

COMMITTEE FUNDING FOR THE 114TH CONGRESS
(PART TWO)

HEARING
BEFORE THE
COMMITTEE ON HOUSE
ADMINISTRATION
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS
FIRST SESSION

HELD IN WASHINGTON, DC, FEBRUARY 11, 2015

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COMMITTEE FUNDING FOR THE 114TH CONGRESS

WEDNESDAY, FEBRUARY 11, 2015

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

The committee met, pursuant to call, at 11:00 a.m., in Room 1310, Longworth House Office Building, Hon. Candice S. Miller [chairman of the committee] presiding.

Present: Representatives Miller, Harper, Nugent, Davis, Comstock, Brady, and Lofgren.

Staff Present: Sean Moran, Staff Director; John Clocker, Deputy Staff Director; Bob Sensenbrenner, Deputy General Counsel; John L. Dickhaus, Legislative Clerk; Erin Sayago, Communications Director; George Hadijski, Director of Member Services; Max Engling, Professional Staff; Cole Felder, Counsel; Nick Hawatmeh, Counsel; Kyle Anderson, Minority Staff Director; Matt Pinkus, Minority Senior Policy Advisor; Khalil Abboud, Minority Deputy Staff Director/Director of Legislative Operations; Mike Harrison, Minority Chief Counsel; and Eddie Flaherty, Minority Chief Clerk.

The CHAIRMAN. I call to order the Committee on House Administration for the continuation of our hearing on committee funding for the 114th Congress. A quorum is present.

One of the most important functions of the Committee on House Administration as we begin each new Congress is to set funding levels for each of the standing committees of the House so that they can effectively plan and accomplish their legislative and oversight priorities. This process began earlier this year as we gathered information from each committee as they prepared for the coming session. Last week, the full Committee heard from the chairman and ranking member of a number of committees as they explained their requests and outlined their plans for their respective committees.

Today we are going to hear from the remaining House committee chairs and ranking members so that we can then complete our process of marking up a budget resolution which sets funding levels for each committee to be presented for consideration by the full House.

I certainly want to thank each of the chairmen and ranking members who have already appeared before our Committee, those that we are going to hear from today, and their staffs for the outstanding cooperation with which they have worked with our committee and our staff in moving this important process forward.

Before we begin, let me first ask for unanimous consent. Without objection, I would ask unanimous consent to enter the following document into the hearing record, a statement from myself as the chairman of this Committee on our own Committee's budget request. Without objection, so ordered.

[The statement of the Chairman follows:]

Statement of the Honorable Candice Miller (R-MI)
Chairman, Committee on House Administration
Hearing on the “Committee Funding for the 114th Congress”
February 4, 2015

Members of the Committee, I am pleased to present the budget request for the 114th Congress for the Committee on House Administration.

This request was developed in consultation with Ranking Minority Member Brady and I thank him for his support. In keeping with long-standing practice of the Committee, the Minority will receive 1/3 of our Committee’s operating budget and staff slots.

I respectfully request \$9,293,130 for the 114th Congress, which reflects funding at a freeze-level for both 2015 and 2016 at the 2014 authorized amount of \$4,646,565.

Our Committee anticipates a demanding agenda this Congress. As part of our Member service focus, we will initiate an aggressive outreach and training program for Member and Committee Offices and will explore methods to streamline office operations, such as the committee hearing publication initiative, which can save the House time and money. In addition, we will continue to address critical Capitol Security issues and conduct vigorous oversight of House administrative operations and federal elections. The request includes funding to support travel for contested elections in 2016 and the implementation of the New Member Orientation program for the 115th Congress.

I believe the freeze-level funding we are requesting will enable the Committee to adequately fulfill these important responsibilities in a fiscally prudent manner.

The CHAIRMAN. I would recognize the ranking member.

Mr. BRADY. Thank you, Madam Chair. I also ask unanimous consent to submit for the record a statement in support of the funding request for the Committee on House Administration.

The CHAIRMAN. I thank the gentleman.

Does the gentleman have any opening statement before we begin? All right.

With that, we will start with Natural Resources this morning. We certainly want to welcome Chairman Bishop and Ranking Member Grijalva for their attendance today.

Before we even recognize you, let me just tell both of you gentlemen that your respective staffs on your committee, were very, very helpful with our Committee when we were seeking information to put everything together here for your committee funding request. So we are very appreciative of that; and we appreciate you both attending here today.

I would ask our official reporter to enter a page break since we are starting a new section for the record.

The CHAIRMAN. The Committee on Natural Resources has a proud history and jurisdiction over our Nation's energy and mineral resources, fisheries and wildlife, affairs related to our Native American Indian communities, our water and power resources, and our public lands and environmental regulations.

With that, we appreciate the chairman and ranking member coming before us this morning, and we would recognize now Chairman Bishop.

**STATEMENT OF THE HON. ROB BISHOP, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF UTAH**

Mr. BISHOP. Well, thank you. I appreciate that. Thank you for your kind words that you said about our staff. They are still not getting a raise, but I appreciate those kind words.

We have a formal statement that I would like to submit for the record so that you have it, but let me just hit a couple of the highlights in it.

The CHAIRMAN. Without objection.

Mr. BISHOP. Which I do think, in reality, it is probably not going to be a whole lot different from some of the other committees' chairmen from whom you have heard. But we are asking for a 2.5 percent increase for the next 2 years to try and compensate in some way for the 13 percent cut or larger that we have all had in our committee budgets that had been done over the past few years for which no one has really given us a whole lot of credit for it. We are also trying to institute a restructuring of our subcommittees. We will be talking more and more about oversight of agencies that are spending \$15 billion, and I think we need to do that.

Also, with the transition in the new chair, we were down. I mean, we started this session with one-third of the positions. We are in the process of trying to fill those. We also have the problem that I think everyone else is having with travel budgets that have been taking the brunt of the cuts. We are down by about 75 percent, so roughly at the same level we had in 2011.

And I would emphasize the fact that, unlike some of the other committees, our jurisdiction is out West. We have got to travel a long way to get to where our problems are. I have always kept telling you, I want you out of my State of Utah. Just go away and we will all be happy. Well, to find out what the problems we have in Resources, you have got to travel a distance. So that gives us, I think, a unique problem and perspective we have if any kind of hearing is going to take place.

And with that, let me just yield back and submit the full statement for the record.

The CHAIRMAN. Thank the chairman very much.

[The statement of Mr. Bishop follows:]

Statement of Chairman Rob Bishop
House Committee on Natural Resources
before the Committee on House Administration
Wednesday, February 11, 2015

Thank you for providing me and my colleague, Mr. Grijalva, the opportunity to discuss our 2015 budget request with you. In short, with one of the most productive and active Committees of the House, our budget request seeks a modest 2.5 percent increase for 2015 and 2016 to account for restructuring of the Natural Resources Committee's subcommittee operations, increased staffing needs and resources for anticipated increased field hearings.

Prior to the last Congress, the Committee's total budget allocation was cut by nearly 13 percent, which required the Committee to operate with over \$1 million less than it had previously. The budget request we submit today would continue most functions of the Committee at level funding, including areas for which the committee had already sought and adopted reductions or efficiencies: supplies, web services, subscriptions, equipment and training.

However, the highest percentage of the Committee's budget continues to be dedicated to personnel and salaries. The Committee relies on knowledgeable staff to tackle the Committee's broad jurisdiction and geographical areas, including offshore and onshore energy production, coal production, mining and minerals, Indian and Insular affairs, National Parks, National Forests, wildfires, and other oversight of federal lands, Bureau of Reclamation hydropower and irrigation projects, Power Marketing Administrations, fisheries, wildlife, ocean and marine activities, the Endangered Species Act, the National Environmental Policy Act and more.

Rigorous oversight of the multiple federal departments and agencies with combined budgets of more than \$15 billion will be an important priority, and the Committee is restructuring its five subcommittees to create an Oversight subcommittee for this purpose. In addition, the Committee must quickly address reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act and the Secure Rural Schools program.

At the end of the previous Congress, due to the retirement of the previous Chairman, the Committee lost many staff throughout 2014, particularly toward the latter part of the year. Others left during the transition. As a result, just prior to the beginning of this Congress, the Committee was nearly one-third under its allocation for staff positions.

While we are currently in the process of hiring several new professional staff to handle specialized legislative, policy and communications-related positions, this takes time and additional resources, and we anticipate the need to add several more staff. Our budget request will allow both the Majority and Minority to meet its goals of hiring and retaining additional qualified staff to assist in carrying out the functions and priorities of the Committee this Congress.

In addition, the Committee's travel budget allocated at the beginning of the previous Congress (\$50,000) represented a 75% reduction from the amounts previously allocated in 2011, and was lower even than what was actually spent on travel by the Committee in 2012. As a result, the Committee held significantly fewer field hearings.

As the Deepwater Horizon Gulf spill and other sudden events have demonstrated, the need for Members to travel to review areas affected by policies and laws within our jurisdiction can and does happen unexpectedly. This budget request seeks to modestly increase the travel authority to ensure current and new Majority and Minority Members of the Committee will be able to travel to areas of the country that are most directly affected by the Committee's policies and legislation.

Thank you, Chairwoman Miller, Ranking Member Brady and other Members for your time this morning and I look forward to answering your questions.

The CHAIRMAN. The chair now recognizes the ranking member, Mr. Grijalva.

STATEMENT OF THE HON. RAÚL M. GRIJALVA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. GRIJALVA. Thank you, Chairman Miller and Ranking Member Brady. And I would like to enter the full statement into the record if there is no objection.

The CHAIRMAN. Without objection.

Mr. GRIJALVA. Thank you.

And I am pleased to join with Chairman Bishop today to ask for your support for the Natural Resources Committee budget request. The chairman pointed out the areas in which the increase is justified—travel, full allocation of staff to the committee function.

And I think it is important also to note that last session we had a total of 712 bills and resolutions referred to the committee. We had 159 legislative and oversight hearings, 22 full committee markup sessions, and passage in the House of 128 bills, of which 55 became public law. And I mention that because the volume of work, I think, merits your consideration. The distance of travel for essential hearings out in the West merits your consideration.

And while Chairman Bishop and I have had and will have vigorous debates as to the issues that come before the committee, the consistent practice of staff allocation is in this budget, and I concur with him entirely that 5 percent, 2.5 each year over this session is merited and justified and, quite frankly, quite needed.

And with that, closing, let me thank you, Chairman Miller, Ranking Member Brady, and my colleague Mr. Bishop, and yield back.

The CHAIRMAN. Thank you, both gentlemen, for coming.

[The statement of Mr. Grijalva follows:]

Statement of Congressman Raúl Grijalva (D-AZ)
Ranking Member, House Committee on Natural Resources
Before the Committee on House Administration
Wednesday February 11, 2015

Chairman Miller, Ranking Member Brady, and Members of the Committee, I am pleased to join with Chairman Bishop today to ask for your support for the Natural Resources Committee's budget request for the 114th Congress.

While Chairman Bishop and I have some vigorous debates in the House Natural Resources Committee, I agree wholeheartedly with his presentation of the budget facts as they relate to the impact of the cuts that our Committee has experienced over the last number of years on our ability to carry out the work entrusted to us by the House. I fully support Chairman Bishop's stated request of a 2.5% budget increase each year for a total of a 5% increase for the entire duration of the 114th Congress.

As you know, the Committee itself is one of the oldest committees in the House, having been originally established as the Committee on Public Lands in 1805 following the Louisiana Purchase. A lot of history resides in this committee, from the admission of States and the development of the West, to emergence of the modern conservation movement and what documentary filmmaker Ken Burns has called "America's Greatest Idea"— our magnificent system of national parks. But the Committee's jurisdiction goes well beyond our national parks, recreation areas, and seashores and encompasses matters as diverse as oil and gas production both onshore and offshore, relations with Native American peoples, relations with the Insular areas of the United States, management of Bureau of Land Management properties and Forest Service lands, regulation of fisheries and oceans, mining, management of precious water resources in huge regions of the West and operation of the federal power marketing administration. In order to be able to carry out the duties entrusted to it by the House over all of these diverse and complex matters, the Committee needs a budget that will enable us to do our job.

Over the course of the last Congress the Committee and its staff have worked long and hard to prevent previous cuts from harming our productivity. During the 113th Congress, the Natural Resources Committee:

- Had a total of 712 bills and resolutions referred to the Committee;
- Held 159 legislative and oversight hearings;
- Had 22 Full Committee markup sessions;
- Was responsible for the House passage of 128 bills;
- Enacted more than 55 public laws.

The record indicates that our Committee has been one of the most active in the House in terms of bills referred to us, hearings we have held, and action we have taken on these bills. Sustaining this level of effort requires a dedicated workforce of Majority, Minority, and nonpartisan staff, and the Chairman and I wish to continue, and hopefully exceed, this level of legislative action in the 114th Congress.

Reiterating the request voiced by Chairman Bishop, the Natural Resources Committee is seeking a 2.5% budget increase for 2015 and 2016. The increased funding levels would be disbursed mainly for staff compensation and travel costs. Both the Chairman and I hope to maintain a full staff consisting of experienced, hardworking, and dedicated professionals who have devoted themselves to the Committee. We are also hoping to hold more frequent field hearings out west in order to speak directly with stakeholders and landowners of the areas and resources the Committee oversees.

I would note that the Chairman has, consistent with the prior practice of our Committee, allocated 1/3 of the personal and salary budget to the Minority. We have also agreed to continue the 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. We think this arrangement has been fair to both the Majority and Minority. With respect to staffing, the Majority has also agreed to a 2/3-1/3 split for Committee staff—which results in 21 staff slots being allocated to the Minority.

In closing, I want to thank Chairman Miller, Ranking Member Brady, and Members of the Committee for allowing us to present our budget request for the 114th Congress. Chairman Bishop and I are both honored and excited to be serving in our new leadership roles, and I look forward to working together in the upcoming years as stewards and managers of our Country's natural resources.

Thank you, I look forward to answering any questions you may have.

The CHAIRMAN. We are very cognizant of the cuts that not only the respective MRAs for the members have taken in the last couple of cycles, but certainly in regards to the committees as well. As you have articulated here, you are looking for a small increase, principally, I suppose, for your staff. I am just looking at some of the background that you gave us where you have a staff ceiling of 69, and you are averaging about 57 positions filled.

So as you look at the possibility of us being able to give you a bit of plus-up from level funding here—and we are going to be considering that—I keep telling all the chairmen, I will tell you the same thing, obviously we have got a finite pie of the amount of resources that we have.

We listened to all the chairmen and rankers last week to a number of about half of the committees, and today we are going to get the other half in here, and our Committee is trying to see what we can do in recognizing how important it is for our committees to be able to do the oversight that is under our jurisdiction; and how important that is; and how we have really hobbled ourselves in the last couple of cycles as we have tried to be sensitive and fiscally conservative, et cetera. So we are going to take a close look on this.

Now, I guess, my question would just be, and I think you have pretty much said that in your testimony, both of you gentlemen, if you were to get the increase, would it be exclusively for additional staff? Are you looking as far as any kind of technology changes that you might have in your infrastructure there on your committee that would make it more efficient, or is it just field hearings, staff?

Mr. BISHOP. Well, there are always areas in which you can use technology to try and save areas. Unfortunately, I think that has been the first area that has already been done. So we have implemented those types of changes. As we find other elements, we can easily do those. That is not where the big money is. The big money, as you all know, still comes from salaries and field hearings.

So specifically, if there was a plus-up, the areas I would be looking at very quickly is, we are going to go through the NEPA process again. I would like to have a staffer specifically dedicated to a review of that law, which hasn't been reviewed for decades and becomes a key element.

We are also doing the oversight. And I would specifically like one that would be able to go in there and plus up in that area to look at the new regulations that are being given by the agencies, because those are the types of things we want to cover.

And then third, I think we probably have on both sides of the aisle a disproportionate number of new members and first-year members who really do need some kind of oversight hearings in their particular areas. So I think the third priority would be going to some kind of ability to have more field hearings in those areas, especially to help the new members along, as well as the entire committee.

So I think, if I were to prioritize and have a plus-up, somebody to help us on NEPA, somebody to help us in the oversight, and then the field hearings would be the way we would prioritize any kind of increases.

The CHAIRMAN. Mr. Grijalva.

Mr. GRIJALVA. I concur. I think the formation of the new Subcommittee on Oversight for resources demands that we staff up for that committee, and the minority needs to do that as well. Travel, essential. I concur, we have new members, most of them from the West. And as field hearings are asked for, field hearings are arranged and planned for, that involves travel. So I would say the two primary areas are staffing up and travel.

The CHAIRMAN. Thank you.

Mr. BRADY. Nothing?

Ms. Lofgren, do you have any questions? None?

All right, gentlemen. We appreciate your attendance here today. We just want to tell you we really are looking at it all here and recognizing what you are saying, we are painfully aware of what has happened here in the last couple of cycles, and we are just going to do our best. So we appreciate your request and any information you have given the Committee and we will give it every serious consideration. Thank you very much.

Mr. BISHOP. Thank you.

Mr. GRIJALVA. Thank you, Madam Chair.

The CHAIRMAN. The Committee now welcomes Chairman Royce and Ranking Member Engel of the Committee on Foreign Affairs. I would ask the official reporter to enter a page break in the hearing record to begin a new section.

The CHAIRMAN. The Foreign Affairs Committee's jurisdiction relates to our foreign policy, war powers, treaties, executive agreements, and the deployment and use of U.S. Armed Forces, the enforcement of U.N. Sanctions, arms control, disarmament issues, and the U.S. Agency for International Development and foreign assistance.

We want to welcome both you gentlemen. I would also tell you that, before I recognize Chairman Royce, your respective staff on your committee were very, very helpful to our Committee when we were seeking information to get ourselves prepped up here for you today. So we appreciate both the R's and the D's, both the staff did a great job.

Mr. ROYCE. We overcompensate with that staff. They are great, Chairman. But thank you.

The CHAIRMAN. So at this time I would recognize Chairman Royce for his comments.

STATEMENT OF THE HON. EDWARD R. ROYCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. ROYCE. Thank you, Chairman Miller. And I want to thank Ranking Member Brady. And I want to thank the Committee members here, as well, because when my colleague and friend Eliot Engel and I were here 2 years ago circumstances were very different. Then we were both new to our positions in leading the committee and we were facing a budget cut of 12 percent, which tied us with Financial Services and Transportation, if you will recall, for the largest cut. And back then, the world was a much more stable place. Since then, the wheels have fallen off.

And so it wasn't necessarily the 12 percent. But if we look at Benghazi or we look at Syria or we look at the Russian invasion of Ukraine that has occurred or the threats now that emanate from Iran, what is going on across the Middle East, even North Korea, the rise of the Islamic State, all of that, all of our security and prosperity, unfortunately, is increasingly at risk because of developments around the world.

And our committee has this responsibility. Our talented and dedicated staff really works quite tirelessly to keep us and all our members well informed, ready to react to the never-ending crisis. We do a good job. Almost every committee member wanted to stay on the committee, by the way, unlike previous years. We had more people than we could possibly handle.

And we learned. And I am proud to tell you that we did more with less, a whole lot less, \$991,400. So we cut the budget by a million dollars. We eliminated a subcommittee. We had a reduction of three majority subcommittee staff positions and one administration staffer. We streamlined our committee's organizational structure to compensate for the seven vacant staff positions on the majority side alone. And we were unable to fill other positions because of budget cuts.

So what we also did was we moved to paperless hearings. Saved a lot of money that way. Paperless markups. We carefully reviewed every administrative cost. We cut or eliminated the nonessential or duplicative services that we could find. And we are working hard. We are working smart.

But the workload only promises to increase, and we are certainly understaffed. Currently we have seven unfilled positions on the committee's majority side, positions we cannot fill under our current budget. And I understand the challenges your committee faces, Madam Chairman, and I am not here asking you to fund seven positions. But I am here to ask you to fund two of these positions with an increase of only 2 percent of our budget for 2015 and 2016.

A 2 percent increase would amount to \$150,000 and would be split two-thirds and one-third between the majority and minority. The majority share of this \$150,000 would allow me to fill two vacant positions, ideally on oversight and the investigation team where we don't have those staffed.

With the many current crises facing us and difficult issues on the horizon, such as the Authorization for Use of Military Force, which we will be taking up in my committee—and by the way, that is just about the most consequential thing this Congress can do. So our committee is going to continue to be challenged.

In addition to an unexpected AUMF, we will continue to be extremely active legislatively with bills to sanction Iran, to handle the Iranian challenge there. We have got the reform of the Broadcasting Board of Governors, which Eliot Engel and I are pushing through the committee. Right now it is totally dysfunctional. It has got to be done. We have got to reauthorize the State Department and much more.

So last Congress we had 18 bills become law that we actually got, not only through our committee, but through the Senate. And in Foreign Affairs, the surprises are relentless, as you can imagine. Eliot and I have been in western Ukraine. We have been in eastern Ukraine. And, frankly, we have managed to do a very good bipartisan job on oversight, including pressuring the State Department to get that Inspector General in place after 4 years and USAID to be cooperative with the GAO and change their policy. But we are overmatched. And on the majority side, we have only two full-time oversight and investigation staff matched against all these big bureaucracies.

So in conclusion, Foreign Affairs is a very active committee. Members increasingly want to be engaged on that committee. Legislation on critical issues that affect war and peace come through what we handle. And we are lean and, frankly, too lean, and we could use and would very much appreciate and put to good use a very small increase in our budget for a few more oversight and investigation staff. That is what we have requested. Thank you.

The CHAIRMAN. Thank the chairman.

[The statement of Mr. Royce follows:]

Chairman Ed Royce
Committee on Foreign Affairs
Statement before the Committee on House Administration
February 11, 2015

Chairman Miller, Ranking Member Brady, Committee Members. Thank you for the opportunity to discuss the Foreign Affairs Committee's work.

When my colleague and friend Eliot Engel came before you two years ago, circumstances were very different. Then, we were both new to our positions leading the Committee. We were facing a budget cut of almost 12% - which tied us with Financial Services and Transportation for the largest percentage cut. And the world was a more stable place, relatively. Two years later, times have changed.

From Benghazi, to Syria, to the Russian invasion of Ukraine, to the threats of Iran and North Korea, to the rise of the Islamic State, our security and prosperity is increasingly at risk. Our talented and dedicated staff works tirelessly to keep us, and all our Members, well informed and ready to react to never ending crises. We do a good job - my measure is that almost every Committee Member wanted to stay on the Committee - unlike in previous years.

And we are lean. I am proud to tell you that we did more with less - a lot less. \$991,400 to be exact - almost a million dollars less. We eliminated a subcommittee (a reduction of 3 majority subcommittee staff positions) and one administrative staffer. We streamlined our Committee's organizational structure to compensate for the *seven* vacant staff positions - on the majority side alone - that we were unable to fill due to our budget cuts. We moved to "paperless" hearings and markups, carefully reviewed every administrative cost, and cut or eliminated any non-essential or duplicative service that we could find. We are working hard and smart.

But the workload only promises to increase, and we are certainly understaffed. Currently, we have 7 unfilled positions on the Committee's majority side - positions we cannot fill under our current budget. I understand the challenges your Committee faces, Madame Chairman, and I am not here asking you to fund 7 positions. But I am here to ask that you fund two of these positions, with an increase of only 2% to our budget for 2015 and 2016.

A 2% increase would amount to approximately \$150,000 and would be split 2/3 and 1/3 between the majority and minority. The majority's share of this \$150,000 would allow me to fill 2 vacant positions (ideally on our oversight and investigation team).

With the many current crises facing us, and difficult issues on the horizon - such as an Authorization for use of Military Force (AUMF), just about the most consequential thing this Congress can do - our committee will continue to be challenged. In addition to an expected AUMF, we will continue to be extremely active legislatively, with bills to sanction Iran, North Korea, reform the Broadcasting Board of Governors, reauthorize the State Department, and much more. Last Congress we had 18 bills become law. And we have a bigger agenda this Congress. And in foreign affairs the surprises are relentless, such as a Russian invasion of Ukraine last year.

We have managed to do very good, bipartisan oversight, including pressuring the State Department to get an Inspector General in place and USAID to be more cooperative with GAO. But frankly, we are overmatched. On the majority side, we have only 2 full-time oversight and investigation staff, matched against several big bureaucracies.

In conclusion, Foreign Affairs is a very active committee that Members increasingly want to be engaged with, legislating on critical issues, including war and peace. We are lean - too lean I'd suggest - and could use, would appreciate, and certainly put to good use a small increase in our budget for a few more oversight and investigation staff.

Thank you

The CHAIRMAN. I would recognize now the ranking member, Mr. Engel.

STATEMENT OF THE HON. ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. ENGEL. Thank you, Chairwoman Miller, Ranking Member Brady, members of the committee. Thank you very much for inviting me to testify today. When I was coming here, I was kidding around with some of my staff and I said I would just sit here and sing the money song from Cabaret which talks about money makes the world go round.

I want to thank our chairman and my friend Ed Royce for working with me in a bipartisan manner. Ed and I have established an excellent relationship over the past 2 years, and I look forward to working with him as a friend and partner for the rest of the 114th Congress.

I have always believed that foreign policy should be as bipartisan as possible, and we have been working together with members on both sides of the aisle to address an unprecedented number of foreign policy challenges around the world. These include the Iranian nuclear program, the fight against ISIS in Iraq in Syria, Russian aggression in Ukraine, North Korea's development of WMD, and many others.

I think that we and our staffs, both Ed and I, have gotten a lot done for the good of the country and the world. We have done more with less. Our staffs work together, I think, more so than virtually any other committee in the Congress. That saves money as well.

But now we are essentially cut to the bone. Our ability to do good things has been hampered by significant cuts to our committee budget. Two years ago, our budget was reduced by almost 12 percent, which amounted to \$991,000. That was the highest percentage cut sustained by any committee. And in the 2 years before that, we were cut by 5 percent and 6.4 percent. So that is a lot of cuts to the Foreign Affairs Committee.

These cuts have made it more difficult to hire and retain experienced committee staff to help us navigate the wide array of extraordinarily complex national security challenges that we now face. And it has also made it more difficult for the committee to conduct effective oversight, as Ed pointed out, of the State Department, USAID, and other agencies under our jurisdiction.

So I strongly support the chairman's request for a modest 2 percent increase in the committee budget. We came up with 2 percent to be fair. We could have come up with more and figuring it would be cut. But we came up with a figure that we thought was honest and took into account the fiscal restraints that we have. Taken together with last year's 1 percent increase, this would begin the process of rebuilding the capacity of the committee to effectively meet our responsibilities.

So thank you, again, for inviting me to testify. Thank you for the work you are doing. It is very difficult for you to listen to everybody complaining and whining, but we thank you for it. And I look forward to answering any questions you might have.

The CHAIRMAN. Thank you.

[The statement of Mr. Engel follows:]

Ranking Member Eliot L. Engel
House Committee on Foreign Affairs
Statement before the Committee on House Administration
February 11, 2015

Chairman Miller, Ranking Member Brady, Members of the Committee, thank you for inviting me to testify today. I'd also like to thank my Chairman, Ed Royce, for working with me in a bipartisan manner. Ed and I have established an excellent relationship over the past two years, and I look forward to working with him as a friend and partner in the 114th Congress.

I've always believed that foreign policy should be as bipartisan as possible, and we've been working together with Members on both sides of the aisle to address an unprecedented number of foreign policy challenges around the world. These include the Iranian nuclear program, the fight against ISIS in Iraq and Syria, Russian aggression in Ukraine, North Korea's development of WMD, and many others.

I think we, and our staffs, can get a lot done for the good of the country and the world.

But our ability to do has been hampered by significant cuts to the Committee budget. Two years ago, our budget was reduced by almost 12 percent – which amounted to \$991,000. That was the highest percentage cut sustained by any Committee. And in the two years before that, we were cut by 5% and 6.4%.

These cuts have made it more difficult to hire and retain experienced Committee staff to help us navigate the wide array of extraordinarily complex national security challenges that we now face.

It has also made it more difficult for the Committee to conduct effective oversight of the State Department, USAID and other agencies under our jurisdiction.

I strongly support the Chairman's request for a modest 2 percent increase in the Committee budget. Taken together with last year's 1 percent increase, this would begin the process of rebuilding the capacity of the Committee to effectively meet our responsibilities.

Thank you again for inviting me to testify, and I look forward to answering any questions you may have.

The CHAIRMAN. We appreciate both of your attendance and your comments. We really don't look at it as complaining and whining, and I will tell you why. I have asked my staff to get some numbers here as I have been sitting through hearings because what we have done to ourselves in the House has not been done by the Senate. Now, I am not going to say anything too much about the Senate, but I will point this out because I think it is an interesting number.

Our House committees since 2010 have actually taken a 15 percent reduction, and yet the Senate committees have had flat funding during all of that time. So there is a big difference of the approach to that. Actually, in the administration, there has been a 30 percent increase during this time, which is fine. I just point that out. It is the House that has been really trying to lead by example, and we have as we have gone through some very painful economic times.

On the other hand, we do have a job to do, which is inclusive, particularly, of oversight. The American people are looking to these respective committees to do oversight of the various agencies, et cetera, and all the other responsibilities as both the chairman and the ranking member have just articulated for Foreign Affairs; and we are looking at some of the information that you gave us. Again, you have a staff ceiling of 88, and your average positions filled has been 75. So you really have had some significant cuts in staff, travel, et cetera.

I am very appreciative of the comments that you made about the paperless hearings. We are all about trying to think about utilizing new technologies; but obviously the big portion of any budget is always the employees, the staff. So that is really where it is.

I guess I would just ask you this, and perhaps you already answered in your testimony, but if we were able to give you an increase—and I am not saying that we can, we went all last week one day with about half of the committees and today we hope to finalize all of the testimony from all the respective committees. We have some committees that are looking at flat line and others that are asking for small increases, as are you for 2 percent.

For those that are asking for a bit of an increase, we would just like to ask you specifically, if we were able to do that, would it be staff or field hearings or travel or what have you? What really would you do with the 2 percent?

Mr. ROYCE. Oh, we have cut the travel and all of that down. And as a matter of fact, I would also just mention we moved away from the web vendor the committee had used to save \$20,000 by using the House platform. So we have cut everything. So it would all go, we go back to that question of oversight, the added funding would be for policy personnel specifically. And it would be for the challenges for oversight for terrorism and the Middle East. And it would be such a great help at this time, given what we are dealing with ISIS.

Eliot and I in the last 2 years have been in the Middle East. And having the committee try to handle the oversight in this, we have got one person working on two of our key priorities, authorizing the whole State Department budget for the first time in years. We are authorizing it, we are putting it into the Senate, and we are re-

forming our badly functioning international broadcasting, as I mentioned. He also covers North Africa, including Egypt, including Libya. So you can imagine the situation we are in. And the international organizations he covers as well, like the U.N.

And I shouldn't even get started on the general counsel, who covers not only the day-to-day procedural issues involved in the legislative process, but also handles international human rights, handles religious freedom. Most importantly, the authorization for the use of U.S. military force in armed conflict, he also handles that.

And it is not about lightening his workload, which is 16 hours a day. It is about having another body to make sure we are checking all the boxes. We have got to be able to handle all of this, and those boxes have to be checked before we move the bills or bring the reforms. So we literally must have these positions to do our function at this point.

The CHAIRMAN. Thank you.

Mr. Engel.

Mr. ENGEL. Yeah, I would certainly concur with everything Ed has said. And I would also say that just this morning the White House sent down an AUMF, the authority to go to war with ISIS in Iraq. And these are the kinds of things that are directly involved with our committee, it is our jurisdiction. And in a time of ongoing crisis and increasing crisis, it is important that we have the personnel to do the kinds of work we need, the thorough work we need.

And Ed is quite right, to have one person do so many different things, it really diminishes the amount of time that that person can devote to issues like the AUMF, which are right now very much in the forefront.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. Yes. Thank you, Madam Chair.

You need to know that we, as a committee here, we are extremely bipartisan, and we also try to give you what you need to be able to function. Throughout the years, there have been cuts. I am sure it is tough to find quality personnel, people with the expertise that you need at the pay you are paying them. They are just almost, like, giving up their time for their country.

So we do understand that there are needs and your needs. I like to hear it when you are increasing personnel because that is something you could see, something that is happening, rather than people come in and talk about travel and whatever, because you can always kind of cut back that a little bit. But we will fight to give you what you need to make sure that your important committee can function.

Mr. ROYCE. Thank you, Mr. Brady.

Mr. ENGEL. Thank you very much.

The CHAIRMAN. Mr. Harper, do you have any questions? Any questions?

Mr. HARPER. No questions.

The CHAIRMAN. All right.

Gentlemen, we thank you very, very much for your time and your assistance in getting us prepared to take a look at everything in the aggregate and understand exactly how much money we have and what we can do. We are taking your request under every seri-

ous consideration, and we appreciate your attendance here today. We will get back to you.

Mr. ROYCE. Thank you, Madam Chairman.

Mr. ENGEL. Thank you. Thanks for the job you are doing. We appreciate it.

The CHAIRMAN. Thank you very much.

The Committee now welcomes Chairman Upton and Ranking Member Pallone of the Committee on Energy and Commerce. I would ask the official reporter to enter a page break into the hearing record to begin a new section.

The CHAIRMAN. The Committee on Energy and Commerce has jurisdiction over the Nation's telecommunications, consumer protection, food and drug safety, public health research, environmental quality, energy policy, and interstate and foreign commerce. It oversees multiple Cabinet-level departments and independent agencies, including the Departments of Energy, Health and Human Services, Commerce, and Transportation, as well as the Environmental Protection Agency, the Federal Trade Commission, the Food and Drug Administration, and the Federal Communications Commission.

So the Committee welcomes both gentlemen to be here today, the chairman and the ranking member. Before I recognize Chairman Upton from the great State of Michigan, I would just comment, as I have told most of the other committee chairs as well, both of your staff, on the Republican and Democratic side, were very, very helpful to our staff here when we were gathering all the information to try to get ourselves sort of prepped up here for our hearing today. So we are appreciative of all of that. We tried to simplify and streamline the process a bit, so we could really get the information we needed without having too much volume there.

But at any rate, we certainly welcome you and we look forward to your testimony.

Chairman Upton.

**STATEMENT OF THE HON. FRED UPTON, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MICHIGAN**

Mr. UPTON. Well, thank you, Madam Chair. And my full statement, I will just enter into the record.

The CHAIRMAN. Without objection.

Mr. UPTON. And I know, Mr. Harper, I mean, we could save time in the future by just saying jurisdiction over the world. Just those two words is sufficient. And I know Mr. Harper would agree with me, and I know Pallone as well.

We are delighted to be here. You have a very tough job, and, frankly, we are here to help. That is our offer. We submitted our full statement on Monday for the record. And with the limited time, I want to make two points.

One, we have saved money over the last 4 years. In fact, our budget is a million dollars less than it was just a couple of years ago. But our agenda, certainly for this Congress to get done, we do need a little bit more. We have made some significant savings, not only fewer supplies and subscriptions, major reductions in printing and copying, severely restricted travel. We didn't have a single field hearing the last 2 years. Delays in technology updates, as you know. And most of all, we have fewer staff. In fact, we have 122 slots, personnel slots, of which only 96 were filled at the end of 2014.

So with this budget we are asking, we are hoping to actually go to 102 slots, still far below, in essence, almost 25 percent, 20 to 25 percent less than we were just a few years ago.

We have a very big agenda. A number of expiring provisions that have to be addressed. The doc fix, SGR. And that is something we have been working on in a very strong bipartisan way. CHIP, saving children with insurance. Legal challenges to the Affordable

Care Act. And of course the Supreme Court hears those arguments next month. 21st Century Cures, a major initiative that Mr. Pallone and Diana DeGette, and myself, initiated almost a year and a half ago. But we are looking to move this legislation forward. We released our discussion document 2 weeks ago, 400 pages long. Lots of hearings, lots of roundtables.

Energy infrastructure, cybersecurity, and consumer protection. We need security clearances. We need, frankly, some more staff. They have to handle this, and the issue seems to be getting worse almost every day with every news report on data breaches that are out there. We have got to have the staff capable of helping us try to write legislation. Bipartisan. I commend Mr. Pallone. We want to work together on this for sure. Chemical regulation, TSCA is going to be a big issue for us to deal within Mr. Shimkus's subcommittee. Changes in communication and technology. Quite a bit more.

We believe that our hard work to conserve resources and our substantial workload ahead makes the case for our request for a small increase of \$150,000 over our 2014 level, which is a 1.6 percent increase. I know that Frank and I will do everything that we can with additional dollars if you are able to provide them to us. But we do believe that what we have offered is a restrained and reasonable request to help us achieve this important work ahead. And I would note that when we did the committee funding resolution on the floor 2 years ago, all of us supported the bill.

I yield to Mr. Pallone.

The CHAIRMAN. I am appreciative of that.

Mr. UPTON. Or yield back.

[The statement of Mr. Upton follows:]

**Statement before the Committee on House Administration
Funding for the Committee on Energy and Commerce
114th Congress
Rep. Fred Upton, Chairman
February 11, 2015**

Thank you Chairman Miller, Ranking Member Brady, and members of the committee. We know you have a tough task allocating scarce resources among the committees, and I thank you for the opportunity to prepare and defend a budget submission that will allow us to do our best work for our constituents and all of the American people.

Every committee has felt the pinch of budget cuts these last four years, and at the Energy and Commerce Committee, we made a point to tighten our belts with a smile in spite of the fiscal squeeze we felt. We detailed in our questionnaire some of the ways we have cut costs – some creative, and some downright painful. Fewer supplies and subscriptions; major reductions in printing and copying; severely restricted travel; delays in technology upgrades; and most notably, staff positions left unfilled.

Looking to the 114th Congress, Ranking Member Pallone and I worked closely together to develop a budget based on our large and important workload. We requested a very small increase for 2015 – \$150,000 or 1.6% above 2014 – based on the specific and pressing items on the docket, and we are prepared to hold that funding level flat in 2016. Of course I should put in a plug that we could do a lot more work with even a little more than our request, but we were deliberately modest because we know resources are limited. We would be glad to detail how additional resources would be wisely invested if they happen to become available. This morning, we would like to share with you the expected workload for the Energy and Commerce Committee in the 114th Congress to provide context for our request.

Health care will be a major priority for the committee, requiring a substantial investment of member and staff time and resources. Some of this work will be driven by programmatic expirations, which is a specific workload issue for us in 2015. Medicare physician payment will again be at the forefront as the SGR patch expires. We think it's long past time that we develop a permanent solution to this problem, and Frank's work with our side in the last Congress has created a foundation to help get that done. Now it's crunch time, and we're ready to finish the job. Likewise, the Children's Health Insurance Program will see its funding expire this year. This is a program that serves millions of children all across the country. We need to put in the time to keep this program on a sound footing for the future.

You are also probably aware that the Supreme Court will be ruling on a major element of the Affordable Care Act this spring, and the outcome of that decision could affect millions of Americans. No matter how you feel about this law, you have to agree that Congress needs to be prepared to address the issue.

Finally, some of you know that we're working on something called the 21st Century Cures initiative. It's ambitious. We're talking about structural and operational issues at the FDA, the NIH, and HHS. It's also critically important. Just ask anyone suffering from a disease without a cure. We have to get this right. And we have to do it quickly. Patients can't wait.

Other issues on our agenda in which we intend to invest member and staff time and resources include the following:

- Energy infrastructure and development. With increased energy production, we need to look at how to safely and efficiently build the infrastructure to bring energy to consumers. If you look at the price spikes in places like New England, it's clear we need to take action.
- Cyber security and consumer protection. Whether it's Sony, Home Depot, Target, or Anthem health care, we have all seen the high-profile breaches of consumer data. This is a major threat in an era when more of our lives and our economy are moving online.
- Chemical regulation. We started work in the last Congress to update the Toxic Substances Control Act, and we plan to pick up that effort this year. It's an important law. It was written in 1976. It's time we take another look.
- Communications law. Whether it's the debate over network neutrality or changes to how consumers access their television programming and the type of telephone service they use, there is a lot happening in communications, and it impacts everyone. Again, we have a modern world operating under laws written a generation ago.

And that's not all. Medicare and Medicaid reform. Yucca Mountain. FCC process. EPA regulations. Trade. (Yes, we have a big role to play in trade.) Auto safety. Mental health. Public health. Health technology. The Internet of Things. Modern manufacturing. Safe drinking water. I could go on, but I think you get the picture. We have a lot to do. And we're excited to tackle all of it.

There are areas where Frank and I agree, and there are areas where we will disagree. But in order to do our jobs well, both sides need the resources and staff to give these issues the attention they deserve.

Since our longtime Ranking Member Mr. Waxman departed, Frank needs to build back up his staff after departures and retirements. From the majority perspective, we need to fill vacancies that we left open last year when the House was not in session. On both sides, we need to build up expertise on some very complex issue areas that the committee is delving into for perhaps the first time in a long time. We also mentioned in our request restoring field hearings and site visits as a way to better inform our work. This is purely a question of resources.

I want to thank you for the questions and ideas you offered in the questionnaire that accompanied the funding request. We know the House Administration Committee has worked to relieve some of the financial burden on committees with enterprise solutions, House-wide subscriptions, and other creative approaches. It is exciting for us to see that you're exploring even more of those solutions, and I hope you'll consider us partners in that effort. Whether it's focus groups or beta testing, our staff want to help make these solutions work.

Again, thank you for the opportunity to develop and explain our budget request. It's not a task we take lightly, and we look forward to answering any questions you may have about the exciting work that lies ahead.

The CHAIRMAN. The chair recognizes the ranking member, Mr. Pallone.

STATEMENT OF THE HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. PALLONE. Thank you, Madam Chairman. Also thank you, Mr. Brady.

I am not going to repeat what Mr. Upton said about the various bills and legislation that the committee will be dealing with this year. But I do want to say that I have been able to work—obviously as you know, I have only been doing this for a month or so now—but I have been able to work well with Chairman Upton and his staff in general and also in preparing this budget submission.

And just in terms of the jurisdiction, just a little statistic that the jurisdiction of the committee covers consumer products and industrial sectors accounting for more than 45 percent of the gross domestic product and employs more than 60 percent of the workforce. So I thought that would be interesting for you to know.

Fred and I have been working together to control and reduce our costs whenever possible and proactively as we can. We have been looking for ways to operate more efficiently, understanding that we have to be mindful of that. And a glance at our budget reveals that our committee's priority need for both the majority and the minority is really staff. More than 95 percent of our respective budgets are allocated to higher pay and support our staff. And, of course, for me this has been a transition because a lot of the Democratic staff actually were not there when I arrived. We had an election that lasted almost a year, and many of the staff had actually left before I even arrived. So we are not only trying to keep the staff we have, but also we have had to hire new staff, which makes a difference too in terms of what we do.

The funding increase obviously I support. It is a 1.6 percent increase, I think, which amounts to about \$150,000. Basically, it would enable us to afford vital technical support and subscriptions that give our staff, information so they can analyze current affairs and technology.

And I would say that, even though we are in the minority and we only get one-third of this budget, I feel that that allocation split of two-thirds for the majority and one-third for the minority is basically equitable. Obviously, it doesn't give us in the minority the same opportunities or resources. But I think generally the track record shows that, even though it is not equal, that it is equitable.

I am not going to go through all the various things that we have to do. I think Fred mentioned them all. I think you understand that when you talk about broad areas like health care, energy, Internet, telecommunications, these are all things that are very much priorities for the Congress. I mean, in the first month on the floor alone we had several energy bills, pipeline initiatives. We had the ACA. Now we are in the middle of discussing net neutrality. So you can see just in 1 month how much a lot of the issues that the committee deals with have been priorities for the Congress as a whole on the floor, as well as in committee.

So I just wanted to say that, again, I support this increase. It is a slight increase in the budget. I know you probably don't like to see any increases in the budget, but I think that it is necessary given what we have to deal with both for staff and their support. Thank you.

The CHAIRMAN. Thank you, gentlemen, both of you, very much. [The statement of Mr. Pallone follows:]

**Statement before the Committee on House Administration
Funding for the Committee on Energy and Commerce
114th Congress
Rep. Frank Pallone, Ranking Member
February 11, 2015**

Chairman Miller, Ranking Member Brady, and members of the committee, thank you for the opportunity to testify on the proposed budget for the Committee on Energy and Commerce in the 114th Congress. I am pleased to join Committee Chairman, Fred Upton, as we both appear before you today. I would like to thank Chairman Upton for working with me and my staff in seeking our input in connection with preparing this proposed budget submission request.

The jurisdiction of the Energy and Commerce Committee is extremely broad. Our committee's jurisdiction covers consumer products and industrial sectors accounting for more than 45 percent of our country's gross domestic product. These sectors employ more than 60 percent of our work force. Our proposed budget, which requests a 1.6 percent increase in funding above 2014 levels, will greatly assist us in fulfilling our legislative, oversight and investigatory duties over these expansive areas.

Fred and I will be working together to control and reduce our costs wherever possible and as proactively as we can. As we look for ways to operate more efficiently, there are things we must never sacrifice: an insistence on doing high quality work backed by thorough due diligence, research and investigation; promoting a committee culture of accountability to and respect for the American taxpayer; and fairness for the minority in procedure and budgetary resources.

A glance at our budget proposal reveals that our committee's priority need, for the majority and minority respectively, is to find and retain capable, productive and experienced staff. More than 95 percent of our respective budgets are allocated to hire, pay and support our staffs. Our staffs are our key priority. Finding and retaining experienced, industrious and competent staff is how we are able to stretch our very limited budgeted expenses and still produce authoritative and high quality legislative, research and other written and spoken work products.

The proposed funding increase we request will also enable us to afford vital technical support and subscriptions that give our staff daily and breaking news, analyses of current affairs, policy, legal, economic, technology, technical and other informational resources to support our Committee's important work for the American public.

Despite our being currently in the minority, the Democrats on this committee will make and draw important findings and conclusions that will bear considerably on the output of the 114th Congress and on our committee. The Members in the minority, just as those who are in the majority, will want to share and present our valuable perspectives to our colleagues about policy and legislation. That is why it pleases me that our proposal continues a budget allocation split of 2/3 for the majority and 1/3 for the minority.

The proposed budget split will certainly not give us, in the minority the same opportunities and resources to put forward and communicate our views and arguments, as the majority. The allocation, however, affords us sufficient staff and resources to advance and advocate for the positions and interests of our constituents and communities. The track record for this arrangement shows it to have worked reasonably well. Though it is not equal, it is equitable and I am pleased that Chairman Upton has committed to retaining it throughout this Congress.

A tall order lies ahead of us in the 114th Congress. Health care will be a major priority for the committee. The Energy and Commerce Committee will oversee what is and what is not advancing health care and the wider development of safe, effective and affordable drugs and consumer products. I would especially point out that the *Children's Health Insurance Program* will see its funding expire this year. This is a program that makes it possible for millions of children all over our country to have access to quality and affordable health care. Finally, with respect to health care, our committee has been working on an initiative known as *21st Century Cures*. I concur with Chairman Upton and want to reiterate that *Cures* is an ambitious and critically important undertaking. It will be important for us to legislate and implement reforms that are sensible and responsible.

In addition, the committee will continue to work to ensure our growing national energy security and independence. As we do that, we must also address the variety of health and environmental challenges posed by global warming and climate change. In the 114th Congress, our committee will also be forging telecommunications, manufacturing and information technology policies and legislation. In furtherance of these legislative bills, we will search for bipartisan and other legislative, policy and programmatic vehicles to encourage innovation, employ and train more Americans for working opportunities, promote energy efficiency and environmental protection, and better protect our millions of consumers and motorists.

All of these matters that are on our committee's agenda and plan for action in the 114th Congress will require considerable staff and talent, administrative, technical, information and travel resources. We look ahead to working on and completing the job that is ahead. We are very grateful for the support that the House Administration Committee has shown to our committee.

Thank you.

The CHAIRMAN. Actually, the amount of increase that you are looking for, really less than 2 percent, we are going to try to give every consideration to. We will just have to see how we do. Of course we had hearings all last week with about half the committees, and we hope to finish all of that today, and then we are going to take a look at the amount of money that we have and see what we can do here.

I have been pointing this out, and I am just going to, because I think it is an interesting number, when you think about how the House, has really done everything that we can to be sensitive to the economic constraints that we have faced. The House committees since 2010 have had a 15 percent reduction. Now, our friends in the other chamber over there in the Senate have actually had flat funding since 2010. So it is a significant thing that the House has done. I would also point out that the Executive Branch has actually had a 30 percent increase during this time.

So we, as a separate branch of government, are charged with oversight responsibilities, et cetera, and we really have hobbled ourselves, I think, in a significant way. So we are appreciative of what you are saying. I am just taking some notes here. As you say, the staff ceiling is 122 and you had 96 positions filled. So both on the majority and minority side, everybody has done what they needed to do, I think, to try to get through here.

Let me just ask, though, if we were able—and we are not making any promises here—but if we were able to give you the increase that you are looking for, would that be—you pretty much said it in your opening comments—but specifically staff or what would be your priority?

Mr. UPTON. Yeah, a couple of things. One, I mean, we have some real demands for staff, some talented staff. And we are competing with the private sector and others, we know that. But I am asked a number of times for field hearings here or there on very important issues, whether they be in the South or the West, the East, the Midwest, and we have had to say no. Not a single field hearing have we had in the last 2 years.

I can remember when I came here, I was on the Small Business Committee and Transportation Committee, I can remember taking then chair, of New Jersey, Bob Roe out to my district in Grand Haven, Michigan, and talking about roads and infrastructure. And it is important for our members to see other parts of the country to get a better understanding, particularly on energy and health-related issues.

You know, gosh, as we are looking at 21st Century Cures, input from so many different stakeholders, not only disease groups, research institutions, like MD Anderson, Cleveland Clinic, Mayo Clinic, University of Michigan, for us to understand better what we can do to expedite the approval of drugs and devices that are going to impact every American family and create the jobs that we want here.

Venture capitalists, we learned, have dropped the U.S. 50 percent, 50 percent less money from venture capitalists going to our health sector because they have decided to go overseas because the time of approvals here is just so delayed. So to get a better under-

standing, we have a lot of new members, seven on our side, what, five new members on—how many members on your—

Mr. PALLONE. Five.

Mr. UPTON. Five new members on the Democratic side. It is important that they get up to speed on the very complex issues that we have. And so I think we would look at a blend of both of those.

We have indeed tightened our belt the last couple of years. Now, as we look at these huge issues before us that we know are going to be able to get done, so many obviously too on a bipartisan basis, I think that it really would help us if we had a few more staff. And we can get you some details, some information before the close of business, not only for this request, but also maybe if you are able to do a little bit more on some of the things that we might be able to do.

Appreciate your understanding.

The CHAIRMAN. That would be helpful to us, because we are going to give, as I say, every serious consideration.

Mr. UPTON. And I know we have Mr. Harper's vote on it. I just know that we do.

The CHAIRMAN. He has got a different hat on today. He wears both hats, though, very well,

Mr. UPTON. Now vice chairman of one of our subcommittees.

The CHAIRMAN. Mr. Pallone, do you have—

Mr. PALLONE. I would say the same. In other words, I mentioned to you before that in transition we have lost a lot of our people, frankly, just in the last year. And so as we go around and try to find people to replace those who left we are realizing disadvantages that are out there because we can't offer as much money as we used to. So certainly staff would be part of it.

But I also agree with Fred that it is important to have some field hearings. I mean, just an example, not that it is maybe not a good example, but yesterday I was at one of the American Indian conferences that are held here in D.C. that I try to go to because I was the author of the Indian Health Care Improvement Act, which was part of the Affordable Care Act. And there was a presentation by one of the tribes about their new health center, and I realized I had—years ago I used to travel and try to go out to Indian country and see some of the Indian healthcare service clinics or hospitals—and I realized how outdated I have become in the sense that I haven't been to any or seen any of them for years. I try to go on my own time. Just when I happen to be someplace, I will go visit.

But Fred is right. I mean, with all the innovations—and we are really the innovation committee whether it deals with the Internet or health care or whatever—the fact that we never go out to see anything is certainly not good.

The CHAIRMAN. Very good.

Mr. Brady.

Mr. BRADY. No.

The CHAIRMAN. Mr. Harper.

Mr. HARPER. Can you think of something nice I can say to my other chairman, Chairman Miller?

The CHAIRMAN. You can tell him what a wonderful State he comes from.

Mr. HARPER. We hear that quite often. But I think Mississippi would be a great place for a future field hearing, Mr. Chairman, because we have the Kemper County facility that soon will be up and running. We have nuclear power over near the Mississippi River. We have a lot of hydraulic fracturing. And the food is much better in Mississippi. So I want to go ahead and include that.

Mr. UPTON. The ads say the food is good down there.

Mr. HARPER. There you go. So we have lots of good things there, yes.

Mr. PALLONE. I didn't mention, but the new hospital and clinic that I was referencing was the Mississippi Choctaw.

Mr. HARPER. Yeah.

Mr. PALLONE. They are going to have a dedication on March 8, I think, or March 2. I am was going to try—I am going to visit Selma with the Faith and Politics Institute and John Lewis—

Mr. HARPER. Right.

Mr. PALLONE [continuing]. And I was going to see if I could sneak down there.

Mr. HARPER. I saw Chief Anderson yesterday, and we plan to be there for that. I hope you will be able to come and join us that day.

Mr. PALLONE. Going to try.

Mr. HARPER. There is a 1:06 flight out of Jackson that we can make. So you might want to get a hold on that flight to get back up here.

It is remarkable when I listen to both of you discuss areas of jurisdiction, it is the world. It is everything. But the field hearings, I do think, as you discussed, would be very important, if you get additional funding, and that will allow that to take place, whether it is going to visit a hospital or going to Yucca Mountain or some other nuclear power facility or something that is in the field. I think that would be great. And looking at the number of hearings that we conduct, it is almost impossible to keep up without some more help.

And so I certainly want to commend you for that and would hope that we could move into that direction on some field hearings if it is approved.

Mr. UPTON. We have six subcommittees, and John Shimkus is the able chair of the Environment and the Economy Subcommittee. And he has asked—

Mr. HARPER. Who is the vice chair of that subcommittee?

Mr. UPTON. It is a very important committee.

Mr. HARPER. Okay. I am just checking, Mr. Chairman.

Mr. UPTON. But he has asked if he could take some members out just to look at Yucca. It has been quite some time. I went out there about 15 years ago when I chaired the Oversight Subcommittee. But, again, without an increase I have to say no.

Mr. HARPER. Thank you both for your time and input.

And I yield back.

The CHAIRMAN. Thank you very much.

Again, we thank the chairman and the ranking member. You have been very informative, made a great presentation, very persuasive. Of course, we have a limited amount of funds. So we are going to take all of that into consideration when we conclude here today and see where we can go with all of this. But, again, we are

going to give it every serious consideration. You have made an excellent presentation. Thank you. We will get back to you.

The Committee now welcomes Chairman Chaffetz and Ranking Member Cummings of the Committee on Oversight and Government Reform. I would ask the official report to enter a break page into the hearing record to begin a new section.

The CHAIRMAN. The Committee on Oversight and Government Reform has jurisdiction over the District of Columbia, the government procurement process, federal personnel system, the Postal Service, and many, many, many other matters. But its primary responsibility is oversight of virtually everything that the government does, from national security to homeland security grants, from Federal workforce policies, to regulatory reform, from information technology procurement at individual agencies, to governmentwide data security standards.

So I know they are going to have a very busy, busy session. Before I recognize the chairman, I would just mention to you, as I have to most of the other committee chairs and ranking members as well, both the Republican and Democrat members of your staffs were very, very helpful to our staff when we were trying to gather up all of our information to be prepared for your presentation here today. So we certainly are very appreciative of that. I think we have got most of your info here.

I would recognize Chairman Chaffetz.

**STATEMENT OF THE HON. JASON CHAFFETZ, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH**

Mr. CHAFFETZ. Thank you, Chairman, and thanks to Ranking Member Brady. We really do appreciate it.

I am pleased to be here representing the Committee on Oversight and Government Reform along with my friend and colleague, Ranking Member Elijah Cummings. Our mission is to ensure efficiency, effectiveness, and accountability of the Federal Government and all of its agencies. And as the primary oversight and investigative committee in the House, we provide a meaningful and often the only check on the role and the power of the executive branch.

Genuinely good government oversight requires a committee commitment to expose mismanagement, waste, fraud, and abuse. We identify problems, shine light on them, propose reforms to improve efficiency and effectiveness and the transparency of the government. We are called the Oversight and Government Reform Committee for a reason. We need to work even harder and do more on the government reform side of things.

This Congress we are reorienting the committee's focus to function through and with our six subcommittees. Our goal is to grow the organization's capacity and ability to perform its constitutional oversight and investigative duties beyond what we have been able to accomplish in the past. The committee's new structure will also allow us to strengthen our relationships with the oversight partners that we have at the Government Accountability Office and throughout the community of 72 inspectors general who at their disposal have more than 13,000 people.

We rely heavily on the GAO, with thousands of employees. We rely heavily on the inspectors general, again 72 of them, employing more than 13,000 people. We gather that information. It is very pivotal for us. When they are able to do their work, we are able to do our work.

Mr. Cummings and I will continue the committee's practice of being a safe haven for these inspectors general. Billions of dollars are wasted each year by the Federal Government, and the inspec-

tors general are the taxpayers' first line of defense. We want to ensure that they are able to perform their duties efficiently and without interference.

We are committed to redoubling the committee's effort on reform. It isn't enough to only put a spotlight on the failures of the government. We intend to help close the loop and do so as much as possible in a bipartisan way.

I have asked my members on the committee and the committee staff to look at each problem we encounter through the lens of authorizing an appropriating committee. To truly do our work, we have got to work with the committees of authorization and the appropriators, and that triangulation, as I call it, I think can lead to better success on both sides of the aisle.

The committee currently has 45 members, and we have grown and expanded. I know on the majority side we have nine freshmen members. As has been the case since the 108th Congress, our minority receives 33 percent of staff and budget funds to be used at the discretion of the ranking member. In our budget request we are not asking for any increases. We propose to continue to operate at the current levels, both with respect to funding and staffing. I am sure, like every committee, we would like to have an increase. But the budget that we have put forward and the plan that we have has us similar to what we had in the past.

In recent years, the committee has absorbed significant budget cuts but has nonetheless played a very meaningful role in the largest and most important oversight initiatives facing the Congress. It is an honor and privilege for me to serve as the chairman.

And with that, Madam Chair, I would yield back and be happy to answer any questions.

The CHAIRMAN. Thank the gentleman.

[The statement of Mr. Chaffetz follows.]

Statement before the Committee on House Administration
Budget Request for the 114th Congress
Committee on Oversight and Government Reform
Jason Chaffetz, Chairman
February 11, 2015

Chairman Miller, Ranking Member Brady: I am pleased to be here today representing the Committee on Oversight and Government Reform along with my friend and colleague Ranking Member Elijah Cummings.

Our mission is to ensure the efficiency, effectiveness, and accountability of the federal government and all its agencies. As the principal oversight and investigative committee in the House, we provide a meaningful – and often the only – check on the role and power of the Executive branch, and afford a voice to the people it serves.

Pursuant to House Rule X, our Committee’s oversight and investigative jurisdiction is extremely broad – we may investigate “any matter” at “any time.” During the 113th Congress, our Committee held 163 hearings, conducted over 100 transcribed interviews and depositions, sent nearly 1,000 letters to federal agencies and recipients of federal funds requesting documents and information, and reviewed several million documents produced to the Committee in response to our inquiries.

Genuinely good government oversight requires a commitment to expose mismanagement, waste, fraud, and abuse. We identify problems, shine a light on them, and propose reforms to improve the efficiency, effectiveness, and transparency of government. We are accountable to the taxpayers, and are charged with safeguarding their investment in government.

This Congress, we are reorienting the Committee’s focus to be an organization that functions through and in conjunction with our six subcommittees. I have asked each subcommittee chairman to share responsibility with me as we conduct our legislative, oversight, and investigative duties. Our goal is to grow the organization’s capacity and ability to perform its Constitutional oversight and investigative duties beyond what we have been able to accomplish in the past.

The Committee’s new structure will also allow us to strengthen our relationships with our oversight partners at the Government Accountability Office and throughout the community of 72 inspectors general. Mr. Cummings and I will continue the Committee’s practice of being a safe haven for all inspectors general. We want our Committee to be the first place they come when they are having issues with their agency management, whether this relates to independence or in getting access to the materials they need to do their job. Billions of dollars are wasted each year by the federal government, and the IGs are the taxpayers’ first line of defense. We want to ensure that they are able to perform their duties efficiently and without interference.

Both Ranking Member Cummings and I are committed to redoubling the Committee's reform efforts. It isn't enough to only put the spotlight on failures in government. We intend to also close the loop on reform. I have asked my Members and the Committee staff to look at each problem we encounter through the lens of the authorizing and appropriating Committees. We can't simply conduct our oversight and investigative work in a vacuum. We must instead work collaboratively with the Congressional authorizers and appropriators to ensure that agencies that have ineffective and dysfunctional management controls are held accountable and reformed prior to receiving scarce funds for their programs.

The Committee currently has 45 Members, and 118 staff personnel slots. As has been the case since the 108th Congress (2003-04), our minority receives 33% of the staff and budget funds to be used at the discretion of the Ranking Member. In our budget request, we are not asking for any increases. We propose to continue to operate at the current levels – both with respect to funding and staffing. In recent years, the Committee has absorbed significant budget cuts, but has nonetheless played a very meaningful role in the largest and most important oversight initiatives facing the Congress.

The CHAIRMAN. The chair now recognizes the ranking member, Mr. Cummings.

STATEMENT OF THE HON. ELIJAH E. CUMMINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. CUMMINGS. Thank you very much, Chairman Miller, Ranking Member Brady, and members of the committee. I want to thank you for this opportunity today.

The Oversight Committee is beginning a new chapter. With Representative Chaffetz as our chairman, we are embarking on the 114th Congress with many new positive changes, I am very glad to report. For example, the chairman has directed his staff to work in a more bipartisan way to conduct our committee's investigations. He has adopted policies to solicit significant input from the minority. And he has listened to our concerns and comments. In addition, he now has a standing policy for staff to work with our staff on drafting committee letters, allowing us to review them before they go out. I cannot begin to tell you how much this is a breath of fresh air.

On our side, we have been able to respond to these improvements by supporting the chairman's investigations much more strongly because we have input and we are being respected. Although it is only February, we have already agreed to sign dozens of request letters on a truly bipartisan basis. We have announced committee hearings jointly, I have signed numerous witness invitations with the chairman, and we have held bipartisan meetings with the White House and federal agencies.

In turn, Chairman Chaffetz has been open to ideas that we raise. Just this week, for example, we sent a joint letter from me and the chairman, along with the chairman and ranking member of the National Security Subcommittee, asking for a legal justification behind a recent decision by the Department of Defense to start classifying information about spending in Afghanistan that previously had not been classified. We brought this request to the chairman, and he agreed to join because we are starting to build greater trust between our two sides. And this is the way, I believe, that Congress should operate and the American people want us to operate.

Going forward, we have also agreed to adopt a document protocol, which is something the Parliamentarian strongly recommends, and our staffs are working on that now. We are also marking up our oversight plan at a business meeting later today, and we are working to ensure that it will reflect the priorities of not just Republicans or Democrats, but of the American people. The American people want to know that we have got their back.

And I have said to the chairman, and I am sure he agrees, is that not only must we investigate, not only must we reform, not only must we make sure that government works effectively and efficiently, but at the end of every day we should have done something to improve the lives of the people that sent us here.

Finally, the chairman and I also agree very strongly on preserving our committee's limited budget, which has been cut repeatedly. Over the past 4 years, our budget has been reduced by more

than \$2 million, a cut of more than 20 percent. And I agree with the chairman, I just want to hold the line. I don't want our budget reduced from what it has been. I know my staff very much appreciated the 1 percent increase we received last year, but the fact of the matter is that we simply cannot sustain these kinds of cuts without affecting our core mission of rooting out waste, fraud, and abuse.

So today I urge you to recognize the unique nature of the Oversight Committee, which saves the American taxpayers far more than it spends. I ask that you help us fulfill our critical mission and role, and fund us at the levels that will allow us to hire the necessary staff, keep talented and experienced individuals, and continue rooting out waste, fraud, and abuse.

And with that I yield back.

The CHAIRMAN. Thank you very much, gentlemen.

Let me just say at the outset, as you mentioned some of the various statistics you were looking at with your staff ceiling of 118 and you are averaging 98 positions filled, we are very aware of the kinds of cuts that all the committees, quite frankly, have taken over the last couple of cycles, yours as well. I just give you this to give you a flavor of what has happened really here in the House where we really have taken to heart trying to be fiscally conservative and cutting our respective Members' budgets, as well as the House committees as well. We actually, since 2010, have taken a 15 percent reduction, while the Senate—God love them on the other side here—has had flat funding during all of that time while we have taken 15 percent. We are a separate chamber with oversight responsibilities, and yet we have really hobbled ourselves. Also the Executive Branch has had a 30 percent increase during much of that time.

So I just point those out because what you are saying and what we have heard from the other chairmen and ranking members is absolutely true.

Now, I am appreciative, I know we all are, of the fact that you have asked for level funding because we have such a finite amount of funds. This Committee last week had a full day of listening to about half the committee chairs and ranking members last week, and we hope to finalize all of that today, and then we are going to really sit down and see what we need to do, what we think we can do.

Let me ask just you a question. If we were able to give you a little bit of extra cash—and we are not promising that—but if we were able to do that—I would ask the chairman first—would you really look at staff? Are you thinking about field hearings? Or what specifically, if we could give you, I am not going to throw a number out because I don't know what that would be—but if we were able to plus you up a bit, what would you look at?

Mr. CHAFFETZ. Thank you, Madam Chair.

Personnel is the number one issue. We have such a broad swath of responsibility. Keep in mind, between the GAO and the IG community, they issue thousands of reports. We are also, with the administration in the first 4 years, it is actually a number that was lower than some previous administrations, but there were more

than 13,000 rules that were introduced. Somebody needs to look at that, and we need professional staff in order to look at that.

I do think we also need more investigators that can get out into the fields. So part of that would probably go to some travel. Everything doesn't happen here in Washington, D.C., and it does take personnel, in a bipartisan way, for that staff to go out and do and conduct some of those investigations and speak with people.

Third on that list would probably be some field hearings, which I think are very warranted. For instance, we have an Interior Subcommittee. We are dealing with oil, gas, EPA issues. A lot of that happens out West, and it is very difficult to have those hearings and really see, feel, touch, understand, and hear from locals when you are dealing with interior issues.

So those are just a couple of examples off the top of our head. But personnel would be right at the top of the list to fill those investigative needs and to truly read the reports. When somebody goes and spends a year of their life investigating something, we think you have a duty and a responsibility to digest that and make the most of it, because those recommendations in large part are just going up on a shelf, they are not being heeded.

Mr. CUMMINGS. When I took responsibility of the committee a few years ago, I came in and we were cut. We were cut at that time, and literally we reduced our people's salaries, some of them by 10 percent. And these are hard-working people, many of them with children, having a very difficult time. So I am always looking at ways to make sure that people are properly compensated.

But in addition to all the things that the chairman just said, I agree with all of that, and staff is just to me number one. We have a lot of investigations going on. We need quality people. We need to be able to keep quality people. And I will tell you, if there is anybody in this Congress that fights harder for employees of the government, it is me, because I see what they go through and I see the flak that they take over and over again, particularly in my committee.

So, again, I am looking quality people, people who are dedicated, with a passion, and who want to be about the business of doing the kind of things that we are trying to achieve here.

The CHAIRMAN. Thank you very much.

Mr. Brady.

Mr. BRADY. Yes, thank you, Madam Chair.

It is a big difference from 2 years ago when you came in front of us. And it is refreshing. But I am a little confused, which is not hard to do. But if you give us a statement on why and who and where and how you would spend that money if we got money for you, why didn't you ask for more?

Mr. CHAFFETZ. Well, we understood that these are tough, difficult times. We put forward a budget we thought would be reasonable. I am brand new to this chairmanship. But there is certainly a need, but this is the one that we put forward.

Mr. CUMMINGS. Let me say this. I think one of the things that I talk about a lot in my district is low expectations and how so often we predict that something is not going to happen. And if you don't think it is going to happen, it is not going to happen, if you don't try.

So I think, to be frank with you, I came in here saying to myself we have got to hold the line with what we have got because I have seen the trend, and the trend is downward. So I think in part for me it was that I didn't want to come in here and insult the committee, I wanted to make sure that we at least got what we have, because I didn't want to go down. That is a very straightforward answer.

Mr. BRADY. All due respect, all the other committees have been insulting us then, because they are all asking for some more money.

Mr. CUMMINGS. Well, we will take it, I can tell you that.

Mr. BRADY. Well, when we present this and try to fight for people that are asking for money, we have to fight for you, and it seems to me that you are not fighting for yourself. I don't know if you are going to go to school on me or not, but you should put some requests in for some more money because then you come into the category of people that are asking for more money and some people that are not. The people that are not are just going to be kind of like dismissed.

And I do believe, and I do know what you do, and I am really pleased to have this discussion with you and have your presentation, altogether different, you weren't here, than it was 2 years ago. And we are really glad to hear that you are working together because it is an important function that you do. We would really like to see you get the wherewithal to make sure you can do your job. That was just a little bit of confusion on my part.

Thank you, Madam Chair.

The CHAIRMAN. I thank my ranking member.

I would just point out that it has been about half and half. About half the committees have asked for level funding, the other half have asked for a bit of an increase, some a little more than others.

But one thing, and I know the ranking member and I share this, just because you didn't ask for an increase and really tried to hold level funding, we are not going to hold that against you. Okay? We will take that into consideration as well.

Obviously as a new chair as well, just trying to get your arms around, of course you have been on the committee a long time, but really now really looking at staff and all these kinds of things. So as I say, we are very aware. I read you the statistics here, just because I think it is interesting, to see how much the House has taken our own hit, right? We have hit ourselves on all of this, and yet we really have hobbled ourselves and our ability to conduct oversight, which is our mission also.

So with that, I don't know if there is any—

Mr. BRADY. Madam Chairman.

The CHAIRMAN. Yes.

Mr. BRADY. Just to add to that, just to agree with her, that is why we wanted to get you on the record to say that if you did get more money what you would do with it.

Mr. CHAFFETZ. Yes.

Mr. CUMMINGS. We want more money.

The CHAIRMAN. All right. Thank you very much, gentlemen. We will get back to you. We will give it every consideration. Thank you very much.

Mr. CUMMINGS. Thank you very much.

The CHAIRMAN. I now recess the hearing, and the Committee will reconvene subject to the call of the chair, after votes I think. Thank you.

[Recess.]

The CHAIRMAN. The Committee will be called back to order. The Committee now welcomes Chairman Thornberry and Ranking Member Smith of the Committee on Armed Services. I would ask the official reporter to enter a page break into the hearing record to begin a new section.

The CHAIRMAN. The Committee on Armed Services has jurisdiction over our defense policy generally, our ongoing military operations, the organization and reform of the Department of Defense and the Department of Energy, our counterdrug programs, our acquisition and industrial base policies, and the Department of Energy's nonproliferation programs, and detainee affairs and policies.

We want to thank both the chairman and the ranking member for being here. Before I do recognize you, let us just say that all of your staff was very, very helpful with our staff when we were trying to gather information for us to be prepared to discuss your request here today. So we certainly are very appreciative of that. I think we have all the information that you gave us. At this time the chair would recognize Chairman Thornberry for his presentation.

**STATEMENT OF THE HON. MAC THORNBERRY, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. THORNBERRY. Thank you, Madam Chair. And thank you and the distinguished ranking member for having Mr. Smith and I.

I think both of us are fully aware of the budget situation facing the Federal Government, and thus Congress. And I certainly endorse the push to make better use of our taxpayer dollars.

On our committee, as Mr. Brady well knows, we are also aware of the security situation facing our country, our military, and thus our committee. There has been testimony in front of Congress that we have not faced such a wide array of serious threats to our national security since at least the end of World War II, and some people believe ever.

And so those things range from newly resurgent nuclear states, to the terrorism we all see on the news, to even things like Ebola, where it was the military that was sent to try to contain this naturally occurring disease, but at the cost of some millions of dollars.

And so the Constitution puts on the Congress, and thus on our committee, a significant responsibility for helping provide, to build the Armed Forces that are needed to meet the security needs of the country. And I guess one key point I would like to leave you with is, with so many diverse threats facing our country, that puts a lot of work on our committee.

For me, I believe it is essential that reform be a major element of what our committee does. And by that I mean personnel reform. We just received a report of a commission to look at the total scope of pay and benefits which go to our military folks, and they have a number of recommendations for reform. I mean acquisition reform, how the military buys goods and services, which not only is more expensive and takes longer than it should, but does not give us the sort of agility we need to deal with adversaries that move very quickly.

Reform also means organizational reform and reducing overhead. These are major areas that if Congress doesn't push, it is not going to happen. So at least as far as the majority staff, I want to have five people devoted exclusively to reform, and that is what it is going to take in order for us to do the work to prod the Department of Defense to make these changes. Again, unlike other departments in the government, if Congress doesn't do it, reform is not going to

happen with the Department of Defense. History has shown that. Goldwater-Nichols is the most prominent recent example, but the whole history, from the National Security Act of 1947, et cetera, is that it was Congress that had to make the changes. And to make those changes, it is going to take more resources.

So essentially where we are is that we have got to choose, with the current rate of funding, we have got to choose between doing the reform or doing the oversight and our regular work. Just a reminder about what our regular work is, it is oversight of half the discretionary budget of the Federal Government. It means that for the last 53 years we have passed and the President has signed into law a National Defense Authorization Act. Last year, that NDAA had 800 provisions. It authorized over \$600 billion. It had 270 amendments offered in the committee markup and 325 amendments were offered on the floor.

That is our regular business. And without more resources, we have got to choose basically between our regular business and doing the reform effort.

There are a number of specific issues that we can talk about needs, including, by the way, classified phones. I have never yet gotten a classified call in our committee spaces when it has gone through with less than four attempts. Now, the people at the Pentagon get tired of trying to call you if you keep hanging up on them four, five times in a row. Just as an example about equipment deferrals that affect our operations that we have to pay attention to.

One other fun fact. According to Google Analytics, if you look at our House Armed Services Committee Web site, the top three locations where people come and visit our Web site are Tehran, Beijing, and Moscow. Now, that is just the environment in which we have to operate, but it also shows the importance, I think, of the work we do.

Meanwhile, we have the largest committee in Congress. We are the only committee in Congress that has more members than staff—obviously, we have got the lowest ratio of staff to members—charged with overseeing half the discretionary budget at a time of unprecedented change.

So my request is that we have an increase in our budget so that we can do our regular job in a time of unprecedented change, as well as the reforms that absolutely have to happen, and that comes with added people.

The CHAIRMAN. Thank you very much.

[The statement of Mr. Thornberry follows:]

**Testimony of Chairman William M. “Mac” Thornberry
Before Committee on House Administration**

February 11, 2015

Good afternoon, Chairman Miller and Ranking Member Brady. Thank you for inviting me to testify before the Committee on House Administration on the budget request for the House Armed Services Committee.

My partner on our Committee, Ranking Member Adam Smith, and I are both acutely aware of the current budget environment. The agencies we oversee must be more efficient and more effective with the taxpayer money provided them. And the legislative branch, including the Committee on Armed Services, is no different. I wholeheartedly embrace this mandate, and it is with that in mind, that I respectfully request additional resources for the Committee’s operating budget for the 114th Congress.

In addition to the budget environment we face, Mr. Smith and I are acutely aware of the security environment facing our country, our military, and thus our Committee. Testimony before Congress from a variety of witnesses is that our country faces more serious, complex threats than at any time since World War II and perhaps more than at any time in our history. From renewed aggression by major nuclear powers, such as Russia and China, to the spread of terrorism and nuclear proliferation, to new domains of warfare such as cyber and outer space, to

even containing naturally-occurring diseases, our country faces many difficult challenges.

The Constitution of the United States places on Congress a number of specific responsibilities to help provide for the country's security. At least six provisions in Article I, Section 8 relate to the duties of Congress in this area. And so, Ladies and Gentlemen, our Committee has more work to do than ever.

In order to fulfill our duties under the Constitution, our Committee will have a major effort toward defense reform. It will have two primary goals: (1) to make better use of the resources provided to the Department of Defense and (2) to help ensure our military has the strength and agility needed to meet the wide array of threats we face in a volatile world.

We will have a dedicated staff team whose job it is to pursue a reform agenda. We will also necessarily draw on other Committee staff and resources. The reforms will include personnel reform, such as pay and benefits, including military health care. It will include acquisition reform, an effort begun last year and involving one of the most complex areas of the federal government's operations, and regulatory relief. It will also include overhead reductions and organizational reform.

The Department of Defense has proposed a number of minor reforms and headquarters reductions that will marginally reduce its operating costs. It is,

however, not enough. Major reforms are required – similar to those generated by the Goldwater-Nichols Act Department of Defense Reorganization Act of 1986. Goldwater-Nichols made the largest changes to the United States military since the Department of Defense was established by the National Security Act of 1947. Moreover, it required years of effort on the part of both the Senate and House Armed Services Committees, as well as extensive coordination with the impacted agencies and industry. We have an opportunity to pick up where Goldwater-Nichols left off.

Reform is also needed to improve the military's agility and the speed at which it can adapt to respond to the unprecedented technological challenges we face. While much of the threat is classified, a senior defense official recently testified before our committee, "We are at risk, and the situation is getting worse... We came out of the Cold War with a very dominant military... People have had quite a bit of time to ... do things about how to defeat that force. And what I am seeing in foreign modernizations ... is a suite of capabilities that are intended clearly...to defeat the American way of doing power projection, American way of warfare...And, without saying too much about this, the Chinese, in particular -- and, again, to a lesser extent, the Russians -- are going beyond what we have done. They are making advances beyond what we currently have fielded."

The bottom line for me is that we have no choice but to put substantial effort toward achieving the goals I mentioned. History shows us that only Congress can institute major reforms in DOD. Without us, it will not happen.

In addition, the Committee must play a major role in some of the most difficult challenges facing this Congress. The consequences of various budget options under the Budget Control Act of 2011 and the resulting sequestration is one of those issues. Another is a new authorization for the use of military force against ISIS in Iraq and Syria.

All of the issues I have mention thus far are in addition to the Committee's "normal" responsibilities to oversee the Department of Defense and elements of other departments, which comprise approximately half of the total discretionary budget of the federal government, as well as to craft the annual National Defense Authorization Act.

The National Defense Authorization Act has been signed into law for each of the past 53 years. Last year, it authorized about \$600 billion in spending, consisted of over 800 provisions, had 270 amendments offered in the Committee's markup and roughly 325 amendments filed during floor consideration. Needless to say, it is a major undertaking. The HASC bears sole responsibility for regularly authorizing *over 50%* of the discretionary federal budget with *only 6%* of the manning for the authorizing committees.

Without an additional, modest investment of approximately \$1.5M, the committee will not be able to do both the new tasks before us and continue our normal duties.

I would be remiss if I did not also observe that the HASC is the largest committee in the Congress, and this year our membership grew further. At the same time, the HASC maintains the smallest staff to member ratio of any committee in the House. We now have more members than staff.

The committee has suspended almost all other necessary administrative costs, such as equipment, and has frozen COLA and merit increase for the last five years. Management of the workforce with leadership succession planning and talent retention has become virtually impossible. The requested increase would allow the committee to fill its authorized positions on a bipartisan basis and provide a degree of much needed management flexibility.

There are other initiatives that I want to pursue. For example, Members have asked for quick, accurate information on fast-breaking national security developments around the world. Helping shape a national discussion on the proper role of the military in defending private networks in cyberspace is desperately needed, as technology and the threat far outpaces our laws and policies. And the list could go on.

Finally, let me assure you that I remain committed to maintaining the Armed Services Committee's track record of delivering results and implementing internal reforms that minimize cost and waste. The Committee has taken the initiative to improve processes to reduce cost, waste, and staff resources associated with committee hearings, mark-ups, and conference negotiations with the Senate. These efforts have set the gold-standard for other committees. I would like to highlight just a few examples:

- Recently, the HASC started a pilot program with the House Recording Studio to stream all HASC hearings on Youtube, saving the committee thousands of dollars that would have been spent on an outside vendor. By streaming directly on Youtube, the hearing videos will now be archived there as well, ensuring the public has an easily searchable and viewable archive for our hearings.
- During House-Senate negotiations for fiscal year 2015 defense authorization bill, in consultation with House Counsel, the committee used the digital file sharing system Box.com to digitally share, approve and process negotiated bill language and conference report language between the House and Senate. This file sharing system allowed the committee to reduce the amount of hardcopy material printed and made the process more efficient and saved staff time by eliminating burdensome administrative requirements.

- The staff has created a committee electronic report-language database used to draft, edit, and compile the committee report language that accompanies the annual defense authorization bill. This process had previously been accomplished using a paper-based system, which consumed a significant amount of paper and committee resources. It also allows committee staff to input and review legislative text, as well as identify and track provisions that may trigger sequential referral. The committee now uses the system to prepare the annual activities report and oversight plan. As a result, the committee has reduced paper purchase by two-thirds. A number of House and Senate committees have, or are considering, adopting a similar model system. The Senate Armed Services Committee, for example, has purchased the system and plans to begin using it this year.
- Most recently, the Committee on House Administration has been exploring the feasibility of automating the publication of hearing transcripts. The HASC has leaned forward and is working in cooperation with the Committee on this effort. In fact, HASC hearing transcripts are being used as one of models for the system.

In conclusion, let me remind my colleagues that the military remains in a readiness crisis. We've tried to legislate good stewardship of resources, but have unintentionally established layers of wasteful bureaucracy. We are now at a point

where we face impossible and unwise choices: Cutting needed systems, further eroding readiness, or breaking faith with the troops. No one in this chamber wants to do any of those things.

There is another way, and it comes through sustained oversight and pragmatic reform. Both efforts are our responsibility- they are our first congressional duty. I truly believe we have a narrow opportunity to deliver results - without having to choose between oversight or reform. Please accept my thanks for your time and your consideration of the committee's request.

The CHAIRMAN. The chair recognizes the ranking member, Mr. Smith.

**STATEMENT OF THE HON. ADAM SMITH, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF WASHINGTON**

Mr. SMITH of Washington. Thank you, Madam Chair. I can't say it much better than the chairman said it, so I will try to be brief. But we do a lot of work on the committee, beginning with the fact that we are the one committee that every year passes a bill. And Mac outlined it is no small piece of legislation. It goes through regular order, something that is unrecognizable in, I think, just about every other committee. But we go through the committee process of all the amendments, a 12-, 15-hour markup, and then on the floor and forward. And it is the staff that is doing a lot of that work, figuring out what those amendments are, answering questions of members. It is a lot of work to get that done.

And then, yes, we have the reform agenda. And then we do exercise an oversight function. I realize that the Government and Oversight Committee has an Armed Services or national security branch, but we in the last few years—I remember when I first came to Congress and was first a member of the committee back in the late 1990s this wasn't much of an issue. But now Libya, ISIL, Afghanistan, Pakistan, Iran negotiations, all this stuff comes up, and we have to deal with it in addition to that piece of legislation that we work on every year that is so important. And the size of the committee the chairman mentioned, and the fact that we are allotted 71 staff members at the moment, we can only afford 59.

So that is just a long way of saying we need more money, I think, to adequately to do the job that we are being asked to do, and to give the staff members the support that they need, particularly in the government reform agenda that the chairman mentioned, we need to dedicate staff to that, and that is incredibly important right now in this budget environment.

So I will keep it to that and just otherwise concur in the statements of my chairman. I yield back.

The CHAIRMAN. Thank you, both of you, very much.
[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

February 11th, 2015

Madame Chairman, Mr. Brady, and distinguished members of the committee, thank you for the opportunity once again to testify on the funding needs of the Committee on Armed Services. I am pleased to do so with my new Chairman and friend, Mac Thornberry. Our committee has a strong bipartisan history and I am very confident it will continue and grow stronger under Mac's leadership.

The Chairman mentioned his desire to pursue reform within the Department of Defense in the same spirit that Congress once did prior to passage of the Goldwater-Nichols Act. He is correct in observing that the need for comprehensive reform in many areas within the department. The President has requested \$585 billion for the activities of the DOD in FY16. This represents more than half of the discretionary budget. Even at this level, the DOD is stretched to meet the national security challenges that come from our adversaries. It is absolutely vital that we, the Congress, oversee the department to ensure that resources are being properly spent to achieve our national security objectives.

Unfortunately, since my last appearance here at the beginning of the 113th Congress the committee's job has gotten more difficult. This is partly due to a more complex and difficult international security situation. Partly, it is harder because the sequester continues to disrupt the normal budgeting and planning processes that the DOD would use to address these emerging threats. But the greatest challenge we

have in addressing our oversight responsibilities has come from reduced committee funding. In 2013 the Armed Services Committee took an 11% cut to its budget. This is an enormous cut when you consider that 97% of the committee's budget is spent on staff salaries. The HASC majority administers the committee budget for both sides and the minority's portion of this cut forced my staff to take 18 days of furlough in 2013 until staff attrition created enough vacancies to balance the payroll. My current committee staff of 12 is three smaller than when we entered the minority in 2011 and our limited budget has made pay COLAs or merit increases impossible in the 113th Congress. As members, we rely on staff to assist in conducting oversight and with the functioning of the committee. Staffing reductions and constrained pay don't make those tasks easier.

In this fiscal environment, a professional and committed staffer's value cannot be overstated. It takes years to gain an understanding of the complex Defense budget and, when utilized, a single staffer can achieve significant savings for the American taxpayer which easily surpasses their salary. Due to the budget cuts to the Armed Services Committee, we have lost four seasoned staffers with roughly seventy years of experience. Seventy years. You cannot replace that level of knowledge and experience overnight. The small short-term savings achieved by cutting committee budgets significantly undermines this institution's ability to serve its constitutional responsibility.

We have already started our work on the FY 16 National Defense Authorization Act. As you all know, this is a bill that the committee has completed annually for 53 years. It is a huge undertaking with over 800 provisions that is vital to our military, service members and the national security. The minority works in partnership with the

majority to create this bill and to manage the hundreds of amendments that are proposed in the mark-ups and on the House floor. Certainly, we in the minority have our differences with the majority over parts of the bill, but, taken as a whole, it is an example of what a bipartisan process can achieve. This bill would not be possible without the committee's experienced staff. Our ability to pass this legislation and to conduct oversight is tied closely to the funding request before you.

I am very 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 in support of national security. I support the Chairman's request for additional funding, and I hope you will look favorably on this request. I hope that your committee will carefully weigh any committee budget recommendations before you and that it supports us as we continue that vital mission.

Thank You, Madame Chairman.

The CHAIRMAN. In particular, when you are mentioning the staff, I was looking down at our notes that your staff had given us, that you have got a staff ceiling of 71, you have got an average of 63 positions filled.

I would say this. You have asked for one of the highest increases. Our Committee last week, we went through about half the committees, and the chairs and ranking members of the committees last week, and we are hopefully going to finish everything here today so that we have an opportunity to take a look at our finite pie of dollars that we have; and see where we think we can go, and what we can do.

Just for full transparency, we have got about half of the committees asking for level funding and others that are asking for a bit of an increase. Yours is a little bit higher than some. But, as you say, you have articulated very well what your needs are and why you are requesting what you have.

I would just say this, just because I think it is interesting, because the House really, I think, has tried to be very fiscally conservative, not only with our own individual MRAs, but certainly with the committee structure as well. Everybody has not done the same thing here on the Hill. I will just point this out, since the 110th Congress the House had a 15 percent reduction in committees, 15 percent. The Senate, God love them, has actually had a 4 percent increase during that time. So not only did they not take any reduction, they actually have had a bit of an increase.

It makes a difference. We are equal chambers of Congress, and we do have our responsibilities for oversight, as both of you gentlemen have articulated very well. I will just make one other comment, because the Executive Branch has actually had a 30 percent increase since 2008.

So we on this Committee are giving every serious consideration to the proposal that you have made before us. I am not sure what we are going to be able to do for you, but we certainly are, as I said, giving it every serious consideration. You already have, I think, answered my question, but just specifically, if we were able to give you what you were looking at, or something in that ballpark, it is principally just staff that you are really looking to staff up for the oversight? I think the chairman mentioned you were looking at five positions in particular?

Mr. THORNBERRY. Yes, ma'am. And I might just mention that even if we got our full request, we would not be back to where we were in 2010.

But just to give you a little feel for it, on the majority side I have got one staff member oversees all aviation programs. Now, that is everything from the Long Range Bomber to the JSF F-35, the biggest acquisition program in history, to the A-10. What am I trying to say? The refuelers, the UAVs. That is one person. I have got one other person who does all Navy programs other than aviation. I just want you to get a sense for how thinly we are stretched.

I have got one lawyer. And we are going to have a major responsibility to deal with this AUMF, even though it is not primarily in our jurisdiction, but yet how it affects the military, et cetera, that is in our job.

So essentially I have got a choice, and under the current resources it is reform or the oversight. And there is no choice. We have to do reform or it is not going to get done. So all of these different programs are just not going to have the oversight. Now, maybe the Pentagon would like that, but I don't think we are doing the country very well.

The CHAIRMAN. I am appreciative of that, particularly when you were mentioning about the acquisition reform. Sometimes you have to spend a dime to make a buck, really, and have the ability to make those kinds of reforms to the process. Goodness, we are talking about billions and billions of dollars.

So, Mr. Smith, you have any comment at all?

Mr. SMITH of Washington. I have nothing to add to that.

The CHAIRMAN. Okay. Very good.

My ranking member, Mr. Brady.

Mr. BRADY. Yes. Thank you, Madam Chairman. Madam Chairman, as you know, I am on this committee and I am on the Armed Services Committee, and I am probably one of the most fortunate Members of Congress because I am on two committees that are totally, totally impartial. I mean, they work together extremely well, the members do. Not sure I know all the members and who they are. I know most of the staff members, and they never treat me—I don't know, other than where I see them sitting right now, I don't know who they work for. I mean, they work for us. Whether it be the Republican side or the Democratic side, they are always ready and able to do the best that they can to answer any questions that we have. It is a completely bipartisan committee with members and with staff.

And I would like to echo what the chairman and the ranking member just said. It is hard to keep these kind of people, the dedicated people that we do have, because I think every one of them that I know of, they could probably do much, much better on the outside. But because they are dedicated and they are committed to what we do on that committee which keeps them there. And not only are we cutting their pay or keeping them the same—hopefully not cutting—it is hard to attract anybody, any new people to come to work because we are not being able to adequately pay them and we have given them a whole lot of work to do. But they are dedicated. And I couldn't think of any other committee—naturally, I am biased—that we can hopefully look at and try to come up with whatever we can come up with to be able to adequately let you do your job on that committee, a real important committee.

So I thank you for what you do, and it is an honor and pleasure to be serving with you on that committee also.

Thank you, Madam Chair.

The CHAIRMAN. Thank the gentleman.

The gentleman from Illinois, Mr. Davis.

Mr. DAVIS. Thank you, Chairman.

Thank you, Chairman Thornberry and Ranking Member Smith. You mentioned the communications issues that you are having. And just for my reference, is the House telecom office the office that sets up the classified lines or does that go through another entity?

Mr. THORNBERRY. It is the House Security Office, really, that should be responsible for secure telephones. And we don't have a lot. We have limited SCIF, sensitive compartmented information facility space, but our phones that we use for classified calls are so old and so out of synch with what the Pentagon has that they just don't work, as I say, four out of five times. And it is never the first four when it does work. And I can give you other examples.

As the gentleman knows, I am new to this job. And so when I started looking at the budget and I am walking around all the offices looking at the equipment and so forth, frankly, I was shocked. I don't know how the former chairman and Mr. Smith and the staff directors have done what they have done. Our staff has not had a COLA or a merit increase in 5 years. And then we have these equipment issues that just adds to the frustration of their job. I am amazed, really, they have held it together.

Mr. SMITH of Washington. Just in talking about the COLA issue, the one other issue that we have not brought up yet is for a couple of years, I think previous year, our staff members 2 years ago had to take furlough days, had to take pay cuts. I don't think any other committee actually did that because they had room in their budget. We didn't have any room in our budget.

So not only has our staff not received any COLAs or any pay increases, but a number of those staff actually had to take furlough days, up to, I think, it was like 15 or 20 days out of the year. So they took a pay cut 2 years ago as a result of that. That is just the pressure we are under given the amount of money we have and the amount of work that there is to be done.

Mr. DAVIS. I am sympathetic. I am new to this job, too, here, but I am not new to the House operations, being a staffer for 16 years. And that is why I am asking the questions about who would be responsible. Because that falls back on our committee to make sure that they are responsive to you if they are under our jurisdiction.

And I am sympathetic to the communications issues. And the reason why I am asking is I see that you are going to be able to take a lot of this increase—proposed increase, if you were to get it—and bring on new staff, make sure the existing staff you have are up to the standards that we know need to exist on your committee.

My fear is that under your telecommunications, under your communications budget request that might not be enough to actually upgrade your telecom equipment. And I want to know if there is anybody that has estimated so that we can make sure that you have the ability to do that, because, frankly, I am offended the Pentagon has anything better than us, especially a telephone.

Mr. THORNBERRY. Just to clarify, we are not talking about replacing the whole phone system. The Intelligence Committee is a different thing. They have a lot more classified phones down in their SCIF spaces in the basement of the Visitors Center. We only have a handful of these classified phones inside our conference rooms that are SCIFed. I can't tell you off the top of my head what that cost would be. It is not huge. But I guess I cite it because, number one, it uses an incredible amount of time while you are trying to get a call through. And secondly, it is an example of what

has had to happen over the last few years just because things have not been able to be upgraded.

Mr. DAVIS. I am going to yield back the balance of my time real quick, I know we are going to votes, but could you have your staff get back to me on the procurement process for this? I am just trying to make sure I understand the process.

Mr. THORNBERRY. I think it is the Security Office that is responsible for it, but I will get back to you once I get that.

Mr. DAVIS. Thank you. I yield back.

The CHAIRMAN. The gentleman from Florida, Mr. Nugent.

Mr. NUGENT. Thank you, Madam Chair.

Welcome again. Good to see you again. I saw you just a little bit ago. And I echo the same comments Mr. Brady makes in regards to this committee. The bipartisanship actually has been really refreshing on Armed Services.

And just to give everybody an idea, the breadth of what Armed Services does, it is all the Armed Services of the United States, but it is about security of this Nation. And we have to make decisions, budgetary decisions, we will be doing the NDAA. There are a lot of things that we have to do. But one of them, though, is so staff-driven. The information that we get, and you are right, I don't know the Republican staff versus the Democratic staff because everybody is helpful to all the members on the committee.

And I guess yesterday first ever, I hate to call it a retreat because you don't want to ever talk about retreat, but yesterday we had a retreat, for the first time that I am aware of, where we actually talked about issues that are going to be facing us and how can we deal with those in the future. And we had some pretty sharp folks come in a classified setting and an unclassified setting to tell us where we need to go. And it really convinced, I think, a lot of Members maybe who were unsure of how we should move forward and what the cost is to actually do what we need to do to keep America safe. And the threats are so diverse.

So this committee, everybody has bitten the bullet to say in regards to reducing staff and reducing staff costs. But at the end of the day I am fearful that everyone on the Armed Services Committee, whether it is working conditions, whether it is a telephone that works or doesn't work, but at the end of the day it is about how do I support my family. And these guys and gals could go out into the real world and make probably a whole lot more money. But I think what keeps them here is their loyalty to this country and their loyalty to actually coming up with a product that makes America safer, not weaker.

And I think this is a request that really should be taken into account. Of all the things that we do—and everything that we do is important, diminish no committee—but this is one that you have got to get right. This is the one that has the actual ability, if we get it wrong, to have a direct impact on everything else that we do, everything else that is important to us in this country, whether it is a social program or anything else. If we don't get it right in this committee, that will degrade everything else that we want to do and the prosperity of this country, because what we can do, and the projection of force that we talk about does make us more pros-

perous. It opens up markets and keeps markets open for us that we wouldn't have without a strong and vibrant military.

But to get to that is about oversight. And the chairman has talked about acquisition reform and getting the Pentagon to be responsive and not being a rubber stamp for the Pentagon. And I think that is the biggest thing that I always felt. Sometimes it is just like, well, we got to do it because they asked. Well, no. I mean, we are the civilian oversight of the Pentagon to make sure that the dollars that the American public pony up every year are going and getting the best bang for our buck. And I think that is where the oversight portion of this committee is so important, more important than a lot of other committees, I personally think.

So I just want to be on record that I think that this committee of all should really get the request that is being asked for. I don't see it as being just parochial to the Armed Services Committee. But I do think it is important to this whole country.

With that I yield back, Madam Chair.

THE CHAIRMAN. I thank both these gentlemen who are on the House Armed Services Committee for their strong advocacy for this committee, and the chair recognizes Ms. Comstock.

Mrs. COMSTOCK. Thank you, Madam Chairman. I just wanted to echo the emphasis of my colleagues on how important this committee is. I do appreciate the nature of what you are working on and the importance, with all the challenges we have facing us. So thank you for your leadership on this. And I too would agree with Mr. Nugent's suggestion that this is going to be one of the most important things we do over the next several years. And I know in my district how important this is and how I hear from the defense community all the time. And so happy to work with you on these issues. Thank you.

The CHAIRMAN. I thank both the gentlemen for coming. Obviously, you have some great support here, and no wonder. But it is a bit of a request that you are asking for and we are going to look at it very closely and certainly are well aware of what challenges the world is facing, our country is facing, and the kinds of responsibilities that your committee has. We want to make sure we can resource you to the optimal that we have available funds to.

So we will get back to you. Thank you very much for coming. We appreciate it.

The Committee now welcomes Chairman McCaul and Ranking Member Thompson of the Committee on Homeland Security. I would ask the official reporter to enter a page break into the hearing record as we begin a new section.

The CHAIRMAN. Established in 2002, the Committee on Homeland Security has jurisdiction to provide congressional oversight for the U.S. Department of Homeland Security and to better protect the American people against a possible terrorist attack. Much of what they do, of course, is unknown, depending on circumstances around our Nation and around the globe certainly. I am very pleased to be able to serve on this committee as well, so I am familiar with the workings of the committee.

I would just say to both the chairman and the ranking member that both the Republican and Democratic staff on the committee were very helpful to our staffs when we were trying to put all of our information together so that we were prepared to hear your presentation today. So we are very appreciative of that.

With that, we are going to be voting, I guess, in about 10 minutes, so we should have plenty of time to get through here.

**STATEMENT OF THE HON. MICHAEL T. McCAUL, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. McCAUL. Madam Chair, thank you for inviting me and the ranking member, thank you, Ranking Member Brady, for this opportunity to testify this afternoon on the work and goals of the Committee on Homeland Security. I am pleased to be sitting next to my ranking member, who is equally committed to the national security of this Nation and has been a good partner in that effort.

This committee faces, I believe, continuous and growing resource constraints in light of the dynamic security threats, recent world events, and key national policy debates. We expect this threat environment to become more challenging over the next Congress. Our committee is at the forefront of overseeing the U.S. Government's response to an alarming rise in homegrown and foreign terrorist threats, meeting the challenge of securing America's borders, countering the acute increase in cyber attacks against the United States Government and private sector networks, especially in light of the Sony and Anthem attacks this last month.

The confluence of these challenges has placed a noticeable strain on our committee's resources. We have been charged with responding to the surging threat of domestic radicalization and the threat from foreign fighter terrorists. I just came out of a hearing with the ranking member talking about that very issue. Both issues have become more pressing in the wake of the attacks in Paris, Sidney, Ottawa, and Nigeria, and the destruction of terrorist plots here in the United States. In fact, I believe there have been over 15 ISIS plots, many successful, many not. But this trend is not going to decrease, in my judgment, it will increase.

The 113th Congress was productive. We held almost 100 hearings, 8 field hearings, passed 31 bills, and 28 were considered and passed on the House floor. Most importantly, we had for the time cyber legislation, landmark cyber legislation that was passed.

More important than the numbers is the impact the legislation and oversight will have on the Nation. Our chemical facilities will be better protected, travelers will not be overcharged by TSA, and the Nation's veterans will be treated with the dignity and respect that they deserve at our airports. Additionally, cyber threat infor-

mation will be enhanced and improved, and the workforce will be strengthened to combat this threat.

In the 113th it became clear to this committee and to the Department itself that DHS is not optimally organized and equipped to deal with the escalation in security challenges. DHS has never been reauthorized by Congress since it was established in 2002. To me, that is an amazing statement that I don't think many Members of Congress are aware of, that this Department has never been reauthorized by the United States Congress.

DHS badly needs legislative fixes. It is one of the highest priorities of the committee to draft and enact the first-ever DHS reauthorization that will allow us to implement these much-needed reforms at the Department.

In the 114th, the committee will launch a concerted effort to reauthorize, as I stated. This undertaking is of major national security significance, and will include the following: a full review of the Homeland Security Act, briefings with all of DHS' main offices, development of new authorizing legislation and appropriate reforms for each of the DHS components, close coordination through the process with House committees sharing jurisdictional interest, which as the chairwoman knows is a challenge because of the jurisdictional problems that we face. It will involve close coordination with the Senate, and the markup of authorization through regular order.

This will take a counsel to work full-time on the activity on both the majority and minority sides. And with additional funds, we will be able to hire these personnel.

The committee has created a long-term investigations unit that has already launched a handful of investigations that will be completed and released in 2015. In fact, we announced at this morning's hearing the creation of a task force to investigate both foreign fighters traveling abroad and also the homegrown violent extremists. This growth of lawless terrorist safe havens is a threat to the homeland.

We will also be investigating cybersecurity, biological attack preparedness and response, and also waste, fraud, and abuse within the Department.

Finally, in an October 26 article in Politico, Leader McCarthy stated that the House committees should be doing far more field work. I agree with him. I just recently visited the 9/11 Museum in New York, which I would recommend to all the committee members. And they have agreed to open up their facility for a field committee hearing. But as this committee knows, that will also take more resources.

Field work is essential to gathering data to conduct rigorous oversight, have the right policy questions, and inform legislation.

In order to fulfill the mission of this committee and accomplish these priorities, we are requesting a marginal increase of 1.7 next year over our 113th authorized level. If granted, we would primarily focus these on the key hires that I mentioned. And in addition to personnel compensation and field work, we are requesting minimal changes to funding for other categories.

So I know our time is limited. I want to thank the committee for the opportunity to appear here before you today to talk about the great work of this committee. And with that, I yield back.

The CHAIRMAN. Thank the chairman.
[The statement of Mr. McCaul follows:]

Michael T. McCaul
Chairman - Committee on Homeland Security
Testimony - House Committee on Administration
February 11, 2015

Chairman Miller, Ranking Member Brady:

Thank you for the opportunity to testify this afternoon. I am happy to be here and equally happy to be sitting next to my Ranking Member, Mr. Thompson, who has been a great partner over the last two years.

The Committee on Homeland Security (CHS) faces continuous and growing resource constraints in light of dynamic security threats, recent world events, and key national policy debates. We expect this environment to become more challenging. Our Committee is at the forefront of overseeing the U.S. government response to an alarming rise in homegrown and foreign terrorist threats; meeting the challenge of securing America's borders; countering the acute increase in cyberattacks against U.S. government and private sector networks—especially in light of the Sony attacks; and equipping our first responders to deal with biological threats and public health concerns like Ebola.

The confluence of these challenges has placed a noticeable strain on our Committee resources. We have been charged with responding to the surging threat of domestic radicalization and the threat from foreign terrorist fighters. Both issues have become more pressing in the wake of attacks in Paris, Sydney, Ottawa, and Nigeria and the disruption of terrorist plots here in the United States.

In the 113th Congress it became clear to the Committee that the Department of Homeland Security (DHS) itself is not optimally organized and equipped to deal with the escalation in these security challenges—from Ebola and domestic radicalization to foreign hacks on government networks and a surge of migrants at the border. DHS badly needs legislative fixes. As a result, it is one of the highest priorities of the Committee to draft and pass the first-ever DHS re-authorization, a bill that would implement much-needed reforms at the Department and update its existing authorities to respond to crises more effectively and efficiently.

The Department of Homeland Security has never been re-authorized by Congress since it was established in 2002. This lack of authorization has translated into a lack of binding guidelines for the Department for the last 12 years. This is an abdication of Congress's responsibility, and it is unacceptable.

The 113th Congress was extremely productive for the Committee on Homeland Security. The Committee held almost 100 hearings (8 of them field hearings), passed 31 bills out of Committee, had 28 bills considered and passed on the House floor and had a dozen pieces of legislation signed into law. More important than the numbers is the impact the legislation and oversight will have on the nation: our chemical facilities will be better protected from terrorists;

American travelers will not be overcharged by TSA; and our nation's veterans will be treated with dignity and respect at airports. Additionally, cyber threat information will be enhanced and improved, and America's cyber workforce will be strengthened to combat the cyber threat.

As a Committee, we look forward to building on this success in the 114th Congress.

In order to fulfill the mission of the Committee and accomplish the priorities of CHS in the 114th Congress, we are requesting a marginal increase of 1.7% over our 113th authorized level. If granted, we would smartly allocate these resources to accomplish several goals.

First, we would focus these resources on a few key hires to accomplish the goals of the Committee.

- **Counsel dedicated to DHS Reauthorization:** In the 114th Congress, CHS will launch a concerted effort to re-authorize DHS for the first time since its creation. This undertaking is of major national security significance and will include, among other things, a full review of the Homeland Security Act in order to bring the law up-to-date, reflecting the Department's current organization and mission; meetings/briefings with all of DHS's main offices and sub-entities; the development of new authorizing legislation and appropriate reforms for each of the DHS components and programs; close coordination throughout the process with the House committees sharing jurisdictional interests; close coordination with the Senate Homeland Security and Governmental Affairs Committee; and the mark-up of the authorization legislation through regular order. In order to successfully execute this effort, the Committee will need to hire a dedicated, full-time Counsel to spearhead the effort. This staffer would be an experienced Hill attorney with substantial experience in drafting and moving legislation. Because we recently interviewed for a General Counsel position that was vacant, we believe that we could hire somebody for this position within a month. My understanding is that the Minority would hire an equivalent attorney to spearhead the effort on the Minority side.
- **Senior National Security Investigator:** The Committee is determined to respond to the heightened U.S. threat environment with vigorous oversight and investigations during the 114th Congress. CHS has created a long-term investigations unit that has already launched a handful of investigations that will be completed and released in 2015 and which focus on leading challenges facing DHS and the broader national security community. The addition of a senior investigator will allow the team to keep up with emerging threats, particularly related to homegrown violent extremism and foreign terrorist fighters. We have had several individuals approach CHS interested in joining the investigations team and believe that we could interview and identify somebody for this position within several weeks. The Minority staff anticipates a similar need.

With additional resources, CHS could launch a series of investigations into the following areas over the next year:

- Growth of lawless terrorist safe havens and threats to the homeland;
- Cybersecurity;
- Biological attack preparedness and response; and
- High-profile cases of DHS waste, fraud, and abuse.

In an October 26 article in Politico, Leader McCarthy stated that House Committees should be doing far more fieldwork. CHS has been working harder to find the resources to do exactly that. Fieldwork is absolutely essential for gathering the data to conduct rigorous oversight, generate policy positions, and inform legislation.

Along these lines, if awarded additional resources, CHS would apply it toward:

Field Hearings: In the 113th Congress, CHS held three Full Committee field hearings and five Subcommittee field hearings. Full Committee field hearings covered the Ebola response, human trafficking, and the surge of unaccompanied alien children at the border. These hearings allowed the Committee to highlight issues of critical importance to the public, hear from those directly impacted, and drive the implementation of impactful solutions to real-world problems. In the 114th Congress, we would like to increase this number of Full Committee field hearings to five and the number of Subcommittee field hearings to ten.

Investigations Travel: The extremist threat to the United States is geographically diverse, and engaging in full coverage of this threat puts tight demands on Committee resources. In the 114th Congress, the Committee plans to launch additional national security investigations which will require staff travel to baseline U.S. homeland defense programs, identify gaps, and develop legislative solutions to reconcile U.S. vulnerabilities.

In addition to personnel compensation and additional field work expenses, we are requesting only minimal changes to funding for other categories. Our request is primarily based on actual spending in 2014 with small increases to reflect rising costs and specific needs such as the upgrade of telecommunications and IT equipment. Our request for supplies and materials is decreasing significantly in 2015 as a result of having renewed several of our larger subscriptions for two years at the end of 2014.

Again, thank you for the opportunity to testify. I appreciate your time and consideration and look forward to a productive 114th Congress.

The CHAIRMAN. The chair now recognizes the ranking member, Mr. Thompson.

STATEMENT OF THE HON. BENNIE G. THOMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. THOMPSON. Thank you very much, Chairman Miller, Ranking Member Brady. I am in full agreement with my chairman's earlier statements. It is no question that the cuts of 2011, 2012, and 2013 to the Committee on Homeland Security's budget was a problem. And part of what we have here today with this request for additional funding so we can in effect conduct the committee's business.

Our biggest challenge is several, Madam Chair. Our enemy is not the enemy we started with. We have to have good staff, we have to conduct good work. We have to have the ability to travel, to do field hearings. All those things require resources.

The chair and I have historically managed the money very well of the committee. We have even in our field hearings reduced the number of staff going on the hearings to try to make sure we stay within the budget. But a lot of those reductions have not allowed us to really do effective committee work. So what you have before you today is a request for a small increase. We could do more, but we recognize the times we are in.

Cybersecurity, a major effort for this committee. We passed three bills as we were going out last session. We will leave this meeting and go meet with our Senate counterparts to talk about cybersecurity today. We need the resources to make sure that we can bring the talent on to address that threat here.

The issue with the Secret Service and the fact that there are some lapses that have gone on in service, that we need to address that also.

But more importantly, Madam Chair and Ranking Member, is we have to retain good talent and we have to attract good talent, and in order to do that in this environment you have to pay staff. And so part of what we are trying to do is to the best we can stay current with what the marketplace bears. And in order to do that, we have to have resources to do it.

So the chair and I are in complete agreement with this budget request. And I look forward to any questions that might come.

The CHAIRMAN. Thank you, gentlemen, both of you, sincerely, for coming here before us today.

[The statement of Mr. Thompson follows:]

**Statement of
Full Committee Ranking Member Bennie G. Thompson**

Committee on House Administration

“Committee Funding for 2015”

February 11, 2015

12:00 p.m.

1309 Longworth House Office Building

- Thank you, Chairman Miller and Ranking Member Brady, for this opportunity to talk about committee funding for 2015.
- After successive cuts in 2011, 2012 and 2013, the Committee on Homeland Security’s budget was increased by 2%. Each year, the budget changes were absorbed between Majority and Minority according to our two-thirds, one-third share.
- After reducing the size of my staff, cutting salaries, streamlining office expenses and curtailing travel, it is fair to say that we are doing more with less.

- Last year, the Committee worked hard to see that the Department of Homeland Security received adequate Congressional oversight. We pushed for updated cybersecurity protocols.
- We forced the agency to be more responsive to Member requests.
- We called for transparency and accountability within the Secret Service after a series of lapses.
- We also worked to improve our border security and strengthen our cyber networks – work that will continue this Congress.
- These efforts and many others are taking place at a time when we must remain as vigilant as ever to protect the homeland.
- In order to do that, we need sufficient resources. I would like to be able to have staff travel and not be limited to what they can learn in the confines of Washington, D.C.

- I would like to be able to replace aging equipment later this year.
- I would also like to remain a competitive choice for bright, young staffers who have options for where they will work. Further budget cuts would complicate these goals.
- The Chairman and I agree on the goals of pushing the envelope on cybersecurity and protecting the homeland from other threats abroad, including exposure to attacks from foreign fighters who may travel to the U.S.
- In order to accomplish these goals, we will need to hire additional staff. Our request for additional funding is responsible and commensurate with the significant charge given to our Committee. We will need to attract expert staff and you can help us do that.

- Thank you again for the opportunity to testify, and I look forward to answering any questions you may have.

The CHAIRMAN. I was taking some notes here as you were talking. It is true in regards to the staff, you had a ceiling of 75, I think, for the committee. You have had an average of 68 positions filled. So the ability to do oversight, the ability for authorizing, as was mentioned, whether you are just authorizing the Department of Homeland Security, which has never been done, or Customs and Border Protection, or Border Patrol, or ICE, or any of these kinds of things that the committee is going to be looking at this year is of such marquee importance, I think.

Just to let you know, first of all, our Committee during last week went through about half the committees where the chairmen and the ranking members were making their pitch. Today we just have two more after you. So then we are going to be really looking at how much funds we actually have, the amount of funding that we have available, and then trying to resource as we can to the very best of our ability.

I point these numbers out because I think they are very instructive, because the House really has done everything that we can to be fiscally conservative, not only within our own Members and their MRAs, but particularly in the committees. The House committees since the 110th Congress have had a 15 percent decrease—15 percent decrease—that everybody has pretty much absorbed. The Senate committees, God love them, have actually in the same time period had a 4 percent increase while we have taken a 15 percent decrease. Yet we have some very similar responsibilities for oversight, et cetera, et cetera. As I say, the Executive Branch actually has had a 30 percent increase—30 percent increase—since 2008. I just point that out. It is really a stark contrast.

So I guess my question, and I think the chairman probably answered it in his testimony, but if we were able to give you the amount of increase that you are really looking for, specifically what might you utilize that for? I think you said probably principally staff and maybe a bit of field hearings as well.

Mr. MCCAUL. Yes, Madam Chair. And I think the ranking member gave an excellent presentation.

If I could just back up, you and I have been on this committee, for me 10 years, I have never seen a threat environment higher than I do today since 9/11. And with that comes the responsibility of the committee and the oversight responsibilities the committee has.

Specifically to address your question, we believe the additional counsel to get a reauthorization bill through the Congress would be vitally important. As you know, we share jurisdiction more than any other committee, I think in the case of this committee, with five other committees of jurisdiction. It is going to be a parliamentary challenge to get this bill through. The Speaker has told me this is the highest priority for the committee to get DHS reauthorized for the first time, and that will take additional counsel.

In addition, we have launched these investigations that I believe are very important to the American people to close security gaps of the threats these foreign fighters pose who have 50,000 ISIS, 20,000 foreign fighters, 5,000 Western passports, many of whom can go through Europe without a visa into the United States. Hundreds of Americans have traveled into Iraq and Syria. And we have

a rough number that was talked about today at the hearing, but you don't know what you don't know.

And these investigations, I think, would be very important to not only fill in these security gaps, but protecting the American people, along with the homegrown violent extremists who can radicalize over the Internet. And I don't believe this administration is paying enough attention to that piece. And this committee, I believe, is making that front and center as well. So an additional investigator would help, and I think the field hearings as well.

But we are seeing really, to sort of echo my colleague's points, I mean, border security, the threat from foreign fighters and homegrown radicalization, and the cyber threat I can't underestimate. This committee is going to be front and center in the cyber debate. Homeland Security, I believe, is going to be the lead agency as a civilian portal to the private sector, and we have to make sure that this committee can function properly to get this piece done right. It is very, very important to the Nation.

And I have to be honest, to the ranking member's point, we just lost our staff director on the cybersecurity committee. And we have lost staff not to other committees, because I think it is a very interesting time for the committee, but we have lost them to the private sector, particularly on cybersecurity, where somebody that gets good experience in our committee can double or quadruple their salary.

So I think that is becoming a growing field and threat to the United States that this committee needs to be fully equipped to deal with.

The CHAIRMAN. Mr. Thompson, do you have anything to add?

Mr. THOMPSON. Well, the only thing I can add, Madam Chair, is the chairman is correct, we have to have the complement of staff necessary to address all the threats that we come in contact with. Those threats are growing. And in order to be prepared, we need to have staff and equipment and the ability to do the necessary work to keep America safe. And we can't do homeland security on the cheap. The public is clearly supportive of the mission of this Department, and what we have to do is further refine the mission, make it cost-effective. But security is an investment that up to this point the public is willing to make.

The CHAIRMAN. Very good.

My ranking member, Mr. Brady.

Mr. BRADY. Yes. Thank you, Madam Chair.

Just thank you for the job you do in keeping our homeland safe. And I would assure you that the chair of this committee will do everything that she can—and I would like to join her in doing that—to try to make sure that you have all you need, the wherewithal to keep keeping us safe. So thank you, and thank you for the job that you do.

Mr. MCCAUL. Thank you.

Mr. THOMPSON. Thank you.

The CHAIRMAN. The chair recognizes the gentleman from Illinois.

The chair recognizes the gentleman from Florida.

The gentlelady from Virginia.

Very well.

All right, gentlemen. We sure appreciate your attendance here today and your attention from your committee staff and yourselves to the detail of what your requests are. Again, we are going to take a look at everything, obviously, in an aggregate and see where we can go here. But I am well aware of what the committee does and the challenges that we are facing from a staffing level and oversight, et cetera. So I appreciate it, and we will get back to you. Thank you very much.

Mr. MCCAUL. Thank you.

Mr. THOMPSON. Thank you.

The CHAIRMAN. I will now recess the hearing. The Committee will reconvene subject to the call of the chair, which will be immediately following our votes.

[Recess.]

The CHAIRMAN. The Committee now welcomes Chairman Hensarling and Ranking Member Waters of the Committee on Financial Services. I would ask the official reporter to please enter a page break in the hearing record to begin a new section.

The CHAIRMAN. The House Committee on Financial Services has jurisdiction over issues pertaining to the economy, the banking system, housing, insurance, and securities and exchanges. Additionally, the committee also has jurisdiction over monetary policy, international finance, international monetary organizations, and efforts to combat terrorist financing.

The Committee certainly welcomes both the chairman and the ranking member. Before I recognize you, Mr. Chairman, let me just say to both of you that your committee staffs, your respective committee staffs were very, very helpful to our staffs when we were trying to get all the information gathered together, so we would be prepared for your presentation today. So we are appreciative of that.

With that, the chair recognizes Chairman Hensarling.

**STATEMENT OF THE HON. JEB HENSARLING, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. HENSARLING. Thank you, Madam Chair. Chairman Miller, Ranking Member Brady, and members of the committee, Ranking Member Waters and I are pleased to appear before you on behalf of the Financial Services Committee.

Certainly I believe that the Congress must always lead by example in matters of budgeting, especially in times of historically high debt. I know the members of this committee have to make many important and tough decisions about the allocation of resources and budgeting limits, just as we do on our particular committee. To help you in this effort, I am here to explain the committee's priorities and discuss how we plan to use the valuable resources, hopefully to better serve taxpayers, citizens, and the members of our committee.

Chairman Miller, as you just delineated, our Financial Services Committee does have a broad jurisdiction, including the entire U.S. financial system. Indeed, this does include our banking system, our capital markets, our housing finance system, insurance, monetary policy, and international finance. From Main Street to Wall Street, there are very few financial transactions that are not impacted by the jurisdiction of this committee.

Among the agencies that we have the responsibility to oversee include the Federal Reserve, the Securities and Exchange Commission, Department of Housing and Urban Development, the Bureau of Consumer Financial Protection, and many other components of the Department of Treasury. We are one of the largest standing committees of the House, with 34 Republicans, 26 Democrats. We have a few dozen committed staffers whose salaries comprise the vast majority of our committee's budget, as I think you have already observed.

We work to make sure that the agencies under our jurisdiction treat the taxpayers' dollars with respect, because after all, it is not their money and it is not our money, it is the taxpayers' money. As I testified before you in the last Congress, just like every American family, we have to prioritize our spending, just like they do. So in the last Congress we readjusted our spending to accommodate the sequestration cuts by combining two longstanding subcommittees, into one to streamline the workload. We did, however,

delay a number of equipment purchases and IT investments. We have put off a number of important long-term staff hires.

In addition to those actions, you are well acquainted, Chairman Miller, because you and this whole committee were helpful, but we had to reprioritize our spending in mid-Congress to accommodate essential hearing room renovations after numerous and embarrassing audiovisual failures of equipment that had grown antiquated.

While we are very pleased to have the necessary renovation, mainly an AV system that actually works—I thank, again, the chair and all committee members for the assistance and excellent service that you and your staff have provided—you need to know, though, that the uncertainty surrounding the expenditures associated with those renovations did factor into our budgeting and spending decisions. So it made it very difficult for us to budget for staff hires, which is obviously a top priority for us in this Congress.

I need not tell you the 2008 financial crisis was the worst since the Great Depression. It has exponentially increased the workload of this committee. Most believe that the underlying cause of the crisis falls within our committee's jurisdiction, as does the ultimate solution or prevention. And whether it is examining the role of Washington's housing policies, the government-sponsored enterprises, the Federal Reserve's monetary policies, we continue on our committee to be committed to addressing the root causes of this crisis and do everything we can to avoid yet another one.

We believe that this Congress, Madam Chair and members, could be the busiest since the passage of Dodd-Frank in 2010. Whether you like it, whether you dislike it, it is clearly the most dramatic change to our Nation's financial regulatory system since the New Deal. And the fact that nearly 5 years after its passage regulators are still writing many of the mandated rules and regulations is at least testimony to its complexity. Dodd-Frank's 2,300 pages include more than 400 separate rulemakings. Again, every sector of our economy, every town, every pocketbook and wallet are going to be impacted by this historic legislation. So from manufacturers of the latest smart phones, to families trying to buy or sell a home, to single moms purchasing groceries with their credit cards, virtually no one in America is left untouched by this act.

So while the other major law that has been passed in recent years, the Affordable Care Act, spans three committees of jurisdiction, our committee has sole responsibility for overseeing almost the entirety of Dodd-Frank's implementation. Therefore, to make sure that the law is properly implemented, we will and must continue to focus much of our energy and resources monitoring the implementation, making legislative changes where necessary, and exercising very robust and effective oversight under this dramatic piece of legislation.

In addition, I need not tell you that although there have been improvements in our economy, millions continue to suffer. Middle-income paychecks are smaller. Their bank accounts are smaller than they were 6 years ago. So our committee will continue to work on putting forward legislation to get America back to work, and we will continue to work to send dozens of bipartisan job-creation bills to the floor. This also will take a lot of our particular focus. Regu-

latory relief helps small businesses and entrepreneurs, since we know that entrepreneurial activity, regrettably, is at a generational low.

Additionally, this year marks the 50th anniversary of the founding of the Department of Housing and Urban Development, and we will take a thorough review of all of their programs. Just earlier today we had Secretary Castro appear before our committee. We will examine what the Department has done. That will also take a lot of time and attention.

In closing, our committee is hard at work on the priorities of the American people. With further resources, we think we would be able to provide the manpower to propose even more policies that will help secure upward mobility and economic opportunity and financial independence to our constituents and hard-working taxpayers. Thus, we have submitted the request before you, and we thank you for the opportunity to testify. And at the appropriate moment, I would be happy to answer questions.

The CHAIRMAN. I thank the chairman very much.

[The statement of Mr. Hensarling follows:]

**Statement of Chairman Jeb Hensarling
Committee on Financial Services
before the
Committee on House Administration
Hearing on Committee Funding for the 114th Congress
February 11, 2015**

Chairman Miller, Ranking Member Brady and Members of the Committee:

Ranking Member Waters and I are pleased to appear before you on behalf of the Financial Services Committee.

I certainly believe Congress must always lead by example in matters of budgeting, especially at this time of historically high deficits and debt. You have tough decisions to make about budgeting limits and priorities, as do we. To help you in this effort, I am here to explain our Committee's priorities and discuss how we plan to use these valuable resources to better serve taxpayers, consumers, and our members.

As you may know, the Financial Services Committee has jurisdiction over the entire U.S. financial system. This includes the banking system, our capital markets, housing, insurance, monetary policy, and international finance. From Main Street to Wall Street, there are few financial transactions that aren't impacted by the policies considered in this committee.

Among the agencies we oversee are the Federal Reserve Board, the Securities and Exchange Commission, the Department of Housing and Urban Development, the Bureau of Consumer Financial Protection, and several components of the Department of the Treasury. Our 34 Republicans, 26 Democrats and few dozen committed staffers, whose salaries comprise the vast majority of our committee's budget, work to make sure the agencies under our jurisdiction treat the taxpayers' dollars with respect because, after all, it is not Washington's money; it is the taxpayers' money.

As I testified last Congress, just like every American family has to prioritize their spending, so do we. In the last Congress, we readjusted our spending to accommodate the sequestration cuts by combining two subcommittees to streamline the workload; delaying many equipment purchases and IT investments; and putting off important long-term staff hires. In addition to those actions, we were forced to reprioritize our spending mid-Congress to accommodate essential hearing room renovations after numerous audio and visual failures. While we are very pleased to have these necessary renovations – and I thank the Chair and committee members for the assistance and excellent service that you have provided – it is important that you are aware how it factored into our budgeting and spending decisions. The urgent need for the hearing room renovation, combined with the uncertainty surrounding the potential need for the committee to cover an unknown portion of the costs, made it difficult to budget for staff hires, which is a top priority in this Congress.

The 2008 financial crisis was the worst since the Great Depression, and it exponentially increased the workload of our committee. Most believe the underlying cause of the crisis falls

within our committee's jurisdiction. Whether it's examining the role of Washington housing policies and the government sponsored enterprises in the lead up to the crisis, or the Federal Reserve's monetary policy, these are important issues that our Committee is committed to addressing so we do everything within our power to avoid another crisis.

The 114th Congress is set to be our busiest since Congress passed the Dodd-Frank Act in 2010. Dodd-Frank is the most dramatic change to our nation's financial regulatory system since the New Deal, and the fact that nearly five years later regulators are still writing many of its mandated rules and regulations testifies to its complexity. Dodd-Frank's 2,300 pages include more than 400 separate rulemakings. Every sector of our economy, every town and every pocketbook and wallet in America is somehow impacted by it. From manufacturers of the latest smartphones to families trying to buy or sell a home, to single moms purchasing groceries with their credit cards, virtually no one in America is left untouched by Dodd-Frank. But while major laws like the Affordable Care Act spans across three committees of jurisdiction; our committee has sole responsibility for overseeing the bulk of Dodd-Frank's implementation. Therefore, to make sure the law is properly implemented, we will and must continue to focus much of our energy and resources on monitoring its implementation, making legislative changes, and exercising robust and effective oversight of financial regulators.

As millions of our fellow Americans struggle in this economy, our committee will also continue working to send to the House floor dozens of bipartisan job creation bills. In fact, our committee's capital formation package – sometimes called JOBS Act 2.0 – was one of the first agenda items to be considered this year. We want to work with our members – both in the majority and the minority, in the House and the Senate – on further bipartisan approaches that will promote economic growth, opportunity, and job creation. Regulatory relief that helps small businesses, entrepreneurs and emerging growth companies gain access to capital will help build a healthier economy and create good-paying jobs on Main Street.

Additionally, our Committee will be marking the 50th anniversary of the creation of the Department of Housing and Urban Development by tackling what some have aptly called “the unfinished work of welfare reform”. The committee will work with housing advocates to identify reforms that will bring hope and opportunity to the neighborhoods that need it most, and we will examine how to bring welfare-to-work principles to our nation's housing problems. Additionally, the committee will be conducting a historic level of oversight of this large agency in an effort to weed out ineffective programs and inefficient spending.

In closing, our Committee is already hard at work on the priorities of the American people, and with further resources, will be able to provide the manpower to propose even more policies that will secure economic opportunity and financial independence to the hardworking taxpayers and consumers we serve.

Thank you again for the opportunity to testify today.

The CHAIRMAN. At this time the chair recognizes the ranking member, Ms. Waters.

STATEMENT OF THE HON. MAXINE WATERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. WATERS. Thank you very much. Good afternoon, Chairman Miller and Ranking Member Brady. I am pleased to have the opportunity to testify before you today, along with Chairman Hensarling, to discuss the budgetary needs of the Financial Services Committee.

As ranking member of the Financial Services Committee, I am very concerned about any proposed reduction in the committee's 2015 budget. The minority receives one-third of the staff slots and total budget, with total control over both categories. At the beginning of the 113th Congress, the committee sustained a 12 percent cut to its budget. We were able to weather the impact of that cut by limiting new hires and allowing for the natural attrition of staff. Unlike other committees, we avoided furloughing any staff. The lack of furloughs was positive for morale and helped to foster a collaborative working environment for staff.

Today, I am pleased to say that despite the budget cut the committee has one of the finest, sharpest staffs on the Hill. They are experts in financial regulation, housing and community development programs, monetary policy, and a host of other issues. Despite our very responsible management of the committee budget, I am very concerned that any reduction in funding will lead to the very kinds of furloughs and pay cuts that I have striven to avoid, thereby putting at risk the top notch team of expert staff who implement the committee's legislative, policy, and oversight agenda. Full funding is also required to support that staff. Last Congress we were able to replace our outdated committee servers. We also purchased new laptops and other equipment and authorized cell phone use for staff. These purchases were made as a result of the relocation of the committee staff to the O'Neill Building. While the move is now complete, we do anticipate making additional purchases, as the majority has promised to provide office space in the basement of the Rayburn Building for Democratic committee staff, and that space would need to be outfitted with the appropriate technology so that staff can work effectively there.

Moreover, we anticipate that the House will soon make a decision regarding support for the BlackBerry. As BlackBerrys are used by our staff, any change in House support of BlackBerrys would require the purchase and maintenance of new smart phones. We would require funding to cover these costs in that eventuality.

In lieu of a budget cut, I strongly recommend that the committee consider a budget increase for the Financial Services Committee. The chairman has requested a very modest 2 percent increase in the committee's budget for this year, and I support this request. My chairman has indicated that he will conduct aggressive oversight on many laws and agencies under the committee's jurisdiction, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Jumpstart Our Business Startups, that is the JOBS Act, and the Biggert-Waters Flood Insurance Reform Act.

Dodd-Frank implementation will be of particular interest to the committee, as it involves many critical rulemaking initiatives across nearly a dozen agencies. While Dodd-Frank implementation will take up most of the committee's time, there are non-Dodd-Frank issues that demand the committee's time as well, such as the housing programs of the Department of Housing and Urban Development and the monetary policy of the Federal Reserve.

In addition, at the beginning of this Congress our committee rules were revised in order to grant our chairman unilateral subpoena authority. As the majority began several investigations last year, I anticipate the continuation of these investigations and the initiation of new investigations by the majority. Moreover, the House also voted at the beginning of the year to give our committee the authority to conduct depositions. Given that it was the will of the House to give the committee this new authority, it should be the will of the House to provide additional funding to help the committee properly use this authority.

Again, the amount the chairman has requested is a very modest increase, but would result in a very significant positive impact on our committee's operations, especially given the new powers that the committee has been given.

The issues faced by the Financial Services Committee are highly complicated, technical, and can be at times controversial. The requested increase in funding for the committee will improve our ability to conduct the appropriate oversight of these issues and to protect the American taxpayer.

I thank you very much, and I yield back.

The CHAIRMAN. Thank you so much.

We appreciate both of your testimony and all of the written materials that you have submitted to the Committee as well. Actually our Committee, last week got through about half the committees. After you two, we only have one more committee to go through, and we will be through everyone. It is interesting how some of the committees have asked for level funding, some have asked for a small increase, and some have asked for a bit more. We are taking every one of these requests into, I say it in all sincerity, very serious consideration.

As you have mentioned, I was mentioning this to one of the other committee chairs, because I think it is just an interesting number, the House has tried to be so fiscally conservative in what we are doing not only in our own personal MRAs, but within the committee structures as well. Since the 110th Congress, the House committees have had a 15 percent reduction in their budgets.

Now, the Senate, God love them, has actually had a 4 percent increase since the 110th Congress and we have taken a 15 percent decrease. The Executive Branch has actually increased 30 percent since 2008. Yet a big part of all of our responsibilities with all of our respective committees is oversight of the various agencies, all these different things. So I do think in many ways we have really hobbled ourselves in our ability to conduct the oversight that is required of us.

So I would say this, I guess I would ask you, and I think both of you really have articulated what you would use the increase for, but specifically, if we were able to grant you your request for what

you are asking here, the various nominal increase, actually a little less than 2 percent, what might you use that for?

I am not saying that we are going to be able to do that. When we complete our matters today, we will then go into our own discussions about the amount of money that we have available and what we may be able to do to resource the various committees optimally. We would want to do that, obviously, with Financial Services as well, with all the unique challenges that you face.

Would it be principally staff? I noticed here that you have got a staff ceiling of 86 and your average positions filled 63. So you really are, I am sure, struggling with that.

Mr. HENSARLING. Well, thank you, Madam Chair. If for nothing else, I had to come here to learn that God does love the Senate. I was curious at times. If you posit it, Madam Chair, I will take your word for it.

To be serious, it would almost be exclusively in staff. When I became chairman, we have substantially less staff with the sequestration. Again, it is not just impacting our committee. I understand that. But the workload on our committee has increased precipitously due to the dramatic and historic nature of the Dodd-Frank Act. And, again, most of the jurisdiction having to do with assuring that the next financial crisis does not occur, that is part of our committee's jurisdiction.

So at a bare minimum this would allow the majority side roughly a half a dozen new staffers. And when I say new, net. We have actually had a couple lured over to the other side of the Capitol, I do not understand why, but they were lured to the other side of the Capitol. But particularly in the area of financial institutions, we have a need for a chief counsel in that area. Again, I am not here to debate the relative merits or demerits of the law, but there is a significant compliance challenge, particularly for community financial institutions. So we have staffing needs there.

The housing finance system, we may not quite agree on the solution, but I think there is fairly bipartisan agreement that this system is broken, it must be repaired. And so we hope that we will have a major initiative in this Congress. So we also have needs in the areas of government-sponsored enterprises.

Relatively speaking, we have beefed up our oversight staff, but we need to have better coordination between our policy leads and our oversight staff.

So the short answer, Madam Chair, to your question is, it is almost exclusively in staff, because we have far fewer staff and we have a far greater workload than what we had just a few years ago.

The CHAIRMAN. Thank you.

Ms. Waters, do you have any—

Ms. WATERS. Well, I mentioned in my testimony that we are anticipating some new office space that has to be outfitted with the appropriate technology. A lot of renovation. It is going on, I guess, in the Rayburn Building, I guess in other places also.

And moving our staff around, we have to make sure that, first of all, we get some space. And then we have got to make sure it is equipped properly in order to do the job that they need to do. So the technology is extremely important for us.

The other thing, in addition to some additional perhaps staff support, because of the complexity of the oversight of Dodd-Frank and all that it touches on, I am very interested in some limited travel to financial centers. Working on the Financial Services Committee, it is absolutely important that our staffers are able to witness first-hand the operations of some of these financial centers. And so I would like very much to have included in our budget some limited travel so that we would be able to do that.

So between technology, some increased staff and travel, that is basically what we would use the money for.

The CHAIRMAN. Okay. I appreciate that.

The ranking member, Mr. Brady? Nothing?

We will start with Mr. Nugent from Florida.

Mr. NUGENT. No.

The CHAIRMAN. Nothing?

Mr. Davis.

Mrs. Comstock.

No? Okay. Very good.

Well, again, we are appreciative of your time and your assistance on this, and we will give it every consideration, and we will get back to you. Thank you.

Mr. HENSARLING. Thank you, Madam Chair.

Ms. WATERS. Thank you.

The CHAIRMAN. The Committee now welcomes Chairman Dent and Ranking Member Sánchez of the Committee on Ethics. I would ask the official reporter to enter a page break into the hearing record to begin a new section.

The CHAIRMAN. The House Committee on Ethics is the only standing committee of the House whose membership is evenly divided between each political party. Under House rules, the committee has the jurisdiction to administer travel, gift, financial disclosure, outside income, and other regulations, advise Members and staff, issue advisory opinions, and investigate potential ethics violations.

This committee is also authorized to enforce standards of conduct for Members, officers, and employees, to investigate alleged violations of any law, rule, or regulation, and to make recommendations to the House for further action. The Ethics Committee, as well, has sole jurisdiction over the interpretation of the Code of Official Conduct.

So we certainly welcome you both to our committee.

Before I recognize Chairman Dent, I would just tell you both that your entire committee staff, I should say, equally divided really, were very responsive to our staff here when we were trying to get all of our information together for your request. So we were really prepared for your presentation today, and are appreciative of all your committee staff.

With that, the chair would recognize Chairman Dent.

STATEMENT OF THE HON. CHARLES W. DENT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. DENT. Thanks, Madam Chairman. Thank you for the kind words about the staff. They do a great job for us, and we are really lucky to have them. They are nonpartisan too.

Again, thank you, Chairman Miller, Ranking Member Brady, and other members of the committee who are here today. And I also want to thank you for inviting Ranking Member Sánchez and me to discuss the committee's efforts during the past Congress and what we foresee as the challenges of the committee and the challenges that we are going to face in the 114th Congress.

While we cannot provide details for the committee's work, most of which is confidential by House rule, we will be as frank as we possibly can. And while I am a new chairman, this is my seventh year serving on the Ethics Committee. During my tenure on this committee I have come to deeply appreciate the seriousness that my colleagues, both Republican and Democrat, bring to our responsibilities.

The work of the committee is important and vital to the House and each of its Members and employees and to the American public. The committee's work and financial needs are divided into three main functions. These are advice and education, financial disclosure review, and investigation and adjudication.

Advice and education and financial disclosure review are primarily customer service efforts, and are necessary and important to ensure that Members and staff do not run afoul of the ethics rules, laws, and regulations that guide our conduct. Our staff works hard every day to answer questions and provide guidance on a wide range of issues that could land a Member or staffer in trouble if not for the guidance they request and receive.

In addition to the guidance and advice provided on a daily basis, our advice and education staff provide training to staff and Mem-

bers either through regularly scheduled training sessions or upon request. Our financial disclosure staff review all the annual disclosure statements, as well as the more recently required periodic transaction reports, the PTRs, that Members and certain staff are required to file monthly. Our investigation and adjudication work is qualitatively different.

In addition to accuracy and promptness, we strive for integrity, discretion, fairness in process, and a complete understanding of the facts. I worked with the current staff for several years, and am very proud of the work they performed for the House. They understand the seriousness of the jobs that they are asked to do and do so in a strictly nonpartisan way. Each Member or employee who contacts the committee for guidance or advice can feel secure knowing they are getting unbiased and professional advice. Our investigative staff provides the same professional and nonpartisan efforts to ensure each allegation is thoroughly and fairly investigated and a just conclusion and recommendation is reached.

I began my tenure as chairman following the same requirements of my predecessor, that timeliness continues to be a top priority in all of our committee's work. When a Member or an employee comes to the committee for advice or approval, or when a Member or employee's conduct has come under review, those Members or staff deserve the committee's impartial consideration and deserve it as expeditiously and confidentially as possible.

It is clear that our workload has been increasing in all three areas of the committee's work, as the ranking member will describe in a few moments in her comments. In investigative matters, the committee has continued to be very active. In the 113th Congress the committee began or continued 89 investigative matters.

While the creation of the Office of Congressional Ethics several years ago has added to the committee's workload, it is important to note that the committee is very active in undertaking investigations on its own initiative. In the last Congress, OCE, the Office of Congressional Ethics, referred 22 matters to the committee, 16 with a recommendation that the committee review the matter further and six with a recommendation that the committee dismiss the matter. So only about a quarter of the committee's investigative matters were related to an OCE referral. That is consistent with the 112th Congress, when the committee considered 96 investigative matters and received a total of 23 referrals from the OCE, of which 13 recommended further review and 10 recommended dismissal.

Some investigations can take years to be completed. This is in part because of their complexity, but also the number of documents the committee must review and analyze. In the last Congress, the committee's investigative staff reviewed more than 430,000 pages of documents. One matter alone required the review of more than 220,000 pages of documents.

With the proper number of attorneys and the right training and experience, we hope to continue to improve the investigative process and decrease the amount of time it takes to complete each investigation. With your committee's help our committee has begun a project to greatly improve its correspondence management system, which is the backbone of the advice and guidance we provide

to Members and staff. The new system will replace a system that is over 20 years old.

Our budget for the 114th Congress will provide the resources necessary to continue the progress we have made over the last several years in providing timely advice and completing investigations in a much shorter timeframe.

Thank you for your time. And I look forward to your questions.

The CHAIRMAN. Thank the gentleman very much.

[The statement of Mr. Dent follows:]

Chairman Charles W. Dent

Committee on Ethics

Testimony before the Committee on House Administration

February 11, 2015

Good afternoon Chairman Miller, Ranking Member Brady, and members of the Committee. Thank you for inviting Ranking Member Sánchez and me to discuss the Committee's efforts during the past congress and what we foresee as the challenges the Committee faces in the 114th Congress. While we cannot provide details for the Committee's work, most of which is confidential by House Rule, we will be as frank as we can.

While I'm the new Chairman, this is my 7th year serving on the Ethics Committee. During my tenure on the Committee I have come to deeply appreciate the seriousness that my colleagues, Republicans and Democrats, bring to our responsibilities. The work of the Committee is important and vital to the House and each of its Members and employees and to the American public.

The Committee's work and financial needs are divided into three main functions. These are advice and education, financial disclosure review, and investigation and adjudication. Advice and education, and financial disclosure review are primarily customer service efforts and are necessary and important to insure that Members and staff do not run afoul of the ethics rules, laws, and regulations that regulate their conduct. Our staff works hard every day to answer questions and provide guidance on a wide range of issues that could land a Member or staffer in trouble if not for the guidance they request and receive. In addition to the guidance and advice provided on a daily basis, our advice and education staff provide training to staff and Members either through regularly scheduled training sessions or upon request. Our financial disclosure staff review all of the annual financial disclosure statements as well as the more recently required periodic transaction reports that Members and certain staff are required to file monthly. Our investigation and adjudication work is qualitatively different. In addition to accuracy and

promptness, we strive for integrity, discretion, fairness in process, and a complete understanding of the facts.

I have worked with the current staff for several years and am very proud of the work they have performed for the House. They understand the seriousness of the jobs they are asked to do and do so in a strictly non-partisan way. Each Member or employee who contacts the Committee for guidance or advice can feel secure in knowing they are getting unbiased and professional advice. Our investigative staff provides the same professional and non-partisan efforts to insure each allegation is thoroughly and fairly investigated and a just conclusion and recommendation is reached.

I began my tenure as chairman following the same requirements of my predecessor: that timeliness continues to be a top priority in all of the Committee's work. When a Member or employee comes to the Committee for advice or approval, or when a Member's or an employee's conduct has come under review, those Members or staff deserve the Committee's impartial consideration and deserve it as expeditiously and confidentially as possible.

It is clear that our workload has been increasing in all three areas of the Committee's work, as the Ranking Member will describe in her comments. In our investigative matters, the Committee has continued to be very active.

In the 113th Congress, the Committee began or continued 89 investigative matters. While the creation of the Office of Congressional Ethics several years ago has added to the Committee's workload, it's important to note that the Committee is very active in undertaking investigations on its own initiative.

In the last Congress, OCE referred 22 matters to the Committee, 16 with a recommendation that the Committee review the matter further, and 6 with a recommendation that the Committee dismiss the matter. So, only about a quarter of the Committee's investigative matters were related to an OCE referral. That is consistent with the 112th Congress, when the Committee considered 96 investigative matters, and received a total of 23 referrals from OCE, of which 13 recommended further review and 10 recommended dismissal.

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Our budget for the 114th Congress will provide the resources necessary to continue the progress we've made over the last several years in providing timely advice and completing investigations in a much shorter timeframe.

Thank you for this time, and I look forward to your questions.

The CHAIRMAN. The chair now recognizes Ms. Sánchez.

STATEMENT OF THE HON. LINDA T. SÁNCHEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. SÁNCHEZ. Good afternoon, Chairman Miller, Ranking Member Brady, and members of the committee. Thank you for the opportunity for us to talk about the work that the Ethics Committee does and our budget needs.

At the outset, I just want to begin by saying how much I am looking forward to working with Chairman Dent. This is going to be our third Congress serving on the Ethics Committee together. Also, most of our colleagues on the Ethics Committee are returning members this year. And in the past I think all of us have worked together well. And it is worth noting that in the last Congress all of our votes were unanimous on the matters that we had to vote on before us.

Our committee also enjoys a good relationship with your committee. We work with House Administration probably more closely than any other committee. And we appreciate the opportunity to work with you all on things like new Member orientation and other issues of concern that affect the House.

We understand that you have an unenviable task. Dividing up a pool of limited resources among all of the committees, each of which has important work to do, I am sure cannot be easy. Others have compared it to trying to fairly divide up the pieces of a pie.

In our case, I think there is a slightly better metaphor, and if you will indulge me, the resources that are allocated to the committee are less like dessert and more like vitamins. They are necessary supplements to make not only our committee, but the whole House stronger. And this is true because of the unique role that the committee plays in interpreting and enforcing the House's ethics rules, as the chairman discussed.

We recognize that in recent years all committees have had to make do with fewer resources than they might like. But in the case of the Ethics Committee, its responsibilities have actually increased quite a bit. The House has repeatedly chosen to give the Ethics Committee additional responsibilities.

For example, in the 110th Congress the committee was charged with reviewing and approving all requests to accept privately sponsored travel, providing ethics training to Members, and enforcing a mandatory requirement for the roughly 10,000 employees of the House, and reviewing recommendations of a newly created entity, the Office of Congressional Ethics. Similarly, in the 112th Congress, the committee was charged with administering the new financial disclosure requirements of the STOCK Act. In this Congress, the House made it mandatory for new Members of the House to complete ethics training soon after they enter the House and begin their term.

In recognition of those growing responsibilities, several years ago the Ethics Committee received an increase of its staff cap to 29 slots. However, because of the budget climate since that time, the committee has never been fully staffed at its current cap.

Despite the fact that we have not been able to reach our full staff cap, the committee staff has done an extraordinary amount of work

to serve the House. In December, the committee issued a 250-page summary of its activities in the 113th Congress. That report is available to the House and to the public on our Web site, ethics.house.gov. A few figures from that report illustrate the scope of the committee's work for the House.

So in the last Congress the committee issued more than 320 formal advisory opinions regarding ethics rules; fielded nearly 40,000 informal telephone calls, emails, and in-person requests for guidance on ethics issues; released 18 advisory memorandum, which are officially known as pink sheets, on various ethics topics relevant to the House; provided training to approximately 10,000 House Members, officers, and employees each year; received more than 5,000 financial disclosure statements and amendments filed by House Members, officers, senior staff, and House candidates; and received nearly 3,000 periodic transaction reports filed by House Members, officers, and senior staff. And those periodic transaction reports detailed thousands of financial transactions.

The committee thus far has been able to meet its responsibilities to the House and produce this extraordinary amount of work because of our greatest resource at the committee, our very talented, nonpartisan staff. Again, in the last Congress the committee staff handled our increased workload with excellence and with professionalism, even though we were short of the maximum staff slot allowance. And that is possible because we have a very good, very experienced team on the Ethics Committee.

The Ethics Committee enjoys one of the smallest budgets of any House committee, and about 95 percent of our budget is spent on staff salaries. And staff recruitment and retention in particular remains a challenge in the current budget climate, particularly for a committee like Ethics, which needs attorneys with very specialized knowledge and experience.

And I am closing now, so with your permission if I could just finish. All of the staff on the Ethics Committee are important, and they are all necessary members of our team. However, the chairman and I would like to take a moment to acknowledge the contributions of one staff member in particular.

As has been the case in many previous years, the budget submission and supporting materials we have provided for you today at this hearing relied heavily on the contributions of our administrative staff director, Joanne White. In a few weeks Joanne is going to mark her 24th year with the Ethics Committee, and this summer will be her 37th anniversary with the House of Representatives. She is the epitome of a commitment to public service, and she sets the standard for the rest of the staff. We are grateful to all of their service to the committee and to the House.

And, again, thank you for our opportunity to be heard today, and we look forward to your questions.

The CHAIRMAN. Thank you. We certainly appreciate your testimony.

[The statement of Ms. Sánchez follows:]

**Testimony before the Committee on House Administration
Committee on Ethics
Remarks by Ranking Member Linda T. Sánchez
February 11, 2015**

Good afternoon Chairman Miller, Ranking Member Brady, and members of the Committee. Thank you for the chance to talk about the work of the Ethics Committee and its budget needs.

At the outset, I would like to say how much I am looking forward to working with Chairman Dent. This will be our third Congress serving on the Ethics Committee together. Also, most of our colleagues on the Committee are returning Members. All of us have worked very well together, and it's worth noting that all of our votes in the last Congress were unanimous.

Our Committee also enjoys a good relationship with your committee. We work with House Administration probably more closely than any other committee, and we appreciate the opportunity to work with you on things like New Member Orientation and other issues of common concern that affect the House.

We understand that your committee has an unenviable task. Dividing a pool of limited resources among all of the committees, each of which has important work to do, is not easy. Others have compared this to fairly divvying up a pie.

In our case, there is a better metaphor. The resources allocated to the Committee are less like dessert and more like vitamins – a necessary supplement to make not only our Committee, but the whole House, stronger.

This is true because of the unique role the Committee plays in interpreting and enforcing the House's ethics rules, as the Chairman discussed.

We recognize that in recent years, all committees have had to make do with fewer resources than they might like. But in the case of the Ethics Committee, its responsibilities have actually increased.

The House has repeatedly chosen to give the Ethics Committee additional responsibilities. For example, in the 110th Congress, the Committee was charged with reviewing and approving all requests to accept privately sponsored travel; providing ethics training to Members and enforcing a mandatory requirement for the roughly 10,000 employees of the House; and reviewing recommendations of a newly created entity, the Office of Congressional Ethics.

Similarly, in the 112th Congress, the Committee was charged with administering the new financial disclosure requirements of the STOCK Act.

In this Congress, the House made it mandatory for new Members of the House to complete ethics training soon after entering the House.

In recognition of these growing responsibilities, several years ago the Ethics Committee received an increase in its staff cap, to 29 slots. However, because of the budget climate since that time, the Committee has never been fully staffed at its current cap.

Despite the fact that we not been able to reach our full staff cap, the Committee's staff has done an extraordinary amount of work to serve the House. In December, the Committee issued a 250-page summary of its activities for the 113th Congress. That report is available to the House and the public on our web site, ethics.house.gov. A few figures from that report illustrate the scope of the Committee's work for the House. In the last Congress, the Committee:

- Issued more than 320 formal advisory opinions regarding ethics rules;
- Fielded nearly 40,000 informal telephone calls, emails, and in-person requests for guidance on ethics issues;
- Released 18 advisory memoranda (or pink sheets) on various ethics topics to the House;
- Provided training to approximately 10,000 House Members, officers, and employees each year;
- Received more than 5,000 Financial Disclosure Statements and amendments filed by House Members, officers, senior staff, and House candidates; and
- Received nearly 3,000 Periodic Transaction Reports filed by House Members, officers, and senior staff, detailing thousands of financial transactions.

The Committee has been able meet its responsibilities to the House and produce this extraordinary amount of work because of our greatest resource: our talented, nonpartisan staff.

Again in the last Congress the Committee's staff handled our increased workload with excellence and professionalism, even though we were short of our maximum staff slot allowance. This is possible because we have built a dedicated, experienced team.

The Ethics Committee has one of the smallest budgets of any House committee. About 95 percent of our budget is spent on staff salaries. Staff recruitment and retention remains a challenge in the current budget climate – particularly for a committee like Ethics, which needs attorneys with very specialized knowledge and experience.

All of the staff on the Ethics Committee are important and valued members of our team. We are grateful for their service to the Committee and to the House.

Thank you again for the opportunity to appear here today. We look forward to your questions.

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The CHAIRMAN. Ms. White, thank you very much for your service to the Ethics Committee and to the entire House of Representatives. You have your boss's back there, right? Always. I will tell you this, whatever business you are involved in, at the end of the day it is always about the people. Always about the people. So it is great to have your bosses recognize you in that way.

Mr. Chairman, and the ranking member as well, both of you were commenting about your staff ceiling, 29, and you have averaged about 25 positions. So you have never been there. I just point this out, I was pointing it out to some of the other chairmen as well, because I think it is an interesting statistic really. In your case of course you are essentially looking for level funding here, and we are very appreciative of that.

On the other hand, since the 110th Congress the House committees have actually taken a 15 percent, generally, 15 percent reduction in our committee funding. Of course we have taken similar amounts in our own MRAs, but in regards to the committee funding, the Senate, God love them, has actually had a 4 percent increase during that same time. We have taken a 15 percent decrease.

So we really, I think, hobbled ourselves and our ability with a lot of the committees that have oversight responsibilities, or various kinds of challenges. Your mission that you do for the House is so important. Actually, I was also going to mention the Executive Branch has had a 30 percent increase since 2008.

So we really have, I think, in the House tried to be as fiscally conservative as we can. So our committee has had, last week and now this week, the Ethics Committee actually is our last committee to take testimony from, we have heard now from every committee in the House, and both the chair and the ranking member. Full transparency, about half the committees are asking for level funding and some are asking for a slight increase. Some are asking for a little bit more, depending on what they think their needs are.

If we were able to not only maintain level funding for the Committee on Ethics, but if we were able to give you a slight increase—and I am not saying that we could do that, but when we are done here we are going to start really going through all these numbers and seeing what we can do here to resource optimally for each committee—but if we were able to get you a slight increase, would it just be for staff principally or do you have some technology needs? Maybe you sort of went through that in your opening statement. But really if you had a slight increase, what would it be?

Mr. DENT. Financial analysts to help us with these PTRs, these periodic transaction reports, these monthly reports. Our volume has increased dramatically for financial disclosure because of the STOCK Act. That probably more than anything would be our greatest need. Technology, I think we are doing a little bit better. We are a little bit better there. But it is all about staff right now.

The volume, it is not just on financial disclosure. Also on the trips, the number of privately funded trips, that volume has also increased. So that is where our time and effort would be needed. And for \$150,000 I think we could do a lot to help improve the speed with which we deal with those issues.

The CHAIRMAN. Ms. Sánchez, do you have anything to offer on that?

Ms. SÁNCHEZ. I would agree. I think the explosion in the number of transactions that need to be reviewed by the financial disclosure staff has created a real crunch on our staff. And if we were able to add an additional position to help with that volume, I think that that would also lessen the burden on other folks that get pulled off of projects to come pitch in and help with that.

It is very staff-intensive, the work that the Ethics Committee does. And if we were able to, again, have additional staff to help with that volume, it would mean quicker response times for Members and their staffs when they have inquiries or questions of the Ethics Committee.

The CHAIRMAN. I appreciate that.

My ranking member, Mr. Brady.

Mr. BRADY. Thank you, Madam Chair.

I would like to also congratulate Ms. White on all her years of service. God bless you. How you put up with us for 37 years is amazing. One thing I know, you are going to heaven. You are skipping purgatory, going right to heaven.

But, no, Madam Chair, I would not dare have any questions to the esteemed chairman and ranking member of our esteemed Ethics Committee.

The CHAIRMAN. Mr. Nugent.

Mr. NUGENT. No.

The CHAIRMAN. Mr. Davis.

Mr. DAVIS. I am going to follow my colleague from Pennsylvania with absolutely no questions.

The CHAIRMAN. Okay.

Well, again, we appreciate it very much. We are going to really start putting a fine-tuned pencil here and seeing what we can do. I appreciate your response in regard to if we were able to plus you up here a little bit of what you actually would be looking for. That is true with the STOCK Act. I mean, I am sure that was not something you were doing until the last couple of years here. All of a sudden, boom. So they give you more and not any more resources to deal with it.

Are there any other questions that we didn't ask you that you want to bring anything else out?

Mr. DENT. We thank you.

The CHAIRMAN. Okay. Very good.

Ms. SÁNCHEZ. We just want to note for the record they asked me, if they ask you what you would do with the additional funding, don't say a batting cage in the Members' gym.

The CHAIRMAN. Okay. We may put that in the record, we may not, right?

Thank you very much. We sure appreciate both of you, your attendance here today, and we will get back to you.

That concludes all of the testimony from all of the committees for the Committee on House Administration. As I have told every one of the committee chairs and ranking members, we will be looking at the resources we have available and we will be coming forward with an authorizing resolution.

Without objection, this hearing is now adjourned.

[Whereupon, at 4:16 p.m., the committee was adjourned.]