetings overseas, sometimes in other States that are far away, and we have tried to meet our responsibility. I think that the reduction in our expenses at times has made it very challenging for us to carry out those responsibilities, but we surely have tried.

We also have attempted to very much marshal our resources. Our chief of staff on the minority side, Janice Mays, has been exceptionally diligent to make sure that the staff that was hired met the responsibilities they do, and we had to assume some considerable losses last time in our staff.

So very much, if the 6.4 is applied to us, we will do everything we can to live within it and to very much meet the major responsibilities of this committee.

Thank you very much.

The CHAIRMAN. Thank you very much.

[The statement of Mr. Levin follows:]

Sander M. Levin, Ranking Member
Committee on Ways and Means
Before the Committee on House Administration
November 30, 2011

- I am pleased to report that the Democrats have had full control over our 1/3 share of the Committee's budget.

- As projected, the largest part of our funding has been dedicated to salaries with the rest going toward equipment, supplies and materials.

- In anticipation of another cut next year, we have replaced the server dedicated to the Minority, upgraded PCs, and have kept employee salaries low.

- I am hopeful that House Administration will see that since the Select Committee on Deficit Reduction failed to come up with a plan, that it will be left to standing Committees to finish the work.

- Members will be relying on the expertise of Committee staff to carry out this unfinished business. The Committee on Ways and Means has a broad range of legislative responsibility, which it administers very efficiently.

- While our staff is committed to public service and carrying out the work of the Committee, they will again be the ones who bear the brunt of these shortsighted cuts to the Legislative branch.

The CHAIRMAN. Mr. Chairman, can you tell us what is your staffing level right now, total staff, on your committee?

Mr. CAMP. Total staff is 50, 5–0.

The CHAIRMAN. For both majority and minority?

Mr. CAMP. That would just be the majority side.

The CHAIRMAN. And minority is?

Mr. LEVIN. Twenty-five.

The CHAIRMAN. Okay. Seventy-five.

Has that changed much over the last couple years, and did it change at all with the 5 percent cut?

Mr. CAMP. We ended up not filling some positions, but it has not changed.

The CHAIRMAN. With the prospect of a 6.4 percent cut, would there be any expectation of layoffs?

Mr. CAMP. I think what we are going to try to do is upgrade some of our technology capacity so we can better handle some of the flows of information and documents. And I think that we are hoping to be able to hold with that, but we are going to be having to do that in order to handle the vast amount of information we have. And obviously, given my service on the Supercommittee, we also had Mr. Becerra on the Supercommittee from the Committee on Ways and Means, there really were no staff assigned to that whole project, so the Committee staff worked very, very long hours and way into the night on many evenings in order to meet those responsibilities.

So we had a lot of responsibilities, but I don't anticipate any layoffs with that amount of reduction.

The CHAIRMAN. Mr. Levin.

Mr. LEVIN. We don't anticipate it, and I will indicate why. I think we have to try everything short of layoffs. I think you all know the responsibilities of the committee, and as I look ahead to next year, if we can possibly do that, it is likely, I think, that the responsibilities of this committee on both the majority and the minority side, those responsibilities would be enormous. And since we know firsthand the long hours worked by our staffs, I can't foresee how we could perform adequately with any layoffs. We would have to simply find other ways to live within.

The CHAIRMAN. So if you got one-third of the reduction in overall budget, I presume you are the one that makes that decision on how to handle it?

Mr. LEVIN. That is true.

The CHAIRMAN. Boy, is that a lot better than the 1980s. I remember being a member of the Judiciary Committee, and I had actually voted for a smaller budget for the legislative branch. And there were three professional staff on the subcommittee on the majority side and one on our side, and that lady left, and I went to go hire somebody, and the staff director of the committee told me that I guess 7-to-1 ratio of professional staff on the full committee was not sufficient, and since I had voted to cut spending, I would have to do without a professional staffer. It just happened that the person I was hiring was a woman and replacing a man, and the majority did not want to be in a position of denying advancement to someone who happened to be a woman. I didn't hire her for that

reason, I hired her because she was good. But I had to go and grovel before the chairman of the committee to get someone hired.

So I am glad to see that things have changed in this Congress.

Mr. LEVIN. We have a different tradition.

The CHAIRMAN. Yes, we do.

Mr. CAMP. It has been a longstanding tradition in the Committee to operate this way. So this is a continuation of what has occurred for many years on the Committee.

The CHAIRMAN. And it has through all the committees in the Congress now. I appreciate that.

Mr. Brady.

Mr. Rokita, any questions?

Mr. ROKITA. No, Chairman. I yield back. Thank you for having me.

The CHAIRMAN. Mr. Nugent.

Next up is Foreign Affairs.

Well, it is good to have both of you here. We are reviewing the budgets for the upcoming year, and so we would love to hear from you as to how you have been able to deal with the 5 percent cut that was imposed as a result of the vote of the House for this current year; and how you would envision dealing with a 6.4 percent cut in the committee as a result of the House resolution that was passed on the legislative branch appropriations; and efficiencies that you have already put into place in your committee, and efficiencies that you would expect to put into place next year. So, welcome.

And Madam Chair.

STATEMENT OF THE HON. ILEANA ROS-LEHTINEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman, Ranking Member Brady, and members of the committee and staff. Thank you for allowing my good friend Mr. Berman and I the opportunity to appear before you this afternoon.

Our Committee on Foreign Affairs has been challenged this year by significant global developments, as we have all followed them on the tube, and these required rigorous examinations of our national security interests and foreign policy priorities, as well as U.S. programs and funding, in order to determine an appropriate and timely response.

Despite the 5 percent reduction to the committee's budget for this calendar year, we have met and we have surpassed our goals as described in our oversight plan. We have covered every region, every functional area, and held an average of one markup a month, including one of the most robust debates our committee has had in over a decade concerning the funding authorization and the policy prescriptions for the Department of State, USAID and other agencies under our committee's jurisdiction.

We have taken a strategic approach by hosting visiting foreign dignitaries, by considering whether there is added value to holding the meeting, by focusing on the most senior foreign leaders, and by scheduling during off times rather than during breakfast or lunch, that are expensive items to provide for. We cut a number of fatty

administrative expenses, such as domestic travel and high-priced subscriptions. We also conduct a cost estimate and do comparison pricing before deciding on a purchase.

Ms. ROS-LEHTINEN. By taking these small steps, the committee has been able to carry out its protocol responsibilities while keeping costs down at the same time.

We also established for the first time an oversight and investigations team and included a whistleblower feature on our committee Web site. This has enabled us to conduct serious oversight over the range of activities and agencies under our committee's jurisdiction.

One of those investigative efforts relating to the sexual assault of Peace Corps volunteers resulted in legislation that was signed into law by the President on Monday of last week.

We have established several mechanisms to carefully scrutinize every congressional notification received by our committee to ensure that taxpayer dollars are being used for their intended purposes and are in a tangible way advancing U.S. interests and U.S. priorities.

The main committee Web site added a new interactive feature this year called "Ask a Question," and it allows the public to submit questions that they would like to have answered by our witnesses testifying before our committee.

Looking forward, it will be tough, but I believe that we can continue to operate successfully despite the additional 6.4 percent cut to our operating budget. We have restructured the breakdown of the committee budget to minimize the impact on current personnel allocations, as I believe our most valuable resource is our dedicated staff.

I made a commitment to Ranking Member Berman at the beginning of this Congress to provide the minority with an $180,000 supplement to their one-third allocation of the personnel budget. The additional $180,000 will continue in calendar year 2012.

In making determinations about resource allocations, I respectfully ask this committee to take into account that the Foreign Affairs Committee, out of its budget, covers all administrative costs for the House Democracy Partnership and the Tom Lantos Human Rights Commission. This includes office space, equipment, supplies, and other support. The Committee on Foreign Affairs also covers the full salary for the staff director of the House Democracy Partnership. It covers a portion of the salary for the majority professional staff member of the House Democracy Partnership, and covers a portion of the salary for the majority professional staff of the Tom Lantos Human Rights Commission. These two entities act independently and do not contribute to the work of the Committee on Foreign Affairs. And the further reduced budget for the calendar year 2012 will again pose a challenge, but one I believe we can and we will meet successfully. By demonstrating that we can do more with less in the running of our respective committee, we can demand the same from the agencies under our jurisdiction.

I thank the chairman, the ranking member, Members and staff for their time.

[The statement of Ms. Ros-Lehtinen follows:]

ILEANA ROS-LEHTINEN, FLORIDA
CHAIRMAN

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One Hundred Twelfth Congress
U.S. House of Representatives
Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515
www.hcfa.house.gov

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Statement of the Honorable Ileana Ros-Lehtinen
Chairman, House Committee on Foreign Affairs
before the Committee on House Administration
2:45 p.m., Wednesday, November 30, 2011

Chairman Lungren, Ranking Member Brady, and Members of the Committee, thank you for the opportunity to appear before you.

Our Committee on Foreign Affairs has been challenged this year by significant global developments.

These required rigorous examination of our national security interests and foreign policy priorities, as well as U.S. programs and funding, in order to determine an appropriate and timely response.

Despite the 5% reduction to the Committee's budget for this calendar year, we have met and have surpassed our goals as described in our Oversight Plan.

We have covered every region, every functional area, and held an average of one mark-up a month, including one of the most robust debates our Committee has had in over a decade concerning the funding authorization and policy prescriptions for the Department of State, USAID, and other agencies under our Committee's jurisdiction.

Our mark-up of the Foreign Relations Authorization Act began at 10:00 a.m. on a Wednesday and continued uninterrupted, except for Floor votes, until 2:15 a.m. Thursday morning. We reconvened at 9:00 a.m. the same Thursday and concluded after 11:00 p.m. that night.

We have taken a strategic approach to hosting visiting foreign dignitaries by considering whether there is added value to holding the meeting; focusing on the most senior foreign leaders; and scheduling during off-times, rather than during breakfast or lunch.

By taking these small steps, the Committee has been able to carry out its protocol responsibilities while keeping costs down.

We also established for the first time an Oversight and Investigations team and included a Whistleblower feature on our Committee website.

This has enabled us to conduct serious oversight over the range of activities and agencies under our Committee's jurisdiction.

One of those investigative efforts, relating to the sexual assault of Peace Corps volunteers, resulted in legislation that was signed into law by the President on Monday of last week.

We have established several mechanisms to carefully scrutinize every Congressional notification received by the Committee to ensure that taxpayer dollars are being used for their intended purpose and are, in a tangible way, advancing U.S. interests and priorities.

The main Committee website added a new interactive feature this year called: "Ask the Question."

It allows the public to submit questions that they would like to have answered by witnesses testifying before our Committee.

Looking forward, we believe we can continue to operate successfully and build on these efforts, despite the additional 6.4% cut to our operating budget.

We have restructured the breakdown of the Committee budget to minimize the impact on current personnel allocations, as I believe our most valuable resource is our dedicated staff.

I made a commitment to Ranking Member Berman at the beginning of this Congress, to provide the Minority with an $180,000 supplement to their 1/3 allocation of the personnel budget.

The additional $180,000 will continue in calendar year 2012.

In making determinations about resource allocations, I respectfully ask this Committee to take into account that the Foreign Affairs Committee, out of its budget, covers all administrative costs for the House Democracy Partnership and the Tom Lantos Human Rights Commission.

This includes office space, equipment, supplies, and other support.

The Committee on Foreign Affairs also:

- covers the full salary for the Staff Director of the House Democracy Partnership;
- covers a portion of the salary for the Majority Professional Staff Member of the House Democracy Partnership; and
- covers a portion of the salary for the Majority Professional Staff of the Tom Lantos Human Rights Commission.

However, these two entities do not provide any reciprocal assistance or contributions to the work of the Foreign Affairs Committee.

With respect to IPGs, inter-parliamentary groups, the Office of Inter-Parliamentary Affairs in the Speaker's Office is now handling the logistical component of these IPGs but our Committee continues to be responsible for the policy support and staffing, as practicable.

The further reduced budget for calendar year 2012 will again pose a challenge but one I believe we can meet successfully.

By demonstrating we can do more with less in the running of our respective committees, we can demand the same from the agencies under our jurisdiction.

Thank you for your time.

The CHAIRMAN. Mr. Berman.

STATEMENT OF THE HON. HOWARD L. BERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, RANKING MEMBER, COMMITTEE ON FOREIGN AFFAIRS

Mr. BERMAN. Well, thank you very much, Mr. Chairman, and I want to thank both you and Ranking Member Brady and your staffs for all of the assistance that you have provided to the minority staff of the committee over the past year. And I also particularly want to thank my chairman Ileana Ros-Lehtinen. Her efforts and that of her staff director, Dr. Yleem Poblete, have really been very helpful to us in shaping a budget request that is fair.

I don't want to sugar-coat my testimony. It has been a difficult year for the minority on the committee. You mentioned the two joint resolutions that governed this year's spending and next year's spending, and we had that election back in 2010 that also had an impact on us. And just as all Americans have had to do, we have tightened our belts. We have made significant sacrifices while trying to ensure that we do not jeopardize the committee's essential operations to oversee the foreign relations of the United States.

Mr. Chairman, you asked me to comment on how the reduction this year affected our operations in the first session. First, as a result of that election—well, first, we were forced to keep one of the positions vacant that were allotted to us. This is after we had to dismiss 28 employees as we transitioned into the minority. When another senior staffer departed, we also kept that position vacant. So now we have two vacant positions that we can't afford to fill.

Secondly, all of our staff, including the seven minority subcommittee staff, experienced an average 10.17 percent cut to their salaries, and this was despite a truly generous allocation of additional funds to the minority's salary budget by the chairman. I am very grateful to the chairman for once again offering the minority the $180,000 from operating funds to supplement the minority salary, but even after taking those funds into account, the 6.4 percent cut to the committee's budget will probably require us to cut salaries of existing staff by an additional total of $53,000. And we will not be able to fill the two vacancies, which to some extent certainly impacts our ability to exercise the full oversight over all the programs in our jurisdiction. As the chairman states, our dedicated staff are our most valuable resource, and she has demonstrated her commitment to them in her relations with us.

And I do want to also reiterate the chairman's point about the budget of this committee covering the administrative expenses for both the House Democracy Partnership and the Tom Lantos Human Rights Commission. Those are both very good programs. When I chaired the committee, I supported the request of these two entities, but for funding independent of the committee. I continue to believe that should be the case. They are created by the body as a whole, and, it seems to me, concomitant and part of that is to fund them as such. But as it is, they represent an additional cost to the committee, which, as the chairman notes, includes office space, equipment, and other support.

Again, I want to express my appreciation for the chairman's efforts to ensure a smooth coordination of committee functions. We do receive our share of all nonpersonnel expenses in each expense category, travel, communications, equipment upgrades. And I look forward to working with her in a bipartisan manner on a wide range of issues in the second year of the 112th Congress.

Thank you very much.

The CHAIRMAN. Thank you very much. We thank you for your testimony as well as your service.

[The statement of Mr. Berman follows:]

STATEMENT

BEFORE THE HOUSE ADMINISTRATION COMMITTEEE

Representative HOWARD L. BERMAN
November 30, 2011

First, my thanks to Chairman Lungren and Ranking Member Brady, and also to your staff for the assistance provided to the minority staff on the Foreign Affairs Committee. I also want to thank my Chairman, Ileana Ros-Lehtinen, for her efforts and that of her Staff Director, Dr. Yleem Poblete, in helping to shape a budget request that is fair.

I will not sugar-coat my testimony. This has been a difficult year for the minority on the Committee. Just as all Americans have had to do, we have also tightened our belts and made significant sacrifices while trying to ensure that we do not jeopardize the Committee's essential operations to oversee the foreign relations of the United States.

Mr. Chairman, you asked me to comment on how the reduction this year affected our operations in the first session. First, we were forced to keep one of our positions vacant (after dismissing 28 employees as we transitioned into the minority). When another senior staffer departed, we also kept that position vacant. So we now have two vacant positions that we can't afford to fill.

Secondly, all of our staff, including the seven minority subcommittee staff, experienced an average 10.17% cut to their salaries. This was despite a generous allocation of additional funds to the minority's salary budget by the Chairman.

I am very grateful to the Chairman for once again offering the minority $180,000 from operating funds to supplement the minority salary. But even after taking those funds into account, a 6.4% cut to the Committee's budget would require us to cut salaries of existing staff by an additional $53,000, and we would not be able to fill the two vacancies which impacts our ability to exercise full oversight over all the programs in our jurisdiction.

As the Chairman states, our dedicated staff are our most valuable resource. She has demonstrated her commitment to them in her relations with us.

I also want to express my concern that the budget of this Committee covers the administrative expenses for both the House Democracy Partnership and the Tom Lantos Human Rights Commission. When I chaired the Committee, I supported the request of these two entities for funding independent of the Committee. I continue to believe that should be the case. But as it is, they represent an additional cost to this Committee which, as the Chairman notes, includes office space, equipment, and other support.

I want to express my appreciation for the Chairman's efforts to ensure a smooth coordination of Committee functions. We receive our share of all non-personnel expenses in each expense category, such as travel, communications, and equipment upgrades. I look forward to working with her in a bipartisan manner on a wide range of issues in second year of the 112th Congress.

The CHAIRMAN. Let me just ask a question, and I just don't know what the answer is to this. With the House Democracy Partnership and Tom Lantos Human Rights Commission, they are neither fish nor fowl. They are not legislative. They are not executive. They are not independent. What are they?

Ms. ROS-LEHTINEN. They were created by Congress and are technically under our committee, and so we have to fund their operational costs, as I pointed out in my testimony, whether it is this staffer or office space, et cetera. And it comes to an estimated cost for staff salaries, equipment supplies, and other administrative expenses for these two entities that are under our jurisdiction, so they are going to come from our budget, is close to $225,000. So that is the way that they were—when the bills were passed establishing them, they were placed under our jurisdiction, but we don't get any money for them.

The CHAIRMAN. Is there a prohibition against—and again, I am aware that they exist, but I don't know the actual way they are set up. Is there a prohibition against them receiving outside funds to support their efforts?

Ms. ROS-LEHTINEN. I am sure that there would be. But they could be funded separately. We would love to farm them out. I think the House Administration Committee is a wonderful location for both Tom Lantos and the House Democracy Partnership.

The CHAIRMAN. I am very serious about this.

Mr. BERMAN. You mean outside of our budget or outside of the government's budget?

The CHAIRMAN. Outside of the government.

Mr. BERMAN. I think there could be a problem there because of the commingling issues. They are created by House resolutions.

The CHAIRMAN. Do we have any other creations like that?

Ms. ROS-LEHTINEN. Well, these are the only two that are under our jurisdiction. There might be some other commissions that are under the jurisdiction of other committees, but these are the only ones——

Mr. BERMAN. We used to have a bunch.

Ms. ROS-LEHTINEN. And as Mr. Berman said, they are wonderful organizations.

The CHAIRMAN. No. I understand that.

Ms. ROS-LEHTINEN. They come out of our budget but they are not really part of the Committee or contribute to the work of the Committee.

The CHAIRMAN. I know. I am not against those organizations. All I am saying is when we are looking at very tough budget decisions—I just had the Ethics Committee here talking about how they might not be able to serve the Congress in the way that I think they need to be served because of monies. I have got to think outside the box as to where monies are coming from and where certain groups are. I am not trying to target it. I am just trying to think. We have got to make some tough decisions. That is all.

Ms. LOFGREN. Would the gentleman yield?

The CHAIRMAN. I would be happy to yield.

Ms. LOFGREN. Like you, I am eager to think outside the box, but I think, having worked with both of these Commissions, to get outside funds, who would be interested in it might be a source that

would undercut the mission. For example, on a bipartisan basis we have sort of a Freedom in Vietnam Caucus, and the Commission has been very, very helpful on many of those issues. I want to thank both the chairman and ranking member for their really terrific service to our country. But if there were funding sources, I mean, depending on who they were could really undercut the mission. So I would be very nervous about that.

I thank the gentleman for yielding.

The CHAIRMAN. I appreciate that. We have real tough decisions to make. We are talking about a 6.4 percent cut across the board. Or if we find that some—I hope I am not talking out of school—but if we found some committees had a specific actual need next year, I have got to find that money somewhere else, out of other committees or somewhere. I am not sure this committee has ever had hearings, except for last year where it was a fait accompli, where we have ever talked about you getting less than you got before. I can tell you the difference in demeanor of chairmen and ranking members from when it was just "how much more are we going to get" versus now.

Ms. ROS-LEHTINEN. Well, if I may, Mr. Chairman, not knowing what would happen last year, we had drawn up several scenarios and several budget projections on whether it was going to be 2 percent to 8 percent or anything in between. And so we were prepared for as tough a cut or as small of a cut. And I think that has given us great flexibility to see what is the most needed program and what is not.

The CHAIRMAN. And just to let you know, we have led, and the Senate has followed. When we took a 5 percent, they decided to take a 5 percent, but after most of the year was through. So they got a 1.3 percent cut. They are coming in with a 6.3 percent cut, I believe is the number I have got from their leadership committees, et cetera, support staff, but 3.2 percent, I think, for their individual offices. So we are leading the way, and there is no doubt about that. But they are going to have some consequences, and we have to understand what they are as we go forward.

Mr. Brady.

Mr. BRADY. Yes. Thank you, Mr. Chairman.

If the 6.4 percent does go through, would you have to lay anybody off not by attrition, but by laying somebody off? Attrition, to me, means somebody who wanted to go anyway, or they are going to go because they found another job or whatever. But I am talking about telling somebody they are no longer employed that want to be employed. Either one of you.

Mr. BERMAN. On our side, we have two authorized slots that we are not filling, and the additional 6.4 percent cut will mean a salary cut again this year after a significant salary cut last year for those who are remaining. Obviously we are in a special situation because we had the transition from majority to minority status, but over and on top of that, our contemplation would not be to lay off. It would be probably to just have to spread the pain of salary reductions, because we feel like we are fairly short staffed now with our two open slots that we can't fill. So we probably wouldn't lay off, we would probably opt for reductions.

Ms. ROS-LEHTINEN. If I could add to what Mr. Berman said. We established an innovative, and have been very productive in the way we have implemented it, mentor/mentee program where we have had our junior staffers working with our most senior policy staffers, and then when those senior staffers have gone on to retire, we have been able to ride that problem out by promoting from within.

Mr. BRADY. Sometimes that can contribute to attrition.

Mr. BERMAN. Yes, that is true.

Mr. BRADY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Rokita.

Mr. ROKITA. I yield back.

The CHAIRMAN. Thank you very much. I appreciate your work and your presentation here today.

Intelligence is up next.

Thank you, chairman and ranking member of the Intelligence Committee. And I also thank you for sending your first communion pictures for us here. Really nice looking. That was his line.

Mr. ROGERS. It is the only pictures we can show, actually.

The CHAIRMAN. We welcome you both representing the House Permanent Select Committee on Intelligence. While your written testimony will be made a part of the record, if you could summarize and give us an idea of how you were able to operate with the 5 percent cut this last year, what efficiencies you may have implemented already and those you anticipate as we are looking at a 6.4 percent cut as a result of the resolution passed by the House.

STATEMENT OF THE HON. MIKE ROGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA, CHAIRMAN, PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. ROGERS. Well, thank you, Mr. Chairman, Ranking Member Brady. I appreciate the opportunity to be here.

Mr. Ruppersberger and I have worked pretty closely on all things on the committee, including the budget process, and we absorbed the 5 percent reduction last year, I am pleased to tell you, and were able to still continue to do our business. It enabled the committee to hold about 100 events, including hearings, briefings, roundtables with key leaders in intelligence, and off-sites to important facilities to conduct oversight—proper oversight of the Intelligence Community at large.

We were authorized 44 staff positions. We achieved that cost savings by only filling those vacancies that we believed we could get by to fulfill the committee's mission. So at present the committee's 20 members are served by 30 staff, to include 19 majority staff, and 8 minority staff, and 3 support staff. Although we have not hired to capacity, we maintain the flexibility to hire additional staff should circumstances require and budget permitting.

We continue to work for efficiencies gained from previous improvements to its information technology system. We had a heavy investment up front, and we think we are reaping some of those rewards now. These improvements have allowed us to reduce expenditures for equipment, while continuing to ensure the safe processing, dissemination, and retention of committee documents and

communications, as well as classified information received from the executive branch.

As you know, Mr. Chairman, it is a unique committee indeed in the sense that all of the information that flows through has special handling requirements. So we have made sure that we have protected those handling requirements and our ability to secure that information, and at the same time try to maintain our tempo when it comes to aggressive oversight.

We were able to put together a budget. We think it was probably the best we have seen in many, many years, mainly because it was a bipartisan effort not only with the Members, but we have joined the staff together—we are not sure that has ever happened before—to have joint briefings between Republican and Democrat staff sitting at the table to go through the numbers. We think it made a better product, we think it made it more efficient, and we stand ready, knowing the fiscal environment, to find that 6.4 percent, I believe, as we move forward into this year. We will do it through efficiencies, we will probably keep some vacancies on the committee, but we think we can absorb it and keep it. We are working in the tempo, and we have got some great people who are logging some long hours, and we will continue to ask them to do that as we move forward into next year.

[The statement of Mr. Rogers and Mr. Ruppersberger follows:]

Joint Statement of

Chairman Mike Rogers and Ranking Member C. A. Dutch Ruppersberger

Permanent Select Committee on Intelligence

Before the

Committee on House Administration

Committee Budget Update

November 30, 2011

Chairman Lungren, Ranking Member Brady, and Members of the Committee, thank you for the opportunity to update you on the Permanent Select Committee's use of its budget authority in the first session of the 112th Congress and its projected use in the second session.

Given the current challenging fiscal environment, the Committee has worked hard to achieve greater efficiencies when conducting our important work overseeing our nation's Intelligence Community. As you know, The Permanent Select Committee on Intelligence fulfills two critical roles designed to ensure the government's successful, continued conduct of intelligence activities. First, our Committee serves as a connection between the classified business of intelligence and the American people. Second, the Committee strives to ensure that the men and women of the Intelligence Community have the resources, capabilities, and authorities they need to keep our country safe. In short, strong and effective oversight contributes to the successful conduct of intelligence activities.

We have reviewed our committee's expenditures, and we are pleased to report that during the first session of this Congress, the Committee successfully absorbed the 5% reduction from our funding in the last Congress as reflected in our authorized budget. Additionally, we estimate that the Committee will return approximately $200,000 of its authorized budget to U.S. taxpayers. Finally, the Ranking Member and I believe that we will continue this success and will be able to absorb the additional 6.4% decrease during the second session.

The Committee was authorized $5,153,750 for the first session of the 112th Congress. The funds enabled the Committee to hold nearly 100 events, including hearings, briefings, roundtables with key leaders in intelligence, and off-sites to important facilities. The Committee also continues to recruit and retain a highly qualified, experienced, and cleared staff. But we recognize the challenging fiscal environment the country now faces and have adjusted accordingly. While the Committee is authorized to fill up to 44 staff positions, we have achieved cost savings by only filling those vacancies that are necessary to fulfill the Committee's mission. At present, the Committee's twenty members are served by thirty staff to include nineteen majority staff, eight minority staff, and three support staff. Although we have not hired to capacity, we maintain the flexibility to hire additional staff should circumstances require, budget permitting.

Additionally, the Committee continues to see efficiencies gained from previous improvements to its information technology systems. These improvements have allowed us to reduce expenditures for equipment while continuing to ensure the safe processing, dissemination, and

retention of Committee documents and communications, as well as classified information received from the Executive Branch.

Mr. Chairman, the Committee requested and received a budget for the 112th Congress that is significantly less than the Committee's budget from previous years. We have absorbed this decrease by working hard, finding efficiencies, and focusing on our core mission. We are proud of the work we do overseeing the intelligence community and ensuring they have the resources and authorities they need to keep America safe.

Thank you for allowing the Ranking Member and me to update you on the Committee's budget status for the 112th Congress. We welcome any questions the Committee might have.

The CHAIRMAN. Mr. Ruppersberger.

STATEMENT OF THE HON. C.A. DUTCH RUPPERSBERGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND, RANKING MEMBER, PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. RUPPERSBERGER. Thank you for having us here today. I think when Mr. Rogers and I in the beginning took over the leadership of the Intelligence Committee, we had both been on the committee before. And it was a very partisan committee, and the stakes on Intelligence are very high on the issues we deal with, whether it is cybersecurity, terrorism, rush tranche, China threat, all the things that we deal with. And it wasn't serving our country by having a partisan relationship, so we agreed to work together. Mike was a former FBI agent. I was a former prosecutor. I do remind Mike that good FBI agents listen to their prosecutor, even if they are in the minority. That was a joke. But I think the reasons that we——

Mr. ROGERS. And he reminds me often of that, Mr. Chairman, for the record.

Mr. RUPPERSBERGER. But I think the reason that we have been so successful is that we have brought our staff together, which just hasn't happened in the past, and we have worked together as a team on the committee.

We knew that we had to absorb cuts like every other agency has to, every other committee, and when we did, we did program review. We made sure that our first goal, we would not affect the mission. We didn't affect the mission, and we were able to do the cuts that were necessary in personnel and other areas. We hope that the committee gets better because eventually it is going to affect us all, but at this point we have to do our share, and I think it has been done, and I think the leadership of Chairman Rogers, working in a bipartisan way, has really helped us to accomplish what we did.

We can say this publicly—I can't give you an exact number—but we were able to cut over $1 billion from our budget without affecting the mission.

The CHAIRMAN. That is very good. Are you fully moved into the CVC now?

Mr. ROGERS. Yes, sir. We are fully moved in. The staff is in. We hold our hearings and briefings in the CVC.

The CHAIRMAN. What has been the difference with respect to utilizing that——

Mr. ROGERS. Well, we have less claustrophobic reaction from the staff. For those familiar with the previous space, we were in—they call it "the tube." There really was not sufficient staff to meet the demand not only just for staff space, but for the proper handling of the material as it came through the committee space. It looked like a rabbit haven back in there.

So the space is appropriate. We now have ample enough space to accurately and adequately store and categorize the information that we had, and that was a weakness before. They couldn't access information historically because of the really limited space and the way that it was filed. So it has been, I think, an exceptionally good

thing for both the staff and our ability to function when it came to properly handling materials.

The CHAIRMAN. It is a great space. It is a little further away from the House floor and other things. Has that proven any difficulty for your Members, or for the general membership when they want to go and look at classified information? Have you seen any increase or decrease——

Mr. RUPPERSBERGER. We lose a couple of pounds—that is one of the changes we have seen—by walking so much.

The CHAIRMAN. You are walking better.

Mr. RUPPERSBERGER. I just had my knee operated on 3 weeks ago.

Mr. ROGERS. And the good news is when we tell them to show up to the committee meeting, nobody can find it. So we kind of like it that way. The participation gets whittled down.

Mr. RUPPERSBERGER. Another thing, we also have more conference rooms. A lot of what we do and what our staff does is oversee and interview all the agencies on a regular basis. In the former—in the other facility that we had, everybody had to wait because we have to be in a SCIF in a classified area. So having different conference rooms has really helped efficiency so when people come in, we can meet with them, and we don't have to wait a half an hour for a room to become available.

The CHAIRMAN. As I understand your testimony, you folks can operate effectively with a 6.4 percent cut, even though you would not be asking for a 6.4 percent cut.

Mr. ROGERS. Obviously, Mr. Chairman, being from a committee that has not had a lot of plus-ups in the past, is it going to hurt a little bit? Sure. But we can understand the environment that we are in, and we believe together that we can meet that number and still efficiently perform our duties.

Mr. RUPPERSBERGER. And we did work with the other agencies to do this. We just didn't say there—we work with each agency, we review their programs, and they give us their priorities. That is the way we should do it. You just can't come in and say, cut this percentage. You will throw the baby out with the bathwater if you do that in that style.

Mr. ROGERS. Mr. Chairman, we did that through IT purchases. We renegotiated contracts. Some of those contracts we believe were probably not in the best interests of the government, so we went back and renegotiated contracts, and, again, we are getting a little bit more of staff. And we focused our travel.

So we have made some changes on—in the intelligence business you can't do it from the Capitol Building completely. You have to be someplace else. So we focused that travel, and we were able to trim some travel budget costs that way. So we were watching the pennies. Again, we think this is an important commitment for our committee to make, as all the committees are making here on the Hill.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. Mr. Chairman, an FBI agent and a prosecutor in front of me, I have no questions.

Mr. ROGERS. Mr. Brady, could we see you afterwards, please?

The CHAIRMAN. Mr. Rokita.

Mr. ROKITA. Thank you, Mr. Chairman.

I want to thank both of you gentlemen for your leadership and the staff that you have provided me on a couple of occasions when I needed your attention. I didn't even have to bother you. I was a little skeptical the first time I had to go behind two or three different vaults to have the conversation, but your staff was very professional and treated my concerns with a lot of respect. As a new Member, I greatly appreciate them.

I am very interested to know that—if I understood the testimony right, it went from 44 to 30 staff members?

Mr. ROGERS. Forty-four authorized, but we filled thirty slots, and we did that in order to try to save some money.

Mr. ROKITA. And that saved $1 million. So all the savings came from staff?

Mr. ROGERS. Oh, no, no, no. There was a series. It was IT, renegotiated contracts, some for staff, some on travel. And the money that Mr. Ruppersberger was talking about is the money that we found in our authorization bill. It was $1 billion is the unclassified——

Mr. RUPPERSBERGER. Not for administration, for our whole bill.

Mr. ROGERS. From the Intelligence Community itself. We went back and forced some—as we went through efficiencies, we forced efficiencies onto the Intelligence Community as well and came up with—the unofficial number is about $1 billion.

Mr. RUPPERSBERGER. For certain programs. For instance, there are a lot of programs that are good, but some we can't afford, so we needed to go to the agencies. We also didn't have jurisdiction over the Intelligence Community and the military, and we made sure that whatever we did, it would not affect our national security. But there are certain programs we just could not afford, and we did away with some of those.

Mr. ROKITA. Thank you for clearing that up.

The CHAIRMAN. Ms. Lofgren.

Ms. LOFGREN. Just real quickly, thank you, of course, for your service. I want to make sure—and don't discuss the details, obviously, in this open setting, but in a reduction in the IT budget, are you confident that you have the resources to have the vigorous kind of cybersecurity that is necessary for the committee itself?

Mr. ROGERS. Yeah. I do believe that we are. Now, we have some added advantage from having some leverage from the agencies of which we oversee and, because of the nature of the information that they are involved in, our security procedures as well; NSA specifically, the Agency and others. So we do believe that we can do it.

And, by the way, in the savings, we have even have added some other—and I can't talk about what—but some other electronics matters to the committee that hadn't been there before. So even though we have found the savings, we have found other places where we thought a small amount of investment could enhance the security and the security procedures at the committee.

Ms. LOFGREN. Thank you very much.

Mr. RUPPERSBERGER. Let me address that, too, because I think it is important.

The first thing, the cyberthreat is one of the most serious threats that we have in our country. As we speak, we are being attacked. We are losing billions of dollars. And my concern is we are going to have a catastrophic attack. The ability is there for other countries, al Qaeda, an organization like that, to hire a hacker, attack a banking system. North Korea just attacked South Korea. Our air traffic controllers. It is a very serious issue. So because of that, we didn't do it. We did away with some programs, but we added billets, as an example, in the agencies that deal with cybersecurity. So it is a matter of prioritizing, doing away with one so we can put more in the area of cyber.

Ms. LOFGREN. I appreciate that. But I was specifically—you know, every committee has information, some of it is more sensitive than others, and I can't think of a committee that has more sensitive information than yours. So that is why I wanted to make sure you felt comfortable with the funding level.

Mr. ROGERS. Thank you. Again, many of our systems—I worry about the House in general mainly because of——

Ms. LOFGREN. That is a whole separate subject.

Mr. ROGERS [continuing]. As a whole separate subject. Our committee, because of—we are connected to already secured networks provided by the agencies, so in that regard I feel pretty comfortable.

If you are asking me about the House computers of which our committee uses them as well, we have concerns that I have talked to Mr. Lungren, and I think we are hopefully on the right track to making some changes, and some of that is cultural changes as well. It is beyond the scope of a policy or a dollar. It is cultural.

Ms. LOFGREN. Human behavior is your weakest link.

Mr. ROGERS. And 80 percent of our problem in the House of Representatives could be cured by changing human behavior when it comes to the use of those computers.

Ms. LOFGREN. Thank you, Mr. Chairman.

Mr. RUPPERSBERGER. We just dropped today a bipartisan bill on cybersecurity, which is what we have been working on this for close to 5 years, and the bill is being dropped today.

Ms. LOFGREN. I will be eager to look at it.

The CHAIRMAN. Thank you very much for your testimony. Thank you very much for your service, and we appreciate it.

Mr. RUPPERSBERGER. May I ask you a question, Mr. Chairman? What about the issue of subway?

The CHAIRMAN. We are working on that.

Mr. RUPPERSBERGER. Inside joke.

Mr. ROGERS. Thank you very much, Mr. Lungren, Mr. Ranking Member.

The CHAIRMAN. Judiciary.

All right. Thank you very much for being here. The committee now welcomes Chairman Lamar Smith and Ranking Member John Conyers of the Committee on the Judiciary. We will receive your written testimony in its entirety. We would ask you to briefly outline how you have operated under the 5 percent cut this last year; how you would operate with a 6.4 percent, at least, cut to this coming year; and efficiencies that have been instituted already, and those that you may be looking forward to.

STATEMENT OF THE HON. LAMAR SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, CHAIRMAN, COMMITTEE ON THE JUDICIARY

Mr. SMITH of Texas. Thank you, Mr. Chairman.

Chairman Lungren, Ranking Member Brady, other members of the committee, thank you for the opportunity to testify on the Judiciary Committee's budget for the second session of the 112th Congress.

In this economy, all Americans are forced to tighten their belts and do more with less. In recognition of that, earlier this year Ranking Member Conyers and I requested a budget cut of 5 percent below the funding for the 111th Congress. Now we are being asked to accept a further funding cut of 6.4 percent.

In the 112th Congress, so far the Judiciary Committee has sent more bills to the House floor than any other committee. Among the important issues the committee continues to consider are ensuring that Federal law enforcement agencies have the necessary tools to prevent terrorist attacks, that America's borders are secure, that our Nation's children are safe from sexual predators, and that the administration of justice is fair and efficient within both the Justice Department and Federal law enforcement agencies and within our Federal Judiciary.

In addition, the committee plays an important role in strengthening our economy and putting Americans back to work. We ensure robust and fair competition under the antitrust laws, promote America's global competitiveness through our intellectual property laws, improve our immigration laws to attract the best and brightest from around the world, and bolster the business climate by reining in burdensome and unnecessary regulation.

During the first year of this Congress, the committee worked to enact an historic patent reform bill that would make our economy much more productive by speeding up the issuance of patents and improving the quality of those patents. New jobs should follow as a result. This bill is the first major revision of the patent system in 60 years and is a result of a project started several years ago.

In the next 2 weeks, the House is considering three significant regulatory reform bills reported by the Judiciary Committee to update a system designed in the 1940s for an industrial society and make it more responsive in today's global information society. All of these issues are critical to the safety and well-being of millions of Americans. Because of this, it is vital that we retain a highly qualified staff as a cornerstone of the committee's capacity to consider complicated and often controversial legislation and policy issues that fall within its jurisdiction.

To attract and retain quality staff, the committee must be able to offer compensation that is at least somewhat competitive with the private sector. This is particularly challenging when a disproportionate number of committee staff are attorneys with substantial public policy expertise who could command higher salaries from the private sector.

Although I would rather not see the committee budget cut for a second year in a row, I do support our leadership and this committee's decision to reduce our budget by 6.4 percent in the coming

year. I will do what is necessary to ensure that the Judiciary Committee is even more productive while operating with less.

Mr. Chairman, you asked to explain how we coped with this last year and how we might cope this coming year. This last year we were able to achieve a 5 percent cut mainly by cutting back on subscriptions to periodicals and other publications. This next year will be a little bit tougher, but we have a staff vacancy occurring actually at the end of this week, in 2 days, and by not filling that staff position and having another individual basically hold down two positions, we are going to be able to achieve, I believe, that 6.4 percent recommended cut in our budget.

I will be happy to respond to questions after the ranking member has made his statement as well.

[The statement of Mr. Smith of Texas follows:]

Statement of Judiciary Committee Chairman Lamar Smith
Committee on House Administration
Judiciary Committee Budget for the 112th Congress, Second Session
Wednesday, November 30, 2011
FINAL

Chairman Lungren, Ranking Member Brady and Members of the Committee, thank you for the opportunity to testify on the Judiciary Committee's budget for the Second Session of the 112th Congress.

In this economy all Americans are forced to tighten their belts and do more with less. In recognition of that, earlier this year Ranking Member Conyers and I requested a budget cut of five percent below the funding for the 111th Congress. Now we are being asked to accept a further funding cut of 6.4 percent.

In the 112th Congress, so far the Judiciary Committee has sent more bills to the House floor than any other committee in Congress.

Among the important issues the Committee continues to consider are ensuring that federal law enforcement agencies have the necessary tools to prevent terrorist attacks; that America's borders are secure; that our nation's children are safe from sexual predators; and that the administration of justice is fair and efficient within both the Justice Department and federal law enforcement agencies and within our federal judiciary.

In addition, the Committee plays an important role in strengthening our economy and putting Americans back to work. We ensure robust and fair competition under the antitrust laws, promote America's global competitiveness through our intellectual property laws, improve our immigration laws to attract the best and brightest from around the world and bolster the business climate by reining in burdensome and unnecessary regulations.

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In the next two weeks, the House is considering three significant regulatory reform bills reported by the Judiciary Committee to update a system designed in the 1940's for an industrial society and make it more responsive in today's global information society.

All of these issues are critical to the safety and well being of millions of Americans.

Because of this, it is vital that we retain a highly qualified staff as the cornerstone of the Committee's capacity to consider complicated and often controversial legislation and policy issues that fall within its jurisdiction.

To attract and retain quality staff, the Committee must be able to offer compensation that is at least somewhat competitive with the private sector.

This is particularly challenging when a disproportionate number of committee staff are attorneys with substantial public policy expertise who could command higher salaries from the private sector.

Although I would rather not see the Committee budget cut for a second year in a row, I support our Leadership and this Committee's decision to reduce our budget by 6.4 percent in the coming year. I will do what is necessary to ensure that the Judiciary Committee is even more productive while operating with less.

I yield back the balance of my time.

###

The CHAIRMAN. Chairman Emeritus Conyers.

STATEMENT OF THE HON. JOHN CONYERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, RANKING MEMBER, COMMITTEE ON THE JUDICIARY

Mr. CONYERS. Thank you, Chairman Lungren, Ranking Member Bob Brady, our colleague Zoe Lofgren, and Mr. Rokita.

First of all, I endorse and support the comments of the chairman of the committee, and I just want to add a few points. Since the 112th Congress has begun, we have had 79 subcommittee hearings, 8 full committee hearings. More than 640 bills have been referred to the committee, and 43 bills marked up, 32 bills reported out of the committee, 20 bills passed by the House of Representatives, and 8 bills signed into public law, accounting for somewhere between 20 and 25 percent of the legislative total of the entire 112th Congress.

Now, I am less enthusiastic about the continued reduction of congressional budgets as it applies to the Judiciary Committee. I understand, of course, the tremendous fiscal pressures that our Nation is under, but I do not believe that underfunding the Federal Legislature is consistent with what we need to do in terms of our mission, and I think that sometimes this is counterproductive.

A 6.4 percent cut on top of a 5 percent cut, I think, will reduce our productivity and our effectiveness. But in the end, I think the relationship between myself and the chairman—after all, he was the ranking member when I was the chairman—is one that has helped us maintain a very good working relationship. I have never had a problem with respect to the budget request in this area in terms of controlling our nonsalary items, and I look forward to our continuing to work together. Two of you I do not need to add or embellish what goes on in the committee because you know that as well as I do.

So I appreciate being here once again and plead for your generous tendencies to keep us together and as whole as possible in the circumstances that we are going under at the present time. And I thank you for this opportunity.

The CHAIRMAN. Thank you very much.

[The statement of Mr. Conyers follows:]

Statement of The Hon. John Conyers, Jr.
Ranking Member, Committee on the Judiciary
before the
House Committee on Administration
November 30, 2011

Chairman Lungren, Ranking Member Brady, and Members of the Committee, I am pleased to appear before you today with Chairman Smith to speak with you about the impact of the proposed budget cuts on the House Judiciary Committee.

During the 112th Congress, the House Judiciary Committee has continued its tradition of being one of the most active committees in the House. Chairman Smith has already executed an ambitious hearing and legislative schedule. As of this budgetary hearing, the Judiciary Committee has had:

- 79 Subcommittee hearings and 8 Full Committee hearings on issues ranging from agency oversight to intellectual property to immigration
- More than 640 bills referred to the Committee, or nearly 20% of the all bills in the House
- 43 bills marked up, 32 bills reported out of Committee, and 20 bills passed by the House
- And 8 bills passed into public law, accounting for 25% of the legislative total for the 112th Congress

As a general matter, my view is that it is shortsighted to be continually cutting congressional budgets. I understand the tremendous fiscal pressures the country is under, but I do not believe that we help solve the crisis if we underfund the body that needs to work better and move cooperatively to make the decisions needed to

improve our economy. To me this is being "penny wise and pound foolish."

This is particularly true for the Judiciary Committee. Considering how busy our Committee has been, I am very concerned that a cut of 6.4% would negatively impact our work. As with other Committees, the Judiciary Committee has already been cut by 5%, and a further 6.4% reduction may only further hamper our overall productivity and undermine our ability to retain highly qualified staff. In particular, I believe the cuts will make it harder for the Minority to get our message out and develop and implement a more effective press strategy.

I am able to report that Chairman Smith and I have continued to maintain our excellent working relationship, begun while I was chair and continued over to the current Congress. We have a somewhat unique situation in terms of the Majority controlling all non-salary items, but I have never had a problem or issue with respect to our budget requests in this area.

I look forward to our continued work together for the rest of the 112th Congress, and I hope that the House Committee on Administration reconsiders the budgetary cuts to our Committee. Thank you for your time this morning, and I welcome any questions you may have.

The CHAIRMAN. I just wonder what would happen if we told the judiciary—not the Judiciary Committee—they had to cut 5 percent one year and 6.4 percent the next year. They would probably issue an injunction. I know the work the committee does. I appreciate the chairman's comments on what we do with respect to dealing with this expected budget cut.

And, Mr. Conyers, I understand the position that you have, being in the minority with one-third as opposed to two-thirds, as I have certainly been there before. But I thank both of you for your attention to detail on this.

Mr. Brady.

Mr. BRADY. No. Thank you.

The CHAIRMAN. Mr. Brady is not asking a question of lawyers?

Mr. BRADY. I learned my lesson.

The CHAIRMAN. Mr. Rokita.

Mr. ROKITA. No. Thank you.

Ms. LOFGREN. Thank you to both of you. It is a hardworking committee, and this is a lean budget.

The CHAIRMAN. I just wanted to let you know something I learned a little bit earlier. Have you always heard of that court that they hold in Philadelphia at the football field on Sundays when the Eagles have a game? Guess who the judge is at that court. My ranking member's brother. So if you go up to a Philadelphia Eagles game, make sure you don't find yourself in front of his brother.

Mr. BRADY. Especially if you are rooting for another team.

Mr. CONYERS. Thank you very much.

The CHAIRMAN. Thank you.

We have the Energy and Commerce chairman and ranking member before us. We appreciate you coming. I observed that you were here when we did the previous committee. So we would ask the same of you; that is, if you would give us an idea of how you were able to handle the 5 percent cut this last year, what your plans are for the 6.4 percent cut that is occasioned by the resolution passed by the House, and efficiencies that you can put into place and expect to put into place this next year.

STATEMENT OF THE HON. FRED UPTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, CHAIRMAN, COMMITTEE ON ENERGY AND COMMERCE

Mr. UPTON. Well, thank you, Mr. Chairman. Both of us are glad to be here.

We did demonstrate our commitment to deficit reduction by living with the 5 percent across-the-board cut this last year. We were very meticulous about our direct operating expenses. We deferred the hiring of some staff at the beginning of the year.

I look to live within the spirit of the 6.4 percent cut coming in the second session. To manage that I don't expect to fill some remaining staff slots, and in some cases not replace departing staff. We will continue to struggle to do the upgrades of our committee's equipment and computers. I would note that this current year we have had very few field hearings. I would anticipate that we will do none in the next year. Certainly we will expect to do the tradi-

tional two-thirds, one-third split with the majority, minority. It seems to work pretty well, at least from my end of things.

There is an incurring cost of software that we have to continue to manage as we get thousands of pages of documents with a small oversight staff. And we expect that you all can help us with the high cost of information access and management, LexisNexis, et cetera. We look to meet our legal responsibilities to prepare and print hearing transcripts, et cetera. This year, we had over 100 hearings and markups. We are in full committee markup now, which is why I am going to abbreviate my testimony and yield to my friend Mr. Waxman.

[The statement of Mr. Upton follows:]

WRITTEN TESTIMONY
THE HONORABLE FRED UPTON
CHAIRMAN
HOUSE COMMITTEE ON ENERGY AND COMMERCE

BEFORE

THE HOUSE COMMITTEE ON ADMINISTRATION
November 30, 2011

Budget Request for the Committee on Energy and Commerce
For the Second Session of the 112th Congress

Written Testimony of the Honorable Fred Upton
Chairman
House Committee on Energy and Commerce

112th Congress Budget Request

Chairman Lungren, Ranking Member Brady, and Members of the Committee, thank you for the opportunity to testify today in support of the Committee on Energy and Commerce's budget request for the second session of the 112th Congress.

I can report that in 2011 we operated under the 5% reduction from our funding in the 111th Congress, consistent with the requirements of H.J. Res. 22, which demonstrates our commitment to deficit reduction. The impact on our payroll line was mitigated by the nature of our hiring schedule in the first quarter of the year and by a decision to leave a number of staff slots unfilled. We were

very meticulous about our direct operating expenses, limiting field hearings, Member travel, and subscriptions.

Mr. Chairman, we are living within the spirit and letter of the 5% cut. We can, with some adjustments, live within the proposed additional cut of 6.4% coming in the second session of this Congress. To manage this cut, I do not expect to fill remaining staff slots and in many cases not replace departing staff. Additionally, we will continue to constrain upgrades of Committee equipment and computers. And our ability to conduct field hearings – an important function of the Committee – will be severely limited.

We remain committed to a 2/3 – 1/3 split of the Committee budget, with an agreed to payroll adjustment to

prescribed Committee administrative and financial responsibilities for both sides.

We will endeavor to allocate resources – both financial and staff – to meet the goals and responsibilities of our Committee. An example is our incurring the cost of software to manage the thousands of documents requested as part of investigations and give our small oversight staff an opportunity to properly conduct investigations into wasteful government spending.

Also, we hope CHA can help all Committees with the high cost of information access and management – such as LexisNexis, CQ, etc., as well as deal with the new cost of acquiring printing help from the Government Printing Office. We must meet our legal responsibility to prepare

and print hearing transcripts from our Committee. Just this year, we held over 100 hearings and markups. I attach as an example of our output my third quarter report to our Members.

Again, I thank the Committee for the opportunity to testify today, and of course will be happy to answer any questions.

STATEMENT OF THE HON. HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, RANKING MEMBER, COMMITTEE ON ENERGY AND COMMERCE

Mr. WAXMAN. Chairman Lungren, Ranking Member Brady and other members of the committee, I am pleased to be here with Chairman Upton to talk to you about our situation, our budget situation.

The first year of the 112th Congress posed substantial budgetary challenges for the minority of the committee. As I noted in my testimony last spring before you, the Committee on Energy and Commerce has jurisdiction over subjects with broad impact on public welfare, health, and the economy, including implementation of the comprehensive health reform law, making sure our food and drugs are safe, ensuring the effectiveness of Medicaid and much of Medicare, developing the Nation's energy and environmental policy, telecommunications policy, and consumer protection law. To meet these responsibilities, we need staff with expertise in a range of areas, access to key periodicals to keep staff current on the subject areas under the committee's jurisdiction, and the ability to travel to conduct fact-finding and field hearings.

Unfortunately, underfunding in this Congress has posed obstacles to meeting these basic staffing needs. I am proud of the work our committee has done, but we have been unable to fulfill all of our slots. We have a shortage of manpower. We have had to carry a significant number of vacancies due to budgeting constraints. Further, at the same time that staff have been shouldering an extraordinary workload, they have seen their pay decrease from last year. In addition, we have had to forgo basic administrative resources such as a backup server that ensures the integrity of the committee files.

In the coming year, the Committee on Energy and Commerce will continue to be at the center on policymaking on issues key to the health and welfare of Americans. We need to ensure national energy security. We have a variety of health and environmental challenges posed by global warming, climate change, and we must determine how to forge a successful telecommunications policy that encourages innovation and appropriate allocation of spectrum resources.

We need an increase in funding for the Committee on Energy and Commerce for the remainder of the 112th Congress in order to ensure retention of expert staff and essential resources to support their work. A cut in funding would have deleterious consequences. It would mean that we could not replace departing staff; we could not participate in committee field hearings, which shouldn't be all that difficult since we are not going to have any next year; and we would have to eliminate paid subscriptions to newspapers, on-line news services, and databases.

That is our story, and I would be happy to answer any questions.

[The statement of Mr. Waxman follows:]

Statement before the Committee on House Administration
Funding for the Committee on Energy and Commerce
112th Congress
Henry Waxman, Ranking Member
November 30, 2011

Chairman Lungren, Ranking Member Brady, and other members of this Committee, thank you for the opportunity to testify regarding the use of funds by the Committee on Energy and Commerce in the 112th Congress. I am pleased to join Committee Chairman, Fred Upton, in appearing before you today.

The first year of the 112th Congress has posed substantial budgetary challenges for the minority on the Committee. As I noted in my testimony last spring, the Committee on Energy and Commerce has jurisdiction over subjects with broad impact on public welfare, health, and the economy, including implementation of the comprehensive health reform law, making sure our food and drugs are safe, ensuring the effectiveness of Medicaid and much of Medicare, and developing the nation's energy and environment policy, telecommunications policy, and consumer protection laws.

To meet these responsibilities we need staff with expertise in a range of areas, access to key periodicals to keep staff current on the subject areas under the Committee's jurisdiction, and the ability to travel to conduct factfinding and field hearings. Unfortunately, underfunding in this Congress has posed obstacles to meeting these basic staffing needs.

I continue to be tremendously proud of the quality and quantity of work performed by my staff. However, they are laboring under a shortage of manpower. We have been unable to fill all of our slots and have had to carry a significant number of vacancies due to budgeting constraints. Further, at the same time that staff have been shouldering an extraordinary workload they have seen their pay decrease from last year. In addition, we have had to forgo basic administrative resources such as a backup server that ensures the integrity of Committee files.

In the coming year, the Committee on Energy and Commerce will continue to be at the center of policymaking on issues key to the health and welfare of Americans. The Committee must continue to work to ensure national energy security. We must address the variety of health and environmental challenges posed by global warming and climate change. We must determine how to forge a successful telecommunications policy that encourages innovation and appropriate allocation of spectrum resources.

We need an increase in funding for the Committee on Energy and Commerce for the remainder of the 112th Congress in order to ensure retention of expert staff and essential resources to support their important work for the American public. A cut in funding would have deleterious consequences: it would mean that we could not replace departing staff; we could not participate in Committee field hearings; and we would have to eliminate paid subscriptions to newspapers and on-line news services and databases.

Thank you for the opportunity to testify today.

The CHAIRMAN. Let me just ask this, Mr. Waxman, about what you said. You anticipate if we had a 6.4 percent cut that you would actually have layoffs on your minority personnel?

Mr. WAXMAN. We probably would have to. We have already had four people we have had to let go because we couldn't meet the payroll with the cut we had last time. And I think we would like to not have any more than that 6.4 percent cut so we could have some attrition of staff and not have to lay people off.

The CHAIRMAN. When you say you have lost four already, was that over and above the fact when you go from majority to minority obviously——

Mr. WAXMAN. Yes. Aside from that.

The CHAIRMAN. Okay. Mr. Upton, would there be any personnel consequences?

Mr. UPTON. We may well have some. I am very pleased with the staff that we have. They are tremendous. And as was said by other committees, I heard Lamar from the Judiciary Committee, I know that to have the talented staff that we have, particularly as we have taken them from the private sector, many of them have taken a reduction in pay from what they earned before. We are aware of some of those salary changes. And I am hoping that we don't lose anybody. We are trying to keep them as happy as we can so that they want to continue to come work. But we are very aware of the need for sacrifice and leading the way and we are doing so by——

The CHAIRMAN. What is your total personnel now, both majority and minority?

Mr. UPTON. I think our side has about—some staff would be joint. I think the count is about 75. Again, it is two-thirds, one-third. Six subcommittees. And we are active every day of the week.

The CHAIRMAN. All right. Thank you very much.

Mr. Brady.

Mr. UPTON. Any parking spots to give us? Something?

The CHAIRMAN. I will give you parking spots in return for jurisdiction. You would have to give something that is very dear to your heart.

Mr. UPTON. Ahead of us, I say nice things about the Judiciary Committee.

The CHAIRMAN. No. I was thinking of Homeland Security.

Mr. Rokita.

Mr. ROKITA. Thank you. I yield back.

The CHAIRMAN. Thank you very, very much. I know you have to get back to your full committee. I appreciate it. Thank you.

Thanks for being here early, Sam. We were running behind time, and now we are ahead of time. We are trying to get this done before the votes. So we understand your ranking member is on her way.

Mr. GRAVES. Yes, I think she is.

The CHAIRMAN. We want to welcome the chairman and ranking member of the Small Business Committee. Your written statements will be made a part of the record. We ask you to summarize. And if you could give us some guidance as to how your committee was able to deal with the 5 percent budget cut in the current fiscal year; how you would expect to deal with a 6.4 percent budget cut, as promised by the resolution passed by the House; and any effi-

ciencies that you have been able to incorporate in the operations of the committee from the majority and minority side of things.

STATEMENT OF THE HON. SAM GRAVES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI, CHAIRMAN, COMMITTEE ON SMALL BUSINESS

Mr. GRAVES. Thank you, Chairman Lungren and Ranking Member Brady, for the opportunity here. I will just briefly summarize everything, and then I will go through real quick the budget plan, as you asked for.

By the end of this year, the committee, we have held 40 hearings in Washington and 5 field hearings. We have also held five markups and participated in several roundtable events in Members' districts. Other oversight activities conducted outside the hearing room have also had some pretty positive results, and this activity reflects the committee's very narrow legislative authority and broad oversight jurisdiction, as well as our priority to bring in the committee directly to constituents back home.

We have invested in outreach through technology. We launched a new feature on our Web site called "Open Mic" which allows small business men and women to communicate directly their concerns and ideas to the committee. The committee's success is reflected in the awards that we have received both on the Web site and social media communications through the year. As a committee with one of the smallest budgets and staffs in Congress, we are very proud of those accomplishments.

Now, in reviewing the committee's budget, as of October 31, the Small Business Committee spent 69 percent of its total allocation for 2011, which is very good news as it indicates that we have been able to live within our means and still do the work required of us, even with the 5 percent cut this year. But it is very important to note that 2011 was somewhat of an anomaly for the committee because of the change in the majority status, which required so many staff changes at the beginning of the year. Speaking for the majority, this meant that we had a gradual hiring of staff over the first few months, which resulted in significant personnel changes early in the year, because our staff was smaller earlier in the year.

But those savings won't be realized in 2012 because we are staffed at least where we feel we need to be at the moment. We had a plan to add more staff, obviously, but that was stopped in mid-2011 when we learned that there might be potential cuts in 2012. Now, additional staff would be dedicated to oversight and regulatory review, which are very important priorities for the committee. The staff would help us further the goals of cutting waste out of the government; reining in regulation, which is a very big aspect of what we do; and provide a better environment for job creators. We are going to continue to evaluate our personnel to ensure that we are maximizing the resources under the budget constraints.

While we have been forced to make adjustments to our plans and projections in anticipation of cuts next year, we will continue to prioritize effective oversight, obviously travel to Members' districts, and technology that provides much greater transparency and access for the public. We do believe in proper planning, and we will

have the resources next year, even if there is a cut, to make the investments that allow us to meet the committee's objectives.

So with that, I would be happy to answer any questions. And I will turn to Ranking Member Velázquez.

[The statement of Mr. Graves follows:]

SAM GRAVES, MISSOURI
CHAIRMAN

NYDIA M. VELAZQUEZ, NEW YORK
RANKING MEMBER

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515–6315

Testimony of
The Honorable Sam Graves (MO-06)
Chairman, Committee on Small Business
Hearing on Committee Funding
Committee on House Administration
November 30, 2011

Thank you, Chairman Lungren and Ranking Member Brady, for the opportunity to appear before the Committee to report on the Small Business Committee's budget.

As of October 31st, the Small Business Committee had spent 69 percent of its total allocation for 2011. This is good news as it indicates that the Committee has been able to live within its means and still do the work required of us, even with the five percent cut we sustained this year.

To date, the Committee has held 37 hearings in Washington and four field hearings. The Committee also has conducted five mark ups and participated in several roundtable events in Members' districts. Other oversight activities conducted outside of the hearing room have also yielded positive results.

This activity reflects the Committee's narrow legislative authority and broad oversight jurisdiction, as well as our priority of bringing the Committee directly to our constituents back home.

We have also invested in outreach through technology and launched a new feature on our website called "Open Mic" that allows small business men and women to communicate their concerns and ideas directly to the Committee. The Committee's success is reflected in the awards that have been received for both the website and social media communications this year.

As a Committee with one of the smallest budgets and staff in Congress, we are proud of these accomplishments.

In reviewing the Committee's budget, it is important to note that 2011 is somewhat of an anomaly. The change in majority status required many staff changes at the beginning of the year. For the majority, this meant a gradual hiring of staff over the first few months and significant personnel savings early in the year when our staff was small. Those savings will not be realized in 2012.

Further, our plan was to add more staff, but we stopped hiring in mid-2011 when we learned of the potential for further cuts in 2012. Additional staff would be dedicated to oversight and regulatory review, which are important priorities for our Committee. This staff could help us further the goals of cutting waste out of government and reining in regulation to provide a better environment for our job creators. We will continue to evaluate our personnel to ensure we are maximizing resources under the budget constraints.

While we have been forced to make adjustments to our plans and projections in anticipation of the 6.4% cut in 2012, we will continue to prioritize effective oversight, travel to Members' districts, and technology that provides greater transparency and access for the public.

We believe that with proper planning, we will have the resources next year, even with the 6.4% cut, to make the investments that will allow us to meet the Committee's objectives.

Thank you, and I would be happy to answer any questions.

STATEMENT OF THE HON. NYDIA M. VELÁZQUEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, RANKING MEMBER, COMMITTEE ON SMALL BUSINESS

Ms. VELÁZQUEZ. Thank you, Chairman Lungren, Ranking Member Brady.

You know, given the role—and I would like to put this in the perspective of our economy and the important role that small businesses play in helping us get out of this recession. It is important to understand that the committee serves a vast array of issues impacting small businesses, that Chairman Graves has held different field hearings to tackle those issues that are important to small businesses, and given the state of the economy and the fact that it took this committee close to 20 years to receive funding that was on margin with inflation.

Initially we started off this year with a 5 percent cut in funding. That was already a challenge in and of itself. That cut represents money that could have gone towards operational costs. Mr. Chairman, I run a bare-bones operation. While I understand that the cuts are all around, I don't have to tell you that working with a smaller budget has its challenges. We have barely managed this first round of cuts and are bracing ourselves for the next round. An additional 6.4 percent reduction in funding is going to have a significant impact on my office.

As you may recall, historically this committee has repeatedly received the smallest funding of all committees. And the chairman can attest to the fact that we get calls from Members, individual Members—not only the members who serve in the committee, but individual Members who are being approached by small businesses in their districts. So a second round of cuts will make it even more challenging. We will have to examine our operational costs to see where and if we are able to cut expenses, as our office already runs with the bare necessities. I am afraid that with these cuts we will have to resort to attrition, thus losing valuable staff. This also means foregoing field hearings, which give us the opportunity to hear from entrepreneurs outside the Beltway.

Chairman Graves and I are committed to small businesses and our committee members. We are focused on helping small businesses with the support they need in order to help them create jobs, the jobs this country needs so desperately right now. And I am concerned whether this budget will allow us to meet all the needs of our committee and the Members throughout the different districts.

Small businesses turn to this committee time and time again. We need the resources to serve them properly and efficiently. With less funding available to pay staff salaries, subscriptions, equipment, it will be a challenge to fulfill this committee's oversight responsibilities.

And with that, I will answer any questions you may have.

The CHAIRMAN. Thank you very much.

[The information follows:]

SAM GRAVES, MISSOURI
CHAIRMAN

NYDIA M. VELAZQUEZ, NEW YORK
RANKING MEMBER

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

Statement of Ranking Member Nydia M. Velázquez
Committee on House Administration Hearing:
"Review of the Use of Committee Funds of the 112th Congress"
November 30, 2011

Thank you, Chairman Lungren and Ranking Member Brady. I appreciate the opportunity to return before the committee today and provide you with an update on how the 2011 and 2012 funding cuts will affect the operations of the Committee on Small Business.

As the economic downturn continues to take its toll, one group that is hard pressed are the nation's small businesses. Yet history has indicated that precisely during times of financial strain, small businesses have paved the way towards stability and job creation.

Given the important role that small businesses play in our economy, the work we do on the Committee on Small Business is crucial. Over the past eleven months, Chairman Graves has held numerous hearings covering the issues of importance to entrepreneurs. As I've said before, this committee is unique, given the vast array of issues that we have to deal with: financial services, taxes, regulations, agriculture, trade, procurement, health care, the list goes on and on. Such a wide range of issues requires vast expertise in each field.

Initially we started off this year with a 5% cut in funding; that was already a challenge in and of itself. That cut represents monies that could have gone towards operational costs. Mr. Chairman, I run a bare bones operation. While I understand the cuts are all around, I don't have to tell you that working with a smaller budget has its challenges. We've barely managed this first round of cuts and are bracing ourselves for the next round.

An additional 6.4% reduction in funding is going to have a significant impact on my office. As you may recall, historically, this committee has repeatedly received the smallest funding of all committees. A second round of cuts will make it even more challenging. We'll have to examine our operational costs to see where and if we are able to cut expenses as our office already runs with the bare necessities. I'm afraid that with these cuts we'll have to resort to attrition, thus losing valuable staff. This also means foregoing field hearings which give us the opportunity to hear from entrepreneurs outside the Beltway.

It took this committee close to 20 years to receive funding that was on margin with inflation. Nevertheless --- and I can't say this enough --- I am concerned whether this budget will allow Chairman Graves and myself to meet all of our commitments. Small businesses turn to this committee time and time again. We need the resources to serve them properly and efficiently. With less funding available to pay staff salaries, subscriptions, equipment, it will be a challenge to fulfill this committee's oversight responsibility.

Chairman Graves and I are committed to small businesses and our committee members. We are focused on helping small businesses with the support they need in order to help them create jobs. The jobs this country needs so desperately right now.

Thank you Mr. Chairman. I appreciate your time and would be happy to answer any questions that you or the committee may have.

The CHAIRMAN. If we have a 6.4 percent cut, would that require layoffs, either majority or minority; that is, would you have to cut personnel, actually cut already existing personnel?

Mr. GRAVES. What we did, we actually stopped hiring when we heard on the majority side—when we heard that there were potential cuts coming. What that ended up happening is—I mean, we are obviously getting the work done, but it is taking longer. And the staff we would have hired would have been senior staff to do oversight on administrative—from the administration standpoint when it comes to all this new regulation that is coming down in the SBA regulations. So we are behind on that. And that is where the staff would have gone to. But obviously we are dealing with it, and we just froze hiring for the time being.

Obviously I sympathize with the minority. Any time you have a change in majority/minority, you have one side that is staffing up, which makes it easier to slow down. You have got one side that has got to significantly staff down, which is obviously a very tough thing to do for anybody in that position.

The CHAIRMAN. Madam Ranking Member, would you have to lose staff, do you think, if you had——

Ms. VELÁZQUEZ. I would have to look at everything, and I would say that layoffs, salary cuts, and furloughs are all possible.

The CHAIRMAN. Okay. I understand what you are talking about, being a small committee; although, according to my records, you folks are the third smallest in terms of budget. Ethics and Rules actually have smaller budgets, believe it or not.

Mr. Ranking Member.

Mr. Rokita.

Mr. ROKITA. I yield back, Mr. Chairman. Thank you.

The CHAIRMAN. Thank you very, very much for your presentation. We appreciate it and will take it under advisement.

Mr. Nugent, you are sitting back with staff.

It is my pleasure to welcome the chairman and ranking member of the Natural Resources Committee. We have your statements. We would ask if you might highlight how you have been able to operate in this last year under the 5 percent cut that was imposed as a result of the vote of the House; what your prospects are in terms of next year's budget, which is subject to a 6.4 percent cut as a result of a vote on the House resolution; and efficiencies that you have been able to achieve this past year, and others that you might anticipate in the upcoming year.

STATEMENT OF THE HON. DOC HASTINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON, CHAIRMAN, COMMITTEE ON NATURAL RESOURCES

Mr. HASTINGS. Thank you. You have my full statement. I ask unanimous consent that it be made a part of the record.

The CHAIRMAN. Without objection.

Mr. HASTINGS. Thank you, Chairman Lungren, and Ranking Member Brady and members of the committee, for having Ranking Member Markey and me before you to discuss the budget of the Committee on Natural Resources.

Earlier this year we testified before the committee and presented a budget for the 112th Congress that reflected the 5 percent de-

crease from the budget of the 111th Congress. Our nonpartisan administrative staff review each and every budget category for savings. The most significant impact of the reduction, however, is the salary portion of our budget. Retaining and hiring knowledgeable staff with expertise in the diverse areas within the committee's jurisdiction is critical to the legislative and oversight duties that we have responsibility to carry out. On our committee salaries account for about 90 percent of the total committee budget. Decisions on hiring have to be made very carefully to ensure compliance with the overall salary budget.

For 2011, we fully expect to have unspent funds at the end of the year, but that is attributable to the timing of the hiring of both the majority and the minority. For example, if a new staff member was added to the payroll on July 1, there is a budget savings of 6 months of the salary for that year, but they will, of course, earn the entire year's salary for the ensuing year. This results in a saving at the end of 2011, but that will not occur in 2012.

You have also asked that we discuss the impact of the possible 6.4 percent reduction in the committee budget for 2012. This obviously was not anticipated at the beginning of this year and would have impacts on the committee's operation. As I previously stated, 90 percent of the committee's budget is for salary, and we feel the greatest pressure of the 6.4 percent reduction on our ability to hire and retain necessary staff. I have asked our committee's nonpartisan administrative staff to review how much savings could be found in each nonsalary budget category, though it would not be possible to implement a 6.4 percent reduction in the committee's budget from just the 10 percent of the budget that is nonsalary.

Now, to be clear, if the 6.4 percent reduction were to occur, we would find a way to implement it in a way that best maintains the committee's ability to fully and effectively function. In these tough economic times when we need to reduce Federal spending, Congress must do its part. However, it is important to maintain the ability of Congress to effectively conduct oversight of the spending and activities of the various Federal agencies and departments.

Not many people realize that our committee oversees the greatest source of revenue to the Federal Government after the Federal income tax, and that revenue is offshore and onshore energy leasing. Tens of billions of dollars every year are generated and collected by the agencies under our jurisdiction. Our committee budget and the staff is tiny compared to the billions of dollars spent and generated by, and the tens of thousands employed by, those agencies that we are charged with overseeing. There is a point at which budget reductions cross from belt-tightening to having an impact on our core oversight functions. While it is my hope that a possible 6.4 percent reduction could be absorbed without unduly impacting our core duties, a reduction beyond 2012 would certainly raise some serious concerns.

I know that this committee is also concerned about how we share resources at the Natural Resources Committee. That is covered in detail in my full statement, but in short we operate on a two-thirds, one-third budget for salary and staff positions. The remainder of the budget is shared openly between the majority and the minority.

Thank you very much for the invitation to appear before you, and I will be happy to answer any questions you may have.

[The statement of Mr. Hastings follows:]

TESTIMONY OF
THE HONORABLE DOC HASTINGS (R-WA)
CHAIRMAN, COMMITTEE ON NATURAL RESOURCES
BEFORE THE
COMMITTEE ON HOUSE ADMINISTRATION
112TH CONGRESS, 2nd Session
COMMITTEE FUNDING REQUEST
November 30, 2011

Chairman Lungren, Ranking Member Brady, and Members of the Committee, thank you for allowing Ranking Member Ed Markey and I to appear before you to discuss the budget of the Committee on Natural Resources.

Earlier this year, we testified before the Committee and presented a budget for the 112th Congress that reflected a 5% decrease from the budget of the 111th Congress. This budget allocated the funds equally between 2011 and 2012. The reduction of 5% was accomplished by identifying areas to reduce spending throughout the various budget categories. Our nonpartisan administrative staff reviewed each and every budget category for savings, and they are tracking each purchase and expenditure to ensure that the budget is adhered to and that dollars are spent in a responsible manner. The most significant impact of the reduction is in the salary portion of the budget. Retaining and hiring knowledgeable staff with expertise in the diverse areas within the Committee's jurisdiction is critical to the legislative and oversight duties that we have a responsibility to carry out. Salaries account for 90% of the total Committee budget. Decisions on hiring have had to be made very carefully to ensure compliance with the overall salary budget.

For 2011, we fully expect to have unspent funds at the end of the year that are attributable to the timing of hiring by both the Majority and Minority. This is not expected to extend into 2012 as hiring is nearing completion and we reach near full staffing levels going into next year. Obviously, as Republicans moved from the Minority to Majority, our hiring doubled. However, as staff are added throughout the year, we must budget for an entire year's salary. For example, if a new staff person was added to payroll on July 1st, there is a budget savings of 6 months salary for January to June in 2011, but they will earn their entire salary in 2012. This results in savings at the end of 2011 that will not occur in 2012. For the Minority, the new arrival of Ranking Member Markey, following the departure of Mr. Rahall to the Transportation and Infrastructure Committee, resulted in a similar scenario of hiring by the Minority throughout the course of this year and one-year savings at the end of 2011.

You've also asked that we discuss the impact of a possible 6.4% reduction in the Committee budget for 2012. This obviously was not anticipated at the beginning of this year and would have impacts on the Committee's operation. I sought and supported the 5% reduction. It was possible to implement that spending reduction at the outset of the Congress and we've been planning for a frozen budget from 2011 to 2012. As I stated previously, 90% of the Committee's budget is for salary and we'd feel the greatest pressure of a 6.4% reduction on our ability to hire, retain and pay necessary staff. I've asked our Committee's nonpartisan administrative staff to review how much savings could be found in the non-salary budget categories, though it would

not be possible to implement a 6.4% reduction in the Committee's budget from just 10% of the Committee's budget that is non-salary. And such reductions in non-salary categories would impact the Committee's ability to conduct field hearings in the remote areas of the country that are directly affected by our jurisdiction. As part of the administrative staff's review, they're also analyzing our plans for replacing aging equipment. While some equipment needs can be deferred, they must happen eventually. Again, however, these other non-salary budget categories could not absorb a budget reduction of 6.4%.

To be clear, if the 6.4% reduction were to occur, we'd find a way to implement it and in a way that best maintains the Committee's ability to fully and effectively function. In these tough economic times and when the need to reduce federal spending is very real, Congress must do its part. However, it is important to maintain the ability of Congress to effectively conduct oversight of the spending and activities of the various federal agencies and Departments. Many do not realize that our Committee oversees the greatest source of revenue to the federal government after the federal income tax, which is the revenue from offshore and onshore energy leasing and production. Tens of billions of dollars every year are generated and collected by the agencies under our jurisdiction. Our Committee budget and staff is tiny compared to the billions of dollars spent and generated by, and tens of thousands employed by, those agencies we are charged with overseeing. There is a point at which budget reductions cross from belt-tightening to impacting core oversight functions. While it's my hope that a possible 6.4% reduction could be absorbed without unduly impacting our core duties, a reduction beyond that amount in 2012, or beyond, would certainly raise serious concerns.

I know that this Committee is also interested in how we share resources at the Natural Resources Committee. I will briefly review our arrangement, which remains the same as shared with you earlier this year.

The Committee is allocated 69 staff positions in total. In the 111th Congress, the Committee had nine nonpartisan shared staff positions. The Minority was allotted 1/3 of the remaining 60 staff positions on the Committee, or 20 slots. For the 112th Congress, at the initiative of the Majority, and with agreement from the Minority, the number of nonpartisan shared staff positions has been reduced to six. So, for the 112th Congress, the Minority was allotted 1/3 of the resulting 63 staff positions on the Committee, or 21 slots.

The Minority controls 1/3 of the budget for staff salaries. Majority staff and nonpartisan shared staff are paid from the 2/3 allocation to the Majority. This arrangement has worked well over several Congresses, and we agreed that it is in the best interest of the Committee to continue this arrangement in the 112th Congress.

The remainder of the budget, items such as supplies and travel, is treated in an open manner. Computers, copiers and other equipment are repaired or replaced as needed without regard to Majority or Minority affiliation.

Thank you for the invitation and opportunity to testify. We appreciate your time and attention to the work of the Committee on Natural Resources.

The CHAIRMAN. Mr. Markey.

STATEMENT OF THE HON. EDWARD J. MARKEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS, RANKING MEMBER, COMMITTEE ON NATURAL RESOURCES

Mr. MARKEY. Thank you, Mr. Chairman, Mr. Brady, members of the committee.

The CHAIRMAN. Did you notice the BC game this year? Oh, I am sorry.

Mr. MARKEY. Notre Dame's superiority is a lifelong condition I have had to live with.

As Chairman Hastings has noted in his testimony, when we appeared in March, we presented a budget for the committee's operations that represented a 5 percent decrease in the budget for the committee. We have held that we would be able to carry out the committee's work at this funding level by making cuts in our budget for field hearings and related travel.

The 6.4 percent reduction poses a real challenge to us. While we do expect to have some unspent funds at the end of this year, as Chairman Hastings has pointed out in his testimony, this is largely due to the fact that both of us had to hire significant numbers of new staff. When Nick Rahall left for the Transportation Committee, he took a huge percentage of the staff with him, and many others retired, so I have had to spend the year rebuilding that staff. In Chairman Hastings' case, that was due to the transition from minority to majority, and the same thing is true for me, taking over for Nick.

I am nearing the completion of that hiring process; so is Chairman Hastings. And we expect our staff budget for next year to be much higher than this year's budget within the context of the spending constraints that this committee has imposed upon us.

Further cuts in the committee's budget could, as Chairman Hastings has noted, seriously impair our ability to hire and retain the skilled professional staff we need to support our legislative and oversight activities. It would certainly make it difficult, if not impossible, for the committee to conduct field hearings in the many areas of the country that are directly affected by the laws and regulations within our jurisdiction.

Such cuts also could adversely affect our ability to efficiently process legislation referred to the committee, much of which is not controversial, in response to real local needs and concerns, such as the settlement of Native American land or water claims; adjustment to borders of public lands; or the protection of the historical, cultural, and natural resources of the Nation.

Demand among our colleagues for approval of legislation within the jurisdiction of the Natural Resources Committee remains exceedingly high, and the committee has a proven track record of efficient bipartisan consideration of these measures.

To date, the committee currently has reported or ordered 76 bills, 16 of which have already passed the House. This represents the most reported bills of any committee other than the Committee on Rules. About half of these measures have bipartisan support, and each and every one of them has been subject to a committee hearing, to the credit of the chairman. In fact, our committee has al-

ready held more than 100 legislative or oversight hearings this year, in the first year; 100 hearings so far this year. And I would suggest that to the extent to which committee activities should meet the needs of Members and demonstrates that bipartisan cooperation, this record shows the Natural Resources Committee has an excellent record and really is a peer for any committee in Congress.

We have significant differences, obviously, on many issues; but at the same time we work together cooperatively on the oversight and legislative activity.

And with respect to the allocation of funds within the committee, Chairman Hastings has, consistent with prior practice of the committee, allocated one-third of the personnel and salary budget to the minority. We have continued that longstanding practice of the committee to employ nonpartisan shared staff responsible for many of the financial management, administrative, and support functions out of the two-thirds share for the majority. Thus far we think this arrangement has been very fair to both the majority and the minority.

Again, I thank the committee for all of your work, and we appreciate the attention you are giving to our request.

The CHAIRMAN. Thank you very much for your testimony.

[The statement of Mr. Markey follows:]

Statement of Representative Edward J. Markey (D-MA)
Ranking Democratic Member, House Committee on Natural Resources
Before the Committee on House Administration
Wednesday, November 30, 2011

Chairman Lungren, Ranking Member Brady, and Members of the Committee, I am pleased to join with Chairman Hastings today to discuss the budget for the Natural Resources Committee.

As Chairman Hastings has noted in his testimony, when we appeared before you in March we presented a budget for the Committee's operations that represented a 5% decrease in the budget for the Committee in the 111th Congress. We felt that we would be able to carry out the Committee's work at this funding level by making cuts in our budget for field hearings and related travel.

The 6.4 percent reduction poses a real challenge for us. While we do expect to have some unspent funds at the end of the year, as Chairman Hastings has pointed out in his testimony, this is largely due to the fact that both of us had to hire significant numbers of new staff. In Chairman Hastings case, that was due to the transition from Minority to Majority status. In my case, it was due to the departure of much of former Chairman Rahall's staff to the Transportation Committee as well as the retirement of professional staff – which created a need for me to interview and hire new professional staff for the Minority. Both Chairman Hastings and I are both nearing the completion of that hiring process, and so we expect our staff budget for next year to be higher than this year's budget.

Further cuts in the Committee's budget could, as Chairman Hastings has noted, seriously impair our ability to hire and retain the skilled professional staff we need to support our legislative and oversight activities. It would certainly make it difficult, if not impossible, for the Committee to conduct field hearings in the many areas of the country that are directly affected by the laws and regulations within our jurisdiction.

Such cuts also could adversely affect our ability to efficiently process legislation referred to the Committee – much of which is noncontroversial and responds to real local needs and concerns, such as settlement of Native American land or water claims, adjustments to borders of public lands, or the protection of the historical, cultural and natural resources of the nation. Demand among our colleagues for approval of legislation within the jurisdiction of the Natural Resources Committee remains exceedingly high, and the Committee has a proven track-record of efficient, bi-partisan consideration of these measures.

To date, the Committee currently has reported, or ordered reported 76 bills, 16 of which have already passed the House, the remainder of which still await consideration by the full House – this represents the most reported bills of any Committee other than the Committee on Rules. About half of these measures have bi-partisan support, and each and every one of them has been the subject of a Committee hearing. In fact, our Committee has already held more than 100 legislative or oversight hearings this year. I would suggest that to the extent that Committee activities should meet the needs of Members and demonstrate bipartisan cooperation, this record shows the Natural Resources Committee to be an excellent investment.

I would also note that the Natural Resources Committee is at the very center of the energy policy debate. While we have significant differences regarding the details of a plan for American energy independence, there is broad agreement regarding the significance of this issue and the need for extensive oversight and legislative activity in this committee regarding our energy future.

With respect to the allocation of funds within the Committee, Chairman Hastings has, consistent with the prior practice of our Committee, allocated 1/3 of the personnel and salary budget to the Minority. We have continued the longstanding practice of the Committee to employ nonpartisan shared staff responsible for certain shared financial management, administrative, and support functions out of the 2/3rd share for the Majority. Thus far, we think this arrangement has been fair to both the Majority and the Minority.

In conclusion, thank you for your support for the work of the Natural Resources Committee, and for the opportunity to testify.

Thank you.

The CHAIRMAN. I just have a general question. What would be the impact of a 6.4 percent cut on your ability to do oversight? And how broad a range of oversight do you have jurisdiction over, which entity?

Mr. HASTINGS. Well, just to give you an example, I mentioned that the second largest source of revenue to the Federal Government comes from those areas over which we have jurisdiction. We have 69 staff, and we have an oversight responsibility for tens of thousands, within the Federal Government, with a budget of well over $20 billion. So oversight is important.

And I might add that—and I think I might have said this when I was here the first time—that we need more oversight. I am not saying that just because, I am a Republican and the administration is Democrat. I think that we have been negligent for some time, quite frankly, in the time that I have been in Congress, for proper oversight. And clearly we set the agenda for oversight, but that always illuminates something. I think both sides win, but, more importantly, the American people win.

We think that we can do that with the constraints of the 6.4 percent decrease. We are planning to do that. But clearly in the long run, if we are going to be more aggressive in oversight, because, as you know, when you have oversight, you turn up something, and you want to follow it down a line, you simply have to have the resources to do so. But we can live within those constraints, but I think in the long term it raises serious concerns.

The CHAIRMAN. Let me ask you this: The second largest committee by staff is the, quote/unquote, oversight government ops committee. It does a lot of oversight. How would you answer a constituent who said to you, why do you folks have to do oversight? You have got an oversight committee that has got more staff than anybody else. Can't they fill in the blanks where you folks miss it?

Mr. HASTINGS. Well, we set policy, too. The Oversight Committee does the oversight, and they may find something that needs to be corrected, but it is up to the authorizing committee to do that. But I think on a regular basis—and I would expect that Oversight Committee to probably look at something that may be more egregious. I mean, they look at things. As I mentioned, the revenue coming into our committee. Are we getting all of that revenue? Is there waste someplace involved? That is the sort of stuff that we need to look at. I fully recognize we set the policy, and the executive branch carries it out, but I fully recognize that we have to make sure that they do that in a proper way.

I think it is just a division of power. If there is something that has to be done legislatively, whether that committee finds it or our committee finds it, it still comes through the authorizing committee, and it is our responsibility.

Mr. MARKEY. I would just give one example. We had the worst oil spill in world history last year, and it was on public lands in the jurisdiction of our committee in the Gulf of Mexico. As a result, the entire agency has been reorganized. But there are still oversight questions in terms of how much of the pollution has been cleaned up, how it affects the fishermen, how it affects the workers on all of the land-based industries down there. And while there is

an oversight committee, there is no way they can do the work this committee does on an ongoing basis.

That is just one issue on the 20 percent of the land and the oceans of the United States that we have jurisdiction over, but that alone is a huge responsibility that the Oversight Committee just could not discharge with the level of expertise and accountability that this committee can extract from the Department of Interior and all other entities affected by that catastrophe.

The CHAIRMAN. Thank you very much.

Mr. Ranking Member.

Mr. BRADY. Yes, Mr. Chairman, thank you.

I know you talked about hiring somebody 6 months into the year. Fast forward up to the second session. Would we have to lay anybody off with the 6.4 percent budget cut?

Mr. HASTINGS. We don't anticipate that, no.

Mr. BRADY. Does the minority anticipate that?

Mr. MARKEY. No. I agree with the chairman.

Mr. BRADY. Thank you. That is all I have.

The CHAIRMAN. Mr. Harper.

Mr. HARPER. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Gingrey.

Mr. GINGREY. I have no questions, Mr. Chairman.

The CHAIRMAN. I now recognize Mr. Nugent in the far right corner.

Mr. NUGENT. No questions.

The CHAIRMAN. You did such a fantastic job, or maybe it is just because you are the last of all the committees, and we are tired.

Mr. HASTINGS. I will think it is the latter rather than the former.

The CHAIRMAN. We appreciate your testimony and appreciate your work. Thank you very much.

Mr. MARKEY. We appreciate your work. Thank you, Mr. Chairman.

The CHAIRMAN. The hearing is adjourned.

[Whereupon, at 4:28 p.m., the committee was adjourned.]