

116TH CONGRESS }
1st Session }

COMMITTEE PRINT

{ S. PRT.12
{ 116-13

**CONCURRENT RESOLUTION
ON THE BUDGET
FISCAL YEAR 2020**

COMMITTEE PRINT

TO ACCOMPANY

S. CON. RES. 12

TOGETHER WITH

ADDITIONAL VIEWS AND MINORITY VIEWS

COMMITTEE ON THE BUDGET
UNITED STATES SENATE

MICHAEL B. ENZI, *Chairman*



APRIL 2019

Prepared for the use of the Committee on the Budget. This document has not been officially approved by the Committee and may not reflect the views of its members.

CONCURRENT RESOLUTION ON THE BUDGET FISCAL YEAR 2020

116TH CONGRESS }
1st Session }

COMMITTEE PRINT

{ S. PRT.12
{ 116-13

**CONCURRENT RESOLUTION
ON THE BUDGET
FISCAL YEAR 2020**

COMMITTEE PRINT

TO ACCOMPANY

S. CON. RES. 12

TOGETHER WITH

ADDITIONAL VIEWS AND MINORITY VIEWS

COMMITTEE ON THE BUDGET
UNITED STATES SENATE

MICHAEL B. ENZI, *Chairman*



APRIL 2019

Prepared for the use of the Committee on the Budget. This document has not been officially approved by the Committee and may not reflect the views of its members.

U.S. GOVERNMENT PUBLISHING OFFICE

35-701

WASHINGTON : 2019

COMMITTEE ON THE BUDGET

MICHAEL B. ENZI, Wyoming, *Chairman*

CHARLES E. GRASSLEY, Iowa	BERNARD SANDERS, Vermont
MIKE CRAPO, Idaho	PATTY MURRAY, Washington
LINDSEY O. GRAHAM, South Carolina	RON WYDEN, Oregon
PATRICK TOOMEY, Pennsylvania	DEBBIE STABENOW, Michigan
RON JOHNSON, Wisconsin	SHELDON WHITEHOUSE, Rhode Island
DAVID A. PERDUE, Georgia	MARK R. WARNER, Virginia
MIKE BRAUN, Indiana	JEFF MERKLEY, Oregon
RICK SCOTT, Florida	TIM KAINE, Virginia
JOHN KENNEDY, Louisiana	CHRIS VAN HOLLEN, Maryland
KEVIN CRAMER, North Dakota	KAMALA D. HARRIS, California

ELIZABETH McDONNELL, *Republican Staff Director*

WARREN GUNNELS, *Minority Staff Director*

CONTENTS

I. Overview	Page 1
II. Resolution Levels	9
III. Reconciliation and Enforcement	25
IV. Economics	29
V. Reserve Funds	35
VI. Summary Tables	37
VII. Committee Votes	51
VIII. Views and Estimates	63
IX. Additional and Minority Views	271

OVERVIEW

FISCAL YEAR 2020 BUDGET: STRENGTHENING AMERICA'S FUTURE

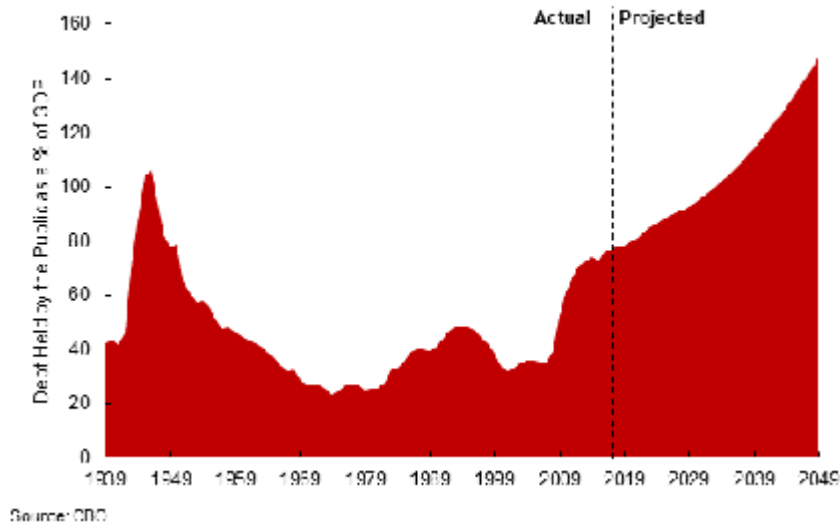
AN IMPORTANT FIRST STEP IN STRENGTHENING AMERICA'S FUTURE MUST BE A BUDGET THAT REDUCES OVERSPENDING AND PUTS OUR NATION ON A MORE SUSTAINABLE FISCAL PATH.

The American economy is the strongest it has been in years. Buoyed by regulatory relief and the most sweeping reform of the tax code in more than 30 years, last year saw faster growth, more jobs, and higher paychecks for millions of American families. But this economic prosperity is in jeopardy if nothing is done to address the Federal Government's unsustainable overspending.

In its January 2019 report, *The Budget and Economic Outlook: 2019 to 2029*, the Congressional Budget Office (CBO) projects that annual deficits will exceed \$1 trillion by fiscal year 2022 and continue growing thereafter. Cumulative deficits will amount to more than \$5.2 trillion over the next 5 years and \$11.6 trillion from fiscal years 2020 to 2029.

Continued overspending and growing deficits will expand our already high Federal debt to even more dangerous levels. Federal debt held by the public is set to increase from 78 percent of gross domestic product (GDP) this year to 86 percent by 2024 and 93 percent by 2029. By 2036, debt held by the public will exceed its all-time high of 106.1 percent of GDP, and unless Congress changes course, it will only continue to rise.

Debt Is High and Rising Rapidly



CONSEQUENCES OF INACTION

Deficits matter. Economic uncertainty abroad and other transitory factors have kept interest rates on Federal debt relatively low, but Washington cannot continue to borrow and spend with impunity. CBO's recent Budget and Economic Outlook outlines some of the consequences of leaving growing deficits and debt unchecked:

- Interest payments on the national debt would increase substantially and consume a greater share of the Federal budget;
- Greater Federal borrowing would crowd out private investment, resulting in a smaller capital stock, lower productivity, and reduced wages;
- The Federal Government would have less flexibility in responding to unexpected challenges and emergencies; and
- The likelihood of a sudden fiscal crisis in the United States would increase.

Despite decades of consensus on the dangers posed by ever-growing deficits and debt, some in Congress have embraced a radical fringe theory that suggests overspending does not matter for countries that can simply print more money, an idea that former Clinton Treasury Secretary and Obama economic adviser Lawrence Summers derided as “fallacious at multiple levels,” and that Federal Reserve Chairman Jerome Powell called “just wrong.”^{1,2} In a recent survey of prominent economists that included several former

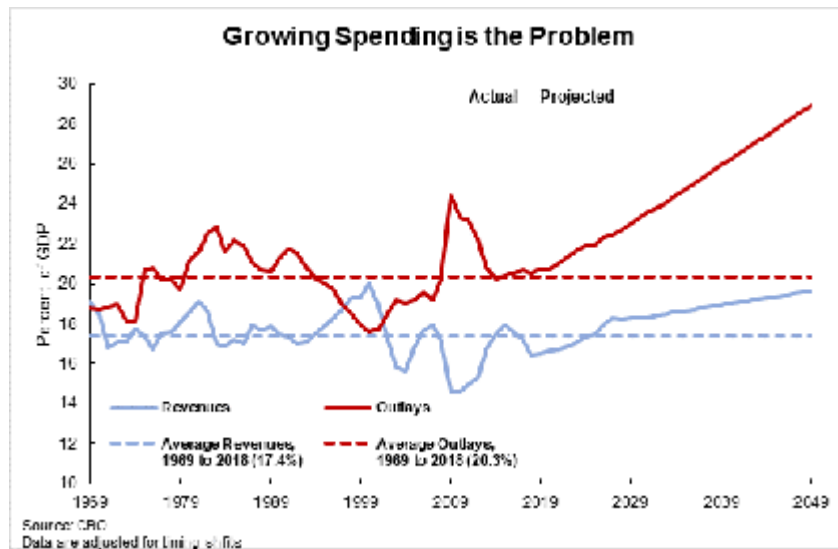
¹ Lawrence H. Summers, “The Left’s Embrace of Modern Monetary Theory is a Recipe for Disaster,” *Washington Post*, March 4, 2019. https://www.washingtonpost.com/opinions/the-lefts-embrace-of-modern-monetary-theory-is-a-recipe-for-disaster/2019/03/04/6ad88eec-3ea4-11e9-9361-301ffb5bd5e6-story.html?utm_term=.a7fd067a02d0

² Jerome H. Powell, testimony before the U.S. Senate Committee on Banking, Housing, and Urban Affairs, February 26, 2019.

Obama Administration officials and left-leaning academics as well, not a single one agreed with this line of reasoning.³

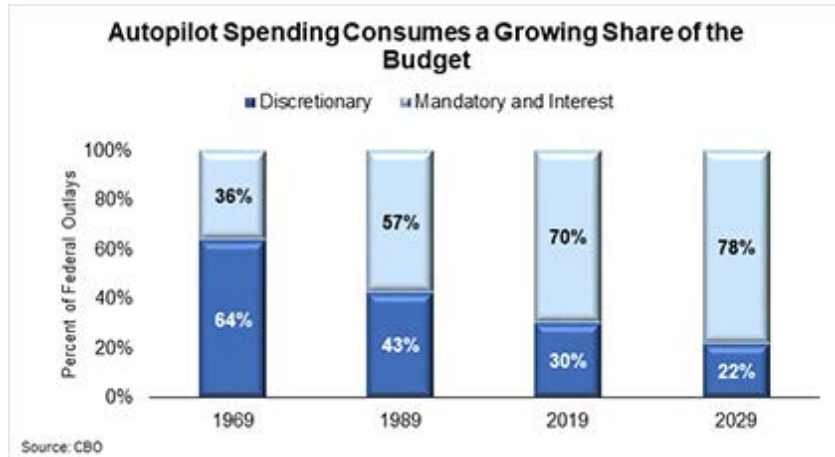
THE CAUSES OF OUR FISCAL CHALLENGES

Our ballooning debt and deficits are the result of Washington's chronic addiction to spending. For the last 50 years, Federal outlays have averaged 20.3 percent of GDP. Adjusted for timing shifts, they are expected to grow from 20.8 percent of GDP in 2019 to 23.0 percent in 2029. By 2049, CBO currently projects annual Federal spending will equal 28.9 percent of GDP, or \$19.5 trillion every year.

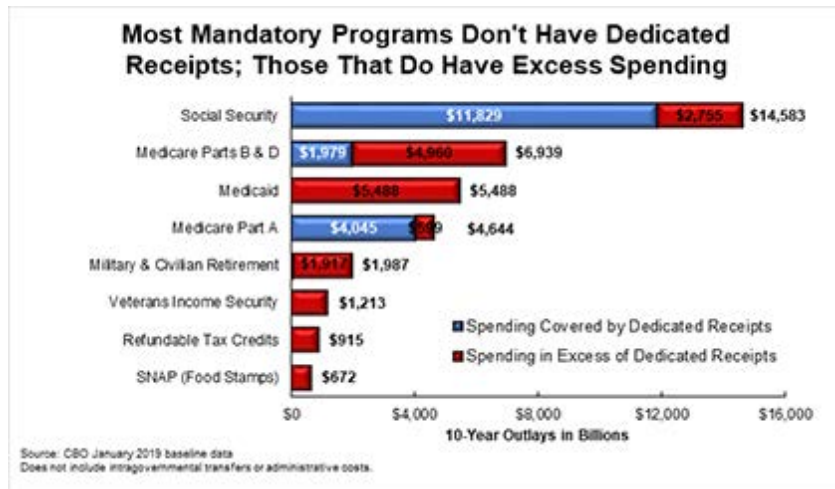


The key driver of this growth is mandatory spending (spending on programs not controlled through the annual appropriations process). Along with the interest costs the government incurs from living beyond its means, this autopilot spending makes up 70 percent of all Federal outlays, up from 36 percent 50 years ago. By 2029, nearly 80 cents of every dollar the government spends will be on mandatory programs and interest on the debt.

³University of Chicago Booth School IGM Forum, "Modern Monetary Theory," March 13, 2019. <http://www.igmchicago.org/surveys/modern-monetary-theory>

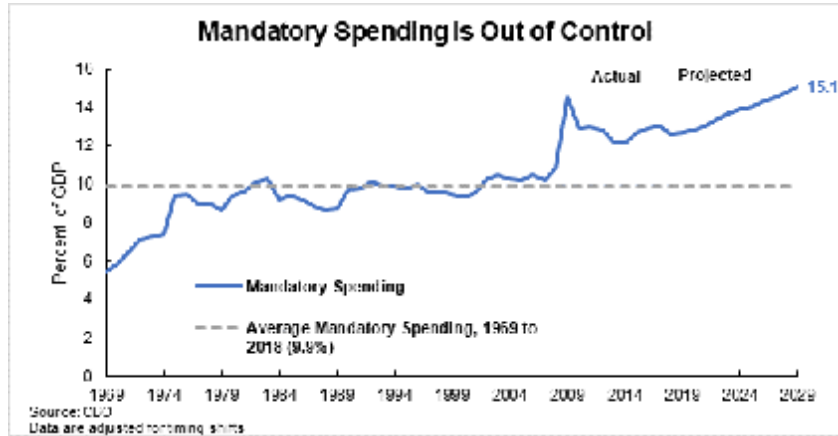


Many of the largest mandatory programs are funded entirely through general revenues, and even those with a dedicated source of financing usually spend more than they collect in receipts each year. When such gaps do exist, the difference is a draw on general revenues and a net contribution to the Federal deficit.⁴



Mandatory spending has risen from about 5.5 percent of GDP in 1969 to 12.7 percent in 2019, and CBO projects it will reach 15.1 percent of GDP by 2029 (adjusted for timing shifts). This growth reflects a combination of demographic changes, real benefit increases, expansions in eligibility, and the creation of new entitlement programs like Obamacare.

⁴See Table 1–4 in CBO, *The Budget and Economic Outlook: 2019 to 2029*. <https://www.cbo.gov/publication/54918>



For decades, nonpartisan authorities like CBO and the Government Accountability Office (GAO) have warned that sharply rising mandatory spending would drive deficits and debt to unsustainable levels.⁵ Even when the Federal budget was in surplus in the late 1990s and early 2000s, these experts cautioned lawmakers that the projected explosion in such spending would cause the return of endless Federal borrowing. In February 2001, the head of GAO testified before the Senate Budget Committee that “Without a change in entitlement programs, demographics will overwhelm the surplus and drive us back into escalating deficits and debt.”⁶ Those warnings, however, went unheeded, and spending on such programs has skyrocketed as members of the Baby Boom generation become eligible for benefits at a rate of about 10,000 every day.

FISCAL YEAR 2020 SENATE RESOLUTION

The Fiscal Year 2020 Budget Resolution is a 5-year deficit reduction plan that acknowledges the fiscal realities facing our country and takes a critical first step toward reining in the growth of government spending and putting the Federal budget on a more sustainable fiscal path. This budget does not presume to solve all of our shared fiscal challenges. Rather, it is intended to start a gradual process of addressing our unsustainable deficits and debt.

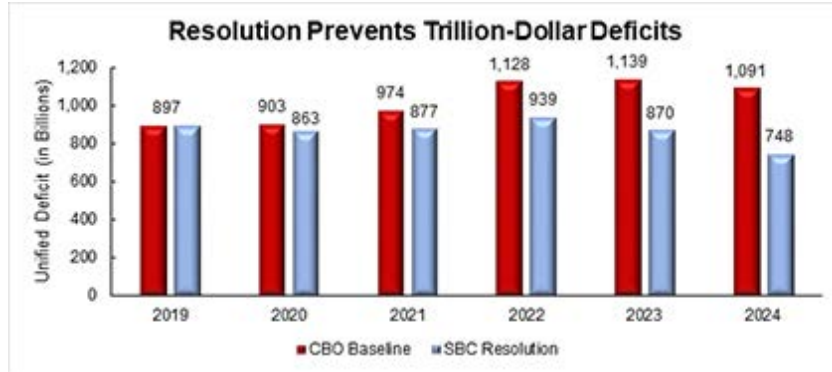
FISCAL YEAR 2020 RESOLUTION, DEFICITS, AND DEBT

This budget prevents the trillion dollar-plus annual deficits that are otherwise set to appear starting in 2022 and instead puts deficits on a downward path, both as a percent of the economy and in nominal dollars. Unified budget deficits under the resolution fall to \$747.9 billion in fiscal 2024, or \$343.3 billion below CBO baseline levels (\$239.4 billion compared to the Senate Budget Committee (SBC) baseline, which does not include extrapolated cap-exempt spending and the associated debt service costs). Over the entire 5-

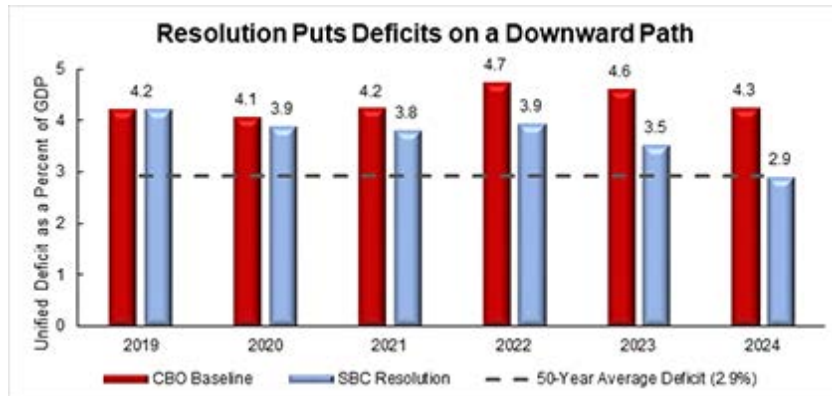
⁵ See for example Congressional Budget Office, *The Long-Term Budget Outlook*, October 2000. <https://www.cbo.gov/publication/12749>

⁶ David M. Walker, testimony before the U.S. Senate Committee on the Budget, February 6, 2001. <https://www.gao.gov/new.items/d01385t.pdf>

year period, cumulative deficits are \$937.5 billion below CBO baseline levels and \$538.4 billion below SBC baseline levels.



Measured as a percentage of GDP, unified deficits under the resolution fall from 4.2 percent in 2019 to their 50-year historical average of 2.9 percent of GDP in 2024. As a result, publicly held debt would stabilize at 82.6 percent of GDP by the end of the projection period rather than continue rising.



On an on-budget basis, deficits under the resolution will fall from 4.2 percent in 2019 to 2.3 percent of GDP in 2024. A significant improvement from the 50-year historical average of 3.5 percent of GDP.

FISCAL YEAR 2020 RESOLUTION MANDATORY SPENDING

The resolution reflects the belief that all committees should examine their spending portfolios to right-size programs, curb autopilot spending, and make common-sense reforms to program finances to ensure accountability for how taxpayer dollars are spent. Budget resolutions do not effectuate policy outcomes and are not signed into law. Instead, they establish enforceable fiscal targets for Congress's tax and spending committees to reach. As required by the Congressional Budget Act, spending figures in the resolution are allocated to individual budget functions, which are portfolios of similarly purposed accounts, not individual programs. The Fiscal

Year 2020 Budget Resolution would reduce non-interest mandatory spending by \$551 billion over the next 5 years.

The resolution does not make any changes to Social Security, which is classified as an off-budget account.

The spending targets of this budget are discussed in the Resolution Levels portion of this report.

FISCAL YEAR 2020 RESOLUTION DISCRETIONARY SPENDING

Since enactment of the Budget Control Act of 2011 (BCA), Congress has passed a series of 2-year deals to raise the BCA's discretionary spending caps. The most recent—the Bipartisan Budget Act of 2018—raised the discretionary limits for fiscal years 2018 and 2019, creating a \$126 billion spending cliff between fiscal years 2019 and 2020.

The Fiscal Year 2020 Budget Resolution adheres to the BCA levels for fiscal years 2020 and 2021, as mandated by statute. In the remaining 3 years of the resolution's window, defense spending grows by inflation from the "pre-sequester" fiscal year 2021 level and nondefense spending is held constant at the fiscal year 2021 level. In acknowledgement of the history of past caps agreements, however, the fiscal year 2020 resolution provides a mechanism for discretionary spending levels to be adjusted if an agreement is reached to revise the levels for fiscal years 2020 and 2021. The resolution calls for this cap agreement to be fully offset and is mindful of the fact that with the expiration of the discretionary caps at the end of Fiscal Year 2021, future budgetary talks could be based off of projections that are unbound by statutory limits.

In keeping with the approach taken in previous resolutions, the Fiscal Year 2020 Budget Resolution does not make program-specific discretionary assumptions for spending constrained by the BCA's caps. The resolution recognizes the Appropriations Committee's unique sub-allocation process created under the Congressional Budget Act. The Budget Committee, however, believes that the Appropriations Committee should be mindful of programs that have been highlighted by GAO as being duplicative, overlapping, or fragmented, and also consider CBO's findings that at least \$307 billion in discretionary funding was provided to programs in fiscal year 2019 that lacked an authorization of funds.

In addition to discretionary funding constrained by the statutory limits, the resolution also includes funding for cap adjustments, as established by the BCA, and other irregular discretionary spending. The resolution includes 2 years of funding for wildfire suppression, disaster relief, and overseas contingency operations (OCO) cap adjustments. The resolution also fully funds the 21st Century Cures Act, which is not constrained by the caps but receives special accounting treatment under its authorizing statute. OCO levels in the resolution for fiscal years 2020 (\$67 billion) and 2021 (\$63 billion) are consistent with the "traditional" amounts of OCO requested in the President's budget.

The spending targets of this budget are discussed in the Resolution Levels portion of this report.

FISCAL YEAR 2020 RESOLUTION REVENUE

The resolution calls for \$176 billion in increased revenue over the next 5 years. The resolution assumes about half of these receipts could be received as part of an effort to make the Highway Trust Fund solvent, though policy decisions would be left up to the Finance Committee. This assumption is based on an overarching user-pay principle to prevent the need for additional general fund transfers into the Fund. The resolution further assumes the remaining revenue changes could be generated by increasing Federal employee retirement contributions and increases in receipts stemming from changes to other mandatory and regulatory programs.

RECONCILIATION, RESERVE FUNDS, AND ENFORCEMENT

The resolution includes numerous provisions that will allow Congress to start the process of reducing deficits, pass responsible legislation to fund priorities, and curtail budgetary gimmicks. Details of these provisions can be found in the Reconciliation and Enforcement and Reserve Funds portions of this report.

CONCLUSION

Ignoring our fiscal problems is not a solution. Only by controlling spending can lawmakers hope to put the country on a more stable fiscal path and avoid a future of rising debt, high taxes, and slow growth. The need to put our fiscal house in order has been acknowledged by both parties, and it is time for us to work together to put our Nation on a sustainable course. The Fiscal Year 2020 Budget Resolution is a reasonable first step in that direction.

RESOLUTION LEVELS

BUDGET FUNCTION 050: NATIONAL DEFENSE

The National Security function includes funds to develop, maintain, and equip the military forces of the United States. Historically, about 95 percent of these funds go to Department of Defense military activities, with remaining funding dedicated to atomic energy defense activities within the Department of Energy and other defense-related activities.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$586.8 billion in budget authority and \$620.2 billion in outlays. Discretionary budget authority totals \$576.2 billion, with \$609.8 billion in related outlays. Mandatory spending is \$10.6 billion in budget authority and \$10.4 billion in outlays. Over 5 years, budget authority totals \$3,250.4 billion, with \$3,203.3 billion in outlays, a divergence of \$129.1 billion from baseline levels.

This resolution focuses on improving fiscal stability and providing a foundation for effective, efficient, and more predictable defense planning and management. The resolution allocates as much base Pentagon funding as possible under current law and includes mechanisms to accommodate an adjustment of the statutory caps.

This resolution calls on the Pentagon and Congress to work together to combat wasteful spending, ensure funding aligns with the goals outlined in the National Defense Strategy, and remain cognizant of the long-term costs and benefits of various budgetary decisions. The department should pursue fundamental reforms in its organization, business operations, work force management, compensation structure, and information technology strategy—all of which have been goals of congressional defense leaders. The current administration has also pledged to increase efficiency and accountability to better steward taxpayer dollars, making both Congress and the executive willing partners in this critical endeavor.

Recently the Senate Armed Services Committee has promoted reforms, including streamlining the acquisition system; updating departmental organization for a new era; rationalizing the Defense Department work force; modernizing the department's business operations; and overseeing a financial audit of the department. This resolution is supportive of those efforts to reform the department and restore taxpayer trust.

BUDGET FUNCTION 150: INTERNATIONAL AFFAIRS

The International Affairs function contains spending on international humanitarian, development, and security assistance; the conduct of foreign affairs; foreign information and exchange activities; and international financial programs. The funding supports operations at major agencies including the Departments of State, Treasury, and Agriculture; the U.S. Agency for International Development (USAID); and the Millennium Challenge Corporation.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$48.5 billion in budget authority and \$46.3 billion in outlays. Discretionary budget authority totals \$45.1 billion, with \$48.2 billion in related outlays. Mandatory spending is \$3.5 billion in budget authority and \$-2.0 billion in outlays. Over 5 years, budget authority totals \$240.4 billion, with \$227.1 billion in outlays, and no divergence from baseline levels.

This budget resolution supports the Department of State, USAID, and other international programs that conduct diplomacy, promote American values abroad, advance the development of democratic societies, protect human rights, and improve global health. The level of funding in the budget resolution is close to average spending for international affairs in the post-9/11 era.

Bipartisan coalitions and independent analysts agree the State Department's organizational and management structure needs revision to refine the department's functions, reduce duplication, and ensure programs are working toward shared goals. Regional bureaus, development assistance, public diplomacy, and U.S. contributions to international organizations need reevaluation to ensure each program aligns with U.S. foreign policy goals and performs its mission efficiently and effectively.

This budget supports the efforts of the Senate Foreign Relations Committee, as the committee of jurisdiction, to approve a new authorization bill for the department and related agencies.

BUDGET FUNCTION 250: SCIENCE AND TECHNOLOGY

The Science and Technology function includes the National Science Foundation, programs other than aviation programs at the National Aeronautics and Space Administration (NASA), and general science programs at the Department of Energy.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$35.3 billion in budget authority and \$34.4 billion in outlays. Discretionary budget authority totals \$35.1 billion, with \$34.2 billion in related outlays. Mandatory spending is \$0.2 billion in budget authority and \$0.1 billion in outlays. Over 5 years, budget authority totals \$184.3 billion, with \$180.8 billion in outlays, and no divergence from baseline levels.

This function largely consists of Federal discretionary spending supporting NASA, the National Science Foundation, and the Department of Energy's Office of Science's core missions. As with all

areas of Federal spending, programs funded under this portion of the budget can be improved.

According to GAO, areas for reform include NASA's acquisition management, which remains on the agency's high-risk list. In particular, GAO noted the need for NASA to be more transparent with program costs, implement recommendations related to the long-term costs of human exploration programs, and implement the agency's recently updated corrective action plan. GAO also recommends that NASA, the Department of Energy, the Department of Health and Human Services, and the National Science Foundation better coordinate their research activities.

To that end, the interagency working group created by the American Innovation and Competitiveness Act, which was enacted in January 2017, recently released its first annual report on better coordination of scientific research, including improved administration and oversight of agency research grant-making processes. The interagency working group should focus on enhancing science and technology program efficiency and maximizing the benefit of Federal investments. This budget remains supportive of those efforts and the role of appropriate Senate committees to review related programs for improvement.

BUDGET FUNCTION 270: ENERGY

The Energy function concerns the production, development, and use of energy for the country. This function contains civilian energy programs at agencies including the Departments of Energy and Agriculture, the Tennessee Valley Authority, the Federal Energy Regulatory Commission, and the Nuclear Regulatory Commission.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$-1.4 billion in budget authority and \$2.2 billion in outlays. Discretionary budget authority totals \$7.1 billion, with \$6.6 billion in related outlays. Mandatory spending is \$-8.5 billion in budget authority and \$-4.3 billion in outlays. Over 5 years, budget authority totals \$15.2 billion, with \$14.0 billion in outlays. This marks a divergence of \$6.9 billion from baseline levels.

Federal energy agencies should promote abundant and secure American energy resources, while supporting the Nation's financial security and stability. Additionally, taxpayer investments should be dedicated to key mission areas, including basic scientific research, energy innovation and cybersecurity, and nuclear waste and environmental cleanup.

The U.S. Energy Information Administration estimates that next year the United States will become a net exporter of energy for the first time since 1953. This historic landmark exemplifies the need to focus on the utilization and promotion of current energy supplies and assets, rather than picking winners and losers in energy markets.

This budget supports the work of the committees of jurisdiction as they consider policies to improve Federal energy programs. In recent years, programs related to the commercialization of energy technology have expanded beyond the Energy Department's mis-

sion to serve as a catalyst of basic research and development. Federal loan and loan-guarantee programs to subsidize early commercial development of certain technologies have cost taxpayers hundreds of millions of dollars when products have proven uncompetitive in the open market. The resolution allows a renewed focus on the department's historic strength: early-stage scientific research and development. Later-stage development, adoption, and deployment of technologies can return to the private sector.

The budget resolution also supports authorizing committees as they continue to evaluate opportunities to eliminate wasteful or duplicative programs in their jurisdiction.

BUDGET FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

The Natural Resources and Environment function focuses on the management, development, and maintenance of the Nation's natural heritage. This function includes conservation of land and water resources; development of water power and transportation infrastructure; and agencies and resources associated with the management and regulation of pollution, public and recreational lands, and natural resources.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$45.2 billion in budget authority and \$46.6 billion in outlays. Discretionary budget authority totals \$43.2 billion, with \$43.6 billion in related outlays. Mandatory spending is \$2.0 billion in budget authority and \$3.0 billion in outlays. Over 5 years, budget authority totals \$229.2 billion, with \$231.7 billion in outlays. This marks a divergence of \$5.0 billion from baseline levels.

The Federal Government owns roughly 640 million acres of land in the United States and manages nearly 2.4 billion acres of onshore and offshore subsurface minerals, according to the Congressional Research Service. Much of that land is disproportionately concentrated in Western States where the government owns roughly 46.4 percent of land, compared to just 4.2 percent of land in Eastern States. Rural communities across the West depend on these lands for a variety of purposes including recreation, conservation, hunting, fishing, grazing, and timber harvesting.

The agencies tasked with managing these lands, including the Bureau of Land Management, U.S. Forest Service, U.S. Fish and Wildlife Service, and National Park Service, face unprecedented challenges. The National Park Service's deferred maintenance backlog totals nearly \$12 billion, and deteriorating infrastructure at some of the Nation's most iconic sites has hindered visitor experiences and public access. Our National Forests have become fire-, insect-, and disease-prone due to a lack of active management, and catastrophic wildfires now burn an average of 6.9 million Federal acres annually.

In light of these challenges, the budget resolution promotes sound stewardship of our Nation's lands and resources while allowing committees of jurisdiction to pursue opportunities that achieve savings for taxpayers. The budget supports efforts by Congress and

this administration that have opened up new lands for energy production and that have reduced regulatory burdens that discouraged multiple use during the previous administration. In particular, the budget supports recent improvement in Federal financing of wild-fire suppression and encourages authorizing committees to continue to review timber production on Federal lands and forest management reforms focused on wildfire prevention.

BUDGET FUNCTION 350: AGRICULTURE

The Agriculture function includes the Department of Agriculture and the Farm Credit Administration, and only deals with programs concerned with agricultural production.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$17.9 billion in budget authority and \$17.7 billion in outlays. Discretionary budget authority totals \$6.7 billion, with \$6.4 billion in related outlays. Mandatory spending is \$11.2 billion in budget authority and \$11.3 billion in outlays. Over 5 years, budget authority totals \$99.8 billion, with \$96.1 billion in outlays. This marks a divergence of \$9.7 billion from baseline levels.

While the U.S. Department of Agriculture's Economic Research Service projects that net farm income will increase by 10 percent this year, net farm incomes remains well below the historical average from 2000 to 2017. The budget resolution supports efforts to strengthen rural farm economies and ensure the farm safety net is working for the average, hardworking farming operation.

The budget resolution supports the implementation of the 2018 Farm Bill, while also providing opportunities for the Agriculture, Nutrition, and Forestry Committee to further streamline programs and identify wasteful, duplicative, or fraudulent spending. For example, in 2018, GAO reported that the Federal Government paid \$3,708,108 to a single farming operation that claimed 34 members spread out across 32 corporations and two individuals. When analyzing the fifty farming operations that received the highest amount of payments, GAO found these operations received an average of \$884,495 from the Federal Government.

BUDGET FUNCTION 370: COMMERCE AND HOUSING CREDIT

The Commerce and Housing Credit function includes the regulation and promotion of commerce and certain housing policies and agencies. Agencies concerned with the economy as a whole fall under this function. In addition, general-purpose subsidies and credit subsidies are recorded here.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$11.1 billion in budget authority and \$5.2 billion in outlays. Discretionary budget authority totals \$-0.9 billion, with \$-0.5 billion in related outlays. Mandatory spending is \$11.9 billion in budget authority and \$5.7 billion in outlays. Over 5 years, budget authority totals \$47.5 billion, with \$6.8 billion in outlays. This marks a divergence of \$41.1 billion from baseline levels. These fig-

ures reflect the combined on- and off-budget amounts associated with this function.

The budget resolution supports efforts by committees of jurisdiction to reform a housing system that exposes taxpayer dollars to undue risk into one that provides productive support. Under the previous administration, Federal bureaucrats gained excessive authority over the market, which impeded private-sector economic growth and job creation. The Federal Government should retain regulation that reduces systemic risk and helps to prevent another financial crisis, and remove over-regulation that places a costly burden on the U.S. economy and American workers.

In June 2017, GAO noted that absent modernization, “the Federal role in housing finance is one of the highest risks facing the Government.” Congress has a duty to ensure that any reform proposals “protect taxpayers from absorbing avoidable losses to the maximum extent possible.” This budget supports efforts to protect taxpayers by reducing that Federal role and eliminating any overlap, duplication, and fraud across all Federal Government programs.

BUDGET FUNCTION 400: TRANSPORTATION

The Transportation function focuses on aid and regulation for ground transportation, including roads and highways, railroads, and urban mass transit; air transportation, including aeronautical research conducted by NASA; and maritime commerce. The major agencies included in this function are the Department of Transportation, including the Federal Aviation Administration, the Federal Highway Administration, the Federal Transit Administration, and the Maritime Administration; the Department of Homeland Security, including the Transportation Security Administration, the United States Coast Guard, and the Federal Air Marshal Service; and the National Railroad Passenger Corporation.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$97.8 billion in budget authority and \$98.2 billion in outlays. Discretionary budget authority totals \$43.4 billion, with \$97.4 billion in related outlays. Mandatory spending is \$54.4 billion in budget authority and \$0.8 billion in outlays. Over 5 years, budget authority totals \$495.3 billion, and outlays are \$519.4 billion, a divergence of \$8.2 billion from baseline levels.

The Federal Government plays an important role in ensuring the safety and security of America’s surface, air, and maritime transportation and infrastructure systems. To support this safety mission and promote the efficient movement of people and commerce, transportation and infrastructure modernization is critical. A strong national transportation network with 21st century infrastructure will also reap significant economic gains, such as increased productivity, faster commute and delivery times, and more market competition.

Dedicated fees collected from system users finance the majority of transportation and infrastructure spending. While this arrangement previously yielded revenue surpluses, improving fuel economy and other factors have disrupted this balance. To maintain robust

investments in transportation infrastructure, Congress began supplementing dedicated user fees with general fund revenues in 2008. This issue will again be front-and-center as the Fixing America's Surface Transportation Act expires in 2020. According to CBO, without changes to current law, balances in the Highway Trust Fund will be insufficient to cover projected outlays beginning as soon as 2021. To address this challenge, the budget resolution reasserts the user-pays principle and relies on authorizing committees to consider options for additional revenue generation to cover a larger portion of related spending.

The budget resolution does not assume specific reductions in discretionary spending but does note the Bipartisan Budget Act of 2018 significantly increased appropriations within this budget function. Discretionary resources should prioritize activities that are authorized by current law, maximize user benefits, and serve the national interest.

BUDGET FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

The Community and Regional Development function includes Federal programs to improve community economic conditions, promote rural development, and assist in Federal preparations for, and responses to, disasters. This function provides appropriated funding for the Community Development Block Grant program, Department of Agriculture rural development programs, the Bureau of Indian Affairs, the Federal Emergency Management Agency, and other disaster mitigation and community development-related programs. It also provides mandatory funding for the Federal flood insurance program.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$26.6 billion in budget authority and \$28.2 billion in outlays. Discretionary budget authority totals \$26.5 billion, with \$28.2 billion in related outlays. Mandatory spending is \$0.0 billion in budget authority and \$-0.1 billion in outlays. Over 5 years, budget authority totals \$93.7 billion, with \$134.5 billion in outlays, a divergence of \$4.8 billion from baseline levels.

This budget supports efforts by committees of jurisdiction to better target existing Federal grant programs that encourage overreliance on the Federal Government. In concert with appropriate local and State efforts, the Federal Government has the opportunity to improve communities nationwide. The budget also supports reviewing the fiscal sustainability of Federal insurance and loan programs.

The budget contains resources for disaster response, relief, and mitigation activities, and assumes a total of \$19 billion in cap-adjusted spending for disasters in fiscal years 2020 and 2021.

BUDGET FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

The Education, Training, Employment, and Social Services function includes funding for the Department of Education, some social

services programs within the Department of Health and Human Services, and employment and training programs within the Department of Labor.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$104.6 billion in budget authority and \$112.4 billion in outlays. Discretionary budget authority totals \$102.8 billion, with \$104.0 billion in related outlays. Mandatory spending is \$1.8 billion in budget authority and \$8.4 billion in outlays. Over 5 years, budget authority totals \$553.6 billion, with \$552.9 billion in outlays, a divergence of \$42.9 billion from baseline levels.

Ensuring all students have access to a quality education and the knowledge and skills to fill in-demand jobs is beneficial for the Nation's students, workers, and the economy. The Federal Government supports education and job training programs, but all too often inefficiently. GAO routinely identifies fragmentation, overlap, and duplication within these programs. For example, GAO recently found that even after a significant reduction in the number of programs, there remained 163 Federal science, technology, engineering, and mathematics education programs—nearly all of which overlap with at least one other program. GAO also estimates there are 44 Federal programs that may be used to support early learning and child care. This budget supports reforms to reduce fragmentation, overlap, and duplication across this function to better serve students, families, and workers.

Postsecondary education has become less affordable in recent years despite the steady growth in the maximum Federal Pell Grant award, the implementation of year-round Pell, and the implementation of multiple new student loan repayment options. Over the past decade, the Federal student loan program has become increasingly convoluted while not curbing the unsustainable higher education tuition increases or student over-borrowing. To promote access in a fiscally responsible way and reduce institutional incentives to increase costs of attendance, the Federal Government should reform the Federal student loan program to ensure students and their families have clear and affordable financing options.

In promoting access and self-directed postsecondary education choices, it is imperative that the information received from the Federal Government by students and their families is accurate, timely, and reliable. The budget resolution supports important steps to ensure that student borrowers receive crucial and valid information in time to make important decisions. Providing greater transparency for students will promote better decisionmaking and set students up for a successful career instead of saddling them with decades of debt.

BUDGET FUNCTION 550: HEALTH

The Health function contains spending on a variety of health care services administered by the Department of Health and Human Services. Specifically, the function includes health research overseen by the National Institutes of Health; public health and

safety programs administered by the Centers for Disease Control and Prevention; primary health care services provided by the Health Resources and Services Administration; health insurance for Federal employees administered by the Office of Personnel Management; and the regulation of pharmaceuticals, medical devices, and food products conducted by the Food and Drug Administration. The most significant drivers of spending in this function are Medicaid and the exchange subsidies created in the Patient Protection and Affordable Care Act—commonly known as Obamacare.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$621.6 billion in budget authority and \$595.9 billion in outlays. Discretionary budget authority totals \$72.9 billion, with \$70.8 billion in related outlays. Mandatory spending is \$548.7 billion in budget authority and \$525.0 billion in outlays. Over 5 years, budget authority totals \$3,105.7 billion, and outlays are \$3,027.5 billion, a divergence of \$278.5 billion from baseline levels for outlays.

Over the past several decades, Federal health care spending has skyrocketed. According to CBO, this trend will only continue, with spending per beneficiary expected to grow even more rapidly. Health expenditures currently comprise about 30 percent of all Federal spending. Medicaid alone has consumed a growing share of the Federal budget, eclipsing 10 percent of noninterest spending in 2017. Over the past 20 years, Federal expenditures in the program have risen at an average annual rate of 7 percent. This rapid expansion is due to the rising cost of health care, expansion of program eligibility and covered services, and the increasing amount of State spending qualifying for Federal matching payments. This level of spending and growth is unsustainable.

In order to address this compounding problem, the budget resolution relies on the committees of jurisdiction to implement common-sense reforms. Areas ripe for reform could include changes to the Federal Employees Health Benefit Program, providing State flexibility in Medicaid while protecting vulnerable populations, and making private health insurance more affordable and accessible while preserving pre-existing condition protections. Instead of the top-down, heavy-handed approach taken by Obamacare, the resolution supports the belief that the American people—not the Federal Government—should be in control of their own health care. Additionally, the resolution supports committees' efforts to lower health care costs and improve the quality of care for all Americans.

BUDGET FUNCTION 570: MEDICARE

The Medicare function includes only the Medicare program, which provides health insurance to senior citizens and certain persons with disabilities. Nearly 99 percent of spending in this function occurs on the mandatory side of the budget, and almost all of the mandatory spending consists of payments for Medicare benefits. The balance of spending is discretionary annual appropriations covering the cost of administering and monitoring the Medicare program.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$682.6 billion in budget authority and \$682.4 billion in outlays. Discretionary budget authority totals \$7.2 billion, with \$7.3 billion in related outlays. Mandatory spending is \$675.4 billion in budget authority and \$675.1 billion in outlays. Over 5 years, budget authority totals \$3,881.4 billion, with \$3,879.9 billion in outlays, a divergence of \$77.2 billion from baseline levels.

Medicare spending is currently on an unsustainable course. Over the next decade, Medicare outlays are expected to increase an average of 7 percent annually. Excluding timing shifts, CBO projects that Medicare spending will more than double from \$768 billion in 2019 to \$1,580 billion in 2029, mostly due to increased health care costs and growing enrollment in the program. According to the Medicare Trustees, without intervening action from Congress, Medicare's Hospital Insurance trust fund will become insolvent by 2026—three years earlier than predicted in last year's report.

The budget resolution allows the Senate Finance Committee to determine policies that would slow the rate of growth in Medicare in order to reduce health care costs for seniors and extend the life of the trust fund in the near term. Long-term solutions will be necessary to ensure that American seniors can continue to rely on this vital health program in the future.

BUDGET FUNCTION 600: INCOME SECURITY

The Income Security function covers a range of income security programs that provide cash or near-cash assistance to low-income persons and benefits to certain retirees, persons with disabilities, and the unemployed.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$533.2 billion in budget authority and \$524.8 billion in outlays. Discretionary budget authority totals \$74.8 billion, with \$73.8 billion in related outlays. Mandatory spending is \$458.4 billion in budget authority and \$451.1 billion in outlays. Over 5 years, budget authority totals \$2,818.0 billion, with \$2,781.4 billion in outlays, a divergence of \$33.2 billion from baseline levels.

While the economy is almost 10 years into an expansion, spending and enrollment for many low-income programs in this function remain above pre-recession levels. Much of this increase is attributable to expanded eligibility rules that have extended safety net benefits to persons with incomes well above the poverty line. CBO estimates that less than half of all means-tested transfers went to households in the bottom fifth of the income distribution in 2015.

Many of these programs also create work disincentives that keep recipients on the sidelines, even when the labor market is strong. The Department of Agriculture reports that of the 3.8 million able-bodied adults without dependents enrolled in the Supplemental Nutrition Assistance Program in 2016, nearly three-quarters were not working. Additionally, multiple reports by GAO have shown that the Federal Government's array of income security programs is fragmented and overly complex, confusing those trying to navi-

gate the safety net and increasing administrative costs. Program integrity also remains a challenge, and the Office of Management and Budget (OMB) has designated several of the programs in this function as high-priority because of their high improper payments.

The budget resolution supports strengthening and improving the programs in this function in a manner that preserves the safety net for vulnerable populations. This budget encourages authorizing committees to improve the targeting of benefits, strengthen work requirements, and reduce overlap, duplication, and fraud.

Regarding Federal retirement programs, this budget prioritizes fiscal sustainability. The Federal employee benefit system should be reformed to ensure fairness to both recipients and taxpayers.

BUDGET FUNCTION 650: SOCIAL SECURITY

The Social Security function consists of the payroll-tax-financed programs collectively known as Social Security: Old-Age and Survivors Insurance and Disability Insurance. These programs provide monthly cash benefits to approximately 61 million retired and disabled workers and their spouses, dependents, and survivors. This function includes both benefit payments and funds to administer the programs and ensure program integrity.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$1,113.3 billion in budget authority and \$1,107.5 billion in outlays. Discretionary budget authority totals \$5.9 billion, with \$5.8 billion in related outlays. Mandatory spending is \$1,107.4 billion in budget authority and \$1,101.7 billion in outlays. Over 5 years, budget authority totals \$6,307.0 billion, with \$6,274.4 billion in outlays, unchanged from baseline levels. These figures reflect the combined on-and off-budget amounts associated with this function.

Under provisions of the Congressional Budget Act and the Budget Enforcement Act, the Social Security trust funds are considered off-budget and do not appear in the budget resolution totals. The general fund transfer of income taxes on Social Security benefits to the trust funds is the only notable portion of function 650 considered on-budget.

This budget resolution respects the off-budget status of the Social Security trust funds and assumes no policy changes in this function. The budget supports the bipartisan efforts by the Finance Committee to confront the challenges facing Social Security.

BUDGET FUNCTION 700: VETERANS BENEFITS AND SERVICES

The Veterans Benefits and Services function includes health administration and health services for veterans (majority of the discretionary spending), their pensions and disability compensation (majority of the mandatory spending), and other services our Nation provides to veterans.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$211.2 billion in budget authority and \$209.9 billion in outlays. Discretionary budget authority totals \$92.2 billion, with \$87.9 bil-

lion in related outlays. Mandatory spending is \$119.0 billion in budget authority and \$122.0 billion in outlays. Over 5 years, budget authority totals \$1,125.3 billion, with \$1,113.6 trillion in outlays, a divergence of \$2.6 billion from baseline levels.

The budget resolution supports protecting the longevity and integrity of programs providing America's veterans with the care and resources they were promised and earned. It aligns with the work of the committees of jurisdiction as they consider common-sense proposals to find savings that improve program health and ensure benefits are delivered in a manner that upholds fidelity to veterans and taxpayers alike.

With the passage of major legislation in the areas of community care, caregivers, appeals processing, and education benefits, authorizing committees should focus on reform implementation and prompt delivery of services to eligible veterans, as well as adopting technological improvements and devising and executing an achievable information technology improvement strategy. The Department of Veterans Affairs should also continue to increase service and efficiency for veterans and facilitate improved management of Federal real property assets and vigilance in human-capital management.

BUDGET FUNCTION 750: ADMINISTRATION OF JUSTICE

The Administration of Justice function includes programs to ensure civil rights protections and provide judicial services, police protection, law enforcement, rehabilitation and incarceration of criminals, and the general maintenance of domestic order.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$71.3 billion in budget authority and \$65.8 billion in outlays. Discretionary budget authority totals \$62.8 billion, with \$61.3 billion in related outlays. Mandatory spending is \$8.6 billion in budget authority and \$4.5 billion in outlays. Over 5 years, budget authority totals \$346.0 billion, with \$351.2 billion in outlays, a divergence of \$6.3 billion from baseline levels.

The Federal Government has the responsibility to maintain domestic order and help ensure the safest possible communities for all Americans. To achieve a proper balance between ensuring safe communities and being responsible stewards of taxpayer money, the budget resolution supports the work of the appropriate committees and recognizes areas for reform. GAO has identified several areas in which the Department of Justice (DOJ) can improve, such as clarifying guidance and communications, and more efficiently using data. Inspectors General have also recommended changes, such as improving DOJ grant management to States and localities, and improving staffing models within the Department of Homeland Security.

This budget appreciates the amount of resources needed to ensure safe communities, while recognizing that the Departments of Justice and Homeland Security can improve their efficiency and productivity.

BUDGET FUNCTION 800: GENERAL GOVERNMENT

The General Government function includes the activities of the White House and the Executive Office of the President, the legislative branch, and programs to carry out the administrative responsibilities of the Federal Government, including personnel management, fiscal operations, and property control.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$25.5 billion in budget authority and \$25.2 billion in outlays. Discretionary budget authority totals \$18.2 billion, with \$18.0 billion in related outlays. Mandatory spending is \$7.2 billion in budget authority and \$7.2 billion in outlays. Over 5 years, budget authority totals \$134.1 billion, with \$132 billion in outlays, consistent with baseline levels.

This function encompasses many of the programs and activities that constitute the core operational responsibilities of the Federal Government, including salaries, expenses, and capital improvements. The resolution supports efforts of committees of jurisdiction to enhance accountability and oversight of Federal employment and operational expenditures. Both the executive and legislative branches should lead by example, offering efficiencies that maximize taxpayer dollars and improve operational integrity.

BUDGET FUNCTION 900: NET INTEREST

The Net Interest function contains the interest paid to private and foreign government holders of U.S. Treasury securities. This function includes interest on the public debt less the interest received by the Federal Government from trust fund investments and loans to the public. It contains mandatory payments, with no discretionary components.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$459.0 billion in budget authority and \$459.0 billion in outlays, all of which is mandatory. Over 5 years, budget authority totals \$2,829.6 billion, with \$2,829.6 billion in outlays, a divergence of \$23.9 billion from baseline levels.

Outlays in this function respond entirely to the changes in annual total budget deficits and borrowing from the public to meet or pay those deficits. The changes in spending and revenue levels described elsewhere in this budget account for all changes in net interest outlays.

BUDGET FUNCTION 920: ALLOWANCES

The Allowances function displays the budgetary effects of proposals that cannot be easily distributed across other budget functions.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$-90.2 billion in budget authority and \$-50.0 billion in outlays.

Discretionary budget authority totals \$-86.0 billion, with \$-48.3 billion in related outlays. Mandatory spending is \$-4.1 billion in budget authority and \$-1.7 billion in outlays. Over 5 years, budget authority totals \$-592.2 billion, with \$-469.7 billion in outlays, a divergence of \$86.2 billion from baseline levels.

Spending levels in the Allowances function reflect policy assumptions that have an impact across Federal agencies or are not easily distributed across budget functions. This is a similar approach used by CBO in its budget projections. This includes changes to the non-defense discretionary topline to better reflect the operation and realities of the congressional budget and appropriations process.

BUDGET FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

The Undistributed Offsetting Receipts function comprises major offsetting receipts items that would distort the funding levels of other functional categories if they were distributed to them.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$-103.7 billion in budget authority and \$-103.7 billion in outlays, all of which is mandatory spending. Over 5 years, budget authority totals \$-543.9 billion, with \$-543.9 billion in outlays, unchanged from baseline levels. These figures reflect the combined on-and off-budget amounts associated with this function. The budget resolution assumes no policy changes in this function.

BUDGET FUNCTION 970: OVERSEAS CONTINGENCY OPERATIONS

This function includes funding for overseas contingency operations, the global war on terrorism, and related activities.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$67.0 billion in total budget authority and \$36.9 billion in total outlays. All spending in this function is discretionary. Over 5 years, budget authority totals \$130.0 billion, with \$125.8 billion in outlays. The baseline used to construct this resolution does not include an extrapolation of war costs.

Besides the regular budget authority for national defense, the budget resolution includes \$67.0 billion OCO funding for fiscal year 2020 and \$63 billion for fiscal year 2021.

REVENUES

Federal revenues are comprised of taxes and other collections from the public that result from the government's sovereign powers to impose levies under Article I, section 8, clause 1 of the U.S. Constitution. Federal revenues include individual and corporate incomes taxes, social insurance taxes, excise taxes, estate and gift taxes, customs duties, and miscellaneous receipts.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The Committee-reported fiscal year 2020 budget resolution calls for \$3,702.0 billion in revenues (\$2,761.6 billion on-budget, \$940.4 billion off-budget). Over 5 years, revenues total \$20,371.4 billion (\$15,284.7 on-budget, \$5,086.8 off-budget), a divergence of \$176.5 billion (on-budget) from baseline levels.

While the budget resolution firmly rejects the notion that any effort to control government spending must be “balanced” with tax increases, it does support measures to recoup Federal costs and other good-government reforms that would result in higher receipts to the Federal Government. None of these increases should come from changes that in any way undermine the pro-growth impact of the Tax Cuts and Jobs Act or diminish the law’s tax relief for hard-working American families.

The budget resolution assumes approximately half of the increase in receipts could be generated as part of an effort to ensure the solvency of the Highway Trust Fund. While specific decisions would be left to the committees of jurisdiction, the budget assumes any change will restore the longstanding user-pays principle and prevent the need for additional general fund transfers. The budget also supports reform of the retirement system for Federal civilian employees, including Members of Congress. Doing so would reduce the Federal Government’s net personnel costs and help bring public sector benefits more in line with the private sector. Finally, the budget resolution assumes authorizing committees will pursue additional reforms to mandatory programs and regulations that have the effect of increasing Federal receipts.

RECONCILIATION AND ENFORCEMENT

The budget blueprint calls for serious yet achievable steps toward putting America on a sustainable fiscal path. As part of this overall vision, the resolution includes reconciliation instructions for deficit reduction and important budget enforcement tools to bring Federal spending and revenues in line with the levels reported.

RECONCILIATION

This title instructs five Senate committees to report reconciliation legislation that would produce combined deficit reduction of at least \$94 billion over the next 5 years. Instructions are provided to the Committee on Agriculture, Nutrition, and Forestry for \$9 billion; the Committee on Banking, Housing, and Urban Affairs for \$10 billion; the Committee on Finance for \$50 billion; the Committee on Health, Education, Labor, and Pensions for \$10 billion; and the Committee on Homeland Security and Governmental Affairs for \$15 billion.

ENFORCEMENT

Updates Advance Appropriations.—This section updates, for fiscal years 2021 and 2022, an existing point of order against appropriations legislation that would provide an advance appropriation for a discretionary account. This point of order is extended regularly in budget resolutions, and provides an exception for programs or activities identified in the manager’s Joint Explanatory Statement (mostly education and housing assistance), the Corporation for Public Broadcasting, and several accounts at the Department of Veterans Affairs.

Amends CHIMPS Points of Order.—The resolution amends the point of order against changes in mandatory programs (CHIMPS) that was included in the fiscal year 2018 budget resolution. The fiscal year 2020 resolution changes the total amount of allowable CHIMPS from \$15 billion to \$0 for fiscal year 2020 and each year thereafter. Additionally, rescissions measures considered under the Impoundment and Control Act are exempt from this point of order.

Reactivates Dynamic Scoring Authority.—The resolution directs CBO and the Joint Committee on Taxation to incorporate the budgetary effects of macroeconomic variables when each produces estimates of major legislation. These estimates will be used for informational purposes only. These more accurate assessments will help guide the Senate in its work both as a legislative body and financial steward of the United States.

Adjustment Authority for Discretionary Cap Deal.—If a measure becomes law that amends the discretionary limits established

under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, this section allows the Chairman of the Budget Committee to adjust budgetary levels consistent with such measure.

Reinstates Point of Order Against Certain Surface Transportation Funding.—The resolution reinstates the point of order against consideration of legislation that extends the authority of or reauthorizes surface transportation programs if the legislation appropriates budget authority from sources other than the Highway Trust Fund.

Creates Directed Scorekeeping Point of Order.—The resolution creates a point of order against legislation that directs the budgetary treatment of such measure unless the legislation has been reported by the Budget Committee. This includes legislation directing the congressional estimating process, directing changes in concepts and definitions under section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, or reclassifying the budgetary treatment of funding. This point of order is determined by the Chairman of the Budget Committee.

Re-establishes Overseas Contingency Operations Designation Point of Order.—The resolution creates a point of order against an OCO designation. If the point of order is sustained, the offending provision is stricken but the remainder of the text remains pending.

Establishes the Budgetary Treatment of Discretionary Administrative Expenses.—The resolution requires that the Joint Explanatory Statement accompanying the conference report on the budget resolution include amounts for the discretionary administrative expenses of the Social Security Administration and the United States Postal Service. These amounts are subject to the discretionary spending caps, which are accounted for in the allocation to the Appropriations Committee.

Allows for Changes in Allocations and Aggregates.—This section provides three necessary provisions relating to the timing and mechanics of budget enforcement. First, if any adjustments are made pursuant to a reserve fund or other directive, the adjustments will apply while a measure is under consideration, take effect once the measure is enacted, and be published in the *Congressional Record*. Second, any revisions to allocations and aggregates will be considered as if they were contained in this budget resolution. Third, Budget Committee estimates will serve as the basis for determining new levels of budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses.

Allows for Changes in Concepts and Definitions.—If Congress were to enact a bill or joint resolution that changes a concept or definition, the resolution would provide the Chairman of the Budget Committee the authority to change levels and allocations in the resolution accordingly.

Exercises in Rulemaking Power.—This section provides that the Senate has the constitutional authority to adopt the rules of this resolution, and the adopted rules shall be treated as Senate rules. Further, these rules supersede any prior, inconsistent rules.

Pay-As-You-Go Scorecard for the Senate
(\$ Billions)

	Balances
Fiscal Year 2019	0
Fiscal Year 2020	0
Fiscal Years 2019-2024	0
Fiscal Years 2019-2029	0

ACCOUNTS IDENTIFIED FOR ADVANCE APPROPRIATIONS IN THE SENATE

Financial Services and General Government

Payment to Postal Service

Labor, Health and Human Services, and Education

Employment and Training Administration

Education for the Disadvantaged

School Improvement

Special Education

Career, Technical, and Adult Education

Transportation, Housing, and Urban Development

Tenant-based Rental Assistance

Project-based Rental Assistance

Memorandum: Section 4101 of the budget resolution provides for a point of order against advance appropriations in the Senate. Section 4101(b) provides for several account-level exceptions to this rule, including accounts listed in the text and in the list above.

ECONOMICS

Table 1 below shows the assumed levels and rates of change for key economic variables that constitute the economic assumptions of the Fiscal Year 2020 budget resolution. The Budget Committee adopted CBO's economic forecast as published in its January 2019 report, *The Budget and Economic Outlook: 2019 to 2029*, to maintain consistency with the budgetary projections and assumptions used in the budget.

CBO's economic projections are based on current law and do not account for the economic impact of the budget resolution's assumed policies and deficit reduction. To the extent that CBO's economic forecast does not incorporate these effects and may underestimate the positive effects of already-enacted changes in tax and regulatory policy, the projected deficits and debt levels in the resolution are to be viewed as conservative estimates.

Table 1
Economic Assumptions for the Senate Budget Resolution
(Fiscal Years)

		2019	2020	2021	2022	2023	2024
Gross Domestic Product (GDP)	Billions of dollars	21,252	22,130	22,938	23,778	24,672	25,642
	Percentage change	5.0	4.1	3.7	3.7	3.8	3.9
Real GDP	Billions of 2012 dollars	18,983	19,349	19,666	19,976	20,306	20,672
	Percentage change	2.9	2.0	1.6	1.6	1.7	1.8
GDP Price Index	2012=100	112.1	114.3	116.7	119.0	121.5	123.9
	Percentage change	2.1	2.0	2.0	2.0	2.1	2.1
Price Index Personal Consumption Expenditures (PCE)	2012=100	109.7	112.1	114.5	116.9	119.4	121.8
	Percentage change	1.9	2.1	2.2	2.1	2.1	2.1
Consumer Price Index: All Urban Consumers (CPI-U)	1982-84=100	255.1	261.4	266.1	274.9	281.7	288.5
	Percentage change	2.2	2.4	2.0	2.5	2.5	2.4
Unemployment Rate, 15 Years or Older	Percent	3.6	3.6	4.0	4.5	4.8	4.9
Labor Force Participation Rate, 15 Years or Older	Percent	62.8	62.8	62.7	62.6	62.5	62.5
10-Year Treasury Note	Percent	3.3	3.6	3.7	3.7	3.8	3.7
3-Month Treasury Bill	Percent	2.6	3.1	3.2	3.2	3.1	2.9

COMPARISON WITH OTHER FORECASTERS

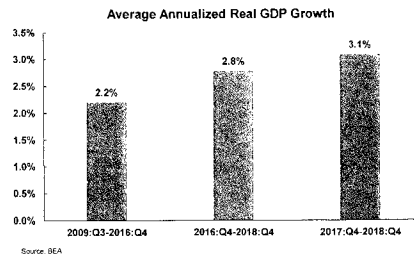
Table 2 shows how CBO's economic projections compare with the March 2019 "consensus" forecast of private economists surveyed by *Blue Chip Economic Indicators* and the Office of Management and Budget (OMB) economic projections underlying the President's FY 2020 budget (as reported in the *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2020*). Table 2 differs slightly from Table 1 in that it contains calendar year forecasts, while Table 1 shows fiscal year forecasts. It is important to keep in mind when comparing these forecasts that they make different assumptions about Federal policy and were finalized at different times.

Table 2
Senate Budget Committee (SBC)/Congressional Budget Office (CBO) Economic Assumptions
Compared with Blue Chip Economic Indicators and the Office of Management and Budget (OMB)
 (Calendar Years)

		2019	2020	2021	2022	2023	2024	2020-2024
		<i>Percentage Change, Full Year-Over-Prior Year</i>						
Nominal GDP (Current Dollars)	SBC/CBO	4.8	3.9	3.7	3.7	3.8	4.0	3.8
	Blue Chip	4.5	4.0	3.9	4.0	4.0	4.1	4.0
	OMB	5.2	5.2	5.1	5.1	5.1	5.1	5.1
Real GDP (Chained 2012 Dollars)	SBC/CBO	2.7	1.9	1.6	1.6	1.7	1.8	1.7
	Blue Chip	2.4	1.9	1.7	1.9	2.0	2.0	1.9
	OMB	3.2	3.1	3.0	3.0	3.0	3.0	3.0
GDP Price Index	SBC/CBO	2.1	2.0	2.0	2.0	2.1	2.1	2.1
	Blue Chip	2.0	2.2	2.1	2.1	2.1	2.1	2.1
	OMB	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Consumer Price Index (All Urban Consumers Series)	SBC/CBO	2.1	2.6	2.6	2.5	2.5	2.4	2.5
	Blue Chip	1.8	2.2	2.2	2.2	2.2	2.2	2.2
	OMB	2.1	2.3	2.3	2.3	2.3	2.3	2.3
		<i>Annual Average</i>						
Unemployment Rate (Percent of Civilian Labor Force)	SBC/CBO	3.5	3.7	4.2	4.6	4.8	4.8	4.4
	Blue Chip	3.7	3.7	4.1	4.2	4.3	4.3	4.1
	OMB	3.6	3.6	3.7	3.9	4.0	4.1	3.9
10-Year Treasury Note Rate (Percent Per Annum)	SBC/CBO	3.4	3.6	3.7	3.7	3.8	3.7	3.7
	Blue Chip	2.9	3.0	3.1	3.2	3.4	3.5	3.2
	OMB	3.4	3.6	3.8	3.8	3.7	3.7	3.7
3-Month Treasury Bill Rate (Percent Per Annum)	SBC/CBO	2.8	3.2	3.2	3.2	3.0	2.8	3.1
	Blue Chip	2.5	2.7	2.5	2.6	2.7	2.8	2.7
	OMB	2.8	3.2	3.2	3.2	3.1	3.0	3.2

THE STATE OF THE ECONOMY

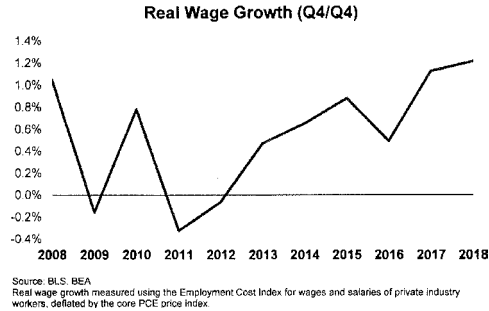
After years of sluggish economic performance, the country is finally experiencing robust growth. CBO and the Bureau of Economic Analysis currently estimate that real gross domestic product (GDP) grew 3.1 percent over the four quarters of 2018, the fastest rate of any year since 2005. Real GDP growth has averaged 2.8 percent over the past two years, well above the average growth experienced in the years immediately following the Great Recession.



The unemployment rate averaged 3.9 percent in 2018 and stood at 3.8 percent in February 2019. Non farm payroll employment increased by an average of 215,000 jobs per month between January 2018 and February 2019. Despite significant downward pressure from demographics, the labor force participation rate rose 0.5 percentage points between January 2018 and February 2019 thanks to a strong economy that is pulling people off of the sidelines.

Wage growth has accelerated, supported by a strong labor market and uptick in labor productivity growth. The Employment Cost Index for private industry wages and salaries rose by 3.1 percent in 2018, the largest increase in over a decade, and CBO projects even higher wage growth in the years ahead. Importantly, these gains are being felt by all Americans. Wages have risen fastest for lower-wage workers and in lower-wage industries, and several groups historically at higher risk of unemployment, such as African Americans, people with disabilities, and those without a high school diploma, saw record low unemployment rates in 2018.

Contrary to predictions that the recently enacted tax cuts would cause the economy to overheat, consumer price inflation has remained near or below the Federal Reserve's 2.0 percent target, ensuring nominal wage gains have more than kept pace with increases in the cost of living. The year-over-year change in the Federal Reserve's preferred inflation gauge, the core personal consumption expenditure price index, was 1.9 percent, translating to high real wage growth.



THE TAX CUTS AND JOBS ACT

The significant improvement in U.S. economic performance is primarily driven by a shift in pro-growth policies. In particular, the 2017 Tax Cuts and Jobs Act (TCJA) has played a vital role in strengthening the economy. The fiscal year Senate budget resolution uses CBO’s economic assumptions, which incorporate CBO’s estimate of the TCJA’s economic effects. CBO projects the law will raise real GDP by an average of 0.7 percent over the 2018–2028 period and by approximately 0.9 percent over the 2020–2024 window covered by the budget resolution. Other analysts have estimated even larger effects.

Claims that the economic benefits of the TCJA reflect only a temporary “sugar high” that will end with the economy overheating or entering a recession are not supported by recent experience or CBO’s analysis of the law’s effects. CBO generally estimates increases in government spending boosts output in the near term through demand-side “stimulus,” but lowers output long-term. However, in estimating the effects of the TCJA, the agency estimates increased output in every year of its forecast.

CBO estimates the TCJA not only provides an immediate boost to economic activity by increasing Americans’ take-home pay, it also increases the economy’s long-term productive capacity by im-

proving incentives. The law's reduction in marginal income tax rates and repeal of the individual mandate increase incentives to work and expand the labor supply. Further, the reduction in the corporate income tax rate, temporary expensing for capital expenditures, pass-through business deduction, reforms to international taxation, and other provisions, improve incentives for domestic investment and grow the capital stock, resulting in lasting increases in productivity and wages. Separate CBO analysis shows the TCJA also improved the uniformity of the tax code, which should lead to a more efficient allocation of capital.

CBO makes it clear in its January 2019 Budget and Economic Outlook that "the 2017 tax act will continue to have appreciable effects on the U.S. economy over the next decade." CBO estimates the increase in real GDP due to the TCJA will grow from 0.3 percent in 2018 to 0.6 percent in 2019. By 2024, the last year covered by the budget resolution, CBO estimates both actual and potential output will be 0.9 percent higher than they otherwise would have been.

While the early results of TCJA have been very encouraging, it will take time for workers and businesses to adjust to the law's changes and for all of its economic benefits to be fully realized. Over time, however, the additional investment spurred by the law's reduction in the cost of capital will build the capital stock and lead to higher productivity, output, employment, and wages.

MAINTAINING ECONOMIC PROSPERITY

The economy is strong and economic fundamentals are solid, but there are some clouds on the horizon that could pose a risk to sustained prosperity.

Economic conditions among major U.S. trading partners are much less favorable than they are in the United States and could potentially pose as a headwind to the U.S. economy. Growth slowed markedly in the Euro area and in China during 2018, and it is projected to weaken further in 2019, reducing demand for U.S. exports and adding to financial market volatility.

Even with the economic benefits of tax and regulatory reform, CBO's current-law economic forecast assumes that the aging of the population, the possible continuation of the productivity slowdown, and the negative effects of Federal overspending and unsustainable debt will pose a challenge to supply side growth in the coming years. Additional policy changes—such as those assumed in this budget—that encourage greater labor force participation, increase capital investment and dynamism, and put spending and debt under control, will be critical to maintaining sustained growth.

Just as the adoption of pro-growth policies is the primary reason for the economy's recent improvement, the greatest threat to continued prosperity is a possible shift toward policies that radically expand the size and scope of the Federal Government and impose new burdens on individuals and businesses. Proposals to raise taxes on work and investment, impose crippling regulations on America's energy sector, and to nationalize or abolish entire industries would have catastrophic effects on the economy.

RESERVE FUNDS

The Budget Committee does not have the authority to make policy recommendations in a budget resolution—that is the role of the authorizing committees. Committees often make their policy priorities known in their views and estimates letters, and reserve funds are a way to accommodate those requests.

Reserve funds allow the Chairman of the Budget Committee to revise the committee allocations, budgetary aggregates, and other appropriate levels in the budget resolution to accommodate legislation described in the reserve fund—as long as the budgetary effects of that legislation satisfy the requirements enumerated. The budget resolution includes deficit-neutral reserve funds that relate to the following:

- Modifying the Budget Control Act caps.
- Promoting American energy and natural resources.
- Public lands and the environment.
- American agriculture.
- Strengthening American families—including addressing the opioid and substance abuse crisis; improving child and maternal health; making child and dependent care more affordable and useful; child nutrition programs; or foster care, marriage, and fatherhood programs.
- Strengthening American communities—including reforming the American public housing system; combating violent crime; protecting and assisting survivors of domestic abuse; ensuring long-term, stable access to funding for victims of violent crime; or reforming the criminal justice system.
- Promoting innovation in education.
- Promoting economic growth and prosperity for American workers—including reducing the costs to businesses and individuals stemming from Federal regulations; streamlining and enhancing outcomes from Federal work force development, job training, and reemployment programs; increasing job creation, commerce, and economic growth; increasing exports from the United States; supporting robust intellectual property protections; or changes in Federal tax laws that extend the provisions of Public Law 115–97.
- Promoting economic opportunity and self-sufficiency.
- Federal banking, insurance, and housing finance programs.
- Improving tax administration.
- Improving Americans’ health care options—including repealing and replacing Obamacare and preserving preexisting condition protections; increasing health care options for individuals; lowering health care costs for American families, such as reducing prescription drug costs; encouraging State flexibility and innovation; improving consumers’ access to care; or investing in public health.

- Protecting Medicaid and Medicare.
- Restoring American military power.
- Improving cybersecurity.
- Veterans and service members.
- Border security and immigration.
- American transportation and infrastructure.
- Promoting financial security.
- Preventing taxpayer bailouts of pension plans.
- Efficiencies, consolidations, curbing budgetary gimmicks, and other savings.
 - Modifying statutory budget controls relating to the scope of sequestration.
 - Reducing fraud in taxpayer-funded government assistance programs.
 - Federal compensation.
 - Pre-existing conditions protections.
 - Improving coordination and Federal Government disaster response and mitigation.
 - Providing continued tax relief for family-owned businesses, farms, and ranches.
 - Supporting reviews of extreme weather threats to the Department of Defense’s installations.
 - Improving the affordability of rental housing.
 - Improving Federal flood controls.
 - Clean audit opinions at the Department of Defense.
 - Continuing middle-class tax relief.
 - Supporting servicemembers’ access to safe housing.
 - Providing the Department of Homeland Security with resources to protect children and families.
 - Reducing prescription drug costs.
 - Program integrity funding for targeted denial reviews.

SUMMARY TABLES

	Page
Table 1. Fiscal Year 2020 Budget Resolution, as Reported, Total Spending and Revenues	38
Table 2. Fiscal Year 2020 Budget Resolution, as Reported, Spending by Function, Discretionary, Mandatory	40
Table 3. Fiscal Year 2020 Budget Resolution On-Budget Summary	43
Table 4. Fiscal Year 2020 Budget Resolution Unified Budget Summary	44
Table 5. Fiscal Year 2020 Budget Resolution Crosswalk From CBO January 2019 Baseline to SBC Baseline to Resolution Levels	45
Table 6. Fiscal Year 2020 Budget Resolution Components of Policy Change	46
Table 7. Fiscal Year 2020 Budget Resolution Components of Mandatory Costs Savings (Outlays)	47
Table 8. Fiscal Year 2020 Budget Resolution Discretionary Budget Authority .	48
Table 9. Allocation of Spending Authority to Senate Committee on Appropriations for Fiscal Year 2020	49
Table 10. Allocation of Spending Authority to Senate Committees Other Than Appropriations	50

Table 1 Fiscal Year 2020 Budget Resolution

As Reported

Total Spending and Revenues*

(In billions of dollars)

Fiscal year		2020	2021	2022	2023	2024	2020-2024
Budget Aggregates							
Revenues		2,761.633	2,891.558	3,033.552	3,196.633	3,401.278	15,284.654
Total Change in Revenues		16.213	29.104	36.495	43.833	50.844	176.489
Total Spending	BA	3,588.211	3,720.114	3,870.878	3,958.315	4,018.079	19,155.597
	OT	3,595.894	3,711.295	3,879.799	3,936.726	3,982.549	19,106.263
Deficit (-)/Surplus (+)*		-834.261	-819.737	-846.247	-740.093	-581.271	-3,821.609
Public Debt Subject to Limit (end of year)		23,497.927	24,477.491	25,451.182	26,346.711	27,102.434	n.a.
Debt Held by the Public (end of year)		17,560.895	18,488.481	19,469.210	20,381.526	21,174.257	n.a.
Social Security							
Social Security Revenues		940.397	978.052	1,015.255	1,055.379	1,097.703	5,086.786
Social Security Outlays		964.280	1,029.849	1,101.572	1,178.289	1,256.973	5,530.963
Social Security Administrative Expenses	BA	5.895	6.088	6.283	6.477	6.678	31.421
	OT	5.777	5.953	6.239	6.426	6.625	31.020
Postal Service							
Postal Service Discretionary Administrative Expenses	BA	0.271	0.281	0.292	0.302	0.313	1.459
	OT	0.270	0.281	0.292	0.302	0.313	1.458
Major Functional Categories							
National Defense (050)	BA	586.773	600.892	670.879	687.439	704.436	3,250.419
	OT	620.199	603.490	642.849	661.388	675.345	3,203.271
International Affairs (150)	BA	48.548	47.383	47.042	48.119	49.260	240.352
	OT	46.255	45.065	45.094	44.986	45.724	227.124
General Science, Space, and Technology (250)	BA	35.256	36.041	36.839	37.664	38.526	184.326
	OT	34.360	35.602	36.250	36.901	37.702	180.815
Energy (270)	BA	-1.432	3.970	4.064	4.243	4.399	15.244
	OT	2.240	2.825	2.837	2.963	3.134	13.999
Natural Resources and Environment (300)	BA	45.196	46.496	43.870	45.837	47.758	229.157
	OT	46.587	47.565	44.772	45.962	46.799	231.685
Agriculture (350)	BA	17.920	20.087	20.268	20.691	20.847	99.813
	OT	17.718	18.500	19.657	20.029	20.207	96.111
Commerce and Housing Credit (370)	BA	12.145	12.168	11.557	9.496	1.838	47.204
	OT	6.310	5.710	3.058	-0.236	-8.274	6.568
Transportation (400)	BA	97.801	98.427	99.063	99.698	100.337	495.326
	OT	98.176	101.565	104.738	106.700	108.211	519.390
Community and Regional Development (450)	BA	26.555	21.773	14.771	15.108	15.462	93.669
	OT	28.161	27.529	27.154	26.089	25.595	134.528

Education, Training, Employment and Social Services (500)	BA	104.559	111.171	111.897	112.662	113.342	553.631
	OT	112.432	111.614	105.567	111.276	112.057	552.946
Health (550)	BA	621.563	624.390	616.981	619.741	623.027	3,105.702
	OT	595.863	609.589	599.699	603.412	618.895	3,027.458
Medicare (570)	BA	682.599	725.899	810.776	826.503	835.529	3,881.406
	OT	682.385	725.586	810.472	826.278	835.202	3,879.923
Income Security (600)	BA	533.186	548.364	570.992	579.546	585.933	2,818.021
	OT	524.843	540.643	569.005	572.829	574.082	2,781.402
Social Security (650)	BA	39.252	42.275	45.349	48.517	51.914	227.307
	OT	39.252	42.275	45.349	48.517	51.914	227.307
Veterans Benefits and Services (700)	BA	211.192	217.571	225.575	232.135	238.779	1,125.252
	OT	209.859	214.286	232.222	230.152	227.128	1,113.647
Administration of Justice (750)	BA	71.333	65.954	67.740	69.638	71.369	346.034
	OT	65.758	69.242	71.273	72.468	72.506	351.247
General Government (800)	BA	25.491	26.023	27.350	27.407	27.866	134.137
	OT	25.205	25.515	26.905	26.929	27.438	131.992
Net Interest (900)	BA	538.701	596.977	651.037	697.296	731.580	3,215.591
	OT	538.701	596.977	651.037	697.296	731.580	3,215.591
Allowances (920)	BA	-90.168	-99.138	-116.758	-134.026	-152.068	-592.158
	OT	-50.001	-76.084	-93.395	-116.064	-134.166	-469.710
Undistributed Offsetting Receipts (950)	BA	-85.259	-89.609	-88.414	-89.499	-92.055	-444.836
	OT	-85.259	-89.609	-88.414	-89.499	-92.055	-444.836
Overseas Contingency Operations (970)	BA	67.000	63.000	0.000	0.000	0.000	130.000
	OT	36.850	53.410	23.670	8.350	3.525	125.805

*These figures are included in Title I of the budget resolution. In Title 1 of the legislative text, deficits will appear as a positive figures consistent with past practice.

**Table 2 FY 2020 Budget Resolution
As Reported
Spending by Function, Discretionary, Mandatory
(\$ billions)**

Function		2020	2021	2022	2023	2024	2020-24
950 - National Defense	BA	566.773	600.892	670.879	687.439	704.436	3,250.419
	OT	620.199	603.490	642.849	661.388	675.345	3,203.271
Discretionary	BA	575.156	590.150	660.029	676.456	693.293	3,196.094
	OT	609.754	592.803	631.863	650.186	663.959	3,148.565
Mandatory	BA	10.617	10.732	10.850	10.983	11.143	54.325
	OT	10.445	10.687	10.986	11.202	11.386	54.706
150 - International Affairs	BA	48.548	47.383	47.042	48.119	49.260	240.352
	OT	46.235	45.065	45.094	44.986	45.724	227.124
Discretionary	BA	45.064	46.110	47.127	48.180	49.296	235.777
	OT	48.213	46.861	46.349	46.265	46.969	234.657
Mandatory	BA	3.484	1.273	-0.085	-0.061	-0.036	4.575
	OT	-1.958	-1.796	-1.255	-1.279	-1.245	-7.533
250 - General Science, Space and Technology	BA	35.255	38.041	38.839	37.664	38.526	184.326
	OT	34.360	35.602	36.250	36.901	37.702	186.815
Discretionary	BA	35.092	35.888	36.686	37.511	38.373	183.550
	OT	34.215	35.457	36.101	36.750	37.551	180.074
Mandatory	BA	0.164	0.153	0.153	0.153	0.153	0.776
	OT	0.145	0.145	0.149	0.151	0.151	0.741
270 - Energy	BA	-1.432	3.970	4.084	4.243	4.399	15.244
	OT	2.240	2.825	2.837	2.863	3.134	13.990
Discretionary	BA	7.078	7.231	7.392	7.574	7.765	37.040
	OT	6.561	6.921	7.222	7.413	7.609	35.726
Mandatory	BA	-8.510	-3.261	-3.328	-3.331	-3.366	-21.796
	OT	-4.321	-4.096	-4.385	-4.450	-4.475	-21.727
300 - Natural Resources and Environment	BA	45.196	46.496	43.870	45.837	47.758	228.157
	OT	48.567	47.565	44.772	45.962	46.799	231.685
Discretionary	BA	43.187	44.368	43.271	44.469	45.716	221.011
	OT	43.635	45.151	44.057	44.488	45.538	222.869
Mandatory	BA	2.009	2.128	0.599	1.368	2.042	8.146
	OT	2.952	2.414	0.715	1.474	1.261	8.816
350 - Agriculture	BA	17.920	20.087	20.268	20.691	20.847	99.813
	OT	17.718	18.500	19.857	20.029	20.207	98.111
Discretionary	BA	6.716	6.901	7.091	7.283	7.480	35.471
	OT	6.443	6.743	7.006	7.207	7.401	34.800
Mandatory	BA	11.204	13.186	13.177	13.408	13.367	64.342
	OT	11.275	11.757	12.651	12.822	12.806	61.311
370 - Commerce and Housing Credit	BA	11.853	11.587	11.793	10.438	2.587	47.468
	OT	5.218	5.140	3.296	6.708	-7.523	6.839
Discretionary	BA	-0.895	-0.856	-0.635	-0.397	-0.125	-2.908
	OT	-0.456	-0.829	-0.934	-0.540	-0.267	-3.026
Mandatory	BA	11.948	12.453	12.428	10.835	2.712	50.376
	OT	5.674	5.969	4.230	1.248	-7.256	9.865
378 on-budget	BA	12.145	12.168	11.557	9.496	1.838	47.204
	OT	6.310	5.710	3.658	-0.238	-8.274	6.568
Discretionary	BA	-1.166	-1.137	-0.927	-0.699	-0.438	-4.367
	OT	-0.726	-1.110	-1.226	-0.842	-0.580	-4.484
Mandatory	BA	13.311	13.305	12.484	10.195	2.276	51.571
	OT	7.036	6.820	4.284	0.606	-7.694	11.052
480 - Transportation	BA	97.801	96.427	99.063	99.608	100.337	495.326

	OT	98,176	101,585	104,738	106,700	108,211	519,380
Discretionary	BA	43,407	44,470	45,544	46,631	47,756	227,808
	OT	97,409	101,234	104,862	107,323	109,343	520,171
Mandatory	BA	54,394	53,957	53,519	53,067	52,581	267,518
	OT	0.767	0.331	-0.124	-0.623	-1.132	-0.781
450 - Community and Regional Development	BA	26,555	21,773	14,771	15,108	15,462	93,669
	OT	28,161	27,529	27,154	26,089	25,595	134,528
Discretionary	BA	26,534	21,066	15,197	15,535	15,888	95,020
	OT	28,241	27,601	27,218	26,181	25,708	134,949
Mandatory	BA	0.021	-0.093	-0.426	-0.427	-0.426	-1.351
	OT	-0.080	-0.072	-0.064	-0.092	-0.113	-0.421
500 - Education, Training, Employment	BA	104,559	111,171	111,897	112,662	113,342	553,631
	OT	112,432	111,614	105,567	111,276	112,057	552,946
Discretionary	BA	102,755	111,943	114,369	116,797	119,364	565,228
	OT	104,019	110,603	106,433	113,553	116,006	550,614
Mandatory	BA	1,804	-0.772	-2.472	-4.135	-6.022	-11,597
	OT	8,413	1,011	-0.866	-2.277	-3.949	-2,332
550 - Health	BA	621,563	824,390	816,981	619,741	623,027	3,105,702
	OT	595,853	695,589	596,699	603,412	618,895	3,027,458
Discretionary	BA	72,887	74,488	76,262	78,600	79,741	381,978
	OT	70,841	73,012	74,619	75,950	77,619	372,041
Mandatory	BA	548,676	549,902	540,719	541,141	543,286	2,723,724
	OT	525,022	536,577	525,080	527,462	541,276	2,655,417
570 - Medicare	BA	692,599	725,899	810,776	826,603	835,529	3,861,408
	OT	682,385	725,586	810,472	826,278	835,202	3,876,923
Discretionary	BA	7,236	7,525	8,029	8,447	8,877	40,214
	OT	7,273	7,570	7,970	8,362	8,789	39,964
Mandatory	BA	675,363	718,274	802,747	818,156	826,652	3,841,192
	OT	675,112	718,016	802,502	817,916	826,413	3,839,959
600 - Income Security	BA	533,186	548,364	570,992	579,546	585,933	2,818,021
	OT	524,843	546,843	569,085	572,829	574,082	2,781,402
Discretionary	BA	74,760	77,354	79,399	81,089	82,901	395,503
	OT	73,788	76,359	78,345	79,997	81,641	390,130
Mandatory	BA	458,426	471,010	491,593	498,457	503,032	2,422,518
	OT	451,055	464,264	490,660	492,832	492,441	2,391,272
650 - Social Security	BA	1,113,313	1,183,067	1,257,922	1,335,956	1,416,895	6,306,953
	OT	1,107,485	1,178,832	1,251,378	1,329,205	1,409,642	6,274,352
Discretionary	BA	5,895	6,088	6,283	6,477	6,678	31,421
	OT	5,777	5,953	6,239	6,426	6,625	31,020
Mandatory	BA	1,107,418	1,176,979	1,251,639	1,329,479	1,410,017	6,275,532
	OT	1,101,718	1,170,679	1,245,139	1,322,779	1,403,017	6,243,332
650 on-budget	BA	39,252	42,275	45,349	48,517	51,914	227,307
	OT	39,252	42,275	45,349	48,517	51,914	227,307
Discretionary	BA	0.000	0.000	0.000	0.000	0.000	0.000
	OT	0.000	0.000	0.000	0.000	0.000	0.000
Mandatory	BA	39,252	42,275	45,349	48,517	51,914	227,307
	OT	39,252	42,275	45,349	48,517	51,914	227,307
700 - Veterans Benefits and Services	BA	211,192	217,571	225,575	232,135	238,779	1,125,252
	OT	209,859	214,286	231,222	230,152	227,128	1,113,647
Discretionary	BA	92,211	95,038	97,907	100,787	103,749	489,692
	OT	87,893	91,740	95,513	98,676	101,654	475,676
Mandatory	BA	118,981	122,533	127,668	131,348	135,030	635,560
	OT	121,966	122,546	136,709	131,476	125,274	637,971
750 - Administration of Justice	BA	71,333	65,954	67,740	69,638	71,389	346,034
	OT	65,750	69,242	71,273	72,468	72,906	351,247
Discretionary	BA	62,762	64,572	66,618	68,842	70,942	333,736
	OT	61,253	63,911	66,149	68,344	70,316	329,973
Mandatory	BA	8,571	1,382	1,122	0,796	0,427	12,298

	OT	4,505	5,331	5,124	4,124	2,190	21,274
800 - General Government	BA	25,491	26,023	27,350	27,407	27,866	134,137
	OT	25,205	25,515	26,905	26,929	27,438	131,992
Discretionary	BA	18,244	18,878	19,537	20,190	20,850	97,699
	OT	18,010	18,452	19,129	19,729	20,392	95,712
Mandatory	BA	7,247	7,145	7,813	7,217	7,016	36,438
	OT	7,195	7,063	7,776	7,200	7,046	36,280
900 - Net Interest	BA	459,001	517,577	572,637	621,796	658,580	2,829,591
	OT	459,001	517,577	572,637	621,796	658,580	2,829,591
Discretionary	BA	0.000	0.000	0.000	0.000	0.000	0.000
	OT	0.000	0.000	0.000	0.000	0.000	0.000
Mandatory	BA	459,001	517,577	572,637	621,796	658,580	2,829,591
	OT	459,001	517,577	572,637	621,796	658,580	2,829,591
900 on-budget	BA	538,701	596,977	651,037	697,296	731,580	3,215,591
	OT	538,701	596,977	651,037	697,296	731,580	3,215,591
Discretionary	BA	0.000	0.000	0.000	0.000	0.000	0.000
	OT	0.000	0.000	0.000	0.000	0.000	0.000
Mandatory	BA	538,701	596,977	651,037	697,296	731,580	3,215,591
	OT	538,701	596,977	651,037	697,296	731,580	3,215,591
920 - Allowances	BA	-90,168	-99,138	-116,758	-134,026	-152,068	-592,158
	OT	-50,001	-76,084	-93,395	-116,064	-134,166	-469,710
Discretionary	BA	-86,020	-97,681	-114,972	-132,321	-150,235	-581,229
	OT	-48,300	-75,385	-91,887	-114,692	-132,736	-463,000
Mandatory	BA	-4,148	-1,457	-1,786	-1,705	-1,833	-10,929
	OT	-1,701	-0,699	-1,508	-1,372	-1,430	-6,710
950 - Undistributed Offsetting Receipts	BA	-103,745	-108,764	-108,232	-109,972	-113,185	-543,898
	OT	-103,745	-108,764	-108,232	-109,972	-113,185	-543,898
Discretionary	BA	0.000	0.000	0.000	0.000	0.000	0.000
	OT	0.000	0.000	0.000	0.000	0.000	0.000
Mandatory	BA	-103,745	-108,764	-108,232	-109,972	-113,185	-543,898
	OT	-103,745	-108,764	-108,232	-109,972	-113,185	-543,898
950 on-budget	BA	-85,259	-89,609	-88,414	-89,499	-92,055	-444,836
	OT	-85,259	-89,609	-88,414	-89,499	-92,055	-444,836
Discretionary	BA	0.000	0.000	0.000	0.000	0.000	0.000
	OT	0.000	0.000	0.000	0.000	0.000	0.000
Mandatory	BA	-85,259	-89,609	-88,414	-89,499	-92,055	-444,836
	OT	-85,259	-89,609	-88,414	-89,499	-92,055	-444,836
970 - Overseas Contingency Operations/Global War on Terrorism	BA	67,000	63,000	0,000	0,000	0,000	130,000
	OT	36,850	53,410	23,670	8,350	3,525	125,805
Discretionary	BA	67,000	63,000	0,000	0,000	0,000	130,000
	OT	36,850	53,410	23,670	8,350	3,525	125,805
Mandatory	BA	0,000	0,000	0,000	0,000	0,000	0,000
	OT	0,000	0,000	0,000	0,000	0,000	0,000
Total	BA	4,562,994	4,761,780	4,985,469	5,150,723	5,289,479	24,750,445
	OT	4,564,859	4,746,527	4,987,848	5,122,385	5,246,898	24,668,517
Discretionary	BA	1,200,069	1,217,443	1,215,134	1,232,150	1,248,309	6,113,105
	OT	1,291,419	1,287,567	1,289,924	1,289,968	1,297,842	6,456,720
Mandatory	BA	3,362,925	3,544,337	3,770,335	3,918,573	4,041,170	18,637,340
	OT	3,273,440	3,458,960	3,697,924	3,832,417	3,949,056	18,211,797
Total on-budget	BA	3,588,211	3,720,114	3,870,878	3,958,315	4,018,079	19,155,597
	OT	3,595,894	3,711,295	3,879,799	3,936,726	3,982,549	19,106,263
Discretionary	BA	1,193,903	1,211,074	1,208,559	1,225,371	1,241,318	6,080,225
	OT	1,285,372	1,281,333	1,283,393	1,283,240	1,290,904	6,424,242
Mandatory	BA	2,394,308	2,509,040	2,662,319	2,732,944	2,776,761	13,075,372
	OT	2,310,522	2,429,962	2,596,406	2,653,486	2,691,645	12,882,021

Table 3
FY 2020 Budget Resolution
On-Budget Summary
(FISCAL YEAR, \$ BILLIONS)

	2020	2021	2022	2023	2024	2020-2024
Resolution Levels						
Discretionary Outlays	1,285	1,281	1,283	1,283	1,291	6,424
Mandatory Outlays	2,311	2,430	2,596	2,653	2,692	12,682
Total Outlays	3,596	3,711	3,880	3,937	3,983	19,106
Revenues	2,762	2,892	3,034	3,197	3,401	15,285
Surplus(+)/Deficit(-)	-834	-820	-846	-740	-581	-3,822
Memorandum						
Deficit as Share of GDP	-3.8%	-3.6%	-3.6%	-3.0%	-2.3%	
50-Year Historical Average is -3.5%.						

Table 4
FY 2020 Budget Resolution
Unified Budget Summary
(FISCAL YEAR, \$ BILLIONS)

	2020	2021	2022	2023	2024	2020-2024
Resolution Levels						
Discretionary Outlays	1,291	1,288	1,290	1,290	1,298	6,457
Mandatory Outlays	3,273	3,459	3,698	3,832	3,949	18,212
Total Outlays	4,565	4,747	4,988	5,122	5,247	24,669
Revenues	3,702	3,870	4,049	4,252	4,499	20,371
Surplus(+)/Deficit(-)	-863	-877	-939	-870	-748	-4,297
<i>Memorandum</i>						
Deficit as Share of GDP	-3.9%	-3.8%	-3.9%	-3.5%	-2.9%	
50-Year Historical Average is -2.9%.						

Table 5
FY 2020 Budget Resolution
Crosswalk from CBO January 2019 Baseline to SBC Baseline to Resolution Levels
(FISCAL YEAR, \$ BILLIONS, UNIFIED)

	2020	2021	2022	2023	2024	2020-2024
CBO January 2019 Baseline						
Outlays	4,589	4,814	5,140	5,347	5,539	25,430
Revenues	3,686	3,841	4,012	4,208	4,448	20,195
Deficits	-903	-974	-1,128	-1,139	-1,091	-5,235
Removal of Irregular Appropriations						
Outlays	-44	-71	-85	-95	-104	-399
Revenues	0	0	0	0	0	0
Reduction in Deficits(-)	-44	-71	-85	-95	-104	-399
SBC Baseline*						
Outlays	4,545	4,743	5,055	5,252	5,435	25,030
Revenues	3,686	3,841	4,012	4,208	4,448	20,195
Deficits	-859	-903	-1,043	-1,044	-987	-4,835
Policy Changes						
Outlays	20	3	-87	-129	-189	-362
Revenues	16	29	36	44	51	176
Reduction in Deficits(-)	4	-26	-104	-173	-239	-538
Resolution Levels						
Outlays	4,565	4,747	4,988	5,122	5,247	24,669
Revenues	3,702	3,870	4,049	4,252	4,499	20,371
Deficits	-863	-877	-939	-870	-748	-4,297

*SBC baseline is CBO January 2019 baseline without extrapolation of irregular discretionary funding (overseas contingency operations, disaster relief, etc.)

Memorandum:

Resolution Levels Compared to CBO Baseline

Outlays	-24	-68	-152	-224	-292	-761
Revenues	16	29	36	44	51	176
Reduction in Deficits (-)	-40	-97	-189	-268	-343	-937

Table 6
FY 2020 Budget Resolution
Components of Policy Change
(FISCAL YEAR, \$ BILLIONS, UNIFIED)

	2020	2021	2022	2023	2024	2020-2024
Policy Changes						
Outlays	20	3	-67	-129	-189	-362
Revenues	16	29	36	44	51	176
Deficits	4	-26	-104	-173	-239	-538
Components of Outlay Change						
Discretionary*	40	57	50	38	28	213
Mandatory	-20	-53	-115	-160	-203	-551
Interest	<u>0</u>	<u>0</u>	<u>-3</u>	<u>-7</u>	<u>-14</u>	<u>-24</u>
Total	20	3	-67	-129	-189	-362

*Increase in discretionary outlays are attributable to increases in post-Budget Control Act regular defense levels and the inclusion of irregular discretionary spending that is not included in the SBC baseline.

Table 7
FY 2020 Budget Resolution
Components of Mandatory Costs Savings (Outlays)
(FISCAL YEAR, \$ BILLIONS, UNIFIED)

Budget Function	2020	2021	2022	2023	2024	2020-2024
270-Energy	-2	-2	-1	-1	-1	-7
300-Natural Resources	-1	-1	-2	-2	-3	-10
350-Agriculture	-1	-2	-2	-2	-2	-10
370-Commerce	-3	-4	-8	-9	-17	-41
400-Transportation	-1	-1	-2	-2	-3	-8
450-Community Development	-1	-1	-1	-1	-1	-4
500-Education	-5	-14	-16	-18	-20	-72
550-Health Care	-2	-13	-61	-92	-113	-281
570-Medicare	0	-7	-14	-23	-33	-77
600-Income Security	-2	-6	-7	-8	-9	-33
700-Veterans Affairs	0	0	-1	-1	-1	-3
750-Administration of Justice	-1	-1	-1	-1	-1	-6
800-General Government	*	0	0	0	*	*
Total	-20	-53	-115	-160	-203	-551

Table 8
FY 2020 Budget Resolution
Discretionary Budget Authority
(FISCAL YEAR, \$ BILLIONS)

	2020	2021	2022	2023	2024	2020-2024
Regular						
<i>Defense</i>						
Resolution	576	590	660	676	693	3,196
CBO January Baseline	<u>576</u>	<u>590</u>	<u>605</u>	<u>620</u>	<u>635</u>	<u>3026</u>
Difference	0	0	55	57	58	170
<i>Nondefense</i>						
Resolution	542	555	555	555	555	2,760
CBO January Baseline	<u>542</u>	<u>555</u>	<u>568</u>	<u>583</u>	<u>597</u>	<u>2,845</u>
Difference	0	0	-14	-28	-43	-85
Cap Adjustments/Irregular						
Overseas Contingency Operations	67	63	0	0	0	130
Disaster Relief	12	7	0	0	0	19
Wildfire Suppression	2	2	0	0	0	5
21st Century CURES	1	*	1	1	*	3

Table 9-ALLOCATION OF SPENDING AUTHORITY TO SENATE COMMITTEE ON APPROPRIATIONS FOR FISCAL YEAR 2020
(\$ Billions)

Appropriations:		Budget Authority	Outlays
Revised Security Category Discretionary Budget Authority ¹		576.156	n/a
Revised Nonsecurity Category Discretionary Budget Authority ¹		542.096	n/a
General Purpose Outlays ¹		n/a	1,251.113
	Memo:		
	Subtotal	1,118.252	1,251.113
	on-budget	1,112.086	1,245.066
	off-budget	6.166	6.047
Mandatory		1,114.131	1,105.477

¹-The allocation will be adjusted following the reporting of bills, offering of amendments, or submission of conference reports that qualify for adjustments to the discretionary spending limits as outlined in section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA). Figures exclude the budgetary effects of funding assumed consistent with the 21st Century Cures Act.

Table 10. ALLOCATION OF SPENDING AUTHORITY TO SENATE COMMITTEES OTHER THAN APPROPRIATIONS

	(\$ Billions)					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2020-2024</u>
Agriculture, Nutrition, and Forestry						
Budget Authority	118.059	121.890	123.427	125.868	128.470	617.714
Outlays	108.441	110.961	113.877	116.137	118.166	567.582
Armed Services						
Budget Authority	183.321	188.425	194.320	200.359	206.365	972.790
Outlays	182.683	188.060	199.301	200.512	201.223	971.779
Banking, Housing and Urban Affairs						
Budget Authority	19.931	18.892	20.547	21.137	20.841	101.348
Outlays	-0.168	-1.037	-0.497	0.071	-0.167	-1.798
Commerce, Science, and Transportation						
Budget Authority	17.942	17.865	18.075	18.253	18.574	90.709
Outlays	15.798	15.741	15.125	13.759	13.515	73.938
Energy and Natural Resources						
Budget Authority	5.782	5.271	5.716	4.994	4.773	26.536
Outlays	5.231	5.523	6.252	5.320	4.968	27.294
Environment and Public Works						
Budget Authority	41.643	41.447	41.407	41.443	41.450	207.390
Outlays	2.179	2.214	2.201	2.275	2.368	11.237
Finance						
Budget Authority	2,664.062	2,854.592	3,102.332	3,257.010	3,390.167	15,268.163
Outlays	2,646.602	2,839.924	3,087.787	3,243.456	3,387.779	15,205.548
Foreign Relations						
Budget Authority	39.104	36.624	34.649	34.677	34.700	179.754
Outlays	34.397	34.399	34.420	34.444	34.464	172.124
Homeland Security and Government Affairs						
Budget Authority	153.453	158.101	162.739	167.319	172.257	813.869
Outlays	151.205	155.863	160.509	164.878	169.606	802.061
Judiciary						
Budget Authority	23.536	16.100	16.308	16.411	16.622	88.977
Outlays	19.079	20.304	20.341	19.742	18.488	97.954
Health, Education, Labor, and Pensions						
Budget Authority	32.812	23.679	24.894	23.959	23.603	128.947
Outlays	21.257	20.948	20.665	21.293	21.678	105.841
Rules and Administration						
Budget Authority	0.051	0.048	0.049	0.049	0.049	0.246
Outlays	0.027	0.024	0.026	0.027	0.030	0.134
Intelligence						
Budget Authority	0.514	0.514	0.514	0.514	0.514	2.570
Outlays	0.514	0.514	0.514	0.514	0.514	2.570
Veterans' Affairs						
Budget Authority	119.202	122.987	128.328	132.250	136.096	638.863
Outlays	122.187	123.000	137.372	132.378	126.337	641.274
Indian Affairs						
Budget Authority	0.464	0.470	0.476	0.483	0.492	2.385
Outlays	0.530	0.430	0.422	0.453	0.473	2.308
Small Business						
Budget Authority	0.000	0.000	0.000	0.000	0.000	0.000
Outlays	0.000	0.000	0.000	0.000	0.000	0.000
Unassigned to Committee						
Budget Authority	-1,025.568	-1,097.865	-1,211.462	-1,311.782	-1,418.212	-6,064.889
Outlays	-999.440	-1,086.906	-1,201.909	-1,301.773	-1,407.797	-5,997.825
TOTAL						
Budget Authority	2,394.308	2,509.040	2,662.319	2,732.944	2,776.761	13,075.372
Outlays	2,310.522	2,429.962	2,596.406	2,653.486	2,691.645	12,682.021

Includes entitlements funded in annual appropriations acts.

COMMITTEE VOTES

On March 22, 2019, the “Chairman’s Mark” for the fiscal year 2020 budget resolution was provided to Budget Committee Member offices.

On March 27, 2019, the Committee met to commence the markup of the resolution and hear opening statements from Members.

On March 28, 2019, the following votes were taken during the Committee markup of the fiscal year 2020 budget resolution:

1. An amendment offered by Senator Sanders relating to Public Law 115–97 provisions that benefit the top 1 percent.

The amendment was not agreed to by a voice vote.

2. An amendment offered by Senators Toomey and Crapo relating to ensuring long-term, stable access to compensation and assistance for victims of crime.

The amendment was agreed to by a voice vote.

3. An amendment offered by Senator Sanders to increase revenue by \$358.0 billion and increase outlays in the health function (550) by \$280.8 billion and the Medicare function (570) by \$77.2 billion.

The amendment was not agreed to by a roll call vote of 7 ayes and 10 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)			
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)			
JOHNSON (WI)				WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

4. An amendment offered by Senator Kennedy relating to reducing fraud in taxpayer-funded Government assistance programs.

The amendment was agreed to by a voice vote. Senators Sanders, Murray, and Harris were recorded as noes.

5. An amendment offered by Senator Wyden to strike the reconciliation instructions to the Senate Committee on Finance.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

6. An amendment offered by Senators Braun and Scott to establish a deficit-neutral reserve fund relating to Federal compensation, including the possibility of allowing elected officials to voluntarily reduce their pensions.

The amendment was agreed to by a voice vote. Senators Sanders, Murray, Wyden, Warner, Kaine, Van Hollen, and Harris were recorded as noes.

7. An amendment offered by Senator Kaine to modify a deficit-neutral reserve fund relating to border security and immigration, which may not include any funds transferred from military accounts.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

8. An amendment offered by Senators Scott, Braun, and Kennedy to establish a deficit-neutral reserve fund relating to pre-existing condition protections.

The amendment was agreed to by a voice vote.

9. An amendment offered by Senator Stabenow to strike the reconciliation instructions to the Senate Committee on Agriculture, Nutrition, and Forestry.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

10. An amendment offered by Senator Cramer to establish a deficit-neutral reserve fund to protect and preserve risk management programs for American farmers.

The amendment was not agreed to by a roll call vote of 10 ayes and 10 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)		X	
GRASSLEY (IA)	X			MURRAY (WA)		X	
CRAPO (ID)	X			WYDEN (OR)		X	
GRAHAM (SC)	X			STABENOW (MI)			

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
TOOMEY (PA)		X		WHITEHOUSE (RI)		X	
JOHNSON (WI)	X			WARNER (VA)		X	
PERDUE (GA)	X			MERKLEY (OR)		X	
BRAUN (IN)	X			KAINE (VA)		X	
SCOTT (FL)	X			VAN HOLLEN (MD)		X	
KENNEDY (LA)	X			HARRIS (CA)		X	
CRAMER (ND)	X						

11. An amendment offered by Senator Scott to modify a deficit-neutral reserve fund relating to public lands to include restoring the Everglades.

The amendment was agreed to by a voice vote.

12. An amendment offered by Senators Whitehouse and Perdue to establish a deficit-neutral reserve fund to reform the congressional budget process.

The amendment was agreed to by a voice vote.

13. An amendment offered by Senators Kaine, Warner, and Van Hollen to strike the reconciliation instructions to the Committee on Homeland Security and Governmental Affairs.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

14. An amendment offered by Senator Grassley to establish a deficit-neutral reserve fund relating to changes in disaster management and mitigation laws.

The amendment was agreed to by a voice vote.

15. An amendment offered by Senator Van Hollen relating to increasing the estate tax and decreasing taxes on families earning less than \$200,000.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

16. An amendment offered by Senator Grassley to establish a deficit-neutral reserve fund to provide continued tax relief for family-owned business, farms, and ranches.

The amendment was agreed to by a roll call vote of 11 ayes and 9 noes

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)		X	
GRASSLEY (IA)	X			MURRAY (WA)		X	
CRAPO (ID)	X			WYDEN (OR)		X	
GRAHAM (SC)	X			STABENOW (MI)			
TOOMEY (PA)	X			WHITEHOUSE (RI)		X	
JOHNSON (WI)	X			WARNER (VA)		X	
PERDUE (GA)	X			MERKLEY (OR)		X	
BRAUN (IN)	X			KAINE (VA)		X	
SCOTT (FL)	X			VAN HOLLEN (MD)		X	
KENNEDY (LA)	X			HARRIS (CA)		X	
CRAMER (ND)	X						

17. An amendment offered by Senators Merkley, Warner, and Kaine to establish a deficit-neutral reserve fund relating to sup-

porting programs to analyze the threats to installations of the Department of Defense due to extreme storms, wildfire, droughts, rising sea level, and other conditions.

The amendment was agreed to by a voice vote.

18. An amendment offered by Senator Harris to establish a deficit-neutral reserve fund relating to improving the affordability of rental housing for low-income families.

The amendment was agreed to by a voice vote.

19. An amendment offered by Senator Grassley to establish a deficit-neutral reserve fund relating to changes in Federal flood control efforts and river management laws.

The amendment was agreed to by a voice vote.

20. An amendment offered by Senator Murray to modify section 4104 providing adjustment authority if such measure provides equal adjustments to the revised security and revised nonsecurity categories.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

21. An amendment offered by Senator Sanders to establish a deficit-neutral reserve fund relating to a clean audit opinion at the Department of Defense.

The amendment was agreed to by a voice vote.

22. An amendment offered by Senator Murray to strike the reconciliation instructions to the Senate Committee on Health, Education, Labor, and Pensions.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

23. An amendment offered by Senator Wyden to modify a deficit-neutral reserve fund relating to promoting economic growth to include as part of Federal tax reform, providing a tax cut to working families and the middle class while making sure that the top 1 percent and multinational corporations pay their fair share.

The amendment was not agreed to by a roll call vote of 9 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

24. An amendment offered by Senator Grassley to modify a deficit-neutral reserve fund relating to promoting economic growth to include as part of Federal tax reform, providing continued tax relief to working families and the middle class.

The amendment was agreed to by a roll call vote of 11 ayes and 8 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)		X	
GRASSLEY (IA)	X			MURRAY (WA)		X	
CRAPO (ID)	X			WYDEN (OR)		X	
GRAHAM (SC)	X			STABENOW (MI)			
TOOMEY (PA)	X			WHITEHOUSE (RI)			
JOHNSON (WI)	X			WARNER (VA)		X	
PERDUE (GA)	X			MERKLEY (OR)		X	
BRAUN (IN)	X			KAINE (VA)		X	
SCOTT (FL)	X			VAN HOLLEN (MD)		X	
KENNEDY (LA)	X			HARRIS (CA)		X	
CRAMER (ND)	X						

25. An amendment offered by Senator Harris to establish a deficit-neutral reserve fund relating to providing middle class tax relief, including by extending and expanding refundable tax credits.

The amendment was not agreed to by a roll call vote of 8 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)			
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

26. An amendment offered by Senator Grassley to establish a deficit-neutral reserve fund relating to changes in Federal tax laws, which may include continued tax relief to working families and the middle class.

The amendment was agreed to by a roll call vote of 11 ayes and 8 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)		X	
GRASSLEY (IA)	X			MURRAY (WA)		X	
CRAPO (ID)	X			WYDEN (OR)		X	
GRAHAM (SC)	X			STABENOW (MI)			
TOOMEY (PA)	X			WHITEHOUSE (RI)			
JOHNSON (WI)	X			WARNER (VA)		X	
PERDUE (GA)	X			MERKLEY (OR)		X	
BRAUN (IN)	X			KAINE (VA)		X	
SCOTT (FL)	X			VAN HOLLEN (MD)		X	
KENNEDY (LA)	X			HARRIS (CA)		X	
CRAMER (ND)	X						

27. An amendment offered by Senators Warner, Kaine, and Harris to establish a deficit-neutral reserve fund relating to addressing health, safety, and environmental hazards for tenants of military barracks or military family housing.

The amendment was agreed to by a voice vote.

28. An amendment offered by Senators Warner, Kaine, and Van Hollen to prohibit the use of Federal civilian employees' contributions as an offset.

The amendment was not agreed to by a roll call vote of 8 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)			
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

29. An amendment offered by Senator Merkley to establish a deficit-neutral reserve fund relating to a prohibition on the use of

funds for internment camps for migrant children and families or unlicensed and unregulated jails for children.

The amendment was not agreed to by a roll call vote of 8 ayes and 11 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)		X		SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)			
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)		X		KAINE (VA)	X		
SCOTT (FL)		X		VAN HOLLEN (MD)	X		
KENNEDY (LA)		X		HARRIS (CA)	X		
CRAMER (ND)		X					

30. An amendment offered by Senator Johnson to establish a deficit-neutral reserve fund relating to providing the Department of Homeland Security with the necessary resources to protect migrant children and families.

The amendment was agreed to by a roll call vote of 11 ayes and 9 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)		X	
GRASSLEY (IA)	X			MURRAY (WA)		X	
CRAPO (ID)	X			WYDEN (OR)		X	
GRAHAM (SC)	X			STABENOW (MI)			
TOOMEY (PA)	X			WHITEHOUSE (RI)		X	
JOHNSON (WI)	X			WARNER (VA)		X	
PERDUE (GA)	X			MERKLEY (OR)		X	
BRAUN (IN)	X			KAINE (VA)		X	
SCOTT (FL)	X			VAN HOLLEN (MD)		X	
KENNEDY (LA)	X			HARRIS (CA)		X	
CRAMER (ND)	X						

31. An amendment offered by Senator Van Hollen to establish a deficit-neutral reserve fund relating to reducing prescription drug costs for Americans.

The amendment was agreed to by a roll call vote of 14 ayes and 6 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)	X		
GRASSLEY (IA)		X		MURRAY (WA)	X		
CRAPO (ID)		X		WYDEN (OR)	X		
GRAHAM (SC)		X		STABENOW (MI)			
TOOMEY (PA)		X		WHITEHOUSE (RI)	X		
JOHNSON (WI)		X		WARNER (VA)	X		
PERDUE (GA)		X		MERKLEY (OR)	X		
BRAUN (IN)	X			KAINE (VA)	X		
SCOTT (FL)	X			VAN HOLLEN (MD)	X		
KENNEDY (LA)	X			HARRIS (CA)	X		
CRAMER (ND)	X						

32. An amendment offered by Senators Wyden and Grassley to establish a deficit-neutral reserve fund relating to the addition of Target Denial Reviews in the allowable activities in Section 815 of the Bipartisan Budget Act of 2015.

The amendment was agreed to by a voice vote.

33. An amendment offered by Senator Grassley to modify a deficit-neutral reserve fund relating to strengthening Americans families to include providing transitional supports to States implementing the Family First Prevention Services Act.

The amendment was agreed to by a voice vote.

Following the voice vote on the Wyden and Grassley amendments, Senator Enzi made a motion to report the resolution. The motion was agreed to and the resolution reported by a roll call vote of 11 ayes and 9 noes.

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ENZI (WY) (Chairman)	X			SANDERS (VT) (Ranking)		X	
GRASSLEY (IA)	X			MURRAY (WA)		X	
CRAPO (ID)	X			WYDEN (OR)		X	
GRAHAM (SC)	X			STABENOW (MI)			
TOOMEY (PA)	X			WHITEHOUSE (RI)		X	
JOHNSON (WI)	X			WARNER (VA)		X	
PERDUE (GA)	X			MERKLEY (OR)		X	

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BRAUN (IN)	X			KAINE (VA)		X	
SCOTT (FL)	X			VAN HOLLEN (MD)		X	
KENNEDY (LA)	X			HARRIS (CA)		X	
CRAMER (ND)	X						

VIEWS AND ESTIMATES

The Views and Estimates for fiscal year 2020 received from the various committees follow:

	Page
Agriculture, Nutrition, and Forestry	64
Appropriations	67
Armed Services	69
Banking, Housing, and Urban Affairs	72
Commerce, Science, and Transportation	80
Energy and Natural Resources	106
Environment and Public Works	108
Finance	121
Foreign Relations	133
Health, Education, Labor, and Pensions	141
Homeland Security and Governmental Affairs	178
Indian Affairs	199
Judiciary	214
Rules and Administration	229
Small Business and Entrepreneurship	232
Veterans' Affairs	251

PAT ROBERTS, KANSAS
CHAIRMAN
 MITCH MCCONNELL, KENTUCKY
 JOHN BOOZMAN, ARKANSAS
 JOHN HUEYEN, NORTH DAKOTA
 JON ERNST, IOWA
 CINDY HYDE-SMITH, MISSISSIPPI
 MIKE BRAUN, INDIANA
 DAVID PERDUE, GEORGIA
 CHUCK GRASSLEY, IOWA
 JOHN THUNE, SOUTH DAKOTA
 DEB FISCHER, NEBRASKA

United States Senate
 COMMITTEE ON
 AGRICULTURE, NUTRITION, AND FORESTRY
 WASHINGTON, DC 20510-6000
 202-224-2035

DEBBIE STABENOW, MICHIGAN
RANKING DEMOCRATIC MEMBER
 PATRICK J. LEAHY, VERMONT
 SHERROD BROWN, OHIO
 ANNY KLOBUCHAR, MINNESOTA
 MICHAEL F. BENNET, COLORADO
 KRISTEN E. GILLIBRAND, NEW YORK
 ROBERT F. CASEY, JR., PENNSYLVANIA
 TINA SMITH, MINNESOTA
 RICHARD J. DURBIN, ILLINOIS

March 15, 2019

The Honorable Michael Enzi
 Chairman
 Committee on the Budget
 624 Dirksen Senate Building
 Washington, DC 20510

The Honorable Bernard Sanders
 Ranking Member
 Committee on the Budget
 624 Dirksen Senate Building
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

In response to your February 8, 2019 letter and pursuant to section 301(d) of the Congressional Budget Act and Section 4201 of the fiscal year (FY) 2018 budget resolution, we write to provide views and estimates of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry (Agriculture Committee) regarding recommendations for improved governmental performance for programs within our Committee's jurisdiction.

The Agriculture Committee has a long history of serving farmers, ranchers, families, consumers, and other stakeholders in rural America in a bipartisan manner. Much of that responsibility includes conducting oversight of programs to ensure that they are implemented effectively, efficiently, and making judicious use of taxpayer resources. According to the Congressional Budget Office (CBO), the Federal Government is projected to spend \$57.8 trillion over the next ten years. Of that total, only 2 percent is considered mandatory spending within the jurisdiction of the Agriculture Committee.

The Agriculture Committee has been committed to the responsibility of ensuring that taxpayer resources are used efficiently and effectively. At the end of the 115th Congress, the Agriculture Committee was successful in passing the Agriculture Improvement Act of 2018 (2018 Farm Bill) with historic bipartisan support from both Congressional chambers.

The process for the 2018 Farm Bill began by listening to stakeholders as to what's working, what's not working, and what needs to be improved upon from the 2014 Farm Bill. The Committee heard from producers and stakeholders from different regions across the country, and also held hearings in D.C. on all titles of the Farm Bill. In total, over 90 witnesses testified and over 1,800 public comments were received. In the midst of an agricultural economy that has seen net farm income decline by 50 percent over the past five years, the goal was to hear from stakeholders as to how resources need to be used in their most efficient and effective manner to meet the needs of producers, rural communities, and families.

This transparent approach led to passage of the 2018 Farm Bill, which received the most “yes” votes in Senate history for a Farm Bill (87 - 13). The Agriculture Committee was committed in keeping the 2018 Farm Bill within the parameters of its ten-year budget target. As a result, CBO scored the legislation as budget neutral. On top of that success, the 2018 Farm Bill streamlined existing programs and repealed over 150 authorities that were either duplicative or not utilized. And, the Farm Bill also sought to be more responsible in budgeting by committing ongoing mandatory funds in a manner to minimize funding shortfalls for future Congresses to address.

The 2018 Farm Bill provides examples of how partnerships between the Federal government and other state, local, tribal and private entities can better maximize the effectiveness of Federal programs. For instance, the legislation took steps to promote collaboration and leverage Federal resources related to U.S. Forest Service programs and management of Federal land. The 2018 Farm Bill expanded Good Neighbor Authority to counties and tribes in order to promote more local involvement in management decisions governing Federal lands. Additionally, the legislation provided a robust State and Private Forestry program to embolden state resource agencies to conduct landscape-scale forest management projects. The Bill also improved and expanded the Regional Conservation Partnership Program, which will leverage federal funding with an estimated \$3 billion in private funding for conservation over the next decade.

Additionally, two examples of these partnerships can also be highlighted from the Nutrition Title of the 2018 Farm Bill. The 2018 Farm Bill requires engagement of USDA SNAP employment and training programs with local employers, state workforce boards, and non-profits to better match training with local workforce needs. The second provision requires USDA to establish a non-subsidized Workforce Partnership that allows employers and non-profits to offer SNAP employment and training for more acute skill barriers. Both examples increase accountability and opportunity at the state and local level while maintaining access to food assistance for families struggling to find stable employment.

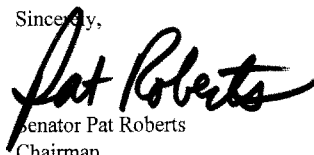
Overall, the rural and agricultural economy continue to struggle. At a time when producers are facing hardships and uncertainties surrounding the weather; low commodity prices; and credit accessibility, the 2018 Farm Bill provides much needed certainty and predictability to rural America over the next five years. Unfortunately, the Administration’s FY 2020 budget proposes significant budgetary cuts to essential USDA programs and their delivery. These proposed cuts are not reflective of the Agriculture Committee’s diligent work in listening to stakeholders and crafting the 2018 Farm Bill. Instead, the Agriculture Committee remains committed to working with USDA and the Administration to ensure that the 2018 Farm Bill is implemented effectively and efficiently.

We respectfully request that the Committee on the Budget recognize the Agriculture Committee’s bipartisan record of contributing to deficit reduction and providing meaningful support to producers and families facing a struggling rural economy. Given the current challenges in the agricultural economy and the uncertainty on trade, we also ask that the Committee refrain from requiring any new cuts to mandatory spending for any programs within our Committee’s jurisdiction. As we continue to move forward in FY 2020 and the 116th Congress, the Agriculture Committee has approximately 20 programs that need updated authorizations. The Agriculture Committee plans to prioritize four reauthorizations in the 116th

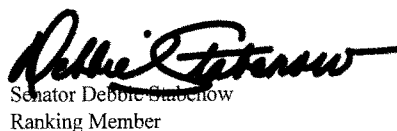
Congress: 1) the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966, 2) Commodity Exchange Act, 3) United States Grain Standards Act, and 4) the Livestock Mandatory Reporting Act. For the FY 2020 budget, the Agriculture Committee would like to request a reserve fund or flexibility for each of these reauthorizations, and would also request that the Committee on the Budget continue to support our efforts in obtaining CBO estimates in a timely manner.

Thank you for this opportunity to present the budget views and estimates of the Agriculture Committee. We look forward to having the Committee on the Budget serve as a strong partner in our efforts in completing our work on behalf of farmers, ranchers, consumers and rural stakeholders.

Sincerely,



Senator Pat Roberts
Chairman



Senator Debbie Stabenow
Ranking Member

RICHARD SHROY, ALABAMA, CHAIRMAN
 MITCH MCCONNELL, KENTUCKY
 LADARALE CATERER, IOWA
 ROSABE CULLIN, MAINE
 LISA MURKOWSKI, ALASKA
 LINDSEY GRAHAM, SOUTH CAROLINA
 RYAN BLUNT, MISSOURI
 JERRY LITVAK, KANSAS
 JOHN HOVDEEN, NORTH DAKOTA
 JOHN HOOZMAN, ARKANSAS
 SHEILEY MOORE CARTER, WEST VIRGINIA
 JOHN KENNEDY, LOUISIANA
 RANDY HYTE SMITH, MISSISSIPPI
 KEVIN CAMEL, MONTANA
 MARCO RUBIO, FLORIDA
 JAMES LAMAR POND, OKLAHOMA
 PATRICK J. LEAHY, VERMONT
 PATTY MURRAY, WASHINGTON
 DINA TORRES, CALIFORNIA
 RICHARD J. SHROEN, IOWA
 JACK REED, RHODE ISLAND
 JOE TESTER, MONTANA
 TOM COONS, NEW MEXICO
 JEANNE SHAHEEN, NEW HAMPSHIRE
 JEFF PERDUE, GEORGIA
 JOHNSTON HENKLE, DELAWARE
 BRIAN SCHWITZ, IOWA
 TAMMY BALDWIN, WISCONSIN
 CHRISTOPHER S. CROMMIE, CONNECTICUT
 JOE MANCHINI, WEST VIRGINIA
 CHRIS VAN HOLLEN, MARYLAND
 SHARON RUTHERFORD HINES, STAFF DIRECTOR
 CHARLES F. KEEFFEL, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
 WASHINGTON, DC 20510-6025
<http://appropriations.senate.gov>

March 15, 2019

The Honorable Michael B. Enzi
 Chairman
 Committee on the Budget
 United States Senate
 Washington, DC 20510

The Honorable Bernard Sanders
 Ranking Member
 Committee on the Budget
 United States Senate
 Washington, DC 20510

Dear Senators Enzi and Sanders,

In response to your letter of February 8, 2019, and pursuant to section 301(d) of the Congressional Budget Act of 1974, we write to provide views and estimates regarding the fiscal year (FY) 2020 budget resolution.

The Committee on Appropriations takes seriously its duty to craft responsible appropriations bills to fund the operations of the federal government. Each year the Committee thoroughly reviews government programs and sets funding priorities after significant input from our constituents and fellow Senators—all while adhering to the statutory requirements of the Balanced Budget and Emergency Deficit Control Act and the Congressional enforcement mechanisms in prior budget resolutions. The Committee will continue its longstanding efforts to provide responsibly for the nation's security and other public needs in FY 2020.

The Committee faces a challenging fiscal landscape as it begins work on its FY 2020 spending bills. Absent a budget deal, Congress will be bound by the budget caps established in the Budget Control Act of 2011. Under this Act, discretionary spending is capped at levels that are \$125 billion *below* FY 2019 levels, requiring a \$71 billion cut in defense programs and a \$54 billion cut in non-defense programs. That represents an 11 percent cut in funding to support our troops and invest in military readiness, and a nine percent cut in domestic and national security programs that help meet the needs and priorities of the American people.

The impact of these cuts is compounded by requirements for increased funding over FY 2019 levels in a number of critical programs that we have little or no control over and projected decreases in discretionary receipts and collections. For example, the Census Bureau requires a significant funding increase to carry out the constitutional mandate to conduct a decennial Census. Significant funding increases are also required to adequately fund veterans' health care, including to implement the VA Mission Act, which provides additional private care options for veterans and becomes effective in June of 2019. These additional resources are necessary due to a shift from the mandatory budget to the discretionary budget in the Act. Additionally, a necessary increase for VA Medical Care over that which was already enacted through an advance appropriation in FY 2019 is expected in this fiscal year. At the same time, discretionary

funding levels will be further impacted by an estimated decrease in discretionary receipts and collections, including from the Federal Housing Administration (FHA), Government National Mortgage Association (GNMA), and Crime Victims Fund.

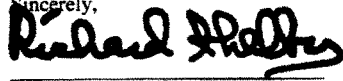
In light of these facts, we believe that the budget caps for Fiscal Year 2020 must be raised if the Appropriations Committee is to complete 12 appropriations bills that responsibly support Congressional priorities and public needs. We urge you to take into account these factors as you consider how to proceed with a FY 2020 Budget Resolution, and in developing that resolution, we encourage you to treat fairly both sides of the ledger, defense and non-defense.

Moreover, in light of the constraints laid out above, we strongly encourage the Budget Committee to refrain from including limitations in the FY 2020 budget resolution that would further inhibit the ability of the Appropriations Committee to do its job. We specifically request that your Committee ensure sufficient outlays are provided in the resolution to preserve the historical spending pattern of Appropriations bills. We also ask that the Committee avoid including any modifications to the existing point of order on changes in mandatory programs in appropriations bills or from altering established methods of estimating the deficit effect of discretionary credit programs.

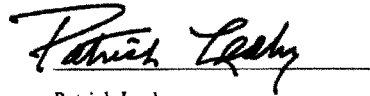
Section 4201 of the FY 2018 budget resolution directed all committees to review programs and tax expenditures within their jurisdiction to identify waste, fraud, abuse, or duplication within the federal budget. In the FY 2019 appropriations laws, we enacted rescissions totaling \$8.6 billion. The Appropriations Committee will continue its long record of scrutinizing funding for programs under its jurisdiction and we are committed to continuing to identify excess spending as we write the FY 2020 bills.

We appreciate the opportunity to express our views and look forward to working with you to provide for the nation's security and non-security needs within the framework of a responsible budget.

Sincerely,



Richard Shelby
Chairman



Patrick Leahy
Vice Chairman

JAMES M. INHOFE (OKLAHOMA - REPUBLICAN) ROBERT C. CARBONELL (PA) TEELE BURKE (NEBRASKA) CHRISTOPHER A. COONS (VT) C. BOB CROTT (NH) JEFF FLAKE (AZ) JON HANSEN (IA) JONOSIDE J. JOHNSON (NE) JON L. KAMINSKI (PA) JON R. KOSNIER (OH) JON S. OSNEY (IA) JON THOMAS (NE) JON W. WOODS (NE) JON W. WOODS (NE) JON W. WOODS (NE) JON W. WOODS (NE) JON W. WOODS (NE) JON W. WOODS (NE) JON W. WOODS (NE)	JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA) JEFF BLAKE (VA)
---	---

United States Senate
 COMMITTEE ON ARMED SERVICES
 WASHINGTON, DC 20510-6050

March 14, 2019

The Honorable Michael Enzi
 Chairman, Committee on the Budget
 United States Senate
 624 Dirksen Senate Office Building
 Washington, D.C. 20510

The Honorable Bernie Sanders
 Ranking Member, Committee on the Budget
 United States Senate
 624 Dirksen Senate Office Building
 Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders:

In accordance with your request, I am submitting my views and estimates regarding defense spending for your consideration as you prepare the Fiscal Year (FY) 2020 Senate Budget Resolution.

As Chairman of the Senate Armed Services Committee I write in support of the President's budget request of \$750 billion for national defense in FY 2020. I understand the challenges the Senate Budget Committee faces each year in crafting an annual budget and balancing the many competing priorities and interests. I too share the concern of many members of the Senate about the nation's growing debt. The Congressional Budget Office projects that by 2029 our nation's debt will be 93 percent of our gross domestic product (GDP), which is driven by an ever growing deficit caused by unsustainable, domestic mandatory programs. This is a trend that, if not addressed, will have negative impacts on the strength of our economy and jeopardize our national security.

However, cutting defense spending is not the solution to our debt problem. It has long been documented that the driver of our debt is mandatory spending, rather than discretionary spending. Absent addressing the growth in mandatory spending first and foremost, reductions to defense spending will have little impact on the debt. More importantly, cutting defense spending at this critical time will have profound impacts on our security, prosperity, and place in the world. Simply put, attempting to reduce our national debt on the back of the defense budget will exacerbate our current national security crisis, while doing little to address the debt.

The Commission on the National Defense Strategy, a bipartisan body tasked with reviewing the 2018 National Defense Strategy, believes that we are facing a crisis of national security. The commission stated that today "the security and wellbeing of the United States are at greater risk than at any time in decades." Further, that "America's ability to defend its allies, its

partners, and its own vital interests are increasingly in doubt,” because the United States may “struggle to win, or perhaps lose, a war against China or Russia.” The impacts of this change in the global balance of power will impact more than just the men and women in uniform. As the guarantor of stability and freedom of the global commons, U.S. military superiority is intrinsically linked to our prosperity.

We find ourselves in this situation today because of mistakes made in the past decade. Under the Obama administration, total defense spending dropped from \$657 billion to \$585 billion. These spending reductions occurred while our service men and women were actively engaged in Afghanistan and Iraq. Asking our military to fight two wars with shrinking budgets produced a readiness crisis that put the lives of our service members at greater risk.

During this time, the Department of Defense also delayed major modernization that would have been necessary to compete against strategic competitors. The Obama administration’s diplomacy—backed by hope rather than strength—did little to counter China’s global ambitions. And it dismissed the threat from Putin’s Russia as political fear-mongering. However, both China and Russia were making significant investments in their military, specifically aimed at neutralizing U.S. advantages. Year by year, our adversaries’ capabilities raced forward while we stood still. Senior military leaders believe the U.S. is losing both its qualitative and quantitative advantage. Unfortunately, in some important instances, our competitors have surpassed U.S. capabilities.

Fortunately, we have begun to recognize the challenges we face, and have taken initial steps to confront them. The Trump administration—through its National Security Strategy and the National Defense Strategy—has acknowledged that the United States is engaged in strategic competitions with both China and Russia, and that the stakes for our security and prosperity must not be underestimated. Increases to defense spending in fiscal year 2018 and 2019 have marked the foundational steps to compete effectively with China and Russia and to restore our comparative military advantage. But this is only the beginning. We must continue this effort if we are to achieve the urgent change at significant scale that is required. While money alone will not fix the problems, we cannot ensure military superiority without it.

The military must recapitalize its force after nearly two decades of combat in the Middle East. And we have to reimagine, reshape, and resize our military to confront the challenges of strategic competition with China and Russia. Most of the weapon systems procured during the Reagan era are simply too old and need to be replaced. Our nuclear weapons, the best deterrent against nuclear powers, must be modernized to ensure their effectiveness. Greater investments must be made for research and development of key technologies that we’ve neglected like hypersonic weapons, long-range fires, cruise and missile defense, and artificial intelligence. All of these efforts will require additional money.

Former Secretary of Defense James Mattis and Chairman of the Joint Chiefs of Staff General Dunford testified that in order to implement the new National Defense Strategy, the defense budget needed a sustained 3-5% real growth. This recommendation was also made by the Commission on the National Defense Strategy. The President’s budget request of \$750

billion also reflects the need for real growth in the defense budget. Simply put, if the United States is going to face two near-peer threats, both with significantly advanced militaries, then the U.S. military must grow and rebuild its capabilities. That cannot be done with a flat budget.

Furthermore, I must stress the urgency for which Congress must reach a budget agreement. If the past is any indication, absent a budget agreement the federal government will be operating on short-term continuing resolutions and possibly even sequestration. This uncertainty in budgets and appropriations creates significant waste within the government and makes cost-saving efforts futile. Even worse, if sequestration is not averted, much of the gains the military has made over the last two years will be squandered. Rather than conduct business as usual, we must find a way to pass a two-year budget deal early in the year that will pave the way for on-time authorization and appropriations bills. In this era of renewed strategic competition, passing on-time appropriations must be considered a matter of national security that will directly impact the ability of the United States to compete effectively with China and Russia.

In closing, I believe the topline requested in the President's Budget Request for Fiscal Year 2020 is the correct level of funding for defense. The Commission on National Defense Strategy stated that "[t]here must be greater urgency and seriousness in funding national defense." I agree. The military will fail in deterring China and Russia without sustained higher levels of defense spending, and the repercussions to our country's prosperity and way of life will be tragic.

Sincerely,



James M. Inhofe

Chairman

JACK REED
RHODE ISLAND
COMMITTEES
APPROPRIATIONS
ARMED SERVICES, RANKING MEMBER
BANKING, HOUSING, AND URBAN AFFAIRS
INTELLIGENCE, EX OFFICIO

United States Senate
WASHINGTON, DC 20510-3903

Washington, DC:
728 Hart Senate Office Building
Washington, DC 20510-3903
(202) 224-4642
Rhode Island:
1000 Chapel View Boulevard, Suite 290
Cranston, RI 02920-3074
(401) 943-3100
One Exchange Terrace, Room 408
Providence, RI 02903-1744
(401) 528-5200
1 (800) 284-4200
TDD Relay Rhode Island
1 (800) 745-5555
senate.gov

March 15, 2019

The Honorable Michael Enzi
Chairman, Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bernie Sanders
Ranking Member, Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders:

In accordance with your request, I write to you with my recommendations for national defense spending for the Fiscal Year (FY) 2020 budget resolution.

Once again, we find ourselves in a situation all too familiar – debating how best to fund the government under the caps required by the Budget Control Act of 2011 (BCA). First and foremost, I believe Congress should pass another two-year budget agreement, like the Bipartisan Budget Act of 2018, to provide further relief from the caps and stability to budget planning.

There is bipartisan consensus that enforcing budget discipline through the BCA and sequestration is ineffective and shortsighted and that the BCA caps for FY 2020 will deprive us of the resources needed to sufficiently meet the needs of our nation. Last year, because Congress had previously passed the Bipartisan Budget Act of 2018, committees knew the parameters of spending permitted, which ensured we could markup and pass the 2019 authorization and appropriation bills for defense before the start of the new fiscal year, giving the military the funding certainty it has lacked for many years. Without a new budget agreement, however, Congress will face great difficulty in crafting an authorization bill within the true limits of spending and will be hard-pressed to provide the Department of Defense (DOD) with another on-time appropriation.

Furthermore, I have argued that meeting our national security challenges requires relief from the BCA caps not only for DOD, but for other agencies that contribute to the defense of our homeland, including the Departments of State, Justice, and Homeland Security, and for the rest of the domestic agencies that make America the country we want to protect. In many cases around the globe, our military should play a complementary or supporting role to other departments and agencies as part of an effective “whole-of-government” approach. While the level of spending for non-defense or domestic priorities falls outside my purview as the Ranking Member of the Senate Armed Services Committee, and the scope of the Budget Committee’s request for this letter, I firmly believe that if the Senate decides to modify the budget caps for FY 2020, we must do so in a manner that continues to maintain parity between defense and non-defense spending, as we have every other time we adjusted the caps. Indeed, the federal

government has additional domestic funding obligations in FY 2020 even above those funded in FY 2019. This includes the decennial census and new commitments to veterans.

The President's FY 2020 budget submission for DOD includes \$544.5 billion for the base budget, \$164.6 billion in Overseas Contingency Operations (OCO) funds, of which \$97.9 billion is designated to pay for base requirements, and \$9.2 billion in emergency funding. I have serious objections to the way this request has been presented and this egregious misuse of the OCO account. I acknowledge that both Congress and previous Administrations have included elements of base funding in OCO accounts in the past, but overloading the OCO request with \$97.9 billion worth of activities that truly belong in the base budget, just to avoid the threshold of the BCA cap, far exceeds any precedent and cannot be justified. While I expect to receive more details from DOD in the coming days, I have serious concerns with the intent of requesting \$9.2 billion in emergency funding in DOD's budget for unspecified military construction projects, including building barriers on our southwestern border.

Putting these budget gimmicks aside, DOD does require significant resources in order to successfully execute the National Defense Strategy (NDS). As identified in the NDS, China and Russia continue to make significant military gains directed specifically at U.S. military capabilities, and this great power competition is the primary threat to our security. In order to respond to this threat, we must ensure that we have a sufficiently sized total force, including our civilian workforce, and that our men and women in uniform are properly trained and equipped to accomplish their missions. We must continue to allocate sufficient resources to restore full spectrum readiness across the force, so that our service members are able to respond to these threats. Meanwhile, we cannot be shortsighted and neglect important investment and modernization efforts that will enable our armed forces to respond and prevail in a potential high-end war against strategic competitors.

Achieving these priorities to revitalize our forces and maintain our competitive advantage will depend upon stable spending and a regular budget process. I appreciate the opportunity to share my views with your committee, and as the Armed Services Committee begins its annual review of the details of DOD's budget request, I look forward to working with Chairman Inhofe to find a bipartisan solution to ensure our service members have the resources necessary to perform the missions we ask of them.

Sincerely,



Jack Reed
United States Senator

RICHARD C. SHELBY ALABAMA	SHERROD BROWN OHIO
JEFF SESSIONS ALABAMA	JACK REED RHODE ISLAND
TIM SCOTT SOUTH CAROLINA	ROBERT MENENDEZ NEW JERSEY
MIKE DEWINE OHIO	JOHN TUSTER MISSISSIPPI
MIKE LITVIN ARIZONA	MARK WARNER VIRGINIA
MIKE ROHLFEN SOUTH DAKOTA	ELIZABETH WARREN MASSACHUSETTS
DAVID PERDUE GEORGIA	ERIK L. SMITH ARIZONA
THOMAS TILB NORTH CAROLINA	CHRIS VAN HOLLEN MARYLAND
JOHN KATINSKY LOUISIANA	LOU BARNEZ CORTEZ MARYLAND
MARK TAKESAKIS ARIZONA	JOE JARVIS ALABAMA
JERRY MORAN KANSAS	TYNA SMITH MISSISSIPPI
KEVIN CRAWFORD NORTH CAROLINA	KYRSTEN SINEMA ARIZONA

ERNEST RICHARD, STAFF DIRECTOR
 ANA K. HODDER, ADMINISTRATIVE STAFF DIRECTOR

United States Senate
 COMMITTEE ON BANKING, HOUSING, AND
 URBAN AFFAIRS
 WASHINGTON, DC 20510-6075

March 13, 2019

The Honorable Michael Enzi
 Chairman
 Senate Committee on the Budget
 624 Dirksen Senate Office Bldg.
 Washington, DC 20510

The Honorable Bernard Sanders
 Ranking Member
 Senate Committee on the Budget
 Dirksen Senate Office Bldg.
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

This letter sets forth the views and estimates of the Committee on Banking, Housing and Urban Affairs on budgetary matters within our jurisdiction, pursuant to Section 301(d) of the Congressional Budget Act. We appreciate the opportunity to provide this input for the Fiscal Year 2020 budget process.

The committee recognizes the significant fiscal challenges facing our nation, and the pressures they place on our budget. The committee encourages a fiscally responsible budget, with strong enforcement of the spending caps contained in it. The committee is encouraged that the pro-growth successes from the previous Congress, on tax reform and regulatory reform, are helping our economy generate sustained growth well above the levels forecast prior to those achievements. This additional growth is boosting jobs, wages and American competitiveness, which will also provide policymakers with greater flexibility to address other fiscal challenges than we would have had if our economy was continuing to struggle with insufficient growth.

As part of the effort to restrain spending and fully account for taxpayer funds, the committee recognizes the important oversight work performed in recent years by the Budget Committee regarding programmatic spending that is wasteful, duplicative, no longer justified or no longer authorized. In connection with that, the committee is aware and appreciative of the regular reports produced by the Congressional Budget Office regarding potential options for reducing the deficit, as well as on expiring authorizations and unauthorized spending within the jurisdiction of each committee.

Committee Jurisdiction:

The Banking Committee's jurisdiction covers banking, financial markets, securities, insurance, housing, mass transit, urban development, international trade and finance, as well as other matters related to economic policy.

Specific Budgetary Matters:*Flood Insurance*

Certain authorities of the National Flood Insurance Program (NFIP), such as the authority to renew and issue new insurance contracts, will expire after May 31, 2019, unless reauthorized by Congress. The NFIP's authority has been extended through a series of short-term extensions since its last long-term authorization of five years ended on September 30, 2017. The Banking Committee recognizes the importance of reauthorizing the NFIP and continues its work on reauthorization.

The Committee requests the budget resolution be drafted to accommodate changes in the NFIP related to the current baseline. In addition, the Committee requests the concomitant contract authority to support related programs.

Terrorism Risk Insurance Program

The Terrorism Risk Insurance Act (TRIA), which authorizes the Terrorism Risk Insurance Program, will expire after December 31, 2020, unless reauthorized by Congress. The Program has been reauthorized three times since its inception with significant changes to increase private capital and protect taxpayers. The Banking Committee recognizes the success of the Program in stabilizing the market for terrorism risk insurance after the terrorist attacks on September 11, 2001, and the importance of reauthorizing the Program. The Banking Committee will continue its work to reauthorize the Program and explore opportunities for additional balanced reforms. The Committee requests the budget resolution be drafted to accommodate for changes in TRIA related to the current baseline.

Transportation Investment

The Fixing America's Surface Transportation Act (FAST), enacted in December 2015, provides authorization for our nation's transit, highway and rail programs through Fiscal Year 2020. The Banking Committee requests that the contract authority levels included in the FAST Act be honored in order to provide stability for surface transportation programs.

There is currently a \$90 billion transit state of good repair backlog. If the Senate acts on an infrastructure package or begins an earnest process for surface transportation reauthorization, the Banking Committee requests that transit programs be included in order to modernize our nation's transit infrastructure and increase the quality of transit service while reducing regulatory burdens and streamlining efficiencies.

Housing Programs

The Committee realizes comprehensive housing finance reform is urgently necessary. It has been over a decade since the two government sponsored enterprises were put into conservatorship. At the time, then-Treasury Secretary Hank Paulson described the conservatorships as a “time-out.” Today, Fannie Mae and Freddie Mac, along with FHA, continue to dominate the mortgage market. Approximately 70 percent of loans originated in 2017 were securitized by Fannie, Freddie, or Ginnie Mae. The Congressional Budget Office has found that taxpayers provide a subsidy to the business activities of Fannie Mae and Freddie Mac, since guarantee fees are too low to cover expected losses and compensate taxpayers for the risk they assume. While Fannie and Freddie are currently making profits, taxpayers could again be on the hook for billions of dollars the next time the housing market experiences a downturn. The status quo is not a viable option; reform is necessary. In 2014, the bipartisan Crapo-Johnson housing finance reform proposal was scored by CBO as saving \$58 billion over 10 years.

Under Secretary Ben Carson, the Department of Housing and Urban Development (HUD) has emphasized that the goal of each federal housing program is to promote economic opportunity while encouraging self-sufficiency. The Committee supports these objectives, and intends to continue working with Secretary Carson to identify opportunities to improve the efficiency of HUD programs, encourage opportunities for public-private partnerships, and identify areas where budgetary savings can be found.

Guarantee Fees

Members of the committee, on a bipartisan basis, have supported previous successful efforts to include in the budget resolution a scorekeeping rule to ensure that increases in guarantee fees for Fannie Mae and Freddie Mac shall not be used to offset unrelated spending proposals.

The purpose of the guarantee fee is to offset prospective Fannie and Freddie credit losses from borrower defaults. Thus, if Fannie, Freddie or other mortgage-related guarantee fees are used to offset new spending, then the revenue is double counted. Should guarantee fees need to be increased, it should only be done as part of an effort to protect taxpayers from mortgage losses and should not be used as a gimmicky offset.

Consumer Financial Protection Bureau

The Dodd-Frank Act established the CFPB as an independent Executive agency. Unlike many other Executive agencies led by bipartisan commissions, the CFPB is led by a single director who appointed by the President and confirmed by the Senate, and can only be removed by the President for cause. As currently constructed, the CFPB lacks sufficient accountability. An en banc ruling by the U.S. Court of Appeals for the

District of Columbia in the case *PHH Corp. v. CFPB* highlighted the CFPB single director's immense power, saying "the CFPB's concentration of enormous executive power in a single, unaccountable, unchecked Director poses a far greater risk of arbitrary decision-making and abuse of power, and a far greater threat to individual liberty, than a multi-member independent agency does." The lack of accountability is furthered by the CFPB receiving its funding through unchecked Federal Reserve fund transfers. The CFPB requested \$172.9 million for FY 2019 Q1 and \$122.8 million for FY 2019 Q2. The Banking Committee will continue to explore reforms to increase the accountability at the CFPB, including subjecting it to Congressional appropriations. The Banking Committee requests the budget resolution provide for such reforms.

Export Import Bank reauthorization

The Export-Import Bank's charter expires on September 30, 2019. As the committee turns to its reauthorization, it will explore the proper role of the Bank in providing finance in response to foreign governments, like China, that provide aggressive subsidies and place U.S. exporters at a disadvantage.

Committee on Foreign Investment in the United States (CFIUS)

CFIUS is an inter-agency committee currently authorized to review transactions that could result in foreign control of a U.S. business in order to assure that the national security interests of the United States are protected. In recent years, the caseload of CFIUS has dramatically increased, alongside a more pronounced threat arising from Chinese transactions, in particular. As a result, the Committee undertook a broad review of the CFIUS process in conjunction with evaluating new legislation designed to expand existing CFIUS authorities to capture deals for review that may otherwise go undetected and allow for illicit transfers of critical technology and know-how. The Foreign Investment Risk Review Modernization Act (FIRRMA), enacted in 2018, modernizes and strengthens CFIUS, and expands its jurisdiction to address national security concerns more effectively while maintaining the commitment of the United States to an open investment policy. As Chair of CFIUS, the Treasury Department is now leading an interagency process to draft regulations to implement FIRRMA, which must be completed on or before February 13, 2020. The Banking Committee strongly supports the efforts of Treasury and other CFIUS member agencies to take the steps necessary to increase staffing substantially in 2019 and/or subsequent years, including through the special hiring authority provided by FIRRMA and the use of contractor support, in order to accommodate the broad expansion of CFIUS jurisdiction and execute its mission. Relatedly, certain CFIUS member agencies also are investing in increased office space and information technology infrastructure. Treasury is working with the CFIUS member agencies to understand expected staffing and resource needs and develop plans to meet those needs. The forthcoming FY 2020 President's Budget will

include additional information on staffing and associated resource requirements of Treasury and other CFIUS member agencies.

Bureau of Industry & Security (BIS), U.S. Department of Commerce

The committee supports policies to enable BIS to ensure strong U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system, and by promoting continued U.S. leadership in strategic and critical technologies. Export enforcement activities are also crucial as the number of exporters and the amount of exports continue to grow. These activities include investigating and prosecuting violations of controls for items that are used in conventional arms, weapons of mass destruction, terrorist activities or human rights abuses.

Congress passed the Export Control Reform Act of 2018 in the FY19 NDAA. The bill provided BIS export enforcement agents with enhanced law enforcement authorities, including the authority to conduct undercover and overseas operations and to utilize electronic surveillance in cases where the EAR or the ECRA have been violated. It established an interagency review process for the identification of emerging critical technologies and the control of such items. The Committee will continue to evaluate the measure and need for changes and harmonization of law, regulation and policy related to these activities to the extent necessary to support a more flexible and responsive Commerce led process.

Defense Production Act (DPA)

The DPA ensures the availability of U.S. industrial resources to meet national and homeland security requirements by granting the President the authority to ensure the supply and timely delivery of products, materials and services to military and civilian agencies and force industry to give priority to national security production. The DPA's Title I "priorities and allocations" authority and Title III "expansion of domestic production/capacity" authorities were extended in a 6 year reauthorization included in the FY19 NDAA now set to expire September 30, 2025. The Committee will continue to work with relevant government and industry stakeholders to limit any unnecessary expansion of this already powerful set of authorities while assuring the best means to ensure that domestic resources are available when most needed.

Office of Terrorism and Financial Intelligence (TFI), U.S. Department of the Treasury

TFI's role in protecting U.S. national security has grown dramatically over the last several years to meet its mission goals mainly related to increasing congressional sanctions authorities and reporting requirements being imposed on Russia and North

Korea. Additionally, it is expected that increased pressure will be brought against Iran's malign activities and the financial networks that support Syria. The Committee actively reviews the existing sanctions architecture to ensure that contemplated sanctions are narrowly tailored to achieve stated policy goals.

The Financial Crimes Enforcement Network (FinCEN), U.S. Department of the Treasury

FinCEN leads the related effort to combat money-laundering and other illicit financial transactions that threaten the U.S. financial system. In the coming year, the Committee will expand its understanding and analysis of the existing legal and regulatory scope of the Anti-Money Laundering/Bank Secrecy Act/Counter-Financing of Terror (AML/BSA/CFT) regime with an eye toward narrow reforms that demonstrate the value of AML/CFT regulation and make the current architecture both more productive for law enforcement authorities and less burdensome for the financial industry.

Thank you for the opportunity to provide input. If your staff has any questions related to these or other budgetary issues within the committee's jurisdiction, please contact Mike Quickel at 224-7391.

Sincerely,

A handwritten signature in black ink that reads "Mike Crapo". The signature is written in a cursive, slightly slanted style.

Mike Crapo
Chairman

U.S. SENATE

VICE PRESIDENT MICHAEL PENCE U.S. SENATE 500 CAPITOL BUILDING WASHINGTON, DC 20540 TEL: 202-456-3400 FAX: 202-456-3400 WWW.SENATE.GOV	U.S. SENATE CLERK KATHLEEN TIGHE U.S. SENATE 500 CAPITOL BUILDING WASHINGTON, DC 20540 TEL: 202-456-3400 FAX: 202-456-3400 WWW.SENATE.GOV
--	---

United States Senate
 COMMITTEE ON COMMERCE, SCIENCE,
 AND TRANSPORTATION
 WASHINGTON, DC 20510- 6125
 WEBSITE: <http://commerce.senate.gov>

March 15, 2019

The Honorable Michael B. Enzi, Chairman
 The Honorable Bernard Sanders, Ranking Member
 U.S. Senate Budget Committee
 624 Dirksen Senate Office Building
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

This letter provides the views of the Committee on Commerce, Science, and Transportation majority regarding the fiscal year (FY) 2020 Budget Resolution. These views are provided in response to your February 8, 2019, letter. Thank you for the opportunity to provide these views and recommendations regarding the FY 2020 budget resolution process.

As you know, the Commerce Committee has a broad jurisdiction covering several departments and agencies. Given the Commerce Committee’s reach, many, but not all, agencies within the Committee’s jurisdiction are reflected in this letter.

Department of Transportation (DOT)

The President’s FY 2020 budget request for DOT proposes a long-term surface transportation reauthorization in addition to a \$200 billion infrastructure initiative. The Committee is committed to doing its part to enact a multiyear surface transportation reauthorization. To facilitate this effort, the Committee requests a deficit-neutral reserve fund for transportation in the upcoming budget resolution to ensure that funding levels can meet the needs of multimodal infrastructure.

The Committee expects DOT to continue to focus budgetary resources on implementation of the Fixing America’s Surface Transportation (FAST) Act (P.L. 114-94) during its fifth and final year. In particular, the Committee hopes DOT will continue to implement the National Surface Transportation and Innovative Finance Bureau, now known as the Build America Bureau, to serve as a “one stop shop” to streamline credit opportunities, provide technical assistance and encourage innovative best practices in project planning, financing, delivery, and monitoring for both rural and urban projects. As part of the President’s FY 2020 budget request, the Administration provides \$4 billion for the Build America Bureau.

Further, the Committee expects DOT to appropriately allocate funds under the freight discretionary grant program, now known as Infrastructure for Rebuilding America (INFRA). It is important that DOT maintain a transparent process when implementing the freight provisions

under the FAST Act and ensure planning and funding address both rural and urban freight needs on a multimodal basis. DOT should focus on funding multimodal projects meant to enhance national and regional economic vitality while reducing congestion and modernizing the nation's infrastructure. As part of the President's FY 2020 budget request, the Administration provides an additional \$1 billion to the FAST Act FY 2020 authorization level for the INFRA program for multimodal freight projects, which the Committee supports.

The Committee supports the authorization of and funding for the Better Utilizing Investments to Leverage Development (BUILD) grant program, formerly known as the Transportation Investment Generating Economic Recovery (TIGER) Program, originally created under the American Recovery and Reinvestment Act of 2009. BUILD is an innovative grant program that supports critical road, rail, and port infrastructure projects across the country on a multi-modal basis. The demand for BUILD grants has far exceeded available funds, and the BUILD program provides much-needed investment in rural communities. As part of the President's FY 2020 budget request, the Administration provides \$1 billion for the BUILD program, which the Committee supports.

Additionally, the Committee expects port infrastructure investment to be a part of the surface transportation reauthorization or other infrastructure-related legislation. The Committee supports the authorization of and funding for a grant program focused on transportation infrastructure within the boundary of a port, or outside the boundary of a port, and directly related to port operations or to an intermodal connection to a port that will improve the safety, efficiency, or reliability of the movement of goods into, out of, around or within a port facility. The Committee's views are discussed in more detail under the Maritime Administration section.

The Committee would like to work with the administration and key stakeholders to advance proposals that support the advancement of technology in transportation to address safety and mobility challenges across modes. The Committee is encouraged by the focus on emerging transportation technologies at DOT. As part of the surface transportation reauthorization, the Committee will pursue provisions to increase innovative research, incentivize and support deployment of technology, update regulatory priorities, and increase the expertise across modes.

The DOT Inspector General has identified cybersecurity as a top management challenge for the department in meeting its mission. The Committee is encouraged by the focus on cybersecurity improvements and information technology modernization through a working capital fund at the department.

Given the challenges with highway trust fund solvency, as part of a surface transportation reauthorization, the Committee will review alternative ways to continue increasing funding. The Committee will review a number of funding options, including transferring amounts between accounts, penalties, and user fees.

Office of the Secretary of Transportation

Although the Federal Aviation Administration (FAA) administers many aviation programs, the Office of the Secretary of Transportation (OST) is responsible for carrying out a number of

programs that provide vital funding to small and rural communities. The FAA Reauthorization Act of 2018 (P.L. 115-254) authorized \$161 million in funding for the Essential Air Service (EAS) program for fiscal year 2020. EAS was established after airline deregulation to ensure that small communities still receive air service. The President's Budget Request for FY 2020 proposes funding reductions to EAS, but the Committee believes that continued, robust funding is important for this program. The Committee recommends that the Senate budget resolution fund EAS at the level authorized by the FAA Reauthorization Act. That Act also authorized \$10 million in FY 2020 funding for the Small Community Air Service Development Program (SCASDP), a valuable program that provides grants to help small communities address air service issues. Over the last decade, small communities have faced challenges in attracting and retaining commercial air service. The Committee hopes the Senate FY 2020 budget resolution will take into consideration the important roles that EAS and SCASDP play in maintaining and attracting air service for small communities.

Federal Aviation Administration (FAA)

The FAA Reauthorization Act extended the authorities of the agency and the Airport and Airway Trust Fund (Trust Fund) through FY 2023. This year, the Commerce Committee will conduct oversight on implementation of P.L. 115-254 by relevant federal agencies. The Committee believes that the FAA should prioritize the following areas: (1) safe and efficient integration of unmanned aircraft systems into the national airspace; (2) delivery of air traffic control (ATC) modernization and improvements in aviation system capacity; (3) ensuring that security and safety are achieved in a timely and cost-effective manner; and (4) the health of the Trust Fund.

The FAA budget is broken out into four accounts: Operations; Facilities & Equipment; Research, Engineering, and Development; and money for grants for the Airport Improvement Program (AIP). P.L. 115-254 authorizes an increase in overall funding for the FAA in FY 2020, including \$10.732 billion for Operations; \$3.469 billion for Facilities & Equipment; \$175 million for Research, Engineering and Development; and \$3.35 billion for the AIP. Recognizing the importance of the airport system in the United States, P.L. 115-254 authorized an additional \$1.04 billion in supplemental discretionary AIP funds for FY 2020, following the \$1 billion that had been appropriated in the Consolidated Appropriations Act, 2018 (P.L. 115-141). The Committee recommends the Senate budget resolution for FY 2020 at least match the funding levels present in P.L. 115-254 for these FAA accounts. The Committee recognizes that the President's Budget Request for FY 2020 would provide roughly \$600 million less than the authorized funding levels for FY 2020. However, the Committee believes the congressionally authorized levels would provide the FAA with adequate funding. The Committee notes that AIP funding levels below \$3.2 billion would threaten formula funding for small and general aviation airports.

P.L. 115-254 builds upon past legislative and regulatory action regarding Unmanned Aircraft Systems (UAS) operations in the National Airspace System (NAS). The law addresses a number of UAS safety issues, criminalizes reckless UAS behavior around manned aircraft, runways and wildfires, and boosts enforcement, while creating new opportunities for testing and promoting innovative uses. Additionally, recognizing the continuing efforts to integrate UAS safely and efficiently into the NAS, P.L. 115-254 promotes advancement of low-altitude UAS traffic

management services and directs the FAA to establish a process to accept consensus safety standards for small UAS. The Committee recommends that the FAA continue to be allocated the resources needed to efficiently create the framework necessary to allow for safe, integrated UAS operations in the NAS.

NextGen is a multibillion-dollar transportation infrastructure project aimed at modernizing our nation's aging ATC system by improving safety and expanding national airspace system capacity to meet future demand. As part of the reauthorization, the Committee included provisions designed to improve delivery of NextGen benefits, including requirements for the FAA to assess how each NextGen program contributes to a safer and more efficient air traffic control system and each program's current implementation status.

Upon recommendation by the National Space Council, on May 24, 2018, President Trump signed Space Policy Directive-2 (SPD-2), Streamlining Regulations on Commercial Use of Space. Under SPD-2, the Secretary of Transportation was directed to review and streamline the FAA's existing commercial space launch and reentry licensing regime by February 1, 2019. However, the recent partial government shutdown has delayed the release of a proposed rule. The Committee expects continued growth in the commercial space sector, and it is critical that the FAA has the resources it needs to implement this regulatory reform and increase the efficacy of the licensing process.

Federal Maritime Commission (FMC)

The Committee supports efforts at the FMC to encourage supply chain innovation, reduce unnecessary burdens, and ensure the U.S. international transportation system is regulated for the benefit of American exporters, importers, and consumers.

Federal Motor Carrier Safety Administration (FMCSA)

The President's FY 2020 Budget Request provides \$675.8 million for FMCSA, consistent with FAST Act levels. The Committee expects FMCSA to continue to improve safety through the reduction of crashes, injuries and fatalities involving large trucks and buses. The Committee supports FMCSA's efforts to strengthen stakeholder outreach through public interactions and partnering with commercial motor vehicle industry leaders to help foster the adoption of advanced driver assistance technologies that will help improve highway safety, save lives, and reduce crashes involving large trucks and buses. The Committee expects FMCSA to consider, where appropriate, regulatory relief, so that regulations are better adapted to commercial drivers' unique situations.

Federal Railroad Administration (FRA)

The Committee supports robust funding for the rail infrastructure grant programs authorized by the FAST Act, particularly those that provide assistance to short line railroads, improve railroad infrastructure in rural areas, and provide for improvements to and restoration of intercity passenger rail service. The Committee strongly supports funding for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program, an innovative freight and passenger

rail grant program that is based on benefit-cost principles. The CRISI program has the greatest potential to make needed rail infrastructure improvements in geographically-diverse areas of the country. The Committee also supports funding for the Restoration and Enhancement Grants Program, an important passenger rail grant program that provides operating assistance for the safe initiation or restoration of intercity passenger rail service. Given the solvency issues of the Highway Trust Fund (HTF), the Committee continues to support funding these grant programs through discretionary appropriations.

Additionally, the Committee supports funding for Amtrak and intercity passenger rail service. As part of the FY 2020 Budget Request, the Administration provides for significant reductions in funding for the Northeast Corridor and the National Network and supports restructuring the Amtrak system to focus on shorter distance routes. The Committee supports significantly more robust funding for Amtrak, particularly given ongoing discussions of long-distance service. As was done in the FAST Act, the Committee intends to include Amtrak in any surface transportation reauthorization.

Maritime Administration (MARAD)

On August 13, 2018, the National Defense Authorization Act of 2018 (P.L. 115-232) was signed into law. That Act included a reauthorization of the Maritime Administration for FY 2019. Over the next few months, the Commerce Committee will conduct oversight on implementation of P.L. 115-232 by the Maritime Administration. The Committee believes it is vital to national security that the United States maintain its maritime capacity, including adequate mariner numbers to crew vessels for military sealift mobilizations and shipbuilding facilities to build U.S. vessels. Recognizing the importance of U.S. shipbuilding to maintain a U.S. flag fleet, the Committee recommends the Senate budget resolution for FY 2020 at least match funding levels for MARAD's small shipyard grants program and the Title XI guaranteed loan program present in P.L. 115-232. The Committee notes that the President's Budget proposal for FY 2020 would provide roughly \$425 million less than the appropriated funding levels for FY 2019. The Committee believes the congressionally authorized levels would provide the nation adequate funding to meet national security needs.

In addition to P.L. 115-232, the 2019 Consolidated Appropriations Act (P.L. 116-6) provided approximately \$290 million for ports infrastructure development, which is a vital economic and national security need. The Committee plans to work on complementary authorization language over the next few months, as well as improvements to the short sea transportation program. The Committee recommends that appropriated levels would meet the need for reliable, modern, and secure ports. Recognizing the importance of maintaining a strong U.S. Flag fleet with adequate mariner numbers to meet national security needs, the Committee recommends the Senate budget resolution for FY 2020 at least match funding levels for MARAD present in P.L. 116-6, including funding for mariner education and MARAD Operations including port development, and surge sealift needs. The Committee recommends a \$3 million increase in funding above the appropriated amount in P.L. 116-6 for the short sea shipping program, considering the rising infrastructure needs of our nation's inland waterways.

National Highway Traffic Safety Administration (NHTSA)

The President's FY 2020 Budget Request for NHTSA is \$929 million, representing a decrease of \$37 million from FY 2019 enacted levels.

The President's proposal includes \$151 million for vehicle safety operations and research from the General Fund, a decrease of \$63 million from the authorized level in the FAST Act. With more than 37,000 lives lost on our nation's roads in 2017, the Committee encourages DOT to treat highway safety as a high priority. As such the Committee does not support funding levels below those signed into law under the FAST Act.

The Committee supports the increased focus on activities to support the safe development and deployment of automated vehicle technologies, including advance driver assistance systems and automated driving systems. NHTSA should work in partnership with industry, states and localities, transportation users, and other stakeholders on these issues so as not to impair innovation and competitiveness.

The President's Budget includes \$610 million for highway traffic safety grants, consistent with FAST Act authorized levels. The Committee encourages DOT to use the highway safety programs to better target existing and emerging safety challenges. The Committee would support greater attention on awareness to prevent heatstroke deaths of unattended child passengers in hot cars. In addition, the Committee would support providing greater flexibility to the states to target specific safety challenges, as well as alleviating state administrative burdens where appropriate.

Pipeline and Hazardous Materials Safety Administration (PHMSA)

The Committee expects PHMSA to provide the Committee with regular updates on the strategic planning to better address pipeline safety and hazardous materials oversight as required under the Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act (P.L. 114-183). Pursuant to the PIPES Act, which expires at the end of FY 2019, PHMSA must focus on issuance of the required safety standards and various studies intended to increase innovation and collaboration between the pipeline industry and government stakeholders.

In reauthorizing pipeline safety, the Committee supports providing PHMSA with additional resources to further provide for effective oversight of pipelines, natural gas storage, and liquefied natural gas (LNG) facilities. The Committee also supports continued collaboration with stakeholders to facilitate innovation that will provide for safer pipelines and LNG facilities. As the industry moves toward exporting significantly greater volumes of LNG, the Committee is interested in ensuring that PHMSA has sufficient resources to train staff on regulatory oversight of LNG facilities and changes in the industry.

Department of Homeland Security (DHS)

Transportation Security Administration (TSA)

The President's Budget Request for FY 2020 for the Transportation Security Administration (TSA) is \$7.8 billion, in line with the FY 2019 enacted level of \$7.86 billion. With the enactment of the TSA Modernization Act last year (Division K of the FAA Reauthorization Act of 2018, P.L. 115-254), Congress passed the first reauthorization in the agency's history. The Committee has been monitoring TSA's implementation of TSA Modernization Act provisions and remains interested in the agency's progress toward expanding enrollment opportunities for the PreCheck Application Program. The TSA Modernization Act built upon oversight of the PreCheck Program improvements enacted in the FAA Extension, Safety, and Security Act (FESSA) (114-190) by requiring TSA to partner with at least two private sector companies to market and to increase enrollment opportunities for the program in order to vet and facilitate faster travel for more of the flying public.

The Committee is pleased that the FY 2020 budget requests money for the procurement and deployment of 320 computed tomography (CT) units, which is more than double the FY 2019 request, and should help improve the efficiency and effectiveness of passenger screening. The Committee remains concerned about TSA's delayed procurement and deployment of next generation CT screening machines and credential authentication technology. In line with requirements in the TSA Modernization Act, TSA must develop a third party testing and evaluation program to more quickly evaluate and procure future generations of security technologies and work more closely with security technology manufacturers and other stakeholders.

The Committee also stresses the importance of procuring and effectively deploying explosive detection canine teams. A limited supply of canines, lengthy training process, and limited number of training locations have inhibited TSA's ability to procure and deploy canines. The TSA Modernization Act required TSA to develop standards that allow for use of third party explosives detection canines for the screening of passengers, property, and air cargo in order to increase the supply and deployment of canines at airports, as well as to implement a digital monitoring system to improve review, data analysis, and record keeping of canine testing performance and program administration. The Committee will be overseeing TSA's implementation of these requirements.

The Committee is concerned that, as was the case in the FY 2018 and FY 2019 budget requests, the FY 2020 budget request may eliminate funding for the Law Enforcement Officer (LEO) Reimbursement Program. The Committee stresses the importance of this program for smaller airports to meet a FESSA requirement on providing LEO coverage to enhance the security of all areas of an airport. The TSA Modernization Act increased the amount and number of awards included in the LEO Reimbursement Program by authorizing a \$10 million increase in appropriations to promote greater security and law enforcement presence at airports.

The Committee does not believe that the Senate budget resolution should include fee proposals to increase the Aviation Passenger Security Fee above \$5.60 per one-way trip or that would

reinstate the Air Carrier Fee. These additional fee proposals would follow previous increases mandated in the Bipartisan Budget Act of 2013 (P.L. 113-67) and 2015 (P.L. 114-74) that diverted aviation security fee revenues to pay for deficit reduction. The TSA Modernization Act ensured that these diverted fees are redirected towards aviation security once the current budget offsets expire.

In addition to the aviation mode, surface security remains a priority for TSA and the Committee. The open venue and public spaces that characterize our surface transportation hubs will continue to be targets for terrorist organizations. Funding for canine teams and automated explosive detectors are essential to combatting those with ill intent and to protect the travelling public.

Coast Guard

The Committee supports fully funding the Coast Guard to support its critical role in securing and protecting the sovereignty of the United States. The Coast Guard must continue to recapitalize its aging fleet of cutters and aircraft, improve critical infrastructure, and make significant investments in its workforce to continue to carry out its statutory missions for the American people. The Committee recommends robust funding levels for the Coast Guard's Operations & Support (O&S) and Procurement, Construction, & Improvements (PC&I) accounts, consistent with FY 2019 appropriated levels. The Committee also recommends that the Senate budget resolution include military pay and allowances consistent with the FY 2019 National Defense Authorization Act, as well as civilian benefits and retirement contributions.

The Coast Guard's planned acquisition of a new Offshore Patrol Cutter (OPC) remains a continuing priority for the Committee. The OPC will replace the 50 year old Medium Endurance Cutters (MECs). The cutters serve as floating command posts throughout the Atlantic, Caribbean, and Pacific Oceans to interdict drug smugglers and illegal migrants. The completion of the OPC acquisition is critical to the Coast Guard's continued ability to prevent migrants and drugs from entering the country. Of equal importance is the completion of the Coast Guard's National Security Cutter (NSC) and Fast Response Cutter (FRC) programs. The Committee recommends that the Senate budget resolution include sufficient funding to procure the 12th NSC (NSC-12) to ensure that the retiring Hamilton-class cutters are replaced on a one-for-one basis. These three vessels (OPC, NSC, and FRC) will ensure the nation's ability to control the maritime environment well into the future.

The Committee fully supports the rebuilding of the Coast Guard's icebreaker fleet. The Consolidated Appropriations Act of 2019 included \$655 million for production of the first Polar Security Cutter (PSC) and \$20 million for long lead materials for a second PSC. The Arctic's maritime relevance is rapidly rising. A robust PSC fleet is critical to ensure America is able to project presence in the Polar Regions at a time when global interest in the area is on the rise. Funding is also needed for the service life extension program (SLEP) to maintain Coast Guard Cutter POLAR STAR. The Committee also supports funding needed to effectively carry out its icebreaking mission on the Great Lakes. The FY 2019 budget included \$5 million for survey and design work to support the acquisition of a Great Lakes icebreaker.

In addition to ship recapitalization, the Committee supports funding to support service life extensions for MH-60T helicopters, service life extension and upgrades to H-65 helicopters, and support for the modernization of the fixed-wing HC-27J and HC-144A aircraft. Additionally the Committee supports significant funding to the O&S account to provide for shore-side infrastructure and maintenance personnel to provide support for boats, cutters, and air assets.

Department of Commerce

National Institute of Standards and Technology (NIST)

The President's Budget Request for FY 2020 includes top-line funding for NIST at \$688 million, a reduction of \$297 million from FY 2019 appropriations. The Committee is concerned that the FY 2019 budget request included the elimination of the Hollings Manufacturing Extension Partnership (MEP) Program. According to NIST, for every dollar of federal investment, the MEP network generates \$18 in new sales growth for manufacturers. The Committee is concerned that the FY 2020 Budget Request would decrease Scientific and Technical Research Services funding for research into the areas of cybersecurity and quantum computing and supports funding NIST at levels consistent with FY 2019 appropriations.

The Committee also supports robust funding for grants to establish and operate centers of excellence for graphene research, innovation, and entrepreneurship. A center of excellence would bridge the gap between university-based science and commercial-based innovations and applications.

National Oceanic and Atmospheric Administration (NOAA)

The Committee expects NOAA to focus budgetary resources on implementation of recently enacted legislation, including Modernizing Recreational Fisheries Management Act of 2018 (P.L. 115-264), the CENOTE Act of 2018 (P.L. 115-394), and National Integrated Drought Information System Reauthorization Act of 2018 (P.L. 115-423). The Committee supports funding at levels no lower than the authorizations of appropriations in those bills. With respect to CENOTE, the Committee supports robust funding for the acquisition of advanced deepwater Unmanned Maritime Systems (UMS) at the agency. These systems represent a cost-effective way for the agency to dramatically increase its number of oceans observations. By partnering with research academic institutions and other federal agencies, especially the Department of Defense, NOAA could effectively develop deepwater UMS capacity for vital ocean exploration and discovery missions.

The Committee expects that NOAA will continue to implement the Consumer Option for an Alternative System to Allocate Losses (COASTAL) Act and supports funding at no less than FY 2019 enacted levels. The COASTAL Act requires NOAA to produce detailed post-storm assessments in the aftermath of a damaging hurricane. The Federal Emergency Management Agency (FEMA) will use those assessments to evaluate structural damage. This will improve the accuracy of post-storm assessments which are key to providing fair compensation to homeowners.

Fisheries

The Committee supports funding recreational fisheries data collection, surveys, and assessments at levels no less than FY 2019 levels. NOAA cannot fairly manage recreationally important species if the agency is not allocating resources to assess these stocks. Further the Committee supports funding for the Fishery Management Councils at levels no less than FY 2019. Last year, the Gulf of Mexico Fishery Management Council voted to adopt exempted fishing permits (EFPs) for recreational red snapper management. Adequate funding is necessary to support the Council and the Gulf States' full implementation of these EFPs. Congress also expects NOAA to improve its management of our recreational fisheries by fully implementing the Modern Fish Act, including by funding National Academy of Science studies required by the Act. The Committee also supports robust funding for the implementation of the Seafood Import Monitoring Program (SIMP). With the recent inclusion of shrimp and abalone in the SIMP program, NOAA will now be able to use this as a tool to ensure such imports are safe for consumption. As shrimp represent 65 percent of our seafood imports, there may be an increase in resources required to monitor our imports.

Advancing the domestic aquaculture industry would create jobs, improve food security and safety, and benefit coastal communities. The National Marine Fisheries Service must continue its work to promote offshore aquaculture. Additionally, the Committee supports adequate funding for aquaculture research, including on oyster genetics.

National Ocean Service (NOS)

NOS is responsible for the mapping, protection, and restoration of our nation's oceans. The Committee supports the work NOS does to support the Blue Economy and further supports funding at no less than FY 2019 appropriated values for the following programs within NOS: the National Estuarine Research Reserve System (NERRS), the Integrated Oceans Observing System (IOOS), the Geospatial Modeling Grants Program, and the Joint Ocean and Coastal Mapping Centers. NERRS is a network of 29 estuaries managed as reserves to encourage long-term research, education, and coastal stewardship. For example, Grand Bay NERR in Mississippi protects 18,000 acres of coastal marshlands and supports recreation, fish nurseries, wildlife observing, and science education.

Both the Joint Ocean and Coastal Mapping Centers and the Geospatial Modeling Grants Program improve our understating of the U.S. domain. Ensuring safe and efficient maritime operations while advancing our understanding of the marine environment represents a wise investment in America's future.

IOOS provides the Gulf Coast region with continuous and uninterrupted coastal data which is essential for monitoring environmental conditions, predicting severe weather occurrences, and ensuring that coastal communities remain prepared and protected. The Committee also supports robust funding to allow IOOS to acquire autonomous buoyancy gliders. The return on investment from gliders is high due to the ability to conduct long missions at a reduced cost-per-day for operational and maintenance costs compared to large ocean research vessels.

Office of Atmospheric and Oceanic Research (OAR)

OAR provides the research necessary for the continual improvement of NOAA's products and services. The Committee supports robust funding for OAR's office of Weather and Air Quality (OWAQ) as it is conducting research essential to improving weather forecast information and products. Additionally, the Committee supports funding at no less than FY 2019 enacted levels for the National Sea Grant Program and the National Sea Grant Program Law Center. Sea Grants are the last-mile for NOAA. They connect NOAA's scientists and resources to stakeholders in all coastal states and support industry, education, and the environment. The Committee is also fully supportive of the program's Sea Grant fellowship. Additionally, the Committee supports the Marine Aquaculture Program that grants funding through the National Sea Grant College Program for research and industry support.

The Committee also supports NOAA's participation in and funding of the National Oceanographic Partnership Program (NOPP). The NOPP provides a nimble mechanism for intragovernmental coordination and governmental collaboration with external stakeholders.

National Telecommunications and Information Administration (NTIA)

NTIA manages federal uses of spectrum in the United States. Currently, NTIA is funded at \$39.5 million resolution for fiscal year 2019. During this Congress, the Committee may examine reauthorizing NTIA and will consider funding as part of the Committee's continuing oversight of the agency.

The Consolidated Appropriations Act, 2018 provided that NTIA would have available \$7.5 million to update the national broadband availability map in coordination with the Federal Communications Commission and using partnerships previously developed with the States. The national broadband map (NBM) was first launched in 2011 with funds from ARRA. In 2015, NTIA turned control of the NBM over to the Federal Communications Commission (FCC). Before the FCC updated the NBM in February 2018, it had not been meaningfully updated in four years. The Committee will review NTIA's initiatives with respect to broadband mapping to limit inefficiencies and redundancies between NTIA and the FCC.

In 2015, the FCC's auction of spectrum, including the government holdings in the AWS-3 band, raised a record-setting \$44 billion in receipts—nearly exceeding all auction receipts to date combined. That money was used to fund the First Responder Network Authority (FirstNet), pay to reduce the deficit, and cover adjustment costs for federal agencies that previously used the spectrum. The Spectrum Pipeline Act of 2015 (P.L. 114-74) requires NTIA to identify 30 MHz of federal spectrum below 3 GHz by 2022 so that the FCC can conduct an auction no later than July 1, 2024. Recently, NTIA has looked to free 100 MHz (in the 3450-3550 MHz band) of federal spectrum for wireless use. The Committee will continue to examine the operation of the Spectrum Relocation Fund and the role of NTIA in spectrum management with a focus on encouraging Federal entities to become more efficient in their use of spectrum.

A February 28, 2012, GAO report (GAO-12-342SP) on duplicative government activities concluded that spectrum management is fragmented between NTIA and the FCC in a way "that

could impact the nation's ability to meet the growing demand for spectrum." Indeed, slow progress in repurposing spectrum inefficiently used by the Federal government that might be better allocated toward the growing demand for commercial mobile broadband services, as well as the increasing number of interference disputes arising between Federal and commercial users, may be due, in part, to the division between the NTIA's management of Federal spectrum use and the FCC's management of commercial, State, and local spectrum use. GAO pointed in particular "to a lack of transparency in their joint planning efforts"; a dearth of coordination in some circumstances; the NTIA's reliance "heavily on Federal agencies to self-evaluate and determine their current and future spectrum needs, with limited oversight or emphasis on holistic spectrum management to ensure that spectrum is being used efficiently across the federal government"; and the fact that agencies do not pay for the spectrum they receive and do not have sufficient incentives to use spectrum more efficiently. As mentioned above, the Committee will continue to examine the roles of the FCC and NTIA so that the entities work in a more efficient manner.

FirstNet, established in 2012 through the Middle Class Tax Relief and Job Creation Act (P.L. 112-96), is an independent authority within NTIA. FirstNet was established to create a reliable, secure, and interoperable nationwide public safety broadband network (NPSBN). On March 30, 2017, AT&T was awarded the contract to build, operate, and maintain the FirstNet network. A June 2017 GAO report (GAO-17-569) found that FirstNet had conducted meaningful efforts to establish the network and had consulted with state and local, federal, and tribal stakeholders regarding network planning and future deployment. While state officials generally expressed satisfaction with FirstNet's outreach efforts, GAO found that stakeholders remain concerned FirstNet will face challenges with respect to: providing coverage to rural areas, in buildings, or underground; ensuring the network's overall resiliency and cybersecurity; and managing frameworks for user identity, credentialing users, access management, and user prioritization on the network. On November 15, 2017, the Committee sent a letter to GAO asking the agency to inform the Committee regarding any issues, including budgetary issues, impacting the deployment of the NPSBN. The Committee continues to monitor and track the progress of the NPSBN to ensure it is deployed in an efficient manner.

Independent Agencies

Consumer Product Safety Commission (CPSC)

The CPSC is now operating with a three-to-two Republican majority following over a year of the Democrats holding a three-to-one majority notwithstanding the election of President Trump. The Committee expects the CPSC to focus resources on its core mission of consumer safety, while looking for opportunities to enhance compliance by the stakeholder community and minimize duplication of efforts with other agencies, particularly as new and emerging consumer products and technologies enter the marketplace.

For example, as noted in past budget views, the Committee does not interpret the language of Section 2 of Public Law 112-28, directing the Commission to assess "opportunities to reduce the cost of third party testing requirements *consistent with assuring compliance*" as requiring a zero

risk tolerance factor. The Committee therefore believes additional burden reduction opportunities may be possible and deserve exploration.

The Committee continues to question CPSC budget requests for additional appropriations for import surveillance risk assessment methodology expansion. The Committee encourages the CPSC and the CPSC IG to examine whether less costly expansion alternatives exist and whether the agency has availed itself of these alternatives. Additionally, the Committee is still concerned that proposed user fees, contemplated in connection with the import surveillance pilot program expansion, are unjustified and constitute an increased cost on American businesses without a corresponding benefit.

Federal Communications Commission

In 2018, the FCC was reauthorized for the first time since 1990. This two-year reauthorization authorized appropriations of \$333,118,000 for FY 2019 and \$339,610,000 for FY 2020. The FCC ultimately received an appropriation of \$339 million for FY 2019. The Committee hopes that passage of this legislation resumes the authorization cycle, thereby ensuring consistent, necessary oversight by Congress of the Commission's agenda, budget, and processes.

Universal Service Fund (USF) and Other Subsidy Programs

USF is a user fee-based support program that subsidizes broadband and telephone services in high-cost areas (typically rural areas), for low-income households, in schools and libraries, and at rural health-care facilities. Carriers pay into the fund to cover its costs and may pass those amounts on to their subscribers. The USF costs and fee assessments are adjusted quarterly. The fee, known as the "USF contribution factor," is currently set at 20 percent of the interstate and international portions of subscribers' telephone bills.

In 2017, USF disbursed approximately \$9 billion, \$4.7 billion of which went to the USF's High-Cost Program. The schools and libraries program, also known as E-Rate, currently costs approximately \$2.6 billion. The Lifeline or low-income program, designed to subsidize poorer households, costs approximately \$1.3 billion, while the rural healthcare program, which subsidizes tele-health programs and costs, received approximately \$300 million. The High-Cost program is subject to a budget. The E-Rate and rural healthcare programs are subject to funding caps. For FY 2019, the funding cap for E-Rate is \$4,151,395,402, and the funding cap for rural healthcare is \$593,782,000. The Lifeline program is not capped. The Committee will continue its oversight of all USF programs and their funding levels.

Additionally, other programs overlap with the USF. The Rural Utilities Service (RUS) at the Department of Agriculture also supports broadband in rural America. Funded through annual appropriations, RUS provides grants, loans and loan guarantees to provide broadband in rural areas. Although the USF and RUS programs both seek to improve broadband availability and adoption in rural areas, the programs differ in two key respects. First, RUS programs are used as upfront capital (largely in the form of subsidized loans) to invest in broadband infrastructure, whereas USF provides ongoing subsidies to keep the operation of networks economically viable. Second, RUS programs are funded through annual appropriations while USF is funded through

mandatory contributions from telecommunications carriers/customers. The USF fee appears on itemized consumer bills. The Agriculture Improvement Act of 2018 (Farm Bill) included a provision requiring the FCC and Department of Agriculture to consult with each other before awarding money to a project from USF or RUS. Nonetheless, the Committee will look at additional ways to encourage coordination between these programs, and ensure that funding is carefully managed to protect against overbuilding.

Spectrum

In 2017, the FCC completed a broadcast incentive auction (BIA) that allowed broadcast stations and other spectrum licensees to relinquish their licenses in exchange for a portion of auction proceeds. The BIA is currently in Phase 2 of a 10 Phase repacking process. The RAY BAUM'S Act of 2018 (P.L. 115-141) included an additional \$1 billion dollars over two years to reimburse broadcasters for repacking costs. The added funds bring the total of the Broadcaster Relocation Fund to \$2.75 billion dollars. That law also authorized the FCC to use \$50 million from the Broadcaster Relocation Fund for consumer education. According to FCC Chairman Ajit Pai, the Fund Administrator has approved over \$350 million in reimbursements so far. The Committee will continue its oversight over this process to ensure that the Broadcaster Relocation Fund is adequately funded and used appropriately.

The Commission announced the conclusion of the auction of 850 megahertz of spectrum in the 28 GHz band (27.5-28.35 GHz), on January 29, 2019. The auction produced gross bids of over \$700 million. On February 27, 2019, the Commission published a public notice for the auction of 2,909 Upper Microwave Flexible Use Service (UMFUS) licenses, which will provide an additional 700 megahertz of spectrum, in the 24 GHz band (24.25-24.45 and 24.75-25.25 GHz). The auction began on March 14, 2019. The Committee will continue to examine ways to accurately and consistently value spectrum and ensure that the benefit of its value is realized.

The President's Budget has proposed assessing a spectrum license user fee. We agree that spectrum, as a valuable and scarce resource, should produce a return on investment for American taxpayers. Imposing new spectrum fees, including on already allocated and licensed spectrum, poses significant challenges, especially because spectrum license holders already are charged license application fees and yearly regulatory fees. If spectrum fees were put in place, prices for consumer services may increase as companies transfer the higher operating expenses onto their subscribers, advertisers, etc. Nonetheless, carefully assessed spectrum fees may be in the public interest in instances when the taxpayers did not receive a share of auction revenue or other compensation, not counting normal sales and income taxes, based upon spectrum transactions.

Network Security

In 2018, the FCC issued a Notice of Proposed Rulemaking to protect against national security threats to the communications supply chain through FCC programs. The Commission is reviewing public comments related to this proceeding. The Committee will look at additional ways to enhance the security of the nation's communications networks and mitigate risks to the communications supply chain.

Federal Trade Commission (FTC)

The Committee recognizes that a central challenge facing the FTC is the task of fulfilling its broad dual mission to promote competition and protect consumers with limited resources. Under new Republican leadership, the Committee expects that the FTC will continue its important work in these core areas. The Committee recognizes that the Commission has expended considerable resources under its previous leadership pursuing enforcement activity based on novel, untested theories of harm to competition and consumers. This activity has exposed the Commission to protracted litigation, reversal of its decisions, and the unnecessary obligation of agency resources with no appreciable benefits to consumers or competition more broadly. While it is important that the Commission keep pace with new technologies and an evolving marketplace, the Committee believes that potential cost savings exist in the FTC's re-prioritization of enforcement activity focused on the most egregious threats to competition and consumer welfare. Nonetheless, the Committee is exploring the development of consumer data privacy legislation that may provide additional resources for the Commission to police and enforce against organizations engaging in unfair or deceptive acts or practices regarding data privacy collection and processing.

The Committee also questions whether an increase in Hart-Scott-Rodino (HSR) fees for each merger size and the creation of a new merger fee category for mergers valued over \$1 billion are warranted. Previously proposed budgets have not explained the higher fees or proposed metrics to the Committee's satisfaction. Absent additional justification, it remains the Committee's view that these HSR fee increases could discourage economic growth and job creation without offsetting benefits.

National Aeronautics and Space Administration (NASA)

The Committee believes that NASA must align its funding with the agency's core mission priorities.

The President's Budget Request for FY 2020 includes \$21 billion for NASA, a 2.3% decrease from the \$21.5B enacted FY 2019 level. As directed in the NASA Authorization Act of 2010, NASA is developing the Space Launch System heavy-lift rocket and Orion crew capsule that are critical for future human missions beyond low-Earth orbit to explore deep space. The Committee notes that \$5.02 billion in funding is requested in the FY 2020 budget proposal for NASA to continue developing these deep space exploration capabilities while also partnering with the private sector to meet spaceflight needs. The Committee understands that Exploration Mission-1 may experience further delay past the planned June 2020 launch date, but is concerned about the proposed \$375 million reduction for the SLS program, particularly for capabilities essential for future planned Exploration Missions. The Committee notes that the SLS-Orion program is at a critical point of integration and testing.

The Committee is also concerned that the FY 2020 Budget Request ends direct U.S. government funding of the International Space Station (ISS) in 2025. NASA's International Space Station Transition Report, mandated by the NASA Transition Authorization Act of 2017 (P.L. 115-10), stated that the structural integrity of the ISS is expected to last beyond 2028. The Committee

believes that maintaining U.S. human presence and research capabilities in low-Earth orbit (LEO) are important. It is critical that the ISS remain operable and fully-funded until alternatives are operational. The Space Frontier Act (S.3277, 115th Cong.), which passed the Senate by unanimous consent in 2018, ensured continued operations for the ISS until 2030.

The Committee is also concerned that the FY 2020 budget proposal terminates the NASA Office of Education that includes the Space Grant and EPSCoR programs, which are valuable programs for students interested in pursuing careers in science, technology, engineering, and mathematics.

The Committee is pleased that the \$1.83 billion in funding for space transportation in the FY 2020 Budget Request allows NASA to continue developing NASA's Commercial Crew Program to support planned certification this year of U.S. commercial crew transportation systems that will transport American astronauts from U.S. soil to and from low-Earth orbit, including the ISS.

The Committee is concerned that the FY 2020 budget proposal terminates the Wide-Field Infrared Survey Telescope (WFIRST) mission. The 2010 U.S. National Research Council Decadal Survey placed a top priority on the development of WFIRST, which is currently estimated to be developed on schedule and within budget.

The Committee expects to see a continued growth of innovative new systems and technologies operating within the National Airspace System (NAS). It is critical that NASA's Aeronautics Research Mission Directorate receive the support it needs to research and promote the safe and efficient integration of these new systems operating in the NAS. The Committee is concerned by the proposed \$58 million reduction for Aeronautics.

Overall, the Committee recommends that the Senate budget resolution allocate funding for NASA at a level closer to the FY 2019 enacted figure of \$21.5 billion with a priority on fully funding deep space exploration, aeronautics, and STEM education.

National Science Foundation (NSF)

The Committee supports funding NSF at levels no less than FY 2019 enacted and continues to be pleased with the progress the agency has made in implementing the American Innovation and Competitiveness Act (P.L. 114-329). The Committee supports the following selected priorities under the Research and Related Activities Account: accelerating the commercialization of university research through the Innovation Corps program; supporting STEM education activities such as CyberCorps; the Brain Research through Advancing Innovation and Neurotechnologies Initiative; increasing resilience to disasters; and furthering advanced manufacturing.

The Committee supports the NSF's 10 Big Ideas initiative, which include six research priorities and four process reforms intended to enhance NSF's research and expand the NSF community. The Committee stresses the importance of NSF continuing research into artificial intelligence, cybersecurity, and exploiting quantum mechanics, as well as other areas of emerging technology such as the Internet of Things and blockchain.

The Committee has concerns about the proportion of NSF grant dollars that go to a relatively small number of states. The Committee stresses the importance of NSF ensuring that grant review panels include faculty from small universities, minority-serving institutions, and universities located in rural areas. Further, the Committee has concerns that the Established Program to Stimulate Competitive Research (EPSCoR) has not grown in a manner consistent with either NSF's budget or inflation.

Surface Transportation Board (STB)

The STB Reauthorization Act, signed into law in December 2015, was the first reauthorization of the agency since its creation in 1996 and made important reforms to increase the efficiency and effectiveness of the Board. Among other things, the STB Reauthorization Act: (1) improves the Board's dispute resolution processes by expediting rate reviews and expanding arbitration procedures; (2) facilitates proactive problem solving by expanding the Board's investigative authority; and (3) improves the structure and decision-making process at the Board, including by making it administratively independent and expanding the Board from three to five members.

The Committee supports strong and robust funding for the Board to allow it to complete a number of critical initiatives. In January 2018, the Board established an internal rate reform task force to develop recommendations to reform and streamline the Board's rate methodology for large cases and to determine how to best provide a rate review process for smaller cases. The Board also has a number of significant rulemakings that remain pending. With three of five Board Members, the Committee supports providing the agency with the resources necessary to thoroughly review and complete these pending matters.

Additionally, the Board requires funding to upgrade its outdated information technology (IT) systems. Given its legacy IT systems, the Board needs a new case management system and website, and the Committee supports additional resources for this purpose.

In closing, I appreciate the work you are doing to prepare the FY 2020 Budget Resolution, and I stand ready to assist in your efforts.

Sincerely,


Roger J. Wicker
Chairman

JOHN CORNYN, Republican, Texas
 ROBERT C. CORKER, Republican, Tennessee
 LINDSEY O. GRAHAM, Republican, South Carolina
 MIKE LEE, Republican, Utah
 JON OSTLIE, Republican, Missouri
 PAT ROBERTS, Republican, Ohio
 MICHIGAN: ROBERT B. PORTER, Republican
 MISSISSIPPI: TERRY ADAMS, Republican
 NORTH CAROLINA: THOMAS MICHAEL HANCOCK, Republican
 SOUTH CAROLINA: TIM COTTELL, Republican
 VIRGINIA: MARK WARREN, Republican
 WEST VIRGINIA: MARTIN ROBERT SPIRO, Republican
 WISCONSIN: DAVID PERDUE, Republican
 WYOMING: STEVE LYNCH, Republican

United States Senate
 COMMITTEE ON COMMERCE, SCIENCE,
 AND TRANSPORTATION
 WASHINGTON, DC 20510-6125
 Website: <http://commerce.senate.gov>

March 15, 2019

The Honorable Mike Enzi, Chairman
The Honorable Bernie Sanders, Ranking Member
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders,

This letter provides my views and estimates to the Committee on Budget on matters within the jurisdiction of the Committee on Commerce, Science, and Transportation regarding the fiscal year (FY) 2020 budget resolution.

I look forward to working with you and others in Congress to ensure that the spending levels ultimately enacted for programs under the committee's jurisdiction are as effective and efficient as possible. The committee may act this year on a number of legislative proposals that may have budgetary implications.

Department of Commerce

National Oceanic and Atmospheric Administration

Broadly, the committee has jurisdiction over federal programs relating to the oceans and the atmosphere, including those within the National Oceanic and Atmospheric Administration (NOAA). NOAA programs directly support interstate and international commerce. Weather observation and prediction missions within NOAA protect life and property, while NOAA's fishery missions support sustainable domestic seafood production and a sustainable outdoor recreation industry. Given the breadth and importance of NOAA programs, I anticipate that the committee will work on several legislative proposals with likely budgetary implications. I oppose the administration's intent to eliminate Sea Grant, Coastal Zone Management Act funding, National Tsunami Hazard Mitigation Program grants and the Marine Mammal Commission.

NOAA also supports our nation's commercial, tribal and recreational fisheries. Fisheries support one million jobs annually, including many jobs in rural communities. Increased support of fishery data collections, surveys and stock assessments is critical to sustainably growing the fishing and maritime industries. Declines in Pacific salmon have resulted in hardships not only to fishermen, but also endangered Southern resident orcas in the Pacific Northwest. Increased investment in NOAA protected species funding and salmon recovery funding is necessary to protect Southern residents. For this reason, I also strongly oppose the proposed elimination of the Pacific Coastal Salmon Recovery Fund.

Specifically, members of this committee have a keen interest in authorizing programs that support continued ocean and Great Lakes observing systems, weather and climate forecasts, research into ocean acidification and how to mitigate its impact to shellfish production, ensuring that states maintain a seat at the table when federal decisions are made about competing uses of the coastal zone, ensuring abundant and sustainable fisheries and providing timely and accurate data to local government for use in planning, emergency management and risk mitigation strategies. In order to protect our coastal and ocean resources, oil spill prevention and response must be current and done in conjunction with the U.S. Coast Guard. The committee may consider legislation formally codifying NOAA's diverse and important missions. As such, we would like to work with the Budget Committee to ensure adequate resources for this purpose.

National Institute of Standards and Technology (NIST)

Our nation's economy and competitiveness are boosted by NIST, our nation's standards and measurement laboratory. NIST's work touches areas as diverse as cybersecurity, forensic science, nanotechnology, and public safety. The standards, measurements and frameworks that come out of NIST drive America's economic engine and help keep its citizens and companies safe. This year, the administration has again proposed cutting NIST's budget by roughly one-third. For an already lean agency, this is catastrophic and would result in dramatic cuts to the critical work the agency does. Not only that, the administration has also again proposed shuttering the Manufacturing Extension Partnership (MEP), a NIST program that gives small and medium manufacturers the resources they need. The MEP was reauthorized by Congress unanimously in 2017 and continues to have my full support.

I also support a significant increase in funding for NIST's work on cybersecurity and privacy. Last year, the FY 2019 annualized CR provided the agency with \$81.6 million for its cybersecurity activities. This funding level is insufficient given the rising cyber threats posed by criminals and nation states to critical infrastructure and the American public. NIST is one of the federal government's lead agencies on cybersecurity. Not only is NIST at the forefront of cutting-edge research and education, it develops voluntary cyber standards and best practices. This work greatly contributes to our country's ability to combat existing and emerging cyber threats. NIST spearheads the National Initiative for Cyber Security Education, which is a public-private partnership developing the next generation of cyber experts. NIST also houses the National Cybersecurity Center of Excellence, which congregates experts in the private sector, academia and government to develop cost-effective cyber-security measures based on commercially available technologies. Lastly, NIST has developed and continues to update and revise the Cybersecurity Framework, which is a voluntary set of best practices that businesses can adopt to minimize their cyber risks.

Additionally, when the president issued his executive order on artificial intelligence (AI), he called out NIST's role in establishing metrics and technical standards for the developing technology. I urge robust funding for AI activities within NIST to enable this important work and ensure the research they are doing both with and on AI continues.

Another example of the critical work NIST does in regards to standards and metrics is the IoT-Enabled SmartCity Framework. NIST released the framework late last year with global partners. It establishes the United States as an international leader in smart city technologies and promotes an even playing field for the emerging industry.

In light of the important work NIST does to promote the United States' economic competitiveness, I recommend funding NIST at \$1.034 billion for FY 2020, a roughly four percent increase over FY 2019 funding levels.

Department of Transportation

Infrastructure Funding

Adequately funding our infrastructure is paramount to the safe and efficient movement of people and goods. Increasing congestion causes longer commutes and freight bottlenecks that result in lost productivity, negatively impacting the U.S. economy. In 2015, Congress passed the FAST Act, which authorized more than \$300 billion in funding through FY 2020. Included in the bill were several provisions and authorized funding to improve freight and passenger rail service, vehicle safety, truck and bus safety, research, hazardous materials safety and other programs within the Commerce Committee's jurisdiction. While President Trump's FY 2020 budget does increase funding for some infrastructure programs, such as the INFRA and BUILD grants, the proposal does not address long-term solvency of the Highway Trust Fund and makes significant cuts to important rail and transit programs. For these programs to be effective, as well as the highway and transit programs included in the FAST Act, the agencies and programs must receive at least their authorized funding levels.

In the FAST Act, I authored the Nationally Significant Freight and Highway Projects program, now known as the INFRA grant program. The competitive grant program aims to reduce freight bottlenecks and congestion by investing in highway and multimodal freight projects like rail grade crossing separations that can relieve network delays. The administration's FY 2020 budget proposal calls for funding INFRA at \$2 billion, a \$1 billion increase above the FAST Act-authorized funding level for FY 2020. I request that the budget include funding for this important freight program comparable to the administration's FY 2020 budget proposal.

In 2018, the Senate Democrats' Jobs and Infrastructure Plan for America's Workers called for the U.S. to invest \$1 trillion into our infrastructure and create 15 million jobs in the process. The proposal includes funding for ports and waterways, improved freight and passenger rail, crumbling roads and bridges and modernized water and sewer systems. It also calls for increased investment to fix freight bottlenecks and help states and local governments build more resilient communities. I support funding above the baseline to implement the jobs and infrastructure plan.

Rail Safety

In recent years, there have been several train derailments that highlight the importance of investing in our rail infrastructure and new safety technologies. In December 2017, an Amtrak train sped into a curve and derailed in DuPont, Washington, resulting in three fatalities and dozens of injuries. The National Transportation Board concluded that the derailment in DuPont could have been prevented by positive train control technology, which can automatically stop a train.

It is critical that we invest in rail safety grants, programs and technology to address these rail safety challenges. Commuter railroads also need significant funding to finish the implementation of positive train control technology and to maintain and operate the systems after they are implemented. The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant at the Federal Railroad Administration can provide funding to address grade crossing safety and positive train control implementation. Any cuts to safety grant programs, like CRISI, could have serious impacts on rail safety. I support additional funding above the baseline to help address these important rail safety issues.

National Highway Traffic Safety Administration (NHTSA)

In 2017, there were 37,133 traffic fatalities on America's roads and highways. This marked a two percent decrease from the previous year, but still remains high after years of increases not seen in our nation in over fifty years. This disturbing trend highlights the urgent need for additional resources and expertise at NHTSA in order to research and find technological solutions to these tragedies. In the FAST Act, Congress authorized additional funding for NHTSA's vehicle safety programs, contingent upon the secretary's certification to Congress that NHTSA had implemented all of the recommendations issued in a 2015 Inspector General report. In 2016, the secretary certified to Congress that NHTSA had done so. As such, I strongly urge funding for NHTSA's vehicle safety programs at or above levels authorized by Congress in the FAST Act. This would allow NHTSA to fund investigations and recalls, as well as safety-critical research into electronics reliability, cybersecurity, vehicle control systems and automation technologies.

Federal Aviation Administration (FAA)

Last fall, Congress passed a comprehensive five-year FAA reauthorization bill – the longest authorization for the agency since the early 1980s. In doing so, Congress rejected contentious proposals to privatize the Air Traffic Control System. With a stable authorization now in place, we can focus on supporting the FAA's NextGen initiative to modernize air traffic control.

I support funding the FAA at or above the levels established in the recently passed legislation. Congress must ensure that the FAA has sufficient resources to advance its modernization efforts through the NextGen program. Appropriate funding is also essential to support the implementation of various mandates included in both the FAA Reauthorization Act of 2018 and the FAA Extension, Safety, and Security Act of 2016. In combination, these two major bills establish solid priorities for the FAA.

Department of Homeland Security

U.S. Coast Guard (USCG)

The administration requested \$1.2 billion for procurement, construction, and improvements (PC&I) for FY2020 to continue to modernize USCG vessels and aircraft, \$1 billion less than the total FY 2019 PC&I budget. This is over \$1.4 billion less than the total FY2018 PC&I funding. The USCG must continue to be funded with \$2 billion in PC&I funding, a service need voiced by the current and previous commandant, and an at least five percent annualized increase in its operations and support funding. These appropriations are necessary to ensure that the USCG remains capable of protecting our national maritime security, waterborne commerce, the marine environment and life and property at sea.

The USCG, statutorily designated to conduct ice operations, maintains the nation's only polar icebreaking capability. This, combined with the increased human activity in the Arctic necessitates the funding of a second Polar Security Cutter (PSC) and long-lead time materials for a third PSC. The continued support of the PSC program will ensure our nation's ability to exert national security and sovereignty in the Arctic and provide search and rescue assistance to the increased maritime traffic in the area. Furthermore, I urge the committee to consider repair and service life extension needs for the POLAR STAR, our nation's only heavy icebreaker which must remain operational until the first new PSC is brought into service.

Pivotal to the safety of mariners in the Pacific Northwest is the 47' and 52' motor life boats. These vessels, designed for offshore rescue in the some of the worst sea conditions, at times are the only vessels able to provide life-saving assistance to fisherman in distress. I strongly urge the committee to continue to fund the service-life extension program for the 47' motor life boat, as well as consider replacement of the 52' motor lifeboat fleet.

The condition of USCG shore side infrastructure needs to be addressed. A 2019 GAO study noted that approximately 45 percent of the USCG's shore infrastructure is beyond its service-life, and that the USCG's 2018 backlog of maintenance and recapitalization projects was expected to cost at least \$2.6 billion. Funding for the recapitalization of the USCG's shore infrastructure at a level to make it more resilient, as well as infrastructure to support homeporting of the Service's newest PSCs and OPCs, should be provided. When evaluating the priority of shore infrastructure programs, consideration should be made to eliminate known medical hazards, such as those with creosote, to preserve the health and well-being of USCG personnel serving at Coast Guard Base Seattle and Sector Puget Sound.

Support to USCG families remains vital to ensuring the readiness of servicemembers. As such, funds should be provided to recapitalize USCG housing, assist with child care costs and improve work-life programs. Specifically, the USCG should be given immediate access to the funds in the USCG Housing Fund, as well as be appropriated additional funding, to make expeditious repairs of USCG housing to ensure the welfare of USCG families.

Commercial fishing is one of the most dangerous industries. It is imperative that research and the evaluation of best practices from across the industry, academia and the maritime community be combined to improve safety for these mariners. As such, the Fishing Safety Training Grants and Fishing Safety Research Grant programs should continue to be funded. In addition, the nation's one million jobs dependent on fisheries rely upon a healthy environment. Preventing oil spills is critical to ensuring that our fisheries can continue to thrive.

Transportation Security Administration (TSA)

The FAA Reauthorization Act of 2018 included comprehensive legislation to reauthorize the Transportation Security Administration. This was the first such reauthorization of TSA since the agency was established in the wake of the September 11th attacks. Furthermore, in July 2016, Congress passed the FAA Extension, Safety, and Security Act of 2016, which included bipartisan provisions targeting TSA that were intended to better guard against the threat of international terrorism and to improve security screening efficiency for travelers.

I support funding TSA above the baseline to ensure the agency is able to fully implement the mandates of the recently passed TSA reauthorization, as well as those included in the 2016 FAA extension. Congress must provide the resources necessary to support the framework established by passage of this important legislative tandem.

Independent Agencies

Federal Trade Commission (FTC)

For FY 2020, I support a funding level for the FTC that is far more robust than its budget request for \$306.2 million. Since FY 2010, the FTC's funding has remained relatively stagnant, despite the vital role the agency plays in protecting consumers and competition from "unfair or deceptive acts or practices" in an ever-changing global economy marked by significant technological shifts. In the era of big data, consumers' privacy is increasingly at risk as companies, large and small, constantly collect, use and transfer vast amounts of their personal information, usually without their knowledge or consent. Moreover, consumer security is at constant risk because these same companies consistently show an inability (or unwillingness) to adopt basic protocols to secure the data they collect. The FTC has led the federal government's effort to crackdown on lax data security practices and deceptive privacy policies that fail to follow through on their commitments. But a small agency can only do so much.

Increased funding will provide the FTC with more personnel and resources to help combat corporate unfair and deceptive online privacy and data security practices. The FTC will also be better able to enforce against a slew of anti-competitive and anti-consumer practices, such as collusion, deception in the marketplace, fraud targeting specific populations and false advertising and marketing campaigns.

National Science Foundation (NSF)

Basic science research and education are essential to our nation's economic competitiveness and the NSF is the only agency in the nation dedicated to this critical pursuit. In FY 2019, the federal government increased funding for the agency in a nod to the important work it does. As other nation's investments in research and development grow rapidly, and China quickly approaches our level of investment, it will be important to continue adequate funding for the NSF to ensure that the United States' competitive edge goes not fade away.

The NSF uses competitive research grants, STEM education programs, scholarships, seed funds for small businesses, and the operation of major multi-user research facilities to make essential contributions to U.S. competitiveness. Science, technology, engineering and math (STEM) education is key to building the workforce and economy of tomorrow. Maintaining the breadth of NSF programs in this area is critical to ensuring that all elements of the STEM education ecosystem – from teachers to unique learning opportunities to curricula and so on – are effectively preparing today's students to be active participants in the innovation economy. Additionally, as the NSF's research infrastructure ages, the agency needs to invest in maintenance to ensure that scientists have access to the facilities they rely on. I urge you to fund the NSF at \$9 billion in FY 2020 to allow the agency to continue the critical work they are doing.

National Aeronautics and Space Administration (NASA)

In 2020, NASA is set to achieve a major human space flight milestone with the first launch of *Orion* on the Space Launch System rocket. It is critical that Congress work with NASA to ensure this program has the resources necessary to maintain this launch schedule. In addition, both commercial crew program providers will begin regularly transporting American astronauts into space from American soil. The launch of these systems will mark the return of our capability to launch our astronauts into space, a new era of competitive, commercially-available transportation services low Earth orbit destinations and a new capability to send humans to deep space.

This budget continues to focus on robotic and human exploration of the Moon. Unfortunately, the administration has not requested the funds sufficient to execute these programs without unacceptably damaging other critical priorities. The administration's budget request proposes a number of unacceptable cuts, including zero funding for the WFIRST mission, the highest priority astrophysics mission recommended by the decadal survey. The budget also cuts other science priorities, the Office of STEM Education and proposes to transition the International Space Station (ISS) to a commercial model by 2025.

This budget fails to maintain a balanced portfolio across the space sciences, aerospace and education, while also jeopardizing American leadership in human exploration of space. Therefore, I urge a funding level of \$22.3 billion for NASA for FY 2020, an increase of approximately four percent over the FY 2019 enacted level.

Consumer Product Safety Commission (CPSC)

The CPSC is a small, but critically important agency charged with ensuring the safety of over 15,000 different kinds of consumer products, including many used primarily or exclusively by children. In 2015, more than 192,000 importers brought products under the CPSC's jurisdiction into the United States that had a value of approximately \$754 billion.

Four in five recalls in the United States involve imported products – many of which originate in China. American consumers face a higher risk of injury and death and domestic manufacturers face a competitive disadvantage when imported consumer products do not comply with federal or consensus safety standards. Unfortunately, the CPSC's Office of Import Surveillance currently only has adequate staffing to place inspectors at approximately six percent of U.S. ports of entry. The CPSC urgently needs additional resources in this area to both protect consumers from dangerous products and to ensure that American manufacturers are not harmed by foreign products that do not conform to U.S. safety standards.

The CPSC also plays a key role in identifying and addressing new and emerging product safety risks. In recent years, the CPSC has conducted in-depth research into a number of potential product safety hazards, including nanotechnology, certain crumb rubber surfaces in artificial playing turf and on playgrounds, lithium ion batteries and laundry detergent packets. These activities, as well as related actions to recall and ensure that defective products are removed from the stream of commerce, are extremely important for the protection of public health and safety.

Accordingly, I support at least \$138 million in funding for FY 2020 for the CPSC.

Corporation for Public Broadcasting

The Corporation for Public Broadcasting (CPB) is a private, non-profit, non-governmental organization charged with supporting the development of, and ensuring nationwide access to, quality educational and cultural programming. Congress annually appropriates funding to CPB in recognition of the vital public service provided by local public broadcast stations to communities across the country. For the purposes of planning and providing local stations with operational certainty, the CPB receives a two-year advanced appropriation each year. I support maintaining full baseline funding for CPB for the 2020 fiscal year.

I also support continued yearly funding for CPB's public television interconnection system. CPB's television interconnection system for is essential to its work to disseminate quality television programming. Congress has supported CPB's interconnection system through separate appropriations since the 1980s. Providing continued support for that system this fiscal year is essential.

Sincerely,

A handwritten signature in black ink that reads "Maria Cantwell". The signature is written in a cursive style with a large, looping "M" and "C".

MARIA CANTWELL
Ranking Member

LISA MURKOWSKI, Alaska, Chairman
 JOHN RAHRBACH, Wyoming
 JAMES E. RISCH, Idaho
 MIKE LEE, Utah
 STEVE DARNES, Montana
 BILL CASSIDY, Louisiana
 CORY GARDNER, Colorado
 CANDY HYDE-SMITH, Mississippi
 MARTHA M-SALLY, Arizona
 LAMAR ALEXANDER, Tennessee
 JOHN HOEVEN, North Dakota
 JOE MANCHON, West Virginia
 RON WYDEN, Oregon
 MARA CASTELLI, Washington
 BERNARD SANDERS, Vermont
 DEBBIE STABENOW, Michigan
 MARTIN HEINRICH, New Mexico
 KATIE HIRSH, Hawaii
 ANGUS S. KING, Maine
 CATHERINE CORTEZ MASTO, Nevada
 BRIAN HUGHES, STAFF DIRECTOR
 KELLIE DONNELLY, CHIEF COUNSEL
 SARAH VENUTO, DEMOCRATIC STAFF DIRECTOR
 SAM E. FOWLER, DEMOCRATIC CHIEF COUNSEL

United States Senate

COMMITTEE ON
 ENERGY AND NATURAL RESOURCES
 WASHINGTON, DC 20510-6150

WWW.ENERGY.SENATE.GOV

March 15, 2019

The Honorable Mike Enzi, Chairman
 The Honorable Bernard Sanders, Ranking Member
 Committee on the Budget
 United States Senate
 Washington, D.C. 20510-6100

Dear Chairman Enzi and Ranking Member Sanders:

This letter responds to your request of February 8, 2019 for the views and estimates of the Committee on Energy and Natural Resources (ENR or Committee) on budget matters within ENR's jurisdiction.

Generally speaking, ENR has jurisdiction over the programs of the Department of the Interior (other than the United States Fish and Wildlife Service and the Bureau of Indian Affairs), the Department of Energy (other than the National Nuclear Security Administration), and the Federal Energy Regulatory Commission. The Committee also has jurisdiction over forests established on the public domain and over the insular areas. The programs under ENR's jurisdiction promote our national energy security and ensure the wide use and protection of the nation's lands, water, and mineral resources. Given the importance of these programs to the nation's economy and the multiple-use benefits that our public lands provide to the American people, it is appropriate that the budget address those needs. The Committee may act this year on a number of legislative proposals that may have budgetary implications.

As in previous years, ENR continues to support the Payment in Lieu of Taxes (PILT) program which provides payments to county governments to offset the impacts of federal land ownership within their boundaries. These counties are increasingly called upon to provide services to visitors to our federal public lands (e.g., search and rescue, fire, law enforcement, and other health and safety services). These counties also must maintain local roads to federal lands, including parks and wilderness and recreation areas. ENR urges the Budget Committee to sustain the fully authorized level of funding for PILT in Fiscal Year 2020 and requests a deficit neutral reserve fund for this purpose.

The Committee may also consider legislation that would reform or reauthorize the Secure Rural Schools and Community Self Determination Act of 2000 (Public Law 106-393), along with legislation that would require management of our federal forests to improve forest health, increase economic opportunities and revenue for our forested communities, and reduce the risk of catastrophic wildfire. We request a deficit-neutral reserve fund for this purpose.

We expect the committee will focus on deferred maintenance needs on public lands and request a reserve fund for legislation to address it. In addition, the Committee may consider measures to further reform or provide mandatory funding for the Land and Water Conservation

Fund. Many members of the Committee support partial or full mandatory funding. Other members oppose it. ENR is also likely to consider legislation that addresses a number of other natural resource and energy issues under its jurisdiction. These include land and water policy, water infrastructure and drought resilience, mineral security, cybersecurity, natural hazards, outdoor recreation, and energy legislation. Accordingly, we request reserve funds for these priority matters.

ENR is likely to focus significant attention on the energy innovation needs and opportunities of the nation. The Committee requests that the budget recognize the need to maintain a diverse portfolio of early-, mid-, and late-stage research, development, and market transformation activities to meet the nation's changing energy needs.

Some members of the Committee support adequate resources for the Department of Energy's loan guarantee programs, the Advanced Research Projects Agency-Energy, and programs to revitalize communities that have suffered job losses due to declines in coal mining. Additional members support offshore revenue sharing. It is possible the Committee will consider legislation related to these topics.

The Committee also requests that the budget recognize the opportunities and challenges that come with the United States' role as an Arctic nation, which are increasing as natural resources in the region become more accessible. The budget should include adequate resources for necessary infrastructure to meet the opportunities and challenges in the Arctic.

As Puerto Rico and the U.S. Virgin Islands continue to recover from the impacts of Hurricanes Irma and Maria, the Committee remains focused on the reconstruction of the electric grids in those islands. Although considerable federal disaster recovery resources have already been expended, the Committee may be asked to consider prudent and fiscally responsible measures for providing other targeted federal resources for electric grid reconstruction efforts in Puerto Rico and the U.S. Virgin Islands. In addition, the Committee may consider efforts to help other insular areas impacted by recent natural disasters.

Finally, the United States remains liable to the nation's nuclear utilities for breach of its contracts to dispose of the utilities' nuclear waste. The Committee plans to consider legislation to restructure and revitalize the nuclear waste program. We request that the budget resolution provide an appropriate reserve fund for this purpose.

We appreciate the opportunity to provide our views and estimates to the Budget Committee. We look forward to working with you and others in Congress to ensure that the spending levels ultimately enacted for programs under ENR's jurisdiction are as effective and efficient as possible.

Sincerely,



Lisa Murkowski
Chairman



Joe Manchin III
Ranking Member

JOHN BARRASSI, WYOMING, CHAIRMAN
 JAMES H. ANTHONY, OKLAHOMA
 SHELLY MOORE CARPIS, WEST VIRGINIA
 KEVIN CHAMBER, NORTH DAKOTA
 MIKE BRAUN, INDIANA
 MIKE ROHLFEN, SOUTH DAKOTA
 DAN SULLIVAN, ALASKA
 JOHN ROZMAN, ARKANSAS
 ROGER WICKER, MISSISSIPPI
 RICHARD SHELBY, ALABAMA
 JOHN ERNST, IOWA
 THOMAS R. CARPER, OF AWAKE
 BENJAMIN L. CARDIN, MARYLAND
 BERNARD SANDERS, VERMONT
 SHELDON WHITEHOUSE, RHODE ISLAND
 LEE MCELROY, OREGON
 KRISTEN GILLIBRAND, NEW YORK
 CORY A. BOOKER, NEW JERSEY
 EDWARD J. MARKEY, MASSACHUSETTS
 TAMMY NICKLES, KENTUCKY
 CHRIS VAN HOLLEN, MARYLAND

United States Senate
 COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
 WASHINGTON, DC 20510-8175

RICHARD M. RUSSELL, MAJORITY STAFF DIRECTOR
 JAMES FRANKS, DEMOCRATIC STAFF DIRECTOR

March 15, 2019

The Honorable Michael Enzi, Chairman
 The Honorable Bernard Sanders, Ranking Member
 Committee on the Budget
 United States Senate
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

In response to your letter of February 8, 2019, we present the following views and estimates for certain programs under the jurisdiction of the Committee on Environment and Public Works.

Reserve Fund

The Committee requests a reserve fund to enable enactment of and to otherwise address any budgetary impacts from Committee legislative initiatives relating to surface transportation infrastructure development, the Highway Trust Fund, and the programs of the Federal Highway Administration. The Committee requests that any surface transportation reserve also enable the repeal of previously enacted rescissions of amounts provided for those same purposes.

In addition, the Committee requests a reserve fund to enable enactment of and to otherwise address any budgetary impacts from other Committee legislative initiatives – including authorizations of federal programs to protect and manage wildlife, address clean water and drinking water needs, develop carbon capture sequestration and utilization technologies and advanced innovative nuclear technologies, build and maintain water development and navigation projects, and address any other needs within the jurisdiction of the Committee.

Current Legislative Initiatives

Infrastructure Legislation

The Committee intends to move comprehensive infrastructure legislation, including to provide long-term funding for federal surface transportation infrastructure programs and to reauthorize and implement the programs of the Federal Highway Administration. The Fixing America’s Surface Transportation (FAST) Act (Pub. L. No. 114-94) provided long-term, five-year funding to improve the nation’s roads and bridges and is set to expire on September 30, 2020. The Committee intends to reauthorize road and bridge programs for multiple years and at funding levels at least as great as the FAST Act. The legislation may include a repeal of section 1438 of the FAST Act which required states to absorb a \$7.569 billion rescission of highway funding on July 1, 2020. The legislation may include a variety of changes in federal infrastructure policy,

including provisions designed to provide greater state and local flexibility, to reduce regulatory compliance burdens, and to accelerate project delivery while still protecting the environment.

Endangered Species Act Legislation

The Majority is exploring options to advance legislation meant to modernize the implementation of the Endangered Species Act (ESA) to provide better results for species and stakeholders. Any such legislation may reauthorize the ESA for the first time since 1992 and enhance conservation partnerships between federal, state, local, and private stakeholders. It will aim to improve conservation activities through increased regulatory certainty, to strengthen transparency in conservation decision-making, to optimize conservation through resource prioritization, and to conduct studies meant to improve conservation outcomes. In addition to reauthorizing funding for the ESA itself, it may also authorize additional funding for wildlife conservation and recovery activities.

Utilizing Significant Emissions with Innovative Technologies Act

The Committee supports passage of S. 383, the Utilizing Significant Emissions with Innovative Technologies Act (USE IT Act). The USE IT Act would encourage the commercial use of man-made carbon dioxide emissions. The bill supports the use of carbon capture technology, direct air capture technology, and innovative research at sites with captured carbon dioxide. The legislation also facilitates permitting for carbon dioxide pipelines in order to move the carbon dioxide from where it was captured to where it was stored. The Committee favorably reported the USE IT Act last Congress by voice vote on May 22, 2018. The USE IT Act was reintroduced in the 116th Congress on February 7, 2019, and a legislative hearing was held on the bill on February 27, 2019.

Wildlife Conservation Legislation

In addition to ESA legislation, the Committee intends to move other legislation to support wildlife conservation. Such legislation may include substantially similar provisions to those included in S. 1514, the Hunting Heritage and Environmental Legacy Preservation (HELP) for Wildlife Act, which the Committee ordered to be reported, as amended, on June 26, 2017, by a roll call vote of 14 ayes and 7 nays. That bill finalized environmental regulations and enhanced recreational hunting and sport fishing activities as important components for sustaining wildlife and wildlife habitat. It reauthorized several wildlife conservation programs, including the North American Wetlands Conservation Act, the National Fish and Wildlife Foundation, and the Chesapeake Bay Program. It provided regulatory certainty for sportsmen, landowners, farmers, ranchers, and other stakeholders, including reissuing final rules delisting gray wolves in Wyoming and the Western Great Lakes, banning the regulation of sport fishing equipment under the Toxic Substances Control Act, and clarifying that certain normal agricultural practices are not considered “baiting” for purposes of the Migratory Bird Treaty Act.

Nuclear Waste Policy Act

Management of the nation's spent nuclear fuel is critical to maintain nuclear energy as part of a diverse electricity portfolio. The Nuclear Waste Policy Act (NWPA) requires the Department of Energy to take ownership of spent nuclear fuel for permanent disposal in a deep, geologic repository. The repository must be licensed by the Nuclear Regulatory Commission (NRC). The Committee intends to examine the status of NRC's nuclear waste disposal program and identify actions required to advance a nuclear waste management policy.

Diesel Emissions Reduction Act

The Committee supports funding for the Diesel Emissions Reduction Act (DERA), established pursuant to the 2005 Energy Policy Act. DERA is a voluntary program that incentivizes equipment and vehicle owners to retrofit existing heavy-duty diesel vehicles and engines with new technology, or to replace engines and equipment through the disbursement of federal and state grants and rebates. Since its enactment, DERA has become one of the most cost-effective clean air federal programs. Each federal dollar invested in DERA has leveraged as much as \$3 from other government agencies, private organizations, industry, and nonprofit organizations. The Committee favorably reported the Diesel Emissions Reduction Act of 2017, S. 1447, on September 13, 2017 after a July 12, 2017 voice vote. The Committee held a legislative hearing on S. 747, the Diesel Emissions Reduction Act of 2019, on March 13, 2019. Identical to S. 1447, the bill improves DERA implementation, in particular for less populated states. It does so by making it clear that the Environmental Protection Agency (EPA) must recognize differences in how vehicles, engines, equipment, and fleets are used across the country and equalizes funding opportunities for all states.

Water Resources Development Act

The Committee intends to advance comprehensive legislation to authorize and implement important water infrastructure programs and projects. This may include program reforms, and provisions addressing flood prevention and mitigation, water storage, navigation, coastal ports and inland waterways, river basins, and the extension of important previously authorized programs.

Wood Heater Emissions Reduction Act

The Minority would like the Committee to move bipartisan legislation that establishes a five-year \$75 million grant program within EPA to facilitate the change-out of old, dirty residential wood heaters. Old wood heaters are a significant driver of particulate matter pollution and black carbon pollution in the United States, especially in rural areas.

Climate Innovation

Building on the successful passage of the Nuclear Energy Innovation and Modernization Act (Public Law 115-439), the Committee would like to move additional pieces of legislation that

address the challenges of climate change. This includes efforts that reduce our nation's carbon dioxide emissions while growing our economy.

The Minority would also like to move legislation that supports more climate resilient communities, helps create a fair economy, and supports those most vulnerable to climate effects.

Cost Savings

The Majority supports implementation of federal environmental laws through the cooperative federalism structure of these statutes and intends to conduct oversight to identify efficiencies and cost savings that will result from such an approach. The Majority also intends to look for opportunities to reduce or eliminate programs under the jurisdiction of the Committee that are redundant, ineffective, or inefficient.

Agency Programs

Environmental Protection Agency

The Committee supports EPA efforts to protect public health and the environment, increase job opportunities, and promote community revitalization. The Committee supports adequate funding for EPA and state implementation of federal environmental laws. The Committee intends to conduct oversight to identify cost savings through efficiencies in EPA programs.

Toxic Substances Control

The Committee supports implementation of the Frank R. Lautenberg Chemical Safety for the 21st Century Act (Public Law 114-182), which was enacted on June 22, 2016. While the legislation imposes additional administrative costs on EPA, it authorizes EPA to collect fees from chemical manufacturers and processors to offset these costs. We support funding to implement the legislation, which the Congressional Budget Office (CBO) estimated to require an increase of \$17 million in fiscal year 2020 above baseline funding, and appropriation of all fees that are collected.

Cleaning up Superfund Toxic Waste Sites

The fiscal year 2020 CBO baseline level of funding for the Superfund program is \$1.184 billion. This funding supports EPA personnel who oversee private party cleanups, as well as removal and remedial actions that EPA itself carries out. The Committee is interested in actions the agency intends to take to increase the annual pace of cleanups with baseline funding.

Cleaning up Brownfields

In 2018, Congress reauthorized the nation's brownfields cleanup and redevelopment program through 2023, as part of the BUILD Act contained in the fiscal year 2018 Omnibus Appropriations legislation (Public Law 115-141). Congress authorized \$250 million annually for site assessment and cleanup projects. Brownfields are areas where contamination issues inhibit

redevelopment efforts. The federal brownfields program is one of EPA's most popular and successful programs. The Committee strongly supports the brownfields program.

The CBO baseline for fiscal year 2020 budget is \$82 million for the state and tribal assistance grants that fund brownfields projects.

Preventing and Cleaning Up Leaking Underground Storage Tanks

Leaking underground storage tanks are a threat to our nation's groundwater quality. This program is funded by the Leaking Underground Storage Tank fee of \$0.001 per gallon that is part of the federal gas tax. These receipts are placed into the Leaking Underground Storage Tank Trust Fund. Fees should be used for the purpose for which they are collected.

The Committee supports the underground storage tank program and notes the importance of its state and tribal technical assistance and grants to protect underground sources of drinking water.

Air and Climate Programs

The Committee supports EPA fulfilling its statutorily mandated obligations and assistance to states and tribes in air quality implementation. This work includes clearing the backlog of state implementation plans (SIPs) that need EPA review and approval. The Majority notes that in its fiscal year 2019 budget justification, EPA reports that it reduced the backlog by 211 SIPs in fiscal year 2017. The Majority supports EPA's commitment in the fiscal year 2019 budget request to return its air quality program to the intended mission: improve air quality, rather than advance policies that artificially shape the energy sector. The Majority notes that in its fiscal year 2019 budget justification, EPA announced a goal to reduce the number of nonattainment areas from 166 to 138 by September 30, 2019 through partnership with the states.

The Committee supports EPA regulatory decision-making based on the best available science and input from all stakeholders, including states and tribes. The Majority believes on-the-ground stakeholders, including states and tribes, are often best positioned to understand air quality issues in their jurisdiction. The Majority believes EPA should continue to refocus resources to better assist states and other regulated entities with compliance activities.

The Committee supports a strong federal commitment to state and local air quality grant programs as a mechanism to assist state and local governments in implementing and complying with federal environmental requirements.

As EPA advances its core mission of protecting air quality, the Majority supports EPA's examination of current regulations that unnecessarily burden economic growth. Section 101 of the Clean Air Act lists as a principal purpose: "to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare and the productive capacity of its population." The Majority supports EPA's renewed focus on addressing the local, state, regional, and national effects of EPA regulations on productive capacity. Consistent with Executive Order 13783, Promoting Energy Independence and Economic Growth, EPA is in the process of repealing the unlawful Clean Power Plan and replacing it with the Affordable Clean Energy

Rule. The Majority supports EPA's continued review of other unlawful or unnecessary regulations that require suspension, revision or rescission, particularly those issued by the Office of Air and Radiation (OAR), which historically has issued the most costly EPA regulations. The Majority believes EPA should lessen the time taken to process air quality permits. The Majority supports EPA's goal of reducing the number of permitting-related decisions that take more than six months to process by 50 percent by September 30, 2019.

The Minority believes climate change poses a significant risk to public health, the nation's economy and quality of life, and feels that significantly reducing carbon pollution is imperative. Accordingly, the Minority supports adequate funding for programs that cut carbon and other greenhouse gas pollution from stationary and mobile sources. This includes funding for voluntary programs at EPA, programs through the agency's international office, and state assistance programs. The Minority also believes that funding should not be provided to EPA to implement regulations that will result in an increase in carbon and other air pollutants.

The Minority also supports EPA's program areas related to stratospheric ozone. Since its ratification, the Montreal Protocol has been an example of a highly successful multi-national environmental initiative, which has successfully addressed global environmental challenges and resulted in critical investments in next-generation technologies. American innovation and investments have allowed American businesses and workers to take advantage of the economic opportunities provided by the Montreal Protocol. As other nations start making similar investments, the Minority believes now is not the time to disengage or slow down the implementation of the Montreal Protocol, which could result in stymied domestic economic growth.

The Minority believes that recent EPA actions will result in an increase in criteria and air toxic pollutants nationwide, which will make it harder for downwind states to meet air quality goals and harm the health of the people living in downwind states. Yet to date, EPA has not conducted modeling for any of its clean air rollbacks to determine which states and communities are most affected by these clean air rollbacks. Funding should be provided to require EPA to conduct air modeling to better inform states, local governments, and the public of the impacts of EPA regulation rollbacks.

Water Infrastructure

The Committee supports programs for maintaining and enhancing drinking water and wastewater infrastructure and urges that the budget resolution support robust funding for these important and successful programs. The national need for investment in water and wastewater infrastructure through existing financing programs is integral. The clean water state revolving funds (CWSRFs) (33 U.S. Code §1383) and drinking water state revolving funds (DWSRFs) (42 USC 300j-12), which are managed by EPA, continue to far outpace the amount of funding that is available from all levels of government. As a response to the demand for increased investment in drinking water, America's Water Infrastructure Act of 2018 (AWIA) (Public Law 115-270) reauthorized and increased the authorized funding of the DWSRFs. The Committee also strongly encourages robust funding of the CWSRFs. Without the increased funding of these programs, many systems will be unable to supply their communities with safe, reliable water.

The Water Infrastructure Finance and Innovation Act (WIFIA) (WRRDA 2014, P.L. 113-121) program is another powerful tool for addressing water infrastructure needs through long term, low interest loans. Without significant funding of WIFIA many water infrastructure projects would not be possible. In AWIA, we authorized \$50 million for each fiscal year, which is necessary to maintain the program's success.

The Securing Required Funding for Water Infrastructure Now (SRF WIN) program is a recent innovation that leverages the WIFIA program. The SRF WIN program will provide small and medium projects access to the WIFIA program. The Committee strongly encourages robust financing of this revolutionary tool.

The Committee strongly supports funding for EPA water infrastructure programs authorized in AWIA.

Other EPA Water Program Funding

The Committee strongly emphasizes the importance of funding the technical assistance for treatment works for both the Safe Drinking Water Act and the Clean Water Act. The Small and Rural Technical Assistance Act (S.3021, Sec. 4103) and the Grassroots Rural and Small Community Water Systems Act (PL 114-98) are programs that allow the EPA to make grants to qualified nonprofit organizations to provide technical assistance relating to achieving Clean Water Act and Safe Drinking Water Act compliance, or obtaining financing for waste and wastewater infrastructure in rural, small, and tribal municipalities. The Committee emphasizes the need for robust funding for these programs and the importance of the use of these funds for on-site technical assistance providers.

The Committee strongly supports funding for small and disadvantaged public water systems under 42 U.S.C. 300j-19a. These programs assist communities with such water systems in complying with federal regulations, water infrastructure and testing, treatment, and monitoring of contaminants.

The Committee emphasizes the need for funding investments in water infrastructure on federally recognized Indian reservations. These reservations often lack basic drinking water and wastewater infrastructure, and rely on federal programs for assistance.

Science and Technology

The Committee supports EPA's science and technology programs. The programs and the associated laboratories should continue to be regularly reviewed and evaluated. The Committee believes that the federal government has a central role to play in research and development efforts for a new generation of cost effective energy and environmental technologies that solve our nation's greatest environmental challenges and help protect public health. These efforts should be based on sound science that is objective and transparent.

Department of Transportation, Federal Highway Administration

On December 4, 2015, the Fixing America's Surface Transportation Act (FAST Act) was signed into law. For the first time since 2005, Congress enacted long-term, five-year legislation to improve the nation's surface transportation infrastructure, including roads, bridges, transit systems, and rail transportation networks. This Act reforms and strengthens transportation programs, refocuses national priorities, ensures long-term certainty, provides more flexibility for state and local governments, streamlines project approval processes, and maintains a strong commitment to safety.

The transportation needs of the United States demand a funding level sufficient to sustain and strengthen the nation's surface transportation network, which is a backbone of the economy. The continuation of mandatory contract authority to fund highway programs is essential to provide predictable long-term funding and to give states the ability to enter into commitments that would obligate the federal government.

A strong federal transportation program will improve America's quality of life and will help meet the needs of the nation's growing economy. Americans and businesses benefit every day from high-quality transportation infrastructure through shortened travel times, increased productivity, and improved safety.

Failing to provide a safe, reliable, efficient transportation system creates disruptions that waste money, time, and fuel, and undermines the global competitiveness of America's businesses. According to the 2015 Urban Mobility Report issued by the Texas A&M Transportation Institute, traffic congestion continues to worsen in American cities of all sizes, creating a \$160 billion annual drain on the U.S. economy in the form of 6.9 billion lost hours and 3.1 billion gallons of wasted fuel. This represents an average financial burden of \$960 per commuter, every year.

According to the U.S. Department of Transportation's report titled, "2015 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance," only 36 percent of highway miles traveled are on roads that are in "good" condition and nearly 20 percent are on roads that are in "poor" condition. Most segments of the system's most critical network, the Interstate Highway System, retain their original structure and thousands of miles are past due for a complete rebuild. In addition, there are almost 58,800 bridges nationwide that are structurally deficient and in need of repair or replacement and more than one-third of the 57,000 Interstate Highway System bridges have been in service for more than 50 years.

The FAST Act will help ensure that states have the tools and the certainty to make new investments, fight growing congestion, and maintain the mobility of goods and services necessary to keep the economy growing. The FAST Act will help pave the way for the next 50 years of American excellence in infrastructure and make America the best place to do business.

The Committee supports funding for highway and bridge programs at the fully authorized levels of the FAST Act. The FAST Act provided for \$46.365 billion in obligation limitation and \$47.104 billion in gross contract authority for the Federal Highway Administration (FHWA) in

fiscal year 2020. However, FAST Act authorized spending in 2020 is offset by a \$7.569 billion rescission set for July 1, 2020. This rescission represents an unacceptable cut to the baseline funding level for federal highway investment. The Committee supports restoring the gross authorized funding levels included in the FAST Act for 2020 by repealing the rescission. This would raise annual highway spending above CBO's January 2019 baseline in 2020 and through the budget window.

The Committee also intends to reauthorize highway legislation this session of Congress, and will need the budget resolution to provide for such a reauthorization. Outlays from the Highway Trust Fund (HTF) currently outstrip revenues by billions of dollars per year. Based on CBO's January 2019 baseline and FHWA data, the Committee believes the HTF will be unable to meet daily cash demands sometime in late 2021. In conjunction with reauthorization legislation, the Committee supports a solution to the HTF solvency problem that is fiscally responsible, fair to all system users, and follows the user-pays principle.

U.S. Army Corps of Engineers, Civil Works

The Committee supports robust funding for the Army Corps of Engineers (Corps) at a level consistent with the Corps' capability. Investment in the civil works program of the Army Corps of Engineers offers many benefits. In fiscal year 2016, the Corps' civil works program provided approximately \$230 billion in net economic benefits to the nation and \$79 billion in U.S. Treasury revenues.¹ Congress recognized these benefits when it authorized construction of many important water resources projects in the Water Resources Reform and Development Act (WRRDA) of 2014 (Public Law 113-449), the Water Infrastructure Improvements for the Nation Act of 2016 (WIIN) (Public Law 114-322), and America's Water Infrastructure Act of 2018 (AWIA) (Public Law 115-270). The nation's network of coastal ports and inland navigation systems is essential for the movement of raw and finished goods throughout the U.S. and overseas, as well as our nation's security. Investing in these systems is necessary to ensure U.S. economic competitiveness in the global economy. The value of flood, hurricane, and storm damage reduction measures, and the cost of inadequately investing in this infrastructure, has been demonstrated repeatedly by multiple natural disasters in recent years. Benefits also accrue from undertaking environmental restoration projects around the country, including in the Everglades, Upper Mississippi River, Missouri River, Coastal Louisiana, San Francisco Bay and countless other rivers and coasts.

The fiscal year 2018 actual level of appropriations out of the Harbor Maintenance Trust Fund (HMTF) was \$1.39 billion, even though the receipts from user fees and interest during fiscal year 2017 were \$1.657 billion. In section 33 U.S.C. 2238b(1)(F) of WRRDA 2014, Congress established a target level of expenditures from the HMTF for fiscal year 2020 of 80 percent of the harbor maintenance taxes estimated to be received in fiscal year 2019. This would be approximately \$1.2 billion. The Committee recommends that the budget resolution include, at a minimum, expenditures from the HMTF consistent with those specified in WRRDA 2014.

¹ Corps of Engineers' Institute of Water Resources: Value to the Nation.
<https://fastfacts.corpsresults.us/fastfacts/nationalfastfacts.cfm>

Budget authority based on receipts for the Inland Waterways Trust Fund in fiscal year 2018 was \$116 million. These receipts are collected from a tax on diesel fuel used on 12,000 miles of inland waterways, which Congress increased in December 2014 to address the backlog of inland waterway projects. The Committee continues to support full use of Inland Waterways Trust Fund receipts for the purposes for which the tax is collected, i.e., construction and major rehabilitation of locks and dams on the inland waterways.

In section 3016 of WRRDA 2014, Congress amended the National Levee Safety Program to require a one-time review of all levees in the inventory, to establish levee safety guidelines, to establish a levee hazard potential classification system, and to authorize technical assistance and materials to states, communities, and levee owners. In addition, section 1144 of AWIA extended the \$30 million annual authorization for the Corps to provide levee rehabilitation assistance to states, Indian tribes, and local governments through fiscal year 2023. The Committee supports funding at the authorized levels under the 2018 authority to complete implementation of this important program.

WIFIA, discussed above, also authorized a secured loan program for Corps water resources infrastructure. Secured loans are a very cost effective way to provide federal assistance for this critical infrastructure. The Committee supports WIFIA funding for administration and loan purposes.

The WIIN Act and AWIA both authorized the Corps to employ available approaches to address flooding, as well as maintaining its reservoirs. The Committee supports adequate funding to implement these authorities, including those relating to ice jam prevention and mitigation, and sediment management.

In addition, AWIA increased the authorized levels of funding for several authorities under the Corps' Continuing Authorities Program (CAP). The Committee supports robust funding for all CAP authorities.

Department of the Interior, U.S. Fish and Wildlife Service

The Committee continues to support the mission of the U.S. Fish and Wildlife Service (FWS) to work with others to conserve, protect and enhance fish, wildlife, plants and their habitats for the continuing benefit of the American people. We support FWS functions such as the FWS' management of the National Wildlife Refuge System, fisheries programs, and endangered species programs. The Committee supports a healthy level of funding in the fiscal year 2020 budget for these important activities.

The Majority believes that the Endangered Species Act's implementation should continue to receive funding while the Committee works to determine appropriate funding levels for the long-term reauthorization of the Act. We are concerned that the FWS currently devotes too few resources to consultation with states and other stakeholders, and to full recovery of endangered and threatened species and their subsequent downgrading and delisting. We are concerned that the FWS currently devotes too many resources to listing actions driven by litigation rather than science-based determinations. The Committee supports robust funding for FWS administered

programs that incentivize collaboration between the FWS and stakeholders, such as the Partners for Fish and Wildlife Program, to restore, enhance, and manage land to improve fish and wildlife habitats.

The Minority believes that the Endangered Species Act works well when adequately resourced, but that the Act is severely underfunded. The Minority believes Congress should focus its attention on providing robust funding for Endangered Species Act implementation and for programs that otherwise help conserve species. Changes in land use, climate change, industrial activities, and other activities are accelerating the rate at which species become endangered and threatened, which means these investments are even more important. The Minority supports FWS funding at levels sufficient to enhance the agency's ability to conserve and recover listed species and help states ensure that they can manage imperiled species proactively to avoid new ESA listings.

The Committee supports implementation of the Wildlife Innovation and Longevity Driver (WILD) Act and funding commensurate with authorized levels. The WILD Act was passed as section 7001 of S. 47, the John D. Dingell, Jr. Conservation, Management, and Recreation Act. The Senate and House both passed this legislation in February 2019, and the President signed it into law on March 12, 2019. The WILD Act promotes wildlife conservation, assists in the management of invasive species, and helps protect endangered species. It reauthorizes the Partners for Fish and Wildlife Program and the Multinational Species Conservation Funds. It improves federal management of invasive species. It establishes cash prizes for technological innovation in the prevention of wildlife poaching and trafficking, wildlife conservation, management of invasive species, and the protection of endangered species.

Nuclear Regulatory Commission

Nuclear energy provides about 60 percent of the nation's carbon-free energy. It reliably generates electricity to power our nation's homes and businesses. Economic and regulatory pressures continue to inhibit the competitiveness of nuclear plants and uranium producers. As more reactors cease operation, the remaining units must in-turn pay higher Nuclear Regulatory Commission (NRC) fees. For example, the NRC proposes to increase annual fees on operating reactors 8.4 percent this year partially due to less work resulting from the shutdown of the Oyster Creek reactor in 2018. An additional 12 nuclear power plants are expected to close through 2025. This trend is unsustainable and the Majority will seek opportunities to better align NRC resources with its reduced workload.

On January 14, 2019, President Trump signed the Nuclear Energy Innovation and Modernization Act (NEIMA) (Public Law 115-439) into law. The law will bring greater transparency and accountability to the NRC's spending. NEIMA also requires NRC to establish performance metrics and milestones for licensing and other regulatory actions.

NEIMA requires the NRC to establish a regulatory framework for new nuclear reactor designs. Advanced nuclear technologies offer enormous potential to increase safety and reduce nuclear waste, while also reducing construction and operation costs. The Committee believes NRC's Integrated University Program, which supports nuclear engineering education, is integral to

building the workforce to develop, deploy, and operate new nuclear technologies. The Committee will conduct oversight of NRC's implementation of NEIMA and related advanced technology activities.

The Majority notes that continued inaction to fulfill the government's legal obligation to dispose of spent nuclear fuel has a significant impact on our federal budget. By law, the Department of Energy (DOE) was required to take ownership of used fuel in 1998. Because DOE has not fulfilled its legal obligations, utilities have successfully sued the government for breach of contract. As of September 30, 2018, the taxpayers have paid approximately \$7.4 billion for damages and DOE estimates total liability will exceed \$35.5 billion. This represents a \$20 billion increase from when President Obama terminated work on the Yucca Mountain program. Until DOE takes ownership of the used fuel, taxpayer liability will continue to skyrocket. A critical step in this process is to resume and expeditiously complete NRC's review of DOE's Yucca Mountain license application.

General Services Administration, Public Building Services

The Committee is concerned by the General Services Administration's (GSA) reliance on long-term leases. Nonetheless, we recognize the GSA's efforts to be proactive in its leasing agenda by taking measures such as negotiating for more desirable terms from property owners, consolidating space to reduce rentable square feet, increasing housing efficiencies, and in some cases relocating into government-owned properties.

The Committee intends to conduct oversight to identify opportunities for efficiencies and cost reductions at GSA, including reducing the federal real estate footprint.

The Committee also intends to ensure that the Federal Assets Sale and Transfer Act (FASTA) is being implemented in an effective manner, making certain that federally-owned civilian real property is used as efficiently as possible.

Department of Commerce, Economic Development Administration

Funding at the U.S. Department of Commerce's Economic Development Administration (EDA) supports a broad range of programs, including a public works program to empower distressed communities to revitalize, expand, and upgrade their infrastructure. EDA also provides technical assistance through economic adjustment assistance, which enables regions to respond to sudden or long-term economic changes, natural disasters, or other major disruptions to their economy. For example, EDA recently buoyed disaster recovery efforts in Puerto Rico, California, and Texas.

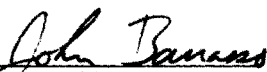
According to EDA, it spent approximately \$289.1 million in 815 economic development projects nationwide in fiscal year 2017. These projects included approximately \$136.4 million in public works and economic adjustment assistance construction projects that communities identified as critical infrastructure enhancements.

The Committee continues to support funding EDA at an appropriate level to allow it to continue creating jobs and to increase economic vitality in local communities.

The Minority plans to develop legislation to reauthorize EDA, which has not been reauthorized since 2008. The Minority objects to proposals to eliminate EDA.

We appreciate the opportunity to comment on the programs within the jurisdiction of the Committee on Environment and Public Works. We look forward to working with you as you prepare the Concurrent Resolution on the Budget for fiscal year 2020.

Sincerely,


John Barrasso, M.D.
Chairman


Tom Carper
Ranking Member

CHUCK GRASSLEY, IOWA, CHAIRMAN

MIKE CRAPO, IDAHO	RON WYDEN, OREGON
PAT ROBERTS, KANSAS	DEBBIE STABENDOW, MICHIGAN
MICHAEL B. ENZI, WYOMING	MARIA CANTWELL, WASHINGTON
JOHN CORNYN, TEXAS	ROBERT MENENDEZ, NEW JERSEY
JOHN THUNE, SOUTH DAKOTA	THOMAS R. CARPER, DELAWARE
RICHARD BURR, NORTH CAROLINA	BENJAMIN L. CARDIN, MARYLAND
JOHNNY ISAKSON, GEORGIA	SHERROD BROWN, OHIO
ROB PORTMAN, OHIO	MICHAEL F. BENNET, COLORADO
PATRICK J. TOOMEY, PENNSYLVANIA	ROBERT F. CASEY, JR., PENNSYLVANIA
TIM SCOTT, SOUTH CAROLINA	MARK R. WARNER, VIRGINIA
BILL CASSIDY, LOUISIANA	SHELDON WHITEHOUSE, RHODE ISLAND
JAMES LANKFORD, OKLAHOMA	MAGGIE HASSAN, NEW HAMPSHIRE
STEVE DAINES, MONTANA	CATHERINE CORTEZ MASTO, NEVADA
TODD YOUNG, INDIANA	

United States Senate
 COMMITTEE ON FINANCE
 WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
 JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

March 15, 2018

The Honorable Michael Enzi
 Chairman
 Senate Committee on the Budget
 United States Senate
 Washington, D.C. 20510

The Honorable Bernard Sanders
 Ranking Member
 Senate Committee on the Budget
 United States Senate
 Washington, D.C. 20510

Dear Mike and Bernie:

Pursuant to section 301(d) of the *Congressional Budget Act of 1974*, we are submitting our views and estimates with respect to federal spending and revenues within the jurisdiction of the Senate Committee on Finance for the Fiscal Year 2020 Senate Concurrent Resolution on the Budget.

REVENUES

Tax Reform, Simplification, and Permanence

With major tax legislation enacted at the end of 2017, the Finance Committee will continue consulting with the Treasury Department on implementation of the law, and continue to conduct oversight of the new tax law, including through hearings. The Committee also will examine opportunities to simplify the tax law and to address the temporary nature of, and problems with, certain provisions of the tax code.

Expiring Tax Provisions

The *Bipartisan Budget Act of 2018* (P.L. No. 115-123) last extended numerous provisions, known as “extenders,” through the end of 2017. Other provisions expired at the end of 2018, and several more will expire at the end of 2019. The Finance Committee will continue to consider the extension and/or improvement of these provisions, with an eye toward providing permanent tax policy wherever possible.

Retirement Security

The Finance Committee continues to examine retirement security for American workers and retirees. In particular, the Committee is focused on the current tax-preferred savings vehicles to determine whether the existing programs are meeting their intended objectives or are in need of improvement. The Committee continues its efforts to advance legislation developed in the 115th Congress to improve retirement savings and will examine additional proposals such as creating auto-enrollment for individual retirement accounts, providing more incentives to establish retirement plans, especially among small and medium-size businesses, and creating multiple employer defined contribution arrangements, among other issues, to determine whether there are opportunities for enhancing savings. The Committee also is studying alternative ways to provide lifelong retirement income security, such as annuity contracts and other lifetime income products, and the long-term stability of multiemployer defined benefit pension plans.

Incentives for Energy Production and Conservation

The Finance Committee remains committed to the goals of positively affecting the nation's energy independence. In pursuit of that goal, the Committee will examine incentives for energy production and efficiency, including the use of conventional and alternative energy sources, and energy conservation.

Infrastructure

The Finance Committee is committed to finding cost-effective tools to improve our existing infrastructure and address future needs. The Committee recognizes that current mechanisms for funding and financing transportation infrastructure are inadequate to address the nation's infrastructure needs and will pursue legislation that achieves long-term sustainable infrastructure policy.

OECD and Other Global Tax Changes

The Finance Committee will monitor and, if appropriate, respond to international actions regarding (i) the taxation of digital services, (ii) global profit allocation, nexus, and anti-tax base erosion proposals, (iii) European Union state aid allegations and determinations, and (iv) the follow-on work by the Organisation for Economic Co-operation and Development (OECD) related to the base erosion and profit shifting (BEPS) project, including the work of the Forum on Harmful Tax Practices. The Committee will continue to coordinate with the Treasury Department as it engages through the OECD to develop consensus proposals and oppose unilateral actions by other countries that discriminate against U.S. taxpayers and threaten the U.S. tax base.

Integrity of the Tax System and Reduction of the Tax Gap

The tax gap is the difference between the taxes legally owed under the federal tax laws and the taxes that are paid. In 2012, the Internal Revenue Service (IRS) estimated the net tax gap to be \$385 billion annually (based on 2006 data). The Treasury Inspector General for Tax Administration has reported that this figure does not include, and the IRS does not have a

reliable estimate of, the international tax gap. The Government Accountability Office, the National Taxpayer Advocate, and the IRS Oversight Board have all identified the tax gap as a serious problem. The Finance Committee will continue to examine the underlying causes of the tax gap and explore options, including the development of legislation, to improve tax compliance and administration to reduce the tax gap, with respect to both the domestic and international activities of individual and business taxpayers.

In particular, the Committee continues its efforts to advance legislation developed in the 115th Congress to improve tax administration by the IRS and strengthen taxpayer rights and protections and will examine additional proposals to enhance tax compliance. The Committee also will pursue its oversight responsibilities to hold the IRS accountable for top-quality taxpayer service, respect for taxpayer rights, and protection of taxpayer information.

IRS Budget

The President's Budget requested \$11.5 billion for the IRS' FY 2020 budget. This represents a 1.7-percent (\$197 million) increase from the FY 2019 appropriations under the *Consolidated Appropriations Act, 2019* (P.L. No. 116-6). In addition, the FY 2020 request includes a \$47.069 billion cap adjustment of the *Budget Control Act's* spending caps intended for program integrity. The IRS has and will continue to encounter significant implementation work following recent major tax legislation and pending administrative reforms. Adequate funding will be required to carry out these responsibilities.

We support a balanced approach to tax administration and a strong and sufficient enforcement budget, dedicated to that task, together with sufficient funding for taxpayer services and modernizing IRS information technology in an efficient and responsible manner. Helping taxpayers understand their tax responsibilities is central to the IRS' mission and doing so upfront promotes higher rates of voluntary tax compliance and reduces the need for subsequent enforcement action. Critical IRS computer systems were built in the 1960s and must be upgraded to keep pace with an increasingly complex and global tax regime, and to facilitate more efficient analysis of tax return data and detection of tax schemes. Additionally, modern IRS technology systems are essential to the protection of taxpayer information and the prevention of identity theft and other forms of tax fraud.

We recommend that the Budget Resolution allow for sufficient funds to support a balance of service, enforcement and technology that will maximize compliance by helping taxpayers understand their tax responsibilities, pursuing taxpayers who choose not to comply, and using technology to work efficiently and effectively.

Department of the Treasury Budget

The Department of Treasury requested \$12.7 billion in annual discretionary appropriations for its operating accounts for FY 2020, an increase of \$138 million or 1.1 percent from the FY 2019 enacted level. The Treasury Department oversees a wide range of activities, some of which overlap activities of other departments and agencies of the federal government. Oversight of and accountability for the Treasury Department's activities are needed. Absent such accountability, it is difficult to gauge the efficiency with which taxpayer resources are being utilized. The Committee will continue to work

together to urge the Treasury Department to be responsive to inquiries, and continue to find avenues for greater efficiencies in the uses of taxpayer resources by the Treasury Department.

HEALTH

Medicare Part A

In January, the Congressional Budget Office (CBO) issued updated federal budget and economic outlook data. CBO projected that net Medicare program spending for 2018 totaled \$605 billion (\$728 billion in gross outlays minus \$123 billion in offsetting receipts), a figure that is expected to grow each year over the next decade. Assuming current laws remain in place, over the 2020 to 2029 period, CBO estimates net Medicare spending will exceed \$9.5 trillion (\$11.6 trillion in gross outlays minus \$2.1 trillion in offsetting receipts).

Well over one-third of that total will be spent on Medicare Part A, which provides acute care services (inpatient hospital stays) and post-acute care services (recuperation and rehabilitation needed after an inpatient hospital stay). The Committee will review all Part A payment systems to ensure not only responsible financial stewardship of the Medicare Hospital Insurance (HI) Trust Fund, but also that providers are compensated accurately and appropriately for treating Medicare patients. Consequently, the Committee will continue assessing methods, based on data-driven evidence and rigorous oversight, to improve the quality and the efficiency of all Medicare Part A fee-for-service payment systems.

On February 9, 2018, the President signed into law the *Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act* as part of the *Bipartisan Budget Act of 2018*. The *CHRONIC Care Act* was the culmination of a bipartisan, committee-wide effort that included robust engagement with and feedback from stakeholders. This new law makes improvements that facilitate more coordinated care in traditional fee-for-service Medicare, Medicare Advantage (MA), and Accountable Care Organizations (ACOs). Addressing these issues is essential to improve health outcomes for the increasing number of Medicare beneficiaries who live with multiple chronic conditions. The Committee will closely monitor implementation of the law and work collaboratively with the Administration to ensure each provision achieves its intended results.

The Committee will also continue to examine the effects of ongoing efforts to improve Medicare's health care delivery system, pursue additional opportunities to better align Medicare payments with the delivery of high quality care, improve care transitions, produce stronger patient outcomes, increase Medicare program efficiency, and develop policies that reduce the overall growth in Medicare spending. This includes pursuing targeted legislative changes that improve access to care for Medicare beneficiaries living in rural and underserved communities, examining programs to better pay for performance – such as hospital readmissions and value-based purchasing. The Center for Medicare and Medicaid Innovation (CMMI) has implemented, and will continue to pilot, new models of care delivery aimed at paying for quality outcomes that reduce overall costs. As both the ACO program models as well as the Bundled Payments for Care Improvement (BPCI) Advanced Initiative move forward, the Committee will continue to closely monitor their implementation and examine the results.

Medicare Part B

The Department of Health and Human Services estimates that Medicare will spend \$210 billion on Part B services in 2019. Medicare Part B covers physician services, as well as hospital outpatient care, durable medical equipment, physician administered drugs, and other services.

The Committee will work to determine policy changes that help lower the cost of prescription drugs that are administered by a physician in the office or hospital outpatient setting. It will seek to make policy changes that reduce what beneficiaries pay for these medications and put program spending on a more sustainable course. According to the Medicare Payment Advisory Committee, spending on Part B drugs was \$29 billion in 2016.

The Committee will continue to engage regarding the CMS implementation of the *Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)*, which reformed the payment system to reward physicians for high-quality, efficient care, including how the agency uses the additional flexibility Congress granted through the *Bipartisan Budget Act of 2018*. The Committee will assess the extent to which the physician incentives in the reformed payment system are generating the intended results of the best care at the lowest program cost.

The Committee will also continue to monitor the implementation of other significant Medicare payment program policies, including the new payment system for clinical laboratory services that is based on rates paid in the private market, the new benefit that covers services related to infusion of certain drugs in a patient's home, and incentives to encourage the use of electronic health record (EHR) systems.

The Committee will monitor payment policy changes included in the *SUPPORT for Patients and Communities Act of 2018* that address the opioid and substance use disorder crises and assess the extent to which additional policy changes would help combat the epidemic. The Committee will also continue its efforts to identify Part B payment system changes that promote the provision of high quality, high value services to Medicare beneficiaries.

Medicare Part C

The Department of Health and Human Services estimates that Medicare will spend \$248 billion on Part C, known as Medicare Advantage (MA), in 2019. MA offers health and drug benefits through contracts with private insurance plans. The Committee aims to ensure that high quality private plans continue to participate in MA, and that these plans should continue to offer a diverse set of options for beneficiaries across the country.

The Committee will monitor as the agency makes annual changes to the Medicare Advantage program, including improvements made through the *Bipartisan Budget Act of 2018*. It will work to ensure appropriate implementation of recently enacted payment reforms, such as expanding the ability of Medicare Advantage plans to provide supplemental benefits that improve care to beneficiaries with multiple chronic conditions without increasing spending, and the permanent authorization of Special Needs Plans.

Medicare Part D

The Department of Health and Human Services estimates that Medicare will spend \$102 billion on the Part D prescription drug benefit in 2019. The Committee will work to determine policy changes that improve the successful Part D prescription drug program that is run through contracts with private insurance plans. The Committee aims to lower the amount that beneficiaries, especially those with high drug costs, pay when picking up their prescriptions at the pharmacy. It will examine the structure of the program to assess the extent that plans, drug manufacturers, and pharmacies have incentive for beneficiaries to receive the most effective drug at the lowest possible cost. In addition, the Committee will monitor Part D policy changes that help manage the opioid and substance use disorder crises included in the *SUPPORT for Patients and Communities Act of 2018*. It will assess the extent to which additional policy changes would help combat the epidemic while ensuring that beneficiaries can receive needed pain relief.

Medicaid and Children's Health Insurance Program

Medicaid and the Children's Health Insurance Program (CHIP) play a significant role in the U.S. health care system, providing coverage for low-income and vulnerable populations. The programs serve children, pregnant women, adults in families with dependent children, elderly individuals, those with disabilities, and individuals who meet certain income eligibility and other criteria. According to the HHS budget, over 76 million people on average in any given month are expected to receive health care coverage through Medicaid in Fiscal Year 2019. Furthermore, CHIP covers approximately 9.8 million children and pregnant mothers.

According to the Congressional Budget Office (CBO), federal spending on Medicaid will be \$406 billion in Fiscal Year 2019. Outlays for CHIP are estimated at about \$18 billion for 2019. CBO projects that the federal government will spend approximately \$5.6 trillion on Medicaid and CHIP over the next 10 years.

The committee plans to address issues regarding access to coverage and services under Medicaid programs; appropriate federal funding levels for those services; timeliness and quality of data on Medicaid spending, payments, access, quality, and utilization; and general program integrity. To that end, the Committee hopes that there will be sufficient flexibility in the budget to accommodate Medicaid policies that protect the health care safety net for our most vulnerable populations.

Indian Health

American Indians and Alaska Natives (AIs/ANs) have access to care through the Indian Health Service (IHS) and some AIs/ANs also have coverage through programs administered by CMS including Medicare, Medicaid, and CHIP. The Committee believes that Congress should continue to improve the coordination of services and payment between IHS and CMS in order to provide appropriate access to health care for all AIs/ANs.

Medicare, Medicaid and CHIP Program Integrity

Providing the Administration sufficient tools and funding for effective program integrity operations is a long-standing bipartisan goal. In order to ensure these efforts are able to continue, the budget should contain increased funding for preventing and detecting health care fraud. Funding the Health Care Fraud and Abuse Control (HCFAC) program has historically shown a well-established record of success in fighting fraud, waste, and abuse in Medicare and Medicaid, as well as a high return on investment (ROI). Over the past three years, the HCFAC's ROI has been \$5.00 to \$1.00, and since its inception, has returned \$31 billion to the Medicare Trust Funds. We support an increase in program integrity funding so that current program integrity activities can expand.

HUMAN SERVICES

Child Welfare

On February 9, 2018, the President signed into law the *Family First Prevention Services Act* as part of the *Bipartisan Budget Act of 2018*. This new law will help states keep more children safely with their families instead of placing them in foster care, encourage states to place children with foster families instead of in group homes, and reduce the bureaucracy faced by relatives who seek to take in children who cannot remain safely with their parents. Given the impact of the opioid crisis and the increasing number of children entering foster care as a result, the Committee has been closely monitoring implementation of this law to make sure states can begin providing services to children at risk of entering foster care as quickly as possible. By ensuring the law is implemented well and that states have many evidence-based programs to choose from when providing prevention services, federal funds can be better focused on programs that deliver results for families. The Committee will also explore ways to better support foster, adoptive, and kin parents so there are more homes for children who cannot safely remain with their families.

Temporary Assistance for Needy Families (TANF)

TANF and related programs (such as funding for child care and healthy marriage and responsible fatherhood programs) will expire on June 30, 2019. A timely extension of these programs is critical to supporting low-income families, and the Committee will work to continue these important programs this year. The Committee will contemplate reforms to better help recipients receive the services and supports they need to escape poverty including through entering or reentering the workforce and remaining employed, and will continue to oversee the implementation of changes enacted in 2017 focused on building evidence around what works to help recipients find employment. The Committee will also work to better understand the barriers to promoting states' use of TANF dollars on the program's core purposes and services, as well as work toward better measuring outcomes of the program to focus spending on efforts that successfully increase employment and reduce poverty.

Unemployment Insurance (UI)

There are several issues related to the unemployment insurance (UI) system that warrant Congressional attention, including: benefit policies set by states; reemployment services and

opportunities provided by states; state trust fund solvency; and, improving UI financial integrity by reducing improper payments and employer tax evasion. The Committee will continue to explore options and to contemplate ways to further develop these policy matters and to support states in administering their UI program effectively. In addition, the *Bipartisan Budget Act of 2018* included additional support for Reemployment Services and Eligibility Assessments to help recipients of unemployment insurance return to work, and the Committee will monitor the implementation of these provisions to ensure more individuals get the help they need to find stable employment to reenter the workforce quickly.

TRADE

The Finance Committee may consider legislation to implement trade agreements negotiated pursuant to the authorities granted by the *Bipartisan Congressional Trade Priorities and Accountability Act of 2015*. In addition, the Committee may consider legislation to enhance compliance with and enforcement of U.S. trade agreements and U.S. trade laws; legislation to suspend or reduce tariffs on miscellaneous imports; legislation to implement a possible multilateral trade agreement negotiated under the auspices of the World Trade Organization (WTO); legislation to implement the United States – Mexico – Canada Agreement; legislation to reform Section 232 of the *Trade Expansion Act of 1962*; legislation to reauthorize the Customs-Trade Partnership Against Terrorism program; legislation to improve U.S. trade capacity building programs; and legislation to address any U.S. laws that might be inconsistent with our WTO obligations. Finally, the Committee may consider legislation to address the expiration of key trade legislation, including a miscellaneous tariff bill package; the *Caribbean Basin Trade Partnership Act*, which expires on September 30, 2020; and legislation to extend the Generalized System of Preferences, which expires on December 31, 2020.

The Finance Committee also will conduct oversight over a number of key trade issues, including, but not limited to, actions taken under Section 232 of the *Trade Expansion Act of 1962* and corresponding product exclusion processes, investigations conducted pursuant to Section 301 of the *Trade Act of 1974* and corresponding product exclusion processes, activities of the United States at the World Trade Organization, the U.S.-China trade and economic relationship, as well as the U.S. relationship with Russia, India, and Brazil, enforcement of U.S. rights under trade agreements, the application of U.S. trade remedy laws, protection and enforcement of U.S. intellectual property rights abroad, and the *African Growth and Opportunity Act*. The Committee also will conduct oversight of ongoing international trade and investment negotiations and dialogues, including (1) negotiations between the United States and China; (2) discussions aimed at concluding new agreements under the auspices of the WTO, including with respect to electronic commerce and fisheries subsidies; (3) negotiations to conclude the United States-Japan Free Trade Agreement; (4) negotiations to conclude the United States-European Union Free Trade Agreement; (5) negotiations to conclude the United States-United Kingdom Free Trade Agreement; (6) discussion under the Asia-Pacific Economic Cooperation forum; (7) negotiations to conclude bilateral investment treaties; (8) possible negotiations for potential trade agreements, including with Asia Pacific economies; and (9) other ongoing international negotiations and dialogues. The Finance Committee also will monitor implementation of and compliance with existing trade agreements, utilization of laws restricting imports, and other

international trade commitments, and conduct oversight over international trade matters related to international institutions to which the United States is a member.

The Finance Committee also will continue its extensive oversight over U.S. Customs and Border Protection (CBP). Since 2002, many laws have reorganized and refocused the agency, including, but not limited to, (1) the *Homeland Security Act of 2002*, which transferred certain customs functions from the Department of the Treasury to DHS; (2) the *Security and Accountability For Every (SAFE) Port Act of 2006*, which authorized the restoration of trade resources and unification of trade personnel under a new Office of Trade; and (3) the *Trade Facilitation and Trade Enforcement Act of 2015*, which provides the first comprehensive authorization of CBP, streamlines legitimate trade and provides benefits to trusted traders to increase U.S. competitiveness, and strengthens enforcement related to intellectual property rights, AD/CVD laws, currency manipulation, forced labor, and other aspects of trade enforcement. These laws necessitate continued oversight over the activities of DHS and the Department of the Treasury affecting trade in order to ensure that a careful balance is maintained between the need for strong border security and the need for strong economic security, which is based in part on an open and secure international trade system. In addition, the Committee will continue its oversight over other agencies with international trade functions.

In the course of realizing its international trade priorities, the Finance Committee anticipates additional costs incurred by program expansion and extension as well as revenue losses through tariff reductions. To this end, we request that the Budget Committee include a budget neutral reserve fund for international trade priorities over a ten-year period, with which the Committee could pay for a comprehensive authorization of ICE, additional trade personnel for CBP and ICE; enhancements to technology necessary to facilitate legitimate trade and enforce U.S. trade laws, such as ACE; legislation to modernize CBP, legislation to ensure effective administration of CBP's revenue functions, adjustment of funding authorities, enactment of trade and intellectual property compliance and enforcement legislation; enactment of exchange rate misalignment legislation; enactment of legislation to suspend or reduce tariffs on miscellaneous imports; implementation of trade agreements, and other trade matters.

SOCIAL SECURITY

After many years of advocating in past Views and Estimates letters for program integrity funds for the Social Security Administration (SSA), we are pleased to note that SSA achieved full Continuing Disability Reviews (CDRs) currency in FY2018 and expects to maintain currency in FY2019 and FY2020. This program integrity milestone will improve SSA programs and save taxpayer dollars. We thank the Budget Committee and other congressional leaders for supporting SSA with this important achievement.

Long-term Financing

Social Security's finances face long-run sustainability challenges. We believe that addressing these challenges must ultimately involve bipartisan legislation reported out by the Finance Committee.

Service Delivery

The administrative budget of the SSA (Limitation on Administrative Expenses, or “LAE”) funds salaries and benefits for agency employees and State employees at disability determination services (DDS) offices, as well as other expenses such as rent, supplies, and information technology. The FY2019 appropriation for administrative expenses provided SSA with \$12.732 billion.

The FY2020 President’s Budget request provides SSA with \$12.773 billion for its LAE account, including \$1.582 billion in dedicated program integrity funding. As in the past, SSA will use funding to focus on its core mission. We expect that will include focus on addressing key backlogs, improving frontline operations, and reducing improper payments. In addition, resources are expected to be used to make the agency an even more efficient and effective organization to improve service to the public, including continuing work on information technology modernization.

SSA estimates that year-over-year increases in its fixed costs will be nearly \$289 million for FY2020. The Budget proposes to charge a fee for replacement Social Security cards. The proceeds from the fees are estimated to be \$270 million, which the Budget seeks to have available to SSA to augment the LAE. At this time we do not know the Acting Commissioner’s unrevised budget request, so we request that the Budget Resolution for FY2020 recommend a funding amount for SSA that will allow the Agency to cover its growing costs, reduce work backlogs, and improve both person-to-person and online service delivery to the public.

Program Integrity

Funding for program integrity can reduce improper payments and provide net budget savings. Funding for Continuing Disability Reviews (CDRs) and Supplemental Security Income redeterminations generate net projected savings to the federal budget. Current estimates are that CDRs conducted in FY2020 will yield net Federal program savings over the next 10 years of roughly \$8 on average per \$1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance, Supplemental Security Income, Medicare, and Medicaid effects.

The Budget Control Act of 2011 (BCA) allows increases above the Federal Government’s annual spending caps through FY2021 for program integrity purposes. If Congress appropriates funds for SSA program integrity work, the discretionary spending limit may increase by a corresponding amount up to a specified level. The Bipartisan Budget Act of 2015 (BBA) increased the cap adjustments allowed in the BCA by a net \$484 million between FY2017 and FY2021. The BBA also expanded eligible expenditures to include Cooperative Disability Investigation (CDI) units, Special Assistant U.S. Attorneys who prosecute Social Security fraud, and clearly defines the use of funds for work-related CDRs.

For FY2019, SSA estimates that program integrity spending will be \$1.683 billion, which is the full amount authorized by the BBA. For FY2020, program integrity spending would be \$1.582

billion under the President's Budget request – which is the amount authorized by the BBA. We recommend that the FY2020 Budget Resolution fully fund the cap adjustment.

For many years, we have advocated for program integrity spending. SSA has made significant progress in reducing backlogs in its disability workloads. As highlighted above, SSA eliminated the backlog of CDRs that had existed since FY2002. This is good news and may indicate a need to revisit the eligible expenditures for program integrity funding, such as allowing SSA to fund Target Denial Reviews (TDRs). TDRs are reviews of denied applications that are determined to have a higher likelihood of being reversed on appeal. Evidence gained from TDRs may help SSA increase decision accuracy while also helping to reduce the number of cases waiting for a hearing.

Hearings Backlog

One of SSA's main management challenges continues to be reducing the backlog of cases that are awaiting a hearing before an Administrative Law Judge. According to Social Security's Office of the Inspector General (OIG), the average processing time for a hearing increased 40% from 426 days in FY2010 to 595 days in FY2018; and, during the same period, the pending hearings backlog increased 22%, from 705,367 cases to 858,383 cases. Noting recent progress, the OIG reports "over the last 2 years, the number of pending cases has decreased from over 1.1 million cases at the end of FY2016 to 858,383 cases at the end of FY2018." For both FY2018 and FY2019, Congress provided SSA with \$100 million in special funding to address the backlog, which SSA used to modernize information systems and increase adjudicative capacity and overtime. Combined with SSA's Compassionate and Responsive Service (CARES) plan and lower than expected disability receipts, the additional funding has reduced the pending decision backlog. The Finance Committee recommends that the Budget Resolution allow sufficient funds to support SSA's priority goals of continuing to reduce the hearings backlog and improving customer service by reducing the wait time for a hearing decision.

Information Technology

SSA require resources to modernize Information Technology (IT) in order to improve productivity and provide significantly better customer service. SSA must modernize its computer language and database infrastructure, including moving its data to the cloud and improving bandwidth. SSA's main database systems are over 40 years old. Failing to adequately address and fund SSA's IT needs increases the risk for service disruptions and reduced system performance and production. Recognizing the need for IT modernization, Congress provided SSA with \$280 million in FY2018 for IT modernization and an additional \$454 million in FY2019. We recommend that the Budget Resolution maintain support for this essential resource need. SSA must also continue to work with Congress to increase the agency's accountability with respect to IT modernization, by providing targets, benchmarks, and metrics that can be used to measure progress, or lack thereof, in meeting modernization targets and objectives.

Challenges Identified by the Office of Inspector General:

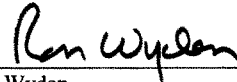
- Improve administration of the Disability Insurance program.

- Reduce improper payments and increase overpayment recoveries.
- Improve customer service.
- Modernize information technology infrastructure.
- Secure information systems and protect sensitive data.
- Strengthen the integrity and protection of the Social Security Number.
- Strengthen planning, transparency, and accountability.

Sincerely,



Charles E. Grassley
Chairman
U.S. Senate Committee on Finance



Ron Wyden
Ranking Member
U.S. Senate Committee on Finance

JAMES E. RISCH, IDAHO, CHAIRMAN

MARCO RUBIO, FLORIDA	ROBERT MENENDEZ, NEW JERSEY
RON JOHNSON, WISCONSIN	BENJAMIN CARSON, INDIANA
JOE GARDNER, COLORADO	JEANNE SHAWHEE, NEW HAMPSHIRE
MITZ WAHNER, UTAH	CHRISTOPHER A. TOOMEY, DELAWARE
LUISEY GREGG, SOUTH CAROLINA	TOM UDALL, NEW MEXICO
JOHNNY ISAKSON, GEORGIA	CHRISTOPHER CUMMERY, CONNECTICUT
JOHN BARRASSO, WYOMING	EMILY BLUNT, VIRGINIA
ROB PORTMAN, OHIO	EDWARD J. MARKEY, MASSACHUSETTS
RAND PAUL, KENTUCKY	JEFF BLUNZEL, ILLINOIS
TODD YOUNG, INDIANA	SHERI A. BOEKER, NEW JERSEY
TEJASWI NI, TEXAS	

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

March 15, 2019

The Honorable Michael B. Enzi
Chairman
Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bernard Sanders
Ranking Member
Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman and Mr. Ranking Member:

In accordance with section 301(d) of the Congressional Budget Act, I write to share the views and estimates of the Committee on Foreign Relations relating to the Fiscal Year 2020 (FY20) International Affairs Budget. It is recommended that the Concurrent Resolution on the Budget reflect an overall reduction of 2.5 percent from the FY19 enacted level for the Function 150 International Affairs, Function 300 International Commissions, and Function 800 General Government programs and activities within the committee's jurisdiction. We estimate this amount to be \$54.5 billion, which is roughly \$1.2 billion below FY18 and \$7.7 billion below FY17. It is further recommended that the resolution maintain authority for non-discretionary spending under the Foreign Service Retirement and Disability Fund at \$158.9 billion.

One of the greatest threats facing America today is our ballooning national debt which, barring intervention, is expected to reach an astounding \$28.7 trillion, or 93 percent of Gross Domestic Product by 2029. Failure to address the principal drivers of deficit spending – Social Security, Medicare, and interest payments on the debt – will result in an economic downturn that disproportionately affects the poor, the elderly, and the middle class. Getting our fiscal house in order will require tough but necessary choices on entitlement spending. I applaud the efforts of the Budget Committee toward that end.

In Fiscal Year 2019, the International Affairs Budget accounts for 1.3 percent of total Federal spending. This is a modest investment in the national security of the United States, particularly when compared to a defense budget that grows in the absence of effective diplomacy and development. Still, we must utilize these limited resources in the most efficient and effective manner possible so we can stretch our dollars further and ensure lasting impact. Over the coming year, the Committee will pursue a legislative agenda that aligns U.S. foreign assistance with our most pressing national security interests, imposes strategic cuts to ineffective programs, and eliminates duplication and waste. The following outlines a number of funding priorities and other recommendations to achieve these objectives.

Restoring the Annual State Department Authorization Process. More than 17 years have passed since Congress last enacted a comprehensive State Department authorization bill. As a result, an increasingly complicated patchwork of authorities now resides in annual appropriations

The Honorable Michael B. Enzi and the Honorable Bernard Sanders
March 15, 2019
Page 2

and defense authorizations, the Department's performance has declined, and the Committee's ability to conduct oversight has diminished. One of the top priorities of the Committee for the 116th Congress is to reverse these trends and restore the State Department authorization process. This major undertaking will require sufficient resources to advance common-sense reforms that may carry up-front costs, such as improving cyber security and empowering the Department to bring on personnel with skills that are in high demand while eliminating positions that are no longer needed. Allocations for State Operations, particularly for the Diplomatic Programs account, will need to account for temporary increases attributable to information technology upgrades and workforce reform. At the same time, the Committee will continue the work of the last Congress to streamline and reduce burdensome reporting requirements that waste money and staff time.

Modernizing the U.S. Agency for International Development (USAID). The Committee shares the USAID Administrator's view that "the purpose of our foreign assistance must be ending its need to exist." Over the next year, the Committee will oversee implementation of an ambitious plan to modernize USAID's organization and operations, improve strategic staffing, and reform procurement mechanisms so the agency can stretch U.S. foreign aid dollars further and help place countries on a path to self-reliance. This can be accomplished within existing resources but will require Congress to reduce the number of sector-specific directives that impede the ability of USAID to respond to emerging opportunities and challenges in real time.

Supporting Allies. The Committee will continue to prioritize assistance that supports U.S. strategic partners, including Israel, NATO allies, and other treaty partners. This includes an allocation of \$3.1 billion in Foreign Military Financing (FMF) that is needed to maintain Israel's qualitative military edge in an increasingly hostile region. We will also seek to enhance the competitive advantage of the United States over malign states that do not share our values or interests, particularly Russia and China, through continued and increased FMF and International Military Education & Training (IMET) in vulnerable regions. This goal will also be furthered through implementation of the BUILD Act and the establishment of the U.S. International Development Finance Corporation (IDFC). Transitioning the Overseas Private Investment Corporation (OPIC) to a more robust IDFC is expected to incur a reasonable level of up-front costs, yet will yield long-term savings and benefit.

Preventing Crises. The Committee will continue to support both hard- and soft-power approaches to combatting terrorism, particularly in the Middle East and Africa. This will likely include an effort to authorize, for the first time, the State Department-led Trans-Sahara Counterterrorism Partnership in North Africa and the Sahel. The Committee will also work to enact a Global Fragility Reduction Act that aligns the efforts of the State Department, USAID, and the Department of Defense to address the drivers of extremism in weak and failing states. These efforts will require a re-prioritization of funding currently provided under the International Disaster Assistance (IDA), Transition Initiatives (TI), Development Assistance (DA), Economic Support Funds (ESF), International Narcotics and Law Enforcement (INCLE), Peacekeeping Operations (PKO), Complex Crisis Fund (CCF), and Relief and Recovery Fund (RRF) accounts.

Supporting Democracy, Human Rights, and Good Governance. Around the globe, authoritarianism is on the rise, human rights defenders are under attack, and corruption is eroding public confidence in governing institutions. The combination of these toxic forces threatens U.S. national security interests as nations become less stable and costly humanitarian and, in some

The Honorable Michael B. Enzi and the Honorable Bernard Sanders
March 15, 2019
Page 3

cases, military interventions become more likely. Against this backdrop, it is in the interest of the United States to strongly support civil society, promote human rights, and combat corruption, particularly in weak or failing states. In addition to supporting enactment of a Global Fragility Reduction Act, the Committee will prioritize resources for the Human Rights and Democracy Fund (HRDF), which functions as a “venture capital fund” for democracy and human rights, and the Global Anti-Corruption Consortium, which harnesses the unique capabilities of investigative journalists and anti-corruption advocacy groups to promote greater accountability.

Countering Malign Foreign Influence. Our adversaries are weaponizing non-military methods to augment their power globally. In particular, Russia and China are spreading their malign influence by using diplomatic, informational, economic, business, corruption, and educational capabilities that advance their interests to the detriment of human rights, democracy, and the rule of law. To maintain our alliances, expand our partnerships, and promote our values, it is imperative that the United States government work to counteract these measures. The Committee will continue to support robust funding levels for all elements of the United States Agency for Global Media family, critical language and educational exchange programs, as well as the integral public diplomacy work performed by our hundreds of diplomatic posts abroad. Further, we will continue to support allocations for the Countering Russian Influence Fund, which supports democracy programs in the Balkans, Ukraine, and Eastern Europe. The Committee also will support increased spending on cyber deterrence, anti-corruption activities, and media trainings.

Responding to Humanitarian Crises. There are currently more than 65-million people displaced by conflict around the world – more than at any other time in modern history. Millions of people are facing starvation in places like Yemen, South Sudan, and the Horn of Africa, and profound human suffering continues unabated in Iraq, Syria, and Venezuela. It is in the national security interests of the United States to respond, not only because humanitarian assistance is the most visible symbol of the compassion of the American people, but also because it helps stabilize volatile areas, promote early recovery, and reduce demand for resettlement outside affected regions. Unfortunately, needs are rapidly outpacing the ability of donors to respond and desperate appeals are chronically underfunded. The Committee will continue to support robust levels of humanitarian assistance – including for Migration and Refugee Assistance (MRA), IDA, the Emergency Food Security Program (EFSP), and Food for Peace (FFP) – while advancing common-sense reforms that will enable us to stretch these limited, life-saving resources further.

Advancing Economic Freedom. Reducing poverty through economic growth is a key objective of the U.S. national security strategy and a core responsibility of the Federal departments and agencies implementing U.S. foreign assistance programs. Economic growth also offers avenues to reduce countries' dependence on aid by allowing the private sector to flourish and increasing domestic resources for governments to invest in their own development. The Committee will seek to support the efforts of the Administration to promote economic freedom and growth – particularly through amounts currently available to the State Department, USAID, the Millennium Challenge Corporation, and the IDFC – so more countries can grow their way out of poverty and become reliable U.S. trade partners.

Stemming the Flow of Migration. Within our own hemisphere, the Committee will seek to sustain and sharpen investments in the Northern Triangle to promote economic growth, citizen security, and the rule of law to dampen migration to the United States and counter transnational

The Honorable Michael B. Enzi and the Honorable Bernard Sanders
March 15, 2019
Page 4

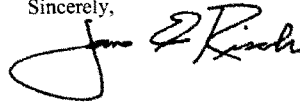
criminal threats. We will also seek to ensure the State Department and USAID are prepared to support vigorously the transition to democracy in Venezuela and Nicaragua, including assistance for stabilization, economic recovery and free and fair elections. This will require appropriate levels of assistance under the MRA, IDA, TI, DA, ESF, and INCLE accounts.

Combatting Human Trafficking. With over 40-million people in modern slavery, combatting human trafficking is a key goal of U.S. foreign assistance. Anti-trafficking programs focus on the areas of prevention, protection and persecution. Prevention programs combine public awareness and education campaigns with education and employment opportunities for those at risk of trafficking, particularly women and girls. Protection programs involve support for shelters, as well as training of local service providers, public officials, and religious groups. Programs to improve the prosecution rates of traffickers help countries draft or amend existing anti-Trafficking in Person laws, as well as provide training for law enforcement and judiciaries to enforce those laws. The FY20 budget should continue to reflect strong support for anti-trafficking programs.

Addressing Pandemic Health Threats. Recent outbreaks of Avian Influenza, Ebola, and the Zika Virus should serve as stark reminders that infectious diseases respect no borders – epidemics overseas can easily become pandemics that threaten the U.S. Homeland, and treatment and recovery will always prove more costly than prevention. The Committee intends to ensure that funding for Global Health P (GHP) – including but not limited to programs to combat Ebola, HIV/AIDS, and other infectious diseases – is strategically planned, effectively coordinated, and commensurate with the threat. Moreover, the Committee will work to ensure that the “mission creep” that has diverted critically needed funds for HIV treatment under the President’s Emergency Plan for AIDS Relief (PEPFAR), identified in House Report 115-1014, accompanying the PEPFAR Extension Act of 2018 (P.L. 115-305), is immediately reversed.

The views expressed in this letter provide just a brief glimpse into the Committee’s plans to maximize the return on investment in the International Affairs Budget by setting clear priorities that align resources with the most pressing security, economic, and humanitarian interests of the United States. We hope you find them helpful to your own deliberations on the Concurrent Resolution on the Budget. Please do not hesitate to contact the Committee’s Staff Director, Chris Socha, at (202) 224-4651 or Socha@foreign.senate.gov should you require any additional information.

Sincerely,



JAMES E. RISCH
Chairman

JAMES E. RISCH, IDAHO, CHAIRMAN

MARCIO RUBIO, FLORIDA	ROBERT MENENDEZ, NEW JERSEY
RON JOHNSON, WISCONSIN	BENJAMIN L. CARDIN, MARYLAND
CORY GARDNER, COLORADO	JEANNE SHAHEEN, NEW HAMPSHIRE
MITT ROMNEY, UTAH	CHRISTOPHER A. COONS, DELAWARE
LINSEY GRAHAM, SOUTH CAROLINA	TOM UDALL, NEW MEXICO
JOHNNY ISAKSON, GEORGIA	CHRISTOPHER MURPHY, CONNECTICUT
JOHN BARRASSO, WYOMING	TIM Kaine, VIRGINIA
ROB PORTMAN, OHIO	EDWARD J. MARKEY, MASSACHUSETTS
RAND PAUL, KENTUCKY	JEFF MERKLEY, OREGON
TODD YOUNG, INDIANA	CORY A. BOOKER, NEW JERSEY
TED CRUZ, TEXAS	

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

March 15, 2019

Senator Mike Enzi
Chairman
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Senator Bernie Sanders
Ranking Member
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

I am writing to share my views on the FY2020 International Affairs budget and programs under the jurisdiction of the Committee on Foreign Relations, as required by Section 301 (d) of the Congressional Budget Act of 1974.

As I expressed in a letter to Secretary of State Pompeo, USAID Administrator Green, and OMB Director Mulvaney on February 5 with my colleagues: our foreign affairs and foreign assistance budgets are every bit as essential to ensuring America's national security as funding for the Department of Defense, the Intelligence Community, and law enforcement. An approach to national security budgeting that focuses on just one element of our national security strategy and fails to embrace critical diplomatic, economic, and political tools the United States must utilize to promote our interests and security is shortsighted and doomed to fail. The United States continues to face increasingly complex crises worldwide that come from political instability, resource scarcity, economic turmoil and ideological challenges. Now more than ever we need robust, holistic, U.S. leadership for our own security and for global stability and prosperity. Failing to provide robust resources for U.S. efforts to promote good governance, support economic development, climate change resilience, combat human trafficking, eradicate disease and building partner capacity, will ultimately increase risks to the United States. We have always stood on the side of these values – enabling citizens around the world to actively and freely participate in the political process, supporting the rule of law, protecting human rights, and ultimately helping build and maintain vital allies and partners for the United States.

Our foreign policy and our foreign policy budget should reflect the core American values that have shaped our own security and prosperity and contributed to international stability, cooperation, and achievements around the world. Our success requires proper funds to support our diplomats and partners worldwide as they work to support our values and our interests.

While I am mindful of the need to ensure that the Department of State and our foreign assistance programs are run in the most efficient and effective way possible, the massive cuts the Administration has proposed would wholly incapacitate core economic and development accounts, devastate security assistance, and for all intents and purposes end meaningful humanitarian aid. Over the last few years, I have been proud as Congress exercised our Constitutional prerogatives and pushed back on the administration's plans to gut our foreign affairs budget. As a united body, we have worked to protect this infinitesimal portion of the overall United States budget, recognizing the incredible impact it has in promoting American interests and supporting and protecting American citizens. This year I urge you to continue this trend and fully fund the Function 150 budget to adequately meet the needs of the State Department and USAID.

Specifically:

- The overall FY20 Function 150 budget allocation should be no less than \$60 billion;
- Economic and Development Assistance (ESF, DA, INCLE, and IO&P) should be restored to the FY16 Enacted level;
- \$2.9 billion should be provided to support human rights, governance and anti-corruption work through the DRL bureau at State, \$200 million for NED, as well as \$2.75 billion for democracy and governance programs from Development Assistance and Economic Support Funds;
- At least \$750 million for the Assistance for Europe, Eurasia and Central Asia Account, including for programs to counter Kremlin aggression;
- Anti-ISIS Funding for State Department and USAID counter-ISIS activities should be no less than \$6 billion to ensure that critical de-mining, stabilization, reconciliation, and post-conflict peace building activities can quickly follow battlefield successes;
- International Narcotics and Law Enforcement (INCLE) funding should be maintained at the FY19 enacted level of \$1.497 billion in order to ensure that the State Department has essential funding to combat the illicit drug trade, counter Russian influence and aggression, and prevent and address trafficking in persons;
- Funding for U.S. engagement in Central America should be supported at the FY16 enacted level of \$754 million in order to ensure that the United States can respond comprehensively to the security challenges, weak rule of law, and lack of economic development that drive outward migration from the region;
- As the crisis in Venezuela grows, the funding for democracy, human rights and governance programs should be expanded to \$20 million;
- Funding for democracy and human rights in Cuba should be maintained at the traditional level of \$20 million in Economic Support Funds;
- FMF should be placed back at FY16 Enacted levels, including at least \$3.3 billion allocated for security assistance to Israel. Moreover, it is critical to U.S. national security to maintain FMF as grants, not as loans;
- The total contribution to International Organizations should be increased to \$1.5 billion and the Nonproliferation, Anti-Terrorism, Demining, and Related Programs account should be increased to \$750 million;

- A voluntary contribution of \$25 million to the Organization for the Prohibition of Chemical Weapons (OPCW)
- Increase to \$120 million for the U.S. voluntary contribution to the International Atomic Energy Agency (IAEA)
- \$35 million for contributions to the Comprehensive Nuclear Test Ban Treaty Organization's Preparatory Commission
- The Global Engagement Center's (GEC) FY20 funding should be pegged at \$75 million to be able to fully execute the GEC's Countering Violent Extremism (CVE) mission, as well as handle the additional duties of countering foreign propaganda efforts mandated by the FY17 NDAA;
- Funding for the United Nations related accounts, including CIPA, CIO, CIO-UN Regular Budget, PKO and MPOR should be supported at a minimum of \$4.78 billion;
- Restore support for the Green Climate Fund, international programs that invest in renewable energy, sustainable landscapes, and climate change adaptation, and other bilateral climate change programs by funding programs at FY16 requested levels, including \$750 million for the Green Climate Fund;
- Support \$484 million for international renewable energy and adaptation programs as specified in the table entitled "Funding for Environment and Energy Programs" in the Senate FY19 State Foreign Operations Appropriations Act, and as referenced in the FY19 omnibus conference report;
- Global Health Programming should be set at least at \$8.9 billion for the Global Health Account, including \$3.2 billion for Global Health Programs-USAID and \$5.7 billion for Global Health Programs;
- Humanitarian Assistance accounts should be funded at no less than \$9.4 billion, and the proposed International Humanitarian Assistance (IHA) fund should be rejected, maintaining the current structure for programs and accounts that address these critical needs;
- USAID's operating expenses should be funded at \$1.4 billion.

I urge the committee to build on our investments to advance global peace and stability by embracing human rights, empowering individuals and organizations striving for freedom, and sustaining institutions in fragile democracies, including: not less than \$2.9 billion to be made available for democracy programs through the DRL bureau at State; \$200 million for the National Endowment for Democracy (NED); as well as \$2.75 billion for democracy and governance programs through Development Assistance and Economic Support Funds. Support for democracy assistance is a cost-effective way to promote U.S. foreign policy. We know from experience that when countries fail politically they risk becoming terrorist havens or generating devastating humanitarian and refugee crises. These potential costs to U.S. security are much greater than the investments we make in supporting emerging democracies or economic growth and stability. Additionally, building strong institutions to create a business climate conducive to U.S. exports helps provide economic security and a good "return on investment" of our foreign assistance dollars.

In addition, I am deeply alarmed that President Trump has proposed large cuts to foreign aid. The world is currently facing proliferating conflicts with record-breaking levels of displacement and unprecedented levels of food insecurity. Continued violence and displacement has caused food insecurity in northeastern Nigeria, South Sudan and parts of Ethiopia, Yemen, Venezuela, and famine conditions in Somalia. The United States is the world's largest donor of humanitarian assistance and it remains a national security imperative that the United States continue to robustly fund life-saving assistance through the humanitarian accounts including International Disaster Assistance, Emergency Refugee and Migration Assistance, Food for Peace, and Migration and Refugee Assistance.

I also urge the committee to continue to strongly support development programs like Feed The Future that build resilience, spur economic growth, and reduce hunger and poverty. Feed the Future is a model for achieving cross-sectoral international development goals and is a critical part of our development agenda.

Lastly, I remain concerned that over the previous several years the Department of State has continually relied upon Overseas Contingency Operations (OCO) funding to supplement base funding, when appropriated funds do not meet the needs of the Department. This dynamic is setting up what may potentially be a very painful day of reckoning unless Congress and the Executive make the base Function 150 budget whole. I am deeply concerned that the massive cuts proposed by the administration will further compound this problem, not alleviate it.

I appreciate your consideration of these views, and I look forward to working with you on the Budget Resolution.

Sincerely,

A handwritten signature in black ink that reads "Robert Menendez". The signature is written in a cursive, flowing style with a prominent initial "R".

Robert Menendez
Ranking Member

LAMAR ALEXANDER, TENNESSEE, CHAIRMAN

MICHAEL B. ENZI, WYOMING	PATTY MURRAY, WASHINGTON
RICHARD BURR, NORTH CAROLINA	BERNARD SANDERS II, VERMONT
JOHNNY ISAKSON, GEORGIA	ROBERT P. CASEY, JR., PENNSYLVANIA
RAND PAUL, KENTUCKY	TAMMY BALDWIN, WISCONSIN
SUSAN M. COLLINS, MAINE	CHRISTOPHER S. MURPHY, CONNECTICUT
BILL CASSIDY, M.D., LOUISIANA	ELIZABETH WARREN, MASSACHUSETTS
PAT ROBERTS, KANSAS	TIM Kaine, VIRGINIA
LISA MURKOWSKI, ALASKA	MARGARET WOOD HASSAN, NEW HAMPSHIRE
TIM SCOTT, SOUTH CAROLINA	TINA SMITH, MINNESOTA
MITT ROMNEY, UTAH	DOUG JONES, ALABAMA
MIKE BRAUN, INDIANA	JACKY ROSEN, NEVADA

DAVID P. CLEARY, STAFF DIRECTOR
 EVAN SCHATZ, DEMOCRATIC STAFF DIRECTOR

<http://help.senate.gov>

Page 1 of 16

United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

March 15, 2019

The Honorable Mike Enzi
Chairman
Senate Budget Committee
624 Dirksen Senate Building
Washington, D.C. 20510

The Honorable Bernie Sanders
Ranking Member
Senate Budget Committee
624 Dirksen Senate Building
Washington, D.C. 20510

I am writing in response to your letter dated February 8, 2019, requesting a views and estimates letter for programs and activities that fall under the jurisdiction of the Senate Committee on Health, Education, Labor and Pensions (HELP) pursuant to Section 301(d) of the Congressional Budget Act.

As Chairman of the HELP Committee, we have taken significant steps to eliminate unnecessary or duplicative programs, reduce burdensome regulations, and pass important legislation to reverse the trend away from centralizing decisions in Washington. This Congress, the HELP Committee will work to reduce health care costs for Americans, make the cost of college worth it for all students, and continue to work with the Trump Administration to help grow jobs and raise family incomes. The work we do in our committee touches the lives of virtually every American—former Chairman Ted Kennedy once said that the committee had 30 percent of the legislative jurisdiction of the Senate.

Health

Health Care Costs

For the last eight years, most of the debate about health care has not been about this extraordinary fact that we may be spending up to half of what we spend on health care unnecessarily but instead on health insurance, and in fact on six percent of the health insurance market. The truth is we will never have lower cost health insurance until we have lower cost health care. Instead of continuing to argue over a small part of the insurance market, what we should be discussing is the high cost of health care that affects every American. The committee held five hearings last year on reducing health care costs. At one of the hearings, Dr. Brent James, a member of the National Academies of Medicine, testified that between 30 percent and up to as much as 50 percent of what we spend on health care is unnecessary and other witnesses agreed. That is startling because that means that we are wasting up to \$1.8 trillion dollars a year, and is the reason why action needs to be taken to lower health care costs. The committee is

committed to helping Americans have better health outcomes and better experiences at a lower cost, through legislative solutions and encouraging regulatory or sub-regulatory action.

Health Care Reform

Americans need options for affordable insurance, and more freedom to buy the type of insurance they want to buy instead of the type of insurance Washington thinks they should be forced to buy.

The committee is committed to finding both legislative and administrative solutions to give Americans affordable options for health insurance. I applaud the Department of Labor for its finalizing the Association Health Plans (AHPs) rule, which could lower the cost of health insurance premiums and finally make affordable health insurance available to the 11 million American small business men and women and their employees or those who work for themselves. For the first time, self-employed Americans would have the ability to band together and obtain health insurance on similar terms to large businesses. This proposed rule presents a new opportunity for hardworking gig economy workers, farmers, songwriters, and artisans who today are priced out of our health insurance system. The committee looks forward to working with the administration and associations to make sure that AHPs become a reality for the millions of Americans who are positioned to benefit from this commonsense shift in policy. Additionally, I am encouraged by the administration's proposal to return greater flexibility to the states in regulating short-term, limited duration health insurance plans, which can serve as important option for health coverage for Americans who are in between jobs.

Food and Drug Administration (FDA)

Human Medical Products

We need to make sure that FDA is stretching every dollar as far as it can go, including ensuring existing authorities are supporting the response to the nationwide opioid crisis.

In regards to FDA's medical products authorities, the agency should continue focusing on how to help the many patients that exist with no cure or treatment. Dr. Francis Collins of the National Institutes of Health (NIH) wrote in 2013, "Drugs exist for only about 250 of the more than 4,400 conditions with defined molecular causes. And it takes far too long and far too much money to get a new drug into our medicine cabinets. This is an old problem that cries out for new and creative solutions." Since then, the number of conditions with defined molecular causes has increased to 5,427, yet the number of new drugs approved has not kept pace with these discoveries.

In addition to product review and safety, the FDA needs to be ready and able to respond to public health challenges, including the opioid crisis, and be better prepared to respond to public health emergencies, such as outbreaks of infectious diseases, including Zika. As threats to public health change over time, the FDA needs to build flexible capacity to better anticipate and respond to emerging challenges.

Lastly, the committee will be examining updating the regulation of over-the-counter (OTC) drugs and cosmetics. The OTC Monograph process has become outdated and remains a cumbersome process for manufactures seeking to create products for consumers, which would allow better patient safety and more innovative options. Reforming the monograph process and updating cosmetics regulation is considered long overdue.

21st Century Cures Implementation Oversight

One of the priorities for the committee this year will be ensuring that the 21st Century Cures Act continues to be implemented correctly to reach the reality of improving mental health programs and the promise of biomedical innovation. 21st Century Cures provided new authorities and resources for the NIH, FDA, and Substance Abuse and Mental Health Services Administration (SAMHSA) to support research, programs, and medical product development that will affect the lives of nearly every American.

National Institutes of Health (NIH)

As the agency that funds and enables much of the research that leads to medical breakthroughs, we need to ensure that NIH is operating efficiently, coordinating appropriately, and that it has the tools it needs to invest in research that could become the next treatment, cure, or device for the many diseases and conditions without one. The policy changes enacted as part of the 21st Century Cures Act will help ensure NIH is able to accomplish its mission in the most efficient and effective manner possible.

The NIH received \$39 billion in federal funding in fiscal year 2019, which was a \$2 billion increase from fiscal year 2018. I support continued efforts to keep NIH appropriately funded, ensure that we do not lose the worthwhile investments we have made, and to keep the United States competitive.

The 21st Century Cures Act authorized an NIH Innovation Account, which gives the director of NIH the authority and ability to harness extraordinary opportunities for specific high priority initiatives. The 21st Century Cures Act authorized \$1.8 billion for the “Cancer Moonshot,” \$1.45 billion for the Precision Medicine Initiative, \$1.5 billion for the BRAIN Initiative, and additional funding for research on adult stem cells. Congress fully funded the third year of the 21st Century Cures Act by providing \$711 million for the NIH Innovation Account.

Health Information Technology

Included in the 21st Century Cures Act the Senate passed in 2016 was important bipartisan legislation to help get our electronic health record program out of the ditch. Electronic health records promise to help both increase the quality of health care in the United States through better provider coordination and access to patient information, and decrease the cost of health care across the country by reducing duplicative care and medical errors. Unfortunately, the implementation of the nation’s electronic health records program has fallen short. The Department of Health and Human Services has spent more than \$37 billion to encourage the adoption of electronic health records since 2011, yet funding recipients are not meeting the law’s

goal of interoperable, data-rich records. The financial incentives and penalties meant to achieve a true national network for electronic health records have proven to be a poor approach.

Successful implementation of the 21st Century Cures Act as intended by Congress will help reduce provider documentation burden, achieve interoperability of electronic health records, put an end to information blocking, and empower patients to engage in their health data. Given the amazing advances in technology that allow patients to better monitor their own health, integration of digital health technologies and electronic medical records is key to the future of health care delivery. These promising advances will not be possible if Congress does not remember both the importance of patient privacy in their own health information and that sometimes, it is better for the federal government to get out of the way than try to lead.

Mental Health and Substance Use Disorders

In 2016, Congress recognized the importance of mental health and substance use disorder prevention and treatment by passing the Helping Families in Mental Health Crisis Act as part of the 21st Century Cures Act. The law reformed many of our nation's mental health programs for the first time in over a decade to help the one out of five adult Americans suffering from mental illness. The committee plans to continue to oversee implementation of the Helping Families in Mental Health Crisis Act, in order to ensure accountability for federal mental health programs, increase access for mental health care and substance use disorder treatment services, and increase flexibility for state and local criminal justice agencies to prevent and respond to mental health crisis. Several agencies within the Department of Health and Human Services provide assistance to states and other organizations for prevention and treatment services. The Substance Abuse and Mental Health Services Administration (SAMHSA) helps by providing funds to states for these services in the block grants it administers, as well as other grants and agreements. I support appropriate funding levels at SAMHSA and for other applicable programs within the Department.

The Opioid Crisis

Congress has taken a number of steps in recent years to support states fighting the opioid crisis, including by passing the Protecting Our Infants Act in 2015, the Comprehensive Addiction and Recovery Act in 2016, the 21st Century Cures Act in 2016, and the SUPPORT for Patients and Communities Act in 2018. In spite of our efforts, nationwide, there were 70,237 drug overdose deaths in 2017, according to the Centers for Disease Control and Prevention. More than 28,000 of these deaths involved synthetic opioids, such as fentanyl. The SUPPORT Act included over 70 provisions to address the crisis, including provisions to stop illegal drugs, such as fentanyl, from coming across the border through the mail, new authorities for research on non-addictive painkillers, and increased access to medication assisted treatment. I support appropriate funding levels within the Department of Health and Human Services for programs relevant to response efforts.

Pandemic and All-Hazards Preparedness Act Reauthorization

The Zika virus outbreak in South and North America beginning in 2015, the hurricanes that affected Texas and the southeastern states in 2017, and the reemergence of Ebola virus in 2018 in the Democratic Republic of the Congo highlights the importance of strengthening and improving our nation's medical and public health preparedness and response capabilities. The Assistant Secretary for Preparedness and Response, the Centers for Disease Control and Prevention, the National Institutes of Health, the Biomedical Advanced Research and Development Authority, and the Food and Drug Administration each play a crucial role in our nation's ability to prepare for and respond to all public health threats, whether naturally occurring or deliberate. The committee will prioritize reauthorizing the Pandemic and All-Hazards Preparedness Act, which was reauthorized for the first time in 2013 (P.L. 113-5), to improve programs and provide critical funding to improve our nation's preparedness and response capabilities to ensure we are ready to face 21st century threats. It is critical that we support research and development of medical countermeasures to protect Americans from all-hazards, including chemical, biological, radiological, and nuclear threats, bioterror attacks, pandemic influenza, and other emerging infectious diseases. The committee plans to reauthorize the Pandemic and All-Hazards Preparedness Act.

The 340B Drug Pricing Program

Created in 1992 to help ensure that patients could access drugs and treatments and providers could support care for those who could not afford it, the 340B Drug Pricing Program is vital to patients and providers across the country. However, the program has nearly doubled in the past five years, according to the Government Accountability Office (GAO), with a total of nearly 38,000 registered sites of care participating. According to reports by the GAO, the Department of Health and Human Services Office of the Inspector General (OIG), the Medicare Payment Advisory Commission (MedPAC), the National Academies, and the House Committee on Energy and Commerce, the program lacks clearly defined purpose, scope, rules, and oversight. Last year the committee held multiple hearings on the program to learn more about the Health Resources and Services Administration (HRSA) authorities and oversight, as well as what data is being collected and what should be reported by program participants. The committee is dedicated to strengthening and preserving the 340B program for those who depend on it to obtain and deliver health care services.

Food and Tobacco Regulation

The Food Safety Modernization Act (FSMA) was signed into law in 2011. It established a comprehensive food safety regulatory framework and expanded FDA's existing authorities to better prevent and reduce foodborne illness and foodborne outbreaks. FDA's Center for Food Safety and Nutrition is tasked with implementing FSMA, which was designed to be risk-based, flexible, and based in sound science to ensure our nation's diverse food industry is not faced with overly burdensome and costly regulations. Congress will continue to review and conduct oversight of FDA's implementation of this law, the costs associated with increased regulations, and the agency's risk-based approach with respect to prioritizing resources and focusing efforts on high-risk foods with a history of foodborne illness. Every year, roughly 48 million

Americans are sickened by a foodborne illness. It is critical that FDA focus its food related activities on food safety and prioritize FSMA's goal of decreasing the number of foodborne illnesses and foodborne illness outbreaks. FDA should ensure FSMA is implemented in the least burdensome, risk-based manner that works with a diverse and growing food industry to protect our nation's food supply.

FDA published a final regulation in May 2016, deeming certain tobacco products, such as cigars, electronic cigarettes, and vapor products, as subject to the Tobacco Control Act and its various regulatory requirements in order to stay on the market in the United States. The regulation provides FDA the authority to regulate cigars, electronic cigarettes, and vapor products in the same manner as traditional, combustible cigarettes. FDA's regulation will jeopardize small businesses, consumer choice, innovation, and public health by limiting the types of products available on the market, including those that may be less harmful than traditional cigarettes. FDA's regulation will adversely impact cigar manufacturers, many of which are small businesses, as the regulation applies a one-size fits all regulatory structure to products that are intentionally manufactured to have uniquely different characteristics and are not the same.

The committee will continue to review and conduct oversight of FDA's implementation of this regulation, the costs associated with increased and burdensome regulation, the agency's approach to harm-reduction technologies, and their product review performance.

In July 2017, the FDA announced a new plan to regulate nicotine and the addictive levels of nicotine in tobacco products. Additionally, the agency announced their intent to issue an Advanced Notice of Proposed Rule Making (ANPRM) to seek public comment on the role of flavors in tobacco products, including menthol, solicit public comments and scientific data related to patterns of use and public health impacts of premium cigars, and standards for nicotine levels in tobacco products. On March 13, 2019, the FDA issued a draft compliance policy to further regulate and limit the availability of flavored electronic cigarettes and announced they would propose a rule to ban all flavors in cigars. The committee plans to review the progress of this new regulatory plan and ensure that it is in the best interest of the public health, consumer choice, innovation, and small businesses across the country.

Community and Public Health Programs Extenders

There are 1,400 community health centers that provide health care services at about 12,000 delivery sites to 27 million Americans. These centers are important providers in rural and medically underserved parts of the country. The Bipartisan Budget Act (BBA) of 2018 extended for two years and increased mandatory funding for the health center program to \$4 billion in FY2019, and extended for two years mandatory funding for the National Health Service Corps and Teaching Health Center Graduate Medical Education program, two health care workforce programs on which community health centers rely. The BBA also provided a two year extension of mandatory funding for the Special Diabetes Program and Special Diabetes Program for Indians. Mandatory funding for these programs expires on September 30, 2019, and I support an extension of funding to prevent service disruptions and maintain access to high quality, affordable care.

Reducing Duplication and Waste

The HELP Committee is reviewing the programs administered by the U.S. Department of Health and Human Services in HELP jurisdiction for authorizations that have expired or are no longer funded. Such authorizations complicate future appropriations efforts by unnecessarily adding to the number of programs that vie for funding. The committee will examine programs with expired authorizations or that are no longer funded and attempt to eliminate outdated and duplicative programs.

Education and Workforce***Every Student Succeeds Act***

On December 10, 2015, President Obama signed the Every Student Succeeds Act (ESSA) into law, a bill that fixed No Child Left Behind (NCLB) and reauthorized the Elementary and Secondary Education Act of 1965. This bipartisan, bicameral bill represented a compromise between the House-passed Student Success Act and the Senate-passed Every Child Achieves Act. The compromise bill was drafted by a House-Senate conference committee and approved by both chambers with overwhelming bipartisan support.

ESSA represents a consensus on how to fix NCLB. It continues the law's important measurements of academic progress of students, but restores to states, school districts, classroom teachers, and parents the responsibility for deciding what to do about improving student achievement. It ends the waivers through which the U.S. Department of Education had become, in effect, a national school board for more than 80,000 schools in 42 states. It ends the federal Common Core mandate. It restores back to states and local school boards decisions about whether schools and teachers are succeeding because the real way to higher standards, better teaching and real accountability is through states, communities, and classrooms—not through Washington, D.C. ESSA will make it easier for states and local school districts to expand and strengthen charter schools and school choice. Finally, it cuts through the bureaucratic thicket of federal education assistance by consolidating programs and making it easier for states to use limited federal resources to meet their unique identified needs.

The Congress appropriates over \$23 billion for programs authorized in the Every Student Succeeds Act.

Since passage, one of the committee's top priorities has been to aggressively oversee the implementation of ESSA and that will continue in FY19. A law, no matter how well written, isn't worth the paper it's written on unless it's implemented properly. I will continue working with my colleagues on the committee to ensure the teachers, governors, chief state school officers, school superintendents, and others who counted on us to fix NCLB see that it's implemented properly.

Early Education and Child Care

Although ESSA is primarily a K-12 law, the law's passage in 2015 also included a new early childhood program to replace the previously funded Preschool Development Grants program. Through this new Preschool Development Grants (PDG) program, grants are jointly administered by the Departments of Health and Human Services and Education to ensure better coordination of fragmented programs at the federal level, as well as in States and local communities. Shifting the focus of the program towards coordination and alignment of resources, PDG will promote a more efficient state-determined early childhood system that supports statewide collaboration of programs and services.

In 2014, the Child Care and Development Block Grant (CCDBG) Act of 2014 was passed and signed into law to reauthorize the CCDBG program, which provides grants to states to help low-income working families pay for child care, mainly through vouchers that let them choose the best facility for their children, while the parent works or attends school. This law puts vouchers in the hands of many working families so they can make their own decisions about what child care best suits their needs and the committee should focus on maintaining the preponderant use of vouchers as a critical vehicle for parental choice. The Bipartisan Budget Act of 2018 nearly doubled the federal investment for child care, and Congress should focus on ensuring those investments build on State implementation of the important quality and safety reforms passed during the 2014 reauthorization.

Congress should focus on ensuring access to high-quality early education that provides all low- and moderate-income children with quality options for early education and care, while also expanding programs to reach additional children from middle class families and incentivizing full-day kindergarten policies. However, the federal investment in early education and child care is already significant – amounting to approximately \$23 billion– and, according to the General Accountability Office, already supports a fragmented system of 44 different programs, many of which overlap in pursuing the same goals and serving the same populations. Instead of raising false hopes for new money and new programs that we can't afford, the committee's efforts should be focused on finding ways to streamline and consolidate existing early education and child care programs, while also improving efficiency and enabling states to expand access for low-income children and families with the resources we have.

Individuals with Disabilities Education Act

The Individuals with Disabilities Education Act requires schools to provide special education services to meet the needs of all students. We need to stop diverting our limited resources to new or untested programs and instead fund the needs of students with disabilities under the law. Congress appropriates \$13 billion for programs authorized under this law.

Higher Education Act

The Higher Education Act expired at the end of 2015 and reauthorization of the law is the committee's top education legislative priority this year. Over the last five years, the committee held roughly 27 hearings toward this effort and now is ready to move forward on legislation. I believe that America has almost all of the world's best universities, but their future greatness is threatened by tuition rates increasing each year at a rate higher than inflation, too many students dropping out, and a growing number of graduates being left with debt they cannot repay.

Federal policies deserve some of the blame for why tuition rates are going up. By imposing unnecessarily duplicative and burdensome regulations and reporting requirements on institutions and unfunded Medicaid mandates on states, colleges are being forced to pass along their higher costs to students by raising tuition rates. When Congress last reauthorized the Higher Education Act in 2008, we made the problem worse by doubling the amount of rules and regulation. Today, the Higher Education Act totals nearly 1,000 pages with another 1,000 pages in the official Code of Federal Regulations devoted to higher education. The result of this piling up of regulations is that one of the greatest obstacles to innovation and cost consciousness in higher education has become—us, the federal government.

In 2013 four members of the committee, including myself, asked a group of distinguished educators to examine the current state of federal rules and regulations for colleges and universities. We asked them not just to tell us the problem of overregulation, but to give us specific solutions. These educators returned to us a report entitled "Recalibrating Regulations of Colleges and Universities" that contained 59 specific recommendations—requirements and areas for Congress and the Department of Education to consider—including 10 that were especially problematic. They told us that our 6,000 colleges and universities were operating, in their words, in a "jungle of red tape" that is expensive, confusing and unnecessary.

As the committee seeks to address the problems of college access, affordability, and outcomes, it should seek to minimize the costs imposed both directly and indirectly on higher education and ensure that these savings are passed along to students. The federal government must stop imposing new Medicaid mandates on the states that drive up tuition. The committee should focus on getting rid of regulations that are driving up college costs and limiting the autonomy that is the hallmark of our system of higher education. At the same time, states and universities must play their part in looking for ways to save money and cut costs by focusing more on efficiency and results, rather than how they can fill more seats and squeeze more money out of their students.

Student Loans

In 2010, the federal government took over sole responsibility of the student loan program from more than 2,000 private banks and handed it over to the U.S. Department of Education to act as the sole banker. In 2019, the federal government will lend nearly \$100 billion dollars to students to pay for a postsecondary education.

I continue to have significant concerns about the ability and capacity of the Department of Education to effectively manage a roughly \$1.5 trillion student-loan portfolio. As college costs continue to rise, resulting in more students and families needing to borrow to fund those costs, the committee will look closely at the Department's ability to manage and provide services to its constituents and be a good fiduciary for the taxpayer. The Department's management of this portfolio and all that it encompasses is something that will remain on our agenda to review. I continue to be concerned over Federal Student Aid's management of its contractors and the various aid programs within the office.

Repayment of student loans during the Obama Administration grew into a more complex and burdensome process for students. The Trump Administration has recently proposed a more sophisticated and technological focused delivery system. The proposed structure will modernize and enhance the aid recipient's experience in applying for and receiving federal student aid. Last Fall, the Department unveiled a mobile device application where a student can apply for and see the amount of their federal aid. It will eventually have the ability to check loan balances and make payments and provide aid recipients with a more simplified and easily accessible way to be better informed. The topic of the scope and structure of the federal direct loan program will be a high priority during the debate of the Higher Education Act reauthorization.

Finally, both the Department of Education's Inspector General and the Government Accountability Office have evaluated various aspects of student loan servicing. As a result, numerous reports, including some released in the past year, highlight problems and inefficiencies.

Pell Grants

Based on the January 2019 CBO baseline projections, the Pell Grant program is on an unsustainable path and at risk of being unable to fulfill its commitment to help low-income students gain access to college by 2022. The January baseline projected that the Pell Program would cost \$24.8 billion in FY 19. Discretionary costs in the program are significantly higher than just 10 years ago; however, due to enrollment trends and better economic conditions, costs in the program have leveled. Should the economy take a negative turn, demand for Pell funds would increase. Also, funding pressures are largely due to Congressionally mandated increases in the maximum allowable award. One of these pressures is a cost of living adjustment that ended at the beginning of the 2018-2019 award year. If Congress reinstates this increase to the mandatory add-on, as desired by many, program costs would rise precipitously faster. In addition, appropriators included year-round Pell in the FY17 appropriations measure. Rather than making structural reforms, Congress continues to resort to short-term funding patches and policy changes in annual appropriations bills and budget measures.

With the opportunity to rewrite the Higher Education Act before us, I hope to comprehensively address Pell funding while providing flexibility in the program that will provide needy students with the opportunity for success. While the Congressional Budget Office estimates continue to show annual surpluses in the short-term, these estimates do not lessen the need for a long-term plan that will sustain the program in the future. It is imperative that any federal aid decisions be made within a comprehensive plan.

There are opportunities to find additional savings through changes to the federal direct loan program. Any savings generated from student loan reform proposals would be better used to help low-income students through the Pell Grant program. Bipartisan legislation that I introduced in the past, the FAST Act, starts to address some of these issues. Every year, 20 million students waste millions of hours and countless dollars on a 108-question application form that only needs to be the size of a postcard and make permanent students' ability to use available tax data on financial aid forms. In addition, the FAST Act would maintain year-round Pell Grants and allow students to use Pell Grants more flexibly if pursuing competency-based models of education. Last Congress, Senators Whitehouse, Murray, Gardner, and I also introduced, and the Senate passed, the FAFSA Act which would make it easier for IRS data to be used in the completion of the FAFSA. While the bill did not become law, it is my hope that these two bills and more will be accomplished during the broader reauthorization effort.

Job Training

A January 2011 Government Accountability Office Report found that 44 of the 47 job training programs administered by the federal government “overlap with at least one other program, in that they provide at least one similar service to a similar population.” Many of these programs operate under separate administrative structures, resulting in unnecessary overhead costs and inefficiencies and limited data exists to demonstrate that these training programs are actually effective in improving the chance that a worker will find and keep a job.

In 2014, the Workforce Innovation and Opportunity Act was passed and signed into law, which dramatically reduced the number of job training programs and provided needed flexibility to states and local training programs. The law consolidated duplicative programs, improved accountability and transparency through common performance measures across all programs, required independent evaluations of programs on a regular basis, provided greater flexibility to states and governors to allocate resources and structure their workforce systems in ways that best meet their economic needs, and eliminated bureaucratic and regulatory burdens that produce unnecessary and costly inefficiencies. The committee will continue to conduct oversight of these programs and consider any necessary updates to the law as the authorization period ends in 2020.

Career and Technical Education

On July 31, 2018, President Trump signed the Strengthening Career and Technical Education for the 21st Century Act, a bill to reauthorize the Carl D. Perkins Career and Technical Education Act. This law provides more than \$1.2 billion annually to support the development of academic and career and technical skills among the approximately 12.5 million secondary education students and postsecondary education students who elect to enroll in career and technical education programs each year.

The new law supports the development of and access to high-quality career and technical education programs by strengthening State led accountability, eliminates programs that do not work, and improves alignment with the Workforce Innovation and Opportunity Act (WIOA) and the Every Student Succeeds Act.

Congress eliminated the authority of the Secretary to dictate performance targets and strengthened the prohibitions to clarify that the Secretary shall not have the authority to mandate, coerce, or exercise any direction or supervision over state or local standards, assessments, curricula or program of instruction, including the Common Core standards. As States work to set their own levels of performance, they will consult a variety of stakeholders and make the State Plan available for public comment. The new law ensures that state and local programs collaborate with the business community and workforce development boards, so that education programs are meeting the needs of the local economy. The Committee will conduct oversight of these programs.

Fair Value Accounting

The HELP Committee is requesting the Budget Committee consider the option of using Fair Value Accounting when evaluating the cost and savings of various higher education reform proposals. To enable a robust debate about overhauling the structure of the current federal loan program, including discussion regarding the proper role and interplay with the private lending market, it is vital that fair value accounting methodology be available. CBO has indicated on numerous occasions its support and preference for the application of fair value accounting as it pertains to scoring federal student loan programs. This approach would better account for the risk and exposure to the taxpayer inherent in the current federal student loan structure. Further, it would allow the committee to conduct a more meaningful debate about the proper role the federal government should take in supporting access to higher education, including graduate education.

Streamlining the U.S. Department of Education

In an effort to account for any redundant or outdated programs, the HELP Committee is reviewing the programs administered by the U.S. Department of Education, as of January 2019, for authorizations that have expired. It appears that many of these programs are also not funded. The Committee is compiling a list of expired programs without clear funding and identifying statutorily required advisory committees that may no longer serve a purpose. A letter has been sent to the U.S. Department of Education to request additional information regarding these programs and to learn more about when these advisory committees last met. I also requested an update on all current programs that receive funding. The HELP Committee plans to evaluate this information to help inform ways to streamline the unnecessary and unfunded programs administered by the U.S. Department of Education.

Labor and Pensions

Encouraging Job Growth

The committee is proud that policies put into place by the Trump administration and Congress have created opportunity and higher wages for millions of Americans. Unemployment is at the lowest rate in decades, and more Americans are reentering the workforce. Thanks to a pro-jobs agenda in Washington, wages have also increased to provide higher pay for working families.

Repealing job-killing regulations, confirming qualified executive nominees interested in enforcing the law rather than creating new Washington mandates, and cutting taxes so that companies can hire and pay employees more have contributed to robust economic growth. The committee will continue to prioritize job growth and will oppose attempts to undo the progress of the last two years.

Empowering Employers, Entrepreneurs, and Taxpayers

Washington, D.C., can do the most good for American workers by reducing regulatory burdens and incentivizing growth and innovation. Instead of more big government mandates, this Congress should follow the tax-cutting, regulation-reducing agenda of the 115th Congress to create a thriving economy. That's why the committee will oppose irresponsible proposals to raise the federal minimum wage to \$15 per hour, which could cost millions of jobs. The federal government fixing wages is not the way to give the largest number of Americans a good wage.

Similarly, the committee opposed the ill-conceived Obama-era overtime rule that would have more than doubled the salary threshold, made it harder for employers and institutions to grow. The non-partisan Congressional Budget Office found in 2016 that the Obama-era overtime rule would have cost workers billions of dollars. However, the committee supports the Trump administration's decision to issue a proposed rule to responsibly update the salary threshold for overtime pay. This reasonable update would ensure that workers and employers will have the opportunity to offer input on future changes.

The Davis-Bacon Act is another federal mandate that is expensive for taxpayers and job creators. This law requires federal contractors and subcontractors to pay employees a prevailing wage determined by the Department of Labor using a statistically unrepresentative local area wage survey. This counterproductive law has been extended to more than 60 federal programs that provide construction funding, despite frequent errors in wage survey data that inflate costs, wastes taxpayer dollars, and results in lower employment. The committee opposes further expansion of Davis-Bacon mandates.

The committee will continue to reduce bureaucracy and improve conditions for job creation by opposing policies and proposals that discourage businesses from hiring. The committee will oppose proposals to eliminate recognized workplace dispute resolution procedures or impose onerous and ineffective reporting requirements. For example, the committee does not support legislation that would require employers to put employees' personnel and compensation information at risk. Discrimination in the workplace is illegal, and the committee supports robust enforcement of federal civil rights laws. However, the committee opposes proposals that could increase meritless litigation or prevent employers acting in good faith from defending themselves.

Today's workplace relationships and arrangements are changing rapidly. In 2015, GAO reported that millions of American workers have embraced "gig economy" opportunities, which provide workers with freedom, flexibility, and empowerment. The committee intends to ensure the legal and regulatory environment does not impede this dynamic sector of the economy. For example, the gig economy harnesses the talents of Americans who choose to offer their services as

independent contractors. The committee will be skeptical of efforts to impose burdens on independent contractors that would reduce flexibility and stifle opportunity.

Likewise, the committee supports the National Labor Relations Board's (NLRB) proposed "joint employer" rule. This commonsense rule would ensure that entrepreneurs can maintain autonomy over their own small businesses. The Obama-era NLRB expanded joint liability in a way that would have reduced opportunities for small businesspeople, like franchisees, to own and operate their own businesses. The committee also supports the decision by the Department of Labor to similarly clarify the "joint employer" standard under the *Fair Labor Standards Act*, which will bring certainty to that confusing area of the law.

Keeping Workers Safe

Americans should not have to worry about their safety when they are at work. One of the best ways to fulfill the committee's goal of safe workplaces is to expand programs such as the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP). This compliance assistance program helps empower employers and employees to keep their workplaces and each other safe. By engaging employees in workplace safety, VPP participants have injury and illness rates at half of industry averages. Compliance assistance programs like VPP save both the government and private companies money, all while keeping workplaces safer and allowing OSHA to focus its resources on higher-risk worksites. The committee will continue to advocate for adequate funding for the VPP program.

The committee is also pleased the Department of Labor rescinded an OSHA regulation that threatened workplace safety incentive programs. These programs engage employees in everyday safety and reward them for ensuring that the workplace remains safe. The committee looks forward to future collaboration to maximize workplace safety.

Preserving Democracy in the Workplace

Workers have long had the right to choose whether they want to be represented by a labor union through a government-supervised secret ballot election. Equally important, the 28 states with "Right-to-Work" laws guarantee that a person cannot be compelled to pay dues to a labor union as a condition of employment. Throughout the previous administration, Democrats tipped the scales in favor of labor unions, whatever the implications for workers. One such example is the NLRB's 2014 "ambush election" rule, which unnecessarily rushes union representation elections, invades employees' privacy, and limits employers' ability to provide information to their workers. The Committee supports efforts to ensure that workers have access to the information they need when deciding whether to unionize.

Expanding Opportunities in the Workforce

Despite great successes in job creation, the nation is still experiencing a shortage of skilled workers, and it is a problem that could only get worse. Apprenticeship opportunities can help train Americans for careers in high growth, high-paying fields. The previous Congress twice

appropriated record funding for a particular type of apprenticeship that is registered through the Department of Labor. This funding amounted to more than \$300 million in a two-year period.

While this was a good start, these Labor Department-registered apprenticeships are subject to rigid and burdensome requirements that do not adapt easily to a fluid job market. These bureaucratic rules have served as a barrier to important workforce development opportunities. The Department of Labor is now creating a way for businesses to cut through the red tape associated with registration. The committee believes that this new structure offers great promise for a broad cross-section of our economy, and the committee eagerly awaits forthcoming regulations from the Department implementing these opportunities.

Enforcing the Law

Rather than imposing expensive new mandates and hindering the broad economic prosperity of the last several years, the committee believes that federal agencies should focus on enforcing the important worker protections that are already on the books. In that regard, the Trump administration has been very successful in protecting workers and providing a predictable legal environment for employers. For example, statistics from the Equal Employment Opportunity Commission (EEOC) reveal robust enforcement during President Trump's administration. That agency has the important responsibility of enforcing federal workplace antidiscrimination laws.

Another important agency, the Department of Labor's Wage and Hour Division (WHD) enforces federal overtime pay, minimum wage, and child labor requirements. That division has delivered record-levels of enforcement under President Trump's administration.

Finally, the Department of Labor's Occupational Safety and Health Administration (OSHA) enforces federal laws on workplace safety and health, and also offers training, outreach, and compliance assistance to businesses across the country. OSHA enforcement has been robust, performing more inspections in the last two years than it did in President Obama's final year in office. The Bureau of Labor Statistics confirms a decline of 45,800 nonfatal injury and illnesses from 2016 to 2017, as well as a drop in the number of workplace fatalities.

Notably, this committee has already approved nominees to all three agencies: an EEOC nominee, a nominee to be WHD Administrator, and a nominee to be Assistant Secretary of Labor for Occupational Safety and Health. However, the Democrat minority has prevented these nominees from Senate floor consideration. It appears the Democrat minority is determined to make it nearly impossible for President Trump to fill the 1,200 federal government positions that require Senate confirmation, inhibiting our constitutional duty to provide advice and consent on nominations. The Senate should immediately confirm pending nominees so they can provide leadership and ensure the law is enforced.

Enhancing Retirement Security

The committee will continue to safeguard the retirement income security of workers and retirees. Americans must have access to high-quality retirement savings advice and education, and policymakers should support the voluntary, private retirement system. The Department of Labor

has proposed an important new regulation that would enable small businesses to band together to offer high-quality retirement options. These "association retirement plans" would reduce barriers that small businesses face in offering retirement plans and could help more small business employees save for their futures. By contrast, the committee is concerned about counterproductive proposals putting costly new mandates on businesses. Instead, the committee will encourage flexible private sector solutions that reduce costs for workers.

The federal agency insuring private sector defined benefit pension plans faces severe challenges. That agency, the Pension Benefit Guaranty Corporation (PBGC), insures the pension benefits of nearly 40 million American workers and retirees. The agency's deficit remains a significant concern. Last year, the PBGC's program that ensures collectively-bargained "multiemployer" defined benefit plans had a \$54 billion deficit, and the agency's multiemployer insurance program is forecasted to be bankrupt in 2025. The agency was also named to GAO's "high risk list" because of its underfunding.

Defined benefit pension benefits are promises made by the private sector, which has the responsibility to fulfill its obligations. In 2014, then-President Obama signed into law a bipartisan multiemployer pension reform agreement, providing multiemployer plans the flexibility and tools necessary to get back on the path to financial solvency. Any further pension reforms should make sure PBGC can meet its obligations without passing unreasonable costs to taxpayers and future generations.

Reducing Needless Duplication

Americans deserve an efficient government. During the budget process, Congress often establishes temporary programs and advisory committees that remain in statute long after their expiration. Such authorizations complicate future appropriations efforts by unnecessarily adding to the number of programs that vie for funding. The committee will examine programs with expired authorizations and streamline federal law by eliminating outdated and duplicative programs.

Thank you for your consideration of these issues. If you have questions and are unable to reach me, please have your staff contact David Cleary, Majority Staff Director, at 202-224-9021.

Sincerely,



Lamar Alexander

CAMIE ALEXANDER, TENNESSEE, CHAIRMAN
 MICHAEL B. ENZI, WYOMING
 RICHARD BLUMENTHAL, CONNECTICUT
 JOHNNY ISAKSON, GEORGIA
 RAND PAUL, KENTUCKY
 MISSIONI STIVERS, IOWA
 BILL CASIDY, MISSOURI
 PAT ROBERTS, KANSAS
 LISA MURKOWSKI, ALASKA
 TIM SCOTT, SOUTH CAROLINA
 MITT BURNETT, UTAH
 MIKE BRAUN, INDIANA
 PATTY M. MURPHY, WASHINGTON
 BERNARD SANDERS, VERMONT
 ROBERT F. CASPER, JR., PENNSYLVANIA
 TAMMIE BALOWIN, WISCONSIN
 CHRISTOPHER S. MURPHY, CONNECTICUT
 ELIZABETH WARREN, MASSACHUSETTS
 TONI KANG, VERMONT
 MARGARET WOOD HASSAN, NEW HAMPSHIRE
 EVAN SCHWARTZ, MISSOURI
 GUY FORTSON, ALABAMA
 JACKY ROSEN, NEVADA

DAVID P. CLEARY, STAFF DIRECTOR
 EVAN SCHWARTZ, DEMOCRATIC STAFF DIRECTOR
<http://help.senate.gov>

United States Senate
 COMMITTEE ON HEALTH, EDUCATION,
 LABOR, AND PENSIONS
 WASHINGTON, DC 20510-6300

March 15, 2019

The Honorable Michael Enzi
 Chairman
 Senate Budget Committee
 624 Dirksen Senate Building
 Washington, D.C. 20510

The Honorable Bernard Sanders
 Ranking Member
 Senate Budget Committee
 624 Dirksen Senate Building
 Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders:

As we work on the Senate Budget, families across the country are looking to Congress for proof that their government is focused on making their lives and their futures better. They want to know we are fighting for them, not just fighting with each other, and now is an important time to show it. Because, budgets are not just numbers on a page, they are statements of our values and vision for the country's future. They make clear what our priorities are and who we are fighting for. So while President Trump has made clear in his latest budget that he wants to continue focusing on extreme, divisive policies and harmful cuts, I hope we take this opportunity to put forward a very different approach in the Senate Budget. I hope we work together and put forward a budget that invests in a brighter future and lets families across the country know we are putting them first.

In that spirit, my response to your request for the views and estimates of the Senate Health, Education, Labor, and Pensions Committee is centered around three principles I think are critical to keeping us focused on improving the lives of individuals and their families. First, it focuses on ways to create economic growth built from the middle out, not the top down. This means raising wages and ensuring workers have more economic security on the job, with policies that ensure equal pay for equal work, protect workers' rights, and help provide workers paid sick leave, parental leave, and affordable, quality child care so that no one has to choose between earning a paycheck or caring for their family.

Growth from the middle out also requires investing in education from cradle to career, through early education, high-quality public schools for all students, and expanded access to higher education and job training that does not leave students struggling with debt. And a strong middle class is one in which hardworking seniors can retire with dignity—so this letter discusses ways we can help more seniors have the secure retirement they have earned from a lifetime of work.

Second, to strengthen and expand the middle class, we must reject the efforts of President Trump and Congressional Republicans to dismantle the health care system and instead continue working to build a system that covers everyone and puts patients and families first. And so, when it comes to health care, this letter rejects the partisan Trumpcare policies that would take our nation backwards and instead lays out ways we can move toward more coverage, not less, more affordability, not less, and higher quality, not less—principles that Republicans and Democrats should be able to agree on. It also identifies key investments in public health and in research and development, especially in the biomedical sciences, which will promote lifesaving, world-changing innovation for patients and maintain our country's leading role in life sciences. And critically, after an entire Congress in which Republicans in the House and Senate unfortunately doubled down on efforts to undermine women's access to health care, this letter outlines ways we can and must continue to defend a woman's constitutionally guaranteed right to make her own choices about her own body.

Finally, we must vigorously protect the rights of everyone in our country. Each generation has made progress toward expanding opportunities and securing equal treatment under the law, and we must reject the harmful, divisive efforts of this administration and instead work together to ensure we continue to move toward dignity and equality for all. This means recognizing and investing in the critical work of federal agencies to enforce civil rights laws that protect the rights of students, workers, patients, immigrants, refugees—everyone.

Each of these priorities would help expand opportunity and growth, but there are many more investments we need to make to truly build an economy that works for everyone, not just the wealthiest few. That is why, in addition to laying out these priorities, the Democratic views and estimates letter for the Health, Education, Labor, and Pensions Committee calls for a budget approach that adheres to, and builds on, the bipartisan budget deals reached in previous Congresses. The bipartisan budget deal I reached with former Speaker Paul Ryan in 2013, and the subsequent budget deals in 2015 and 2018, make very clear there is strong bipartisan support for restoring investments *equally* across middle class and national security priorities in an honest and transparent manner. In honoring the principle of parity in restoring cuts from sequestration to defense and nondefense funding, those budget deals helped to restore critical investments in health care, education, research, and defense jobs.

By contrast, President Trump has unfortunately worked to return us to the politics of brinkmanship and dysfunction. First, he led the nation into a deeply unpopular, harmful, and totally preventable partial shutdown of the government for a record 35 days. Second, his proposal in his 2020 budget request for addressing the caps is dishonest and gimmicky; utterly failing in meeting the real needs of families, communities, and troops; divorced from the realities of the Congressional budget and appropriations process; and, consequently, dead on arrival. So, I urge my Republican colleagues to reject the President's absurd and reckless proposal for discretionary funding and work with Democrats on an orderly 2020 and 2021 appropriations process that honors the bipartisan agreements we reached in 2013, 2015, and 2018 with the Bipartisan Budget Acts. Rejecting the dead on arrival proposal from the President would allow us to instead continue working together toward budgets that help create jobs and grow the economy, and would help make sure we do not move in the wrong direction with additional cuts to investments in priorities for workers, seniors, women, children, families, and the middle class.

Finally, as both Ranking Member on the HELP Committee and as the former Chairman of the Budget Committee, I am heartened by the arrival of a new Democratic majority in the House, which, among many things, will ensure the Republican majority in the Senate cannot use the Congressional budget process to try again to circumvent regular order in the Senate through the use of fast-track reconciliation. Senate Republicans did tremendous damage to the integrity of the Congressional budgeting process last Congress, including, in the very first week of the 115th Congress, by bypassing the Budget Committee completely to jam a deeply unpopular budget through the Senate on a party-line vote. After subsequently failing to repeal the Affordable Care Act with that budget, Republicans quickly rushed through a second budget in order to then jam through their partisan tax bill—on yet another party line vote in the Senate—that exploded the deficit with tax giveaways for corporations and some of the wealthiest people in our country. Together, these actions represented an unprecedented, outrageous, and shameful abuse of the budget process. Unfortunately, they were not the only abuse of regular order by Senate Republicans, a practice that continues outside of the budget process in this Congress.

I appreciate the opportunity to share these views and estimates, and look forward to working with you to create jobs and expand opportunity for the families and communities we serve.

Focusing on Workers and Economic Growth Built From the Middle Out, Not the Top Down

The Trump Administration continues to abandon policies designed to grow the middle class and, instead, has enacted flawed tax cuts that will only ensure the rich will continue to get richer and has focused on disrupting the health care system that middle-class families depend on. As a result, despite some growth in our overall economy, working families continue to fall further and further behind.

Hoping that big businesses and wealthy individuals will spark a more vibrant, shared prosperity has not worked before, and is not working now. Instead, the Senate Budget should focus on policies that will build an economy that benefits everyone, not just the privileged few.

Boosting Wages and Protecting Workers' Rights

Any Senate Budget should recognize the need for working families to have access to basic labor protections. That is why we must prioritize raising the minimum wage, providing access to paid sick days, and protecting the right of workers to organize.

No one who works full time should live in poverty. Increasing workers' pay is about fairness, boosting the economy, and ending a practice that allows companies to exploit workers through low wages.

A pay raise for minimum wage workers is long overdue. A Democratic-led Congress last increased the national minimum wage more than a decade ago to \$7.25. And tipped workers have been waiting since 1991 for a wage increase from the required wage of a meager \$2.13 per hour.

I am pleased that our Democratic colleagues in the House are poised to pass the Raise the Wage Act to increase the minimum wage to \$15. The Senate would be well-advised to do the same. A strong increase in the minimum wage will give low-wage workers some much-needed financial security and allow them to spend that additional income in their communities, so this is not just good for families – it is good for our economy.

Providing Paid Sick Days so Workers Can Care for Themselves and Their Loved Ones without Punishment

Another basic labor protection that 29 percent of the private sector workforce and nine percent of the public sector workforce lack is access to paid sick days.¹ When workers get sick, they have to choose between toughing it out at work – and possibly infecting others – or staying home, and risk losing their job. When their child is sick, they have to make the impossible choice between losing money out of their paycheck or missing out on caring for their son or daughter. Workers and their families deserve better. That is why I introduced the Healthy Families Act – joined by 33 of my Democratic colleagues—which would allow workers to earn up to seven days of paid sick leave a year. The legislation would help increase workers' economic security, while taking an important step toward making sure our economy works for all families. No one should have to sacrifice a day's pay – or their job altogether – just to take care of themselves or their sick child.

Ensuring Fair Wages for Women

In today's workplace, unfair disparities in pay persist, in particular for female workers. Women continue to be paid only 80 cents for every dollar paid to men.² The wage gap is even worse for minority women, with African-American women being paid just 61 cents and Latina women being paid only 53 cents for every dollar paid to white men. But the wage gap is not just a women's issue – it is also about the families who depend on working women to make ends meet. Smaller paychecks for women who do the same work as their male counterparts make it more difficult for women to provide for their families. Unequal pay hampers a woman's ability to buy groceries, pay the rent, find quality child care, and save for her kids' education.

That is why I introduced the Paycheck Fairness Act to help end the discriminatory practice of paying men and women unequally for performing the same job. Loopholes created by courts, coupled with weak sanctions in the law, have allowed many employers to avoid liability for engaging in gender-based pay discrimination under the Equal Pay Act. The bill would strengthen workers' right to equal pay for equal work by closing those loopholes. The House is expected to vote on the bill later this month, and it is incumbent upon the Senate to follow suit.

Protecting Workers from the Scourge of Wage Theft

Workers who put in an honest day's work should be paid an honest day's wages. However, far too many workers, in receiving their much-needed paychecks, find their employers have not paid them what they are owed. In 2012 alone, state and federal authorities as well as private attorneys

¹"Employee Benefits in the United States," Bureau of Labor Statistics, July 20, 2018, <https://www.bls.gov/news.release/pdf/ebs2.pdf>.

²National Partnership for Women and Families, "America's Women and the Wage Gap," September 2018, <http://www.nationalpartnership.org/our-work/resources/workplace/fair-pay/americas-women-and-the-wage-gap.pdf>, accessed: 3/8/19.

recovered nearly \$1 billion in wages stolen from workers by their employers.³ While large, that amount represents a mere fraction of overall wage theft, which is estimated to be greater than \$15 billion per year.⁴ The issue of wage theft has reached epidemic proportions and is hitting low-wage workers especially hard, with 68 percent of such workers reporting having experienced wage theft.⁵ This issue is particularly disconcerting due to its disparate impact on women and minorities, who are significantly more likely to experience wage theft than their white male counterparts.⁶

That is why I introduced the Wage Theft Prevention and Wage Recovery Act last Congress – joined by 21 of my Democratic colleagues – and will re-introduce it in the 116th Congress. The legislation would take a comprehensive approach to addressing wage theft, stiffening penalties against employers who steal their workers' wages; making clear workers have the right to receive full compensation, regular paystubs, and a final paycheck in a timely manner; and making it easier for workers to recover stolen wages in court. The legislation will help ensure all workers are paid the wages they have earned, aiding workers—particularly low-wage workers—in supporting themselves and their families. This will not only provide some stability and justice to workers' lives, it will also aid the economy by both putting more money in workers' pockets and helping to protect the vast majority of businesses that abide by the law and pay their workers what they are owed from unfair competition.

Protecting the Rights of Workers to Join Together to Improve Working Conditions

To build a strong middle class, workers need to have a seat at the table. It is no coincidence that when more workers can stand up for their rights, wages rise and workplaces become safer. In order to safeguard the right of workers to join together and advocate for themselves, we need to make sure our laws keep up with the reality of our ever-changing economy. That is why last year I introduced the Workers' Freedom to Negotiate Act (WFNA)—joined by 33 of my Democratic colleagues—and I will re-introduce it in the 116th Congress. WFNA would protect the rights of workers to join a union by deterring and punishing violations of workers' rights, strengthening workers' freedom to join together and negotiate for better working conditions, and restoring fairness and transparency for workers. Workers across the nation have organized for a voice in the workplace. The Senate Budget should support workers and include measures that would enact a pro-worker agenda that supports union representation and the right to organize.

Investing in Education and Opportunity from Cradle to Career

Investments in public education—from our earliest learners in early childhood programs through adults in our colleges, universities, and workforce programs—are some of the strongest

³ Brady Meixell and Ross Eisenbrey, "An Epidemic of Wage Theft is Costing Workers Hundreds of Millions of Dollars a Year," Economic Policy Institute, 2014, <http://www.epi.org/publication/epidemic-wage-theft-costing-workers-hundreds/>, accessed 3/9/17.

⁴ David Cooper and Teresa Kroeger, "Employers Steal Billions From Workers' Paychecks Each Year," 2017, <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year-survey-data-show-millions-of-workers-are-paid-less-than-the-minimum-wage-at-significant-cost-to-taxpayers-and-state-economies/>, accessed 3/8/19.

⁵ Annette Bernhardt, Ruth Milkman, et al., "Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities," at 5, National Employment Law Project, 2009, http://help.3cdn.net/e470538bfa5a7e7a46_2um6br7o3.pdf.

⁶ *Id.*

investments that we can make to benefit our nation and society as a whole. The federal government provides resources to help address systemic resource inequities for those public schools, institutions, and programs that serve our most economically and socially vulnerable students and families. A failure to invest in early learning, public schools, student aid, and job training furthers income inequality, increases the skills gap, and makes it more difficult for individuals to find family-supporting jobs. The Senate Budget must continue to acknowledge that education and training are critical to our nation's long-term prosperity and competitiveness, and that these investments must be protected and enhanced.

Helping Every Child Get a Strong Start

A child's early years are critical to their development, and the investments we make to support children and their families can put them on a successful path toward their futures. For example, a recent report from the National Bureau of Economic Research shows that early childhood education (ECE) opportunities offer benefits that extend through the first years of school and beyond, in terms of both cognitive and non-cognitive skills.⁷ The Senate Budget should recognize that investments in high-quality ECE result in better health, learning, and economic outcomes for children and society, and support families to provide safe and healthy homes for their children.

Supporting Families through Family-Centered Approaches

Parents are their child's first and most influential teacher, and those early years at home are the foundation for building healthy habits and school readiness. The Senate Budget should support the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program, which improves maternal and child health and increases school readiness for vulnerable populations. Further, though it is outside the jurisdiction of the Senate Health, Education, Labor, and Pensions Committee, I strongly urge a significant expansion of the Child and Dependent Care Tax Credit.

Expanding Access to High Quality Child Care and Early Learning

As a former early childhood educator, I know how important it is for all children to have access to quality early learning experiences. In too many places across the country, however, finding high-quality child care is becoming increasingly difficult, and too many low- and moderate-income families cannot afford it. Research also shows that parents with access to child care have better outcomes, including working more hours, earning higher wages than their peers, and are more likely to be employed.⁸ That is why this Congress, I was joined by 34 colleagues in reintroducing the Child Care for Working Families Act, a bold proposal to ensure that every family who needs high-quality child care can afford it for their children. As a down payment on this vision for families, the 115th Congress made the largest federal investment in child care through the Child Care and Development Block Grant (CCDBG), and I urge the Senate Budget to continue investments to CCDBG to increase access to high-quality and affordable child care across the nation. In addition to these investments, the Senate Budget should ensure the

⁷ Garcia, Jorge Luis and Heckman, James J. and Ermini Leaf, Duncan and Prados, Maria. *The Life-Cycle Benefits of an Influential Early Childhood Program* (December 2016). NBER Working Paper No. w22993, <https://ssrn.com/abstract=2892417>.

⁸ Mills, Gregory, Compton, Jessica, and Olivia Golden, *Assessing the Evidence about Work Support Benefits and Low-Income Families*, Urban Institute, February 1, 2017, <http://www.urban.org/research/publication/assessing-evidence-about-work-support-benefits-and-low-income-families>.

necessary resources are made available for Head Start and Early Head Start programs in order for children to be better served through the 2016 full-day, full-year Head Start requirements.

Meaningfully Investing in Strengthening Families to Prevent Child Abuse and Neglect

In this country, 1 in 8 children are affected by child abuse and neglect which can have serious impacts on the lives of children well into adulthood.⁹ Our country does not invest nearly enough in effective strategies and services that strengthen families to prevent child abuse and neglect before it occurs. The Child Abuse Prevention and Treatment Act (CAPTA) is the only source of federal funds for child abuse and neglect prevention. Increasing investments through CAPTA will allow States and communities to drive a robust community system of support for all families to both reduce the number of children entering the foster care system while helping form safe and healthy families. Any Senate Budget should expand this smart investment to strengthen families and communities.

Making Robust Investments in K-12 Education

In 2015, Congress passed the Every Student Succeeds Act (ESSA), bipartisan legislation reauthorizing the Elementary and Secondary Education Act (ESEA), the main federal education law that governs our nation's K-12 schools. ESSA reaffirmed the federal commitment to provide quality education for our nation's disadvantaged students, and address historic achievement gaps that persist in too many of our public schools.

Improving Educational Opportunities for Low-Income Students

Since 1965, the Title I program has been the cornerstone of ESEA. Title I funding provides additional resources to educate low-income and disadvantaged students and support school improvement efforts. Federal funding to support disadvantaged students is critical to helping to address inequity in our nation's schools. The Senate Budget should do its part to ensure that Title I funds adequately support all schools that serve low-income students, as well as provide enough resources to states and districts to support effective school improvement efforts.

Supporting Our Nation's Educators

Our nation's teachers, principals, specialized instructional support personnel, and paraprofessionals are an integral part of improving student achievement and providing a supportive environment to meet the needs of all children in our schools. Too often, these educators do not have the resources they need and as a result, they continue to call attention to decreased school spending and insufficient salaries in their communities.¹⁰ ESSA's Title II funding provides states and districts with crucial resources to support their investment in recruiting, training, and supporting effective educators. These funds can help support states and address teacher and school leader shortages, improve career growth opportunities for educators, and help ensure that educators receive evidence-based professional development. The Senate

⁹ Christopher Wildeman, Natalia Emanuel, John M Leventhal, Emily Putnam-Hornstein, Jane Waldfogel, and Hedwig Lee, *The Prevalence of Confirmed Maltreatment Among US Children, 2004 to 2011*, JAMA Pediatrics, 2014; 168(8):706-713, <https://inequality.hks.harvard.edu/files/inequality/files/wildeman14b.pdf>.

¹⁰ Andrew Van Dam, "Teacher Strikes Made 2018 the Biggest Year for Worker Protest in a Generation," *The Washington Post*, February 14, 2019, https://www.washingtonpost.com/us-policy/2019/02/14/with-teachers-lead-more-workers-went-strike-than-any-year-since/?utm_term=.6a08ee33fb79.

Budget should do its part to increase funding levels for Title II of ESSA to assist states and districts investing in our nation's educators.

Investing in Student Support and Academic Enrichment

Under ESSA, the Support and Academic Enrichment grant program in Title IV provides funding for well-rounded, safe and healthy, and education technology programs and activities. I have been dismayed to see the Administration's attempts to redirect that money to arm teachers and school staff, which was not the intent of the Title IV program and runs counter to the intent of the program. Instead of arming teachers, the Senate Budget should provide robust funding for this program to support what educators and experts know works to keep students and educators safe, including school counseling, mental health services, and high quality well-rounded instruction.

Helping our Vulnerable Student Populations

ESSA also includes various funding streams to help ensure that the needs of all students are met, including students with disabilities, English learners, tribal students, homeless students, children in foster care, and military-connected children. More than 6 million students with disabilities attend our nation's schools, and need a wide range of academic, social, and emotional supports to thrive in the classroom. Further, English learners are the fastest growing population of students in our country and face the unique challenge of learning English while also achieving academically.¹¹ Troublingly, our tribal students continue to have lower graduation rates than any other group and often attend some of the most under-resourced schools in our nation.¹²

Our students are also increasingly mobile and are facing record levels of economic insecurity, both of which impact their ability to succeed in the classroom. Homeless students are far more likely to experience high rates of hunger, illness, neglect, and abuse, all of which can impact their academic success.¹³ Similarly, children in foster care lack permanency, and need additional supports and stability to excel in school. More than one million military-connected children go to school in the United States and face unique challenges, such as moving to new towns and adjusting to new schools.¹⁴ The Senate Budget must ensure the necessary resources are made available to support the critical programs that strengthen the quality of education for these students, including the McKinney-Vento Homeless Assistance Act, Title III of ESSA, Title VI of ESSA, IDEA, and the Impact Aid program.

Special Education

More than 40 years ago, when Congress first enacted a law for the education of students with disabilities, the federal government made a promise to fund at least 40 percent of the average

¹¹ Grantmakers for Education, *Educating English Language Learners: Grantmaking Strategies for Closing America's Other Achievement Gap*, 2013, https://edfund.org/sites/default/files/Educating%20English%20Language%20Learners_April%202013.pdf.

¹² "Blueprint for Reform," Bureau of Indian Education, July 9, 2014, <https://www.bie.edu/cs/groups/xbie/documents/document/idc1-031629.pdf>.

¹³ Child Trends, "Data Trends: Homeless Children and Youth," October 2015, https://www.childtrends.org/wp-content/uploads/2015/01/1.12_Homeless_Children_and_Youth.pdf.

¹⁴ *The Challenges of Supporting Highly Mobile, Military-Connected Children in School Transitions*, Columbia University Center for Public Research Leadership (CPRL), October 2017, https://cpplaw.columbia.edu/sites/default/files/content/docs/military_student_transitions_study_2017_mccc.pdf.

cost to educate a child with a disability. However, Congress has not fulfilled that commitment. I was pleased that Congress increased the federal funding to states for special education on a bipartisan basis in recent years, without slashing funding to other social safety net programs. This year, we must once again increase federal funding for special education to come closer to this decade's old promise for more than 6 million students with disabilities, their parents, and the school districts and states responsible for providing a free, appropriate public education to every student with a disability.

Fighting Against School Privatization

The Senate Budget must continue to reject efforts to privatize public education. School privatization attempts do not provide real choices to students—too often, these efforts deceive students, parents, communities, and taxpayers and drive away funding from public schools. Voucher schemes can ignore the needs of students in rural areas where there are few private schools, and force students to sign away their rights under IDEA and other civil rights laws.¹⁵ In addition, though it is out of the direct purview of the Senate Health, Education, Labor, and Pensions Committee, the Senate should reject any effort to create a backdoor voucher program through the tax code.

Opening Doors to Postsecondary Education and Training

Our national investment in higher education and workforce development has enabled millions of individuals to pursue college and succeed in our 21st century economy. These investments are critical to ensure that all students can access, afford, and complete postsecondary education with a high-quality degree or certificate that allows students to thrive in our society and economy. The Senate Budget should continue to prioritize and enhance our country's investment in postsecondary education and training.

Reducing the Cost of College and Expanding Investments in Student Aid

Students going to college today are being asked to pay more for college than previous generations, but with less financial support to help them along the way. While Pell Grants have been a critical resource for students pursuing a high education, the maximum grant today covers just one-fourth of the cost to attend a public four-year college, down from more than half the cost in the 1980s.¹⁶ For our nation's low-income students, that has meant an increasing reliance on student loans to cover the difference—Pell Grant recipients are more than twice as likely as other students to have student loans.¹⁷ The Senate Budget must do more to support the Pell Grant program, by indexing the grant to inflation and expanding mandatory funding streams. We should also restore the ability for incarcerated Americans to receive Pell Grants, which would help curb recidivism and improve lives and strengthen our economy.¹⁸

¹⁵ Selene Almazan and Denise Stile Marshall, *School Vouchers and Students with Disabilities: Examining Impact in the Name of Choice*, June 2016, https://icymcdn.com/sites/copaa.site-ym.com/resource/resmgr/2016_Conference/COPAA_Voucher_paper_final_R6.pdf.

¹⁶ *Pell Grants Help Keep Colleges Affordable for Millions of Americans*, TICAS, July 23, 2018, https://ticas.org/sites/default/files/pub_files/overall_pell_one-pager.pdf.

¹⁷ *Ibid.*

¹⁸ Patrick Oakford, Cara Brumfield, Casey Goldvale, Laura Tatum, Margaret diZerega, and Fred Patrick, *Investing in Futures: Economic and Fiscal Benefits of Postsecondary Education in Prison*, Vera Institute of Justice, January 2019, <https://www.vera.org/publications/investing-in-futures-education-in-prison>.

In tandem to increasing our federal support for student financial aid, we must partner with states to promote new investments in public higher education. State disinvestment is a key driver in rising college prices, and states must play a role in stemming or reversing this rise in prices. The Senate Budget should include incentives to encourage and enable more reinvestment, and discourage the actions of states that continue to make short-sighted cuts to higher education.

Further, it has become increasingly clear that the cost of living is a fundamental part of the cost of college, and many students struggle to afford basic needs such as housing, food, and transportation. A recent GAO report found increasing evidence that a significant number of college students are experiencing food insecurity, which negatively impacts academic success.¹⁹ Further, many college students are parents, compounding the cost of college with the exorbitant cost of child care. These costs stack on top of additional campus fees and the cost textbooks and course materials, presenting students with tradeoffs between their basic needs and the resources they need to be successful in school. Part of the solution must be a continued investment in campus-based aid programs, including the Federal Supplemental Educational Opportunity Grants (SEOG) and the Federal Work-Study (FWS) programs. We also need to do more to connect college students with other federal programs that address students' basic needs.

Lifting the Crushing Burden of Student Debt

While we must do more to make education affordable for today's and tomorrow's students, we also must find ways to provide relief for the more than 44 million Americans holding over \$1.5 trillion in outstanding student loan debt. Students and families are struggling under the weight of this debt, and a recent Brookings analysis of default trends suggests that nearly 40 percent of borrowers may default on their student loans by 2023.²⁰ The Senate Budget must do more to help struggling borrowers find a pathway forward toward repayment or forgiveness.

One-quarter of federal loans are subsidized for low- and middle-income students, meaning that interest on the loans does not accrue as long as they are enrolled in college. For many middle-income students, the interest subsidy is one of the few benefits for which they qualify—and it helps keep their debt manageable as they work toward graduation. The Senate Budget should ensure that the burden of student debt is alleviated by investing in income-driven repayment options that provide students affordable monthly payment amounts, and that keep students from drowning in interest.

We also need to do more to ensure that the debt relief programs put into place by Congress benefit all eligible students. First, the Senate Budget should protect and enhance the Public Service Loan Forgiveness (PSLF) program, which helps to reward individuals who commit their lives to public service careers, including members of our military, first responders, teachers, social workers, and public defenders. Further, we must provide automatic loan discharge to individuals who are permanently disabled, including many of our country's veterans. Finally, we must provide immediate relief for the hundreds of thousands of borrowers who attended colleges

¹⁹ *Food Insecurity: Better Information Could Help Eligible College Students Access Federal Food Assistance Benefits*, Government Accountability Office, December 2018, <https://www.gao.gov/assets/700/696254.pdf>.

²⁰ Judith Scott-Clayton, "The Looming Student Loan Default Crisis is Worse Than We Thought," Brookings Institution, January 11, 2018, <https://www.brookings.edu/research/the-looming-student-loan-default-crisis-is-worse-than-we-thought/>.

that have closed or defrauded their students. In the past several months alone, more than 130 college campuses across the country have faced precipitous closure, leaving their students with debt and no path forward. We should provide immediate relief for the students who attended these colleges so they have the chance to start over with their educational careers free from old debts.

Ensuring Colleges are Accountable to the Students They Serve

Congress must also do more to ensure colleges and universities meet their commitments to their students. There are too many examples of misaligned incentives and the misuse of taxpayer dollars in higher education. Holding colleges accountable for high-quality results should be a central tenet of our financial aid programs—and protecting students and taxpayers should be a top priority for the Senate Budget. The Senate Budget should make needed investments to help the Department of Education better monitor and oversee predatory actors. Finally, the Senate Budget should establish a reserve fund to help close current loopholes that allow colleges to skirt federal law and receive more than 90 percent of their revenue from taxpayers. Quality programs and colleges should always be able to prove their value. Education and training programs should have a critical mass of students that do not rely on federal dollars, but are instead willing to invest their own funds in higher education because it is high quality.

Increasing College Access and Success

The Senate Budget must extend and increase mandatory funding for Minority-Serving Institutions (MSIs), which is set to expire at the end of Fiscal Year 2019. This funding exists to address historical disparities between funding for predominantly white institutions and flagship institutions, at the expense of MSIs including Hispanic-Serving Institutions (HSIs), Historically Black Colleges and Universities (HBCUs), Predominantly Black Institutions (PBIs), Asian American and Native American Pacific Islander serving institutions (AANAPISIs), and Tribal Colleges or Universities (TCUs). These institutions enroll a disproportionate number of first-generation and low-income students, and provide an essential gateway to higher education for millions of historically underserved students of color across the country. The Senate Budget should honor our national commitment to these institutions and sustain mandatory funding under Title III moving forward.

We must also protect and expand national college awareness, access, and retention programs to ensure all students can enroll and succeed in postsecondary education. For decades, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) builds local partnerships between K-12 schools, colleges, and community organizations to increase college and career readiness for more than 524,000 low-income students nationwide. Further, high schools, colleges, and community-based organizations in every state have leveraged TRIO programs, which target low-income and first-generation students, veteran students, and students with disabilities to apply evidence-based resources and interventions to keep students on the pathway to success and independence. The Senate Budget should ensure funding is available for the GEAR UP and TRIO programs.

Strengthening Career and Technical Education

With last year's reauthorization of the Carl D. Perkins Career and Technical Education Act, Congress has set a clear pathway forward to strengthen the connection between K-12 education,

postsecondary education, and employment. States and localities are now undertaking the hard work to develop new state plans under the Perkins program to provide students with the skills they need to find high-skill, high-wage, or in-demand jobs in a changing 21st century economy. The Senate Budget must do its part to fund Perkins to continue to assist states, school districts, and postsecondary institutions in strengthening their career and technical education programs.

Building New Opportunities for Job Training and Registered Apprenticeships

Federal workforce systems have proven to be substantively positive contributors to workers, employers, and the economy. The Department of Labor has found that postsecondary education and credentials are important factors in employment and earnings, and that training closely related to the workplace, such as registered apprenticeships and on-the-job training, produce the greatest results.²¹ Any Senate budget must provide investments in workforce development systems, job training, and registered apprenticeships.

Helping Workers Build a Secure, Dignified Retirement

After a lifetime of hard work, everyone deserves the opportunity to live out their retirement years with dignity and financial independence. For most in the middle class, however, the dream of a secure retirement is slipping out of reach. Fewer than half of workers in the U.S. private sector participate in an employer-provided retirement plan.²² A 2018 Retirement Savings survey found that 42 percent of Americans have less than \$10,000 in savings and 14 percent have no retirement savings at all.²³ For a dwindling population, traditional, defined benefit pension plans continue to do an excellent job providing families with a secure retirement; however, not everyone with a traditional defined benefit pension plan faces security in retirement. There are hundreds of multiemployer pension plans that face insolvency, and the Pension Benefit Guaranty Corporation (PBGC), the backstop for those plans, is also likely to face its own insolvency within a decade.²⁴ We must shore up PBGC's finances and find a workable solution to help the hundreds of thousands of pensioners who face an uncertain retirement when their multiemployer pension fund fails.

The majority of workers today no longer have access to defined benefit pension plans. Rather, there has been a shift to defined contribution plans, such as a 401(k), and to personal retirement savings in and rollovers into individual retirement accounts (IRAs). The regulatory system governing retirement plans has not kept pace with the changes in the retirement landscape, leaving retirement savers vulnerable. To modernize a core tenet of the Employee Retirement Income Security Act of 1974 (ERISA) and its related regulations, the Department of Labor (DOL) conducted a significant project and updated the definition of fiduciary. Citing that conflicted advice costs retirement savers \$17 billion annually, DOL's rule required those advisors who provide retirement advice act in the savers' best interests.²⁵ At the beginning of his

²¹ "Job Training Evidence Synthesis Addendum 2016; U.S. Department of Labor, Office of Evaluation.

²² The Pew Charitable Trusts, "Employer-Sponsored Retirement Plan Access, Uptake, and Savings" (September 2016), <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/09/employer-sponsored-retirement-plan-access-uptake-and-savings>.

²³ Cameron Huddleston, "Survey Finds 42% of Americans Retire Broke – Here's Why," *Yahoo! Finance*, Jan. 16, 2019, <https://finance.yahoo.com/news/survey-finds-42-americans-retire-100701878.html>.

²⁴ 2017 PBGC Projections Rep.

²⁵ Executive Office of the President, Council of Economic Advisers, "The Effects of Conflicted Investment Advice on Retirement Savings" 2 (Feb. 2015).

term, President Trump issued a memorandum calling for a redundant cost-benefit study to serve as a basis to rescind or substantially revise the rule.²⁶ Despite the numerous court victories defending the rule,²⁷ upon receiving one negative decision from the Fifth Circuit,²⁸ the DOL promptly issued a Field Assistance Bulletin, including a “non-enforcement policy,” to help industry understand its obligations and to communicate the Department’s decision not to enforce key requirements of the rule and its associated prohibited transaction exemptions.²⁹ DOL, however, did not inform retirement savers of their lack of protections from conflicted retirement advice. The fiduciary rule remains on DOL’s regulatory agenda, but it is unclear how the Department plans to proceed. Collectively, these moves have hurt retirement savers when it is critical to help Americans save more for retirement, particularly with 10,000 Baby Boomers retiring every single day with little to no savings.

Women often find it particularly difficult to prepare for retirement. Women face systemic pay equity issues, earning just 89 cents for every dollar a man earns, which equates to a \$400,000 difference over a lifetime.³⁰ That gap could make the difference between retiring with dignity and struggling just to keep the heat on. Women’s caregiving responsibilities also take a toll on their financial security as these responsibilities often take them out of the workplace. A study by the National Institute on Retirement Security found that women were 80 percent more likely than men to live in poverty at age 65 and older, while women between the ages 75 and 79 were three times more likely to fall below the poverty line compared to males at a comparable age.³¹ This year, I intend to continue to push forward on legislation to improve retirement security for women by expanding access to the retirement savings, expanding consumer protections, and improving financial literacy. I urge the Senate Budget to include reserve funds and others measures to assist passage of this legislation.

In addition, I strongly support providing long-term, part-time workers access to their employers’ retirement plans. Women are twice as likely as men to work in part-time positions, so ensuring that part-time workers have access to a workplace retirement plan would have a profound impact on millions of working women.³² I also plan to continue my support of small businesses and to facilitate their ability to create pooled 401(k) plans, at a lower cost and with less burden than going it alone, and I urge the Senate Budget to provide incentives to accommodate all of these

²⁶ Presidential Memorandum on Fiduciary Duty Rule, 82 Fed. Reg. 9,675 (Feb. 3, 2017).

²⁷ *Chamber of Commerce of the U.S. et al. v. Hugler*, No. 3:16-cv-1476-M (N.D. Tex. Feb. 8, 2017); *Nat’l Ass’n for Fixed Annuities v. Perez*, 16-cv-1035, 2016 WL 6573480 (D.D.C. Nov. 4, 2016); *Mkt. Synergy Grp., Inc. v. U.S. Dep’t of Labor*, 16-CV-4083-DDC-KGS, (D. Kan. Feb. 17, 2017); *Thrivent Financial for Lutherans v. Perez*, No. 0:16-cv-03289 (D. Minn. Sept. 29, 2016); *Mkt. Synergy Grp., Inc. v. Acosta*, No. 17-3038 (10th Cir. Mar. 13, 2018).

²⁸ *Chamber of Commerce of the U.S. et al v. Acosta*, No. 17-10238 (5th Cir. Mar. 15, 2018) (vacating the fiduciary rule *in toto*).

²⁹ DOL Field Assistance Bulletin No. 2018-02, “Temporary Enforcement Policy on Prohibited Transaction Rules Applicable to Investment Advice Fiduciaries” (May 7, 2018).

³⁰ “The Wage Gap: The Who, How, Why, and What To Do” (Nat’l Women’s Law Ctr., Washington, DC) <http://nwc.org/resources/the-wage-gap-the-who-how-why-and-what-to-do/>.

³¹ Jennifer Erin Brown et al., “Shortchanged in Retirement: Continuing Challenges to Women’s Financial Future” (Nat’l Inst. on Retirement Sec., Washington, DC), March 2016, at 3.

http://www.nirsonline.org/storage/nirs/documents/Shortchanged/final_shortchanged_retirement_report_2016.pdf.

³² “Women More Likely to Work Part-Time” (Pew Research Center, Washington, DC), Dec. 10, 2013,

<http://www.pewsocialtrends.org/2013/12/11/on-pay-gap-millennial-women-near-parity-for-now/sdt-gender-and-work-12-2013-1-05/>.

efforts, such as a reserve fund. I also strongly support efforts to enhance retirement security on a meta-level to ensure that our retirement savings are truly safe. We must work to ensure a cyberattack will not throw any retirement savings that workers have spent years amassing into jeopardy.

Finally, Social Security is a core component of creating a secure future for American families. Of the 63 million total Social Security beneficiaries, approximately 52 million are retirees, their beneficiaries, and their surviving spouses.³³ Our Social Security system provides most of the income to about four in ten seniors, preventing more than 15 million Americans from falling into poverty.³⁴ In addition, the disability program provides earned benefits to nearly 11 million Americans with disabilities and their family members, including millions of children.³⁵ We owe it to the millions of hardworking Americans who have paid into this system to protect it, and ensure that all families can live in dignity when a disability strikes, an early death occurs, and after retirement. The Senate Budget must make clear that we will maintain this foundational commitment to Social Security retirement and disability benefits.

Continuing to Build a Health Care System that Puts Patients and Families First

To strengthen and expand the middle class, we need to continue building a health care system that puts patients and families first. Four simple, but important, principles should guide our efforts—principles on which Republicans and Democrats should be able to agree. First, we should pursue more accessibility to health insurance and health care—every American should have comprehensive health insurance coverage. Policies that lead to insuring fewer people must be discarded. Second, we should pursue greater affordability. The Senate Budget should not include policies that would increase costs for women, workers, families, or our health care system. Third, we should pursue better quality care for all. Finally, we should invest in policies and programs that keep Americans healthy in the first place. We should work to identify key investments in research and development, especially in the biomedical sciences, which will spur advances for patients and uphold our country’s tradition of leadership in innovation. This also means we must continue to defend a woman’s constitutionally guaranteed right to abortion.

Affordable Access to Quality Coverage

We have made significant progress toward ensuring every family has access to comprehensive, affordable health insurance. Over 20 million people have health insurance coverage because of the health insurance Marketplaces and millions more have access through the expansion of the Medicaid program.³⁶ Along with expanding access to coverage, the ACA made critical reforms that improved the quality and affordability of coverage. These reforms protected consumers by: prohibiting insurers from denying coverage, excluding benefits, or charging higher premiums to

³³ U.S. Soc. Sec. Admin. Fact Sheet, <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>.

³⁴ Ctr. on Budget and Policy Priorities, “Top Ten Facts About Social Security,” (Aug. 14, 2018), <https://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security>.

³⁵ U.S. Soc. Sec. Admin. Fact Sheet, <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>.

³⁶ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, “20 million people have gained health insurance coverage because of the Affordable Care Act, new estimates show,” 3 March 2016, <https://www.hhs.gov/about/news/2016/03/03/20-million-people-have-gained-health-insurance-coverage-because-affordable-care-act-new-estimates>

people with pre-existing conditions, requiring essential health benefits, such as maternity, prescription drug, and mental health and substance use disorder coverage; stabilizing the market and keeping premiums low; increasing access to preventive care services, including cancer screenings and birth control; investing in the insurance Marketplaces; and of course, providing advanced premium tax credits and cost-sharing reductions to help make care more affordable for working families. After failing to repeal these protections in Congress, President Trump and Republicans are undermining these critical advances through regulation and in the courts. For example, if the *Texas v. USA* decision is upheld, fewer families will have health insurance coverage, insurance companies will once again discriminate against people based on age, gender or for a pre-existing condition, insurance will provide fewer benefits. In short, it would move our country backwards. Instead, the Trump administration and Republicans in Congress should join Democratic Attorneys General in defending the law of the land and patients with pre-existing conditions. The Senate Budget can be a first step towards building on the progress we have made and provide for the necessary state and local resources to help families sign up for coverage; support programs that help stabilize the market and make coverage affordable; protect consumer safeguards; and invest in improving quality of care for families and communities across the country.

For example, investing in outreach and education can help encourage new and younger enrollees to sign up for coverage, expanding the number of people with insurance and improving the health of the individual market risk pool. Investing in navigator organizations can help people with complex health needs or families who don't speak English as a first language sign up for the coverage that is right for them, ensuring a market that is both competitive and equitable. Increasing the value of, and eligibility for, financial help in the marketplace could bring down premiums and out-of-pocket costs for families who have seen the largest increases in cost over the last several years. Finally, we should look to states that are experimenting with policies that improve price competition and expand coverage like those that are pursuing standardized plans or public options.

Advancing Medical Innovation for Patients and Families

Maintaining a world-class health care system, and prioritizing the health and wellbeing of all Americans, will require a serious commitment to investing in research and technology. We cannot hope to make medical breakthroughs, combat new health threats, or protect families from unnecessary harm if we do not invest in these areas.

Food and Drug Administration

Families and communities across the country rely on the Food and Drug Administration (FDA) to help ensure the safety of the food they eat, and the safety and effectiveness of the medicines and devices they use. FDA also plays a critical public health role in promoting nutrition and regulating tobacco products. Full implementation of important measures to protect consumer and patient health requires a substantial increase in appropriated funds for the FDA. FDA will require robust investments from the Senate Budget and Congress to fulfill the expectations set out in recent authorizing statutes. These laws include the FDA Reauthorization Act of 2017 (FDARA), enacted in August 2017; the 21st Century Cures Act, enacted in December 2016; the Drug Quality and Security Act (DQSA), enacted in November 2013; the Food and Drug Administration Safety and Innovation Act (FDASIA), enacted in July 2012; the Food Safety and

Modernization Act (FSMA), enacted in January 2011; and the Family Smoking Prevention and Tobacco Control Act, enacted in June 2009. Preparing for the era of precision medicine by qualifying biomarkers, integrating patient preference data into drug reviews, and assisting the development of breakthrough technologies will take additional congressional resources to maintain America's competitiveness.

It is vital that we continue to support FDA's efforts to fully implement FSMA, a law essential to protecting our food supply, through an integrated and prevention-based food safety system to keep families safe from foodborne illness. We must also ensure that FDA has adequate resources to fully implement the DQSA, which we passed to help ensure that compounded drugs are safe for all families, and to avoid tragic deaths like those associated with drugs compounded by a New England Compounding Pharmacy in 2012. While we have seen a substantial decline in smoking in the U.S. in recent years, the youth vaping epidemic threatens to reverse public health gains.³⁷ In fact, e-cigarette use among youth increased by 78 percent in one year alone.³⁸ FDA has taken steps to protect children from the full range of tobacco products but more must be done; the Center for Tobacco Products needs robust support to ensure continued progress in addressing tobacco use, the leading cause of preventable death. Finally, the Senate Budget should support increased investment in FDA to help the agency fulfill its mission, continue to recruit and retain highly-qualified staff, and protect consumer and patient safety.

Access to Cures and Treatments

We are on the cusp of major breakthroughs in personalized medicine, and there is real momentum to tackle some of the greatest medical challenges of our time. As we look for ways to improve health care for families, ensuring these innovative new treatments are accessible and affordable must be a top priority. Investments are needed to help develop new value-based models for purchasing prescription drugs and conducting oversight on insurance plans to make sure we are not asking patients to shoulder an unfair share of the costs.

Providing Mandatory Funding to Primary Care Cliff Programs

Health centers provide high quality, low-cost care to nearly 23 million patients in over 9,000 locations across the country, many of which are rural.³⁹ The Teaching Health Center Graduate Medical Education (THCGME) trains health providers to practice in health centers, the community-based, and often rural, settings that need them the most, and the National Health Service Corps (NHSC) incentivizes and rewards new providers for practicing in underserved areas. While the Bipartisan Budget Act of 2018 extended and increased funding for the Community Health Center program, NHSC, and THCGME for two years, these programs all require sustainable funding in order to carry out their vital missions. Therefore, I urge the Senate Budget to provide for mandatory funding to ensure these vital safety net providers can give workers and families the care they need when and where they need it.

³⁷ Fiore, M. "Tobacco Control in the Obama Era — Substantial Progress, Remaining Challenges" *New England Journal of Medicine*. 13 October 2016. <http://www.nejm.org/doi/full/10.1056/NEJMp1607850#t=article>

³⁸ <https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm625917.htm>

³⁹ Department of Health and Human Services. "HHS FY2017 Budget in Brief." HHS FY2016 Budget in Brief." <https://www.hhs.gov/about/budget/budget-in-brief/hrsa/index.html>

Ensuring Access of Mental Health Care

Access to mental health care is as critical to overall health as access to physical health care. Mental illness often begins in childhood and adolescence, yet only one in five children with a diagnosable mental health condition is receiving appropriate treatment. As we explore ways to improve prevention, early intervention, and treatment of mental illness, it will be critical to invest in and build on programs funded through the Substance Abuse and Mental Health Services Administration, including programs like those enacted in the 21st Century Cures Act that strengthen the mental health workforce, prevent suicide, and help connect patients with the care they need.

Fighting the Opioid Crisis and Preventing and Treating Substance Use Disorders

Drug overdose deaths involving any opioid rose from 18,515 in 2007 to 47,600 deaths in 2017.⁴⁰ As individuals living with addiction struggle to get access to the treatment and services they need, Congress must focus on equipping our communities with adequate resources to provide medication-assisted treatment, prevent addiction and overdoses, and strengthen state prescription drug monitoring programs including through the programs authorized under the bipartisan Comprehensive Addiction and Recovery Act and the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act. While the funding provided in the 21st Century Cures Act, and continued through the SUPPORT Act, will help states combat this epidemic, cuts to the Medicaid program – the largest single payer for behavioral health in the United States – threaten to undermine this progress. Addressing the opioid crisis and saving lives means the Senate Budget must not convert the Medicaid program to a block grant or impose per-capita caps and must not limit beneficiary access to substance-use disorder services.

Health Information Technology

The Office of the National Coordinator (ONC) for Health Information Technology (HIT) continues to work toward the full interoperability of HIT by setting policy, standards, and programs that help providers and patients get the information they need, when they need it. We must provide ONC with sufficient funding to identify and harmonize standards, expand its certification program, and develop a governance approach that promotes collaboration across industry and government. In particular, Congress must provide ONC and the Office of the Inspector General the resources to carry out the new authorities established in the 21st Century Cures Act, including penalizing information blocking, implementing updated conditions of certification, and improving patient access to electronic health information.

Prevention and Public Health

Prioritizing disease prevention and public health not only keeps families healthy and safe, it also reduces health care costs. In fact, investments in evidence-based community prevention programs, such as those that prevent obesity and combat tobacco use, could save the country \$5.60 for every \$1 spent.⁴¹ In addition to fighting chronic disease, combatting dangerous threats

⁴⁰ National Institute on Drug Abuse, "Overdose Death Rates," <https://www.drugabuse.gov/related-topics/trends-statistics/overdose-death-rates>

⁴¹ American Public Health Association, "Funding for public health protects our communities and kids, saves lives, and... saves money," <https://www.apha.org/news-and-media/multimedia/infographics/funding-public-health-protects-our-lives-and-saves-money-text-version>

such as antibiotic resistance, food-borne illness, vaccine-preventable outbreaks, and other infectious diseases require us to bolster our commitment to public health. As part of this effort, maintaining the Affordable Care Act's Prevention and Public Health Fund (PPHF) is essential.

Public Health Infrastructure

To truly combat public health threats, our nation depends on the strength of state and local health departments. We must invest in, build, and sustain the crucial state and local public health infrastructure that allows us to respond to public health challenges of all kinds. Strong infrastructure at the state and local level provides the capacity to prepare for and respond to both emergent and ongoing, persistent threats. From combatting chronic illness like cancer and heart disease to detecting and responding to infectious disease outbreaks, robust public health infrastructure is critical to ensuring the health and safety of Americans. Furthermore, because diseases are not stopped by borders, walls, or bans, robust investments in public health systems both at home and abroad are critical.

Biomedical Research (NIH)

To ensure that patients have access to cutting-edge treatments that are safe and effective, the United States must continue to protect its position in the global forefront of biomedical research. The National Institutes of Health (NIH) is the largest source of biomedical research funding in the world, supporting thousands of scientists and research institutions in every state, and developing the evidence base needed to make innovative, lifesaving discoveries for patients and families, while creating jobs and helping businesses across the country. The research supported by NIH allows for medical discoveries that lead to invaluable treatments and cures to keep families healthier.

NIH needs sustained and robust funding for a broad range of biomedical research to build on the progress made in the 21st Century Cures Act. This includes critical provisions that support early-stage investigators; the inclusion of women, racial and ethnic minorities, LGBT individuals, and people of all ages in clinical trials; pediatric research; as well as the cancer research, the Precision Medicine Initiative, and the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative, all of which have bipartisan support. There is bipartisan support for the goal of getting safe, affordable, effective new treatments to patients, but we cannot realize this goal without strong and sustained investments in innovative biomedical research. The Senate Budget must help to deliver on this promise by including enhanced resources to fully fund these and other crucial research efforts.

Investing in Women's Health and Ensuring Access to Care

Too often, health issues that disproportionately or exclusively affect women are either ignored or politicized. Over the past several decades, as Democrats have fought to protect a woman's constitutionally protected right to reproductive health care, including access to abortion, and worked to expand access to women's preventive health care services, many politicians and pundits have dismissed or relegated to the background the growing health concerns of women across the country. The ACA made health care more affordable and accessible for women, and the uninsured rate for non-elderly adult women dropped from 17 percent in 2013 to 11 percent in

2017.⁴² Low-income women are at greater risk of being uninsured, with one in five women with incomes under 200 percent of the federal poverty level being uninsured, compared to only seven percent of women with incomes over 200 percent of the federal poverty level.⁴³ Women of color, immigrant women, and single mothers are also at a greater risk of being uninsured.⁴⁴ Before the ACA, 92 percent of the best-selling plans charged women higher premiums than men – a practice known as “gender rating,” which the ACA banned.⁴⁵ In addition, only 12 percent of pre-ACA health plans offered maternity coverage, which is now a required benefit. The ACA also added preventative care coverage to these essential health benefits, such as birth control, mammograms, cervical cancer screenings, and recommended vaccines – all of which are now available to over 55 million women at no out-of-pocket cost.⁴⁶ In 2017, 75 percent of privately insured women between 18-44 years old reported that their insurance fully covered the cost of their birth control.⁴⁷ A 2015 study estimated that women save \$1.4 billion on birth control alone.⁴⁸ It is critical to protect these reforms for women’s economic empowerment.

Currently, the Administration is seeking to exclude Planned Parenthood from the nation’s Title X network. Additionally, access to family planning services are vital to women’s overall health and economic security. Title X clinics currently play a critical role in women’s access to family planning services. These safety net clinics provide services regardless of ability to pay, making them indispensable for families across the country. Furthermore, because these clinics usually specialize in providing family planning services, other health centers often refer their most challenging patients to Title X clinics. As a result, Title X clinics care for patients with both high needs and low resources. It is not surprising then that Title X clinics often face severe financial challenges. The Title X rule released earlier this year would do irreparable harm to the Title X network if allowed to go into effect, making it harder for women and adolescents to access family planning services and straining the Title X program which is already underfunded. Planned Parenthood is our nation’s largest, most trusted women’s health care provider. The Senate Budget must reverse these backward policies and provide the resources needed to make women’s health a priority.

It is important that we not only protect women’s health, but also invest in women’s healthcare by training women’s health care providers, investing in our clinics that serve women, and supporting teenage pregnancy prevention and education programs.

⁴² Kaiser Family Foundation, “Women’s Health Insurance Coverage,” 21 December 2017, <https://www.kff.org/womens-health-policy/fact-sheet/womens-health-insurance-coverage-fact-sheet/>

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ National Women’s Law Center, “The Affordable Care Act’s Birth Control Benefit: Progress on Implementation and Continuing Challenges,” July 2016. <https://nwlc.org/wp-content/uploads/2016/07/The-ACAs-BC-Benefit-Report.pdf>

⁴⁶ *Id.*

⁴⁷ Kaiser Family Foundation, “Overview: 2017 Kaiser Women’s Health Survey,” <https://www.kff.org/report-section/executive-summary-2017-kaiser-womens-health-survey/>

⁴⁸ Becker, N., Polsky, D. “Women Saw Large Decrease In Out-Of-Pocket Spending For Contraceptives After ACA Mandate Removed Cost Sharing,” July 2015. <http://content.healthaffairs.org/content/34/7/1204.abstract>;

Violence Against Women Act, Family Violence Prevention Services Act

Since domestic violence is a pressing public health issue, the Senate Budget must invest in services to care for victims across all programs at the Department of Health and Human Services (Centers for Disease Control and Prevention, Administration for Children and Families, and the Office of Women's Health) and the Department of Justice (Office of Violence Against Women). It is critical that federal agencies coordinate their efforts to better serve survivors and their families and support the critical reforms we made through the Violence Against Women Act (VAWA) to help support survivors and promote justice.

Funding for VAWA programs is critical to meeting the needs of survivors of domestic violence, sexual assault, dating violence, and stalking. Victims can include women of all races and ethnicities, children, elderly individuals, and people with disabilities, among others. State, tribal, and local governments, law enforcement agencies, nonprofit organizations, and colleges and universities rely on VAWA funding to promote recovery from violence, prevent future acts, and promote justice. Unfortunately, according to the National Alliance to Sexual Violence, over one-third of rape crisis centers have waiting lists for basic services. It is critical that we continue to invest in these programs, not cut them.

Supporting emergency shelters and related assistance to victims of domestic violence and their families is also key. In addition to shelter, federal funds provide supportive services for legal advocacy, counseling, and safety planning. Robust funding also helps build the capacity of the National Domestic Violence Hotline to ensure timely responses and counseling. As we work to strengthen the program, it is important to ensure our tribal communities also have access to these services. I urge the Senate Budget to provide the incentives to help make this a priority for Congress, including a reserve fund.

Vigorously Protecting the Civil Rights of Every American

All Americans should have access to a high-quality education, a job that allows them to support themselves and their families, and a healthcare system that puts patients and families first without discrimination based on race, religion, national origin, disability, sex (including sexual orientation and gender identity), age, or other protected class. The country has made progress toward expanding opportunities and securing equal treatment under the law, but we must do more and work together to ensure we continue to move toward dignity and equality for all. The Senate Budget should make substantial investments in the critical work of federal agencies to enforce civil rights laws that protect all Americans, including students, workers, and patients from discrimination. I strongly support increased investments in the Equal Employment Opportunity Commission, Offices for Civil Rights in the Departments of Health and Human Services and Education, Civil Rights Division in the Department of Justice, the Legal Services Corporation, and other agencies and departments that investigate and claims on behalf of workers and work to prevent discrimination through guidance and technical assistance, and community outreach. The Senate Budget should affirm the primary importance of this work and ensure the means to provide robust funding for these agencies.

Conclusion

This letter describes some of the many priorities for the Senate Health, Education, Labor, and Pensions Committee. As Ranking Member, there are other priorities I plan to focus on as well, but the topics covered are representative of the approach I urge you to take. In the coming weeks, Congress will have the opportunity to reject the divisive and harmful values and priorities of the Trump administration and lay out a budget that reflects the values and priorities our constituents care about most. These values and priorities begin with expanding economic opportunity through good jobs and higher wages for all, continue with protecting the health care system from destructive, partisan politics, and conclude with committing to vigorously protecting the civil rights of everyone in our country. While I know there are clear differences between Republicans and Democrats when it comes to the budget, we have shown before that we can break through the gridlock and dysfunction to deliver results for our constituents. On the approach to the budget caps and appropriations process, as well as the willingness to work together to address the many real problems of families and communities in health, education, labor, pensions, and civil rights, the fiscal year 2020 budget offers Republicans the chance to show they are listening to people across the country who want them to break away from the Trump administration's extreme, divisive, and dysfunctional politics to work with Democrats, and the new Democratic House majority, in a bipartisan manner.

Sincerely,



Patty Murray
United States Senator
Ranking Member, Senate Committee on
Health, Education, Labor, and Pensions

RON JOHNSON, WISCONSIN, CHAIRMAN
 DICK DURBIN, IOWA
 RANDY HUBER, MISSOURI
 JAMES INHOFE, OKLAHOMA
 MIKE LEE, UTAH
 MIKE LISS, NEBRASKA
 MICHAEL ENZI, WISCONSIN
 STEPHEN MILLER, TEXAS
 GARY C. PETERS, MICHIGAN
 THOMAS R. CARPER, DELAWARE
 MAGGIE HASSAN, NEW HAMPSHIRE
 KAREN HARRIS, CALIFORNIA
 KRISTEN SINEMA, ARIZONA
 JACKY ROSEN, NEVADA

ANGIE LE DODAY-SENGER, STAFF DIRECTOR
 DAVID WEINBERG, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON
 HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
 WASHINGTON, DC 20510-6250

March 15, 2019

The Honorable Michael B. Enzi
 Chairman
 Senate Budget Committee
 624 Dirksen Senate Office Building
 Washington, DC 20510

The Honorable Bernard Sanders
 Ranking Member
 Senate Budget Committee
 624 Dirksen Senate Office Building
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

In accordance with the Congressional Budget Act and your request, I am providing you with views and estimates for the Fiscal Year 2020 budget resolution. I appreciate the opportunity to provide these views and estimates as Chairman of the Committee on Homeland Security and Governmental Affairs.

The Committee has broad legislative and oversight jurisdiction over several important functions of the federal government. As such, I have organized these views and estimates to offer (1) recommendations relating to the Department of Homeland Security (DHS) and (2) recommendations relating to the Committee's governmental affairs jurisdiction.

I. THE DEPARTMENT OF HOMELAND SECURITY

Priority #1: Secure our Nation's Borders

Securing our borders is a top priority of the Committee. As Chairman I am committed to working with my colleagues to examine the root causes of illegal immigration and stem the flow of drugs coming across our insecure southern border. The Budget Resolution should provide the funds necessary to appropriately support the Administration's border security and immigration priorities, including those aimed at the constructing and upgrading border barriers, and supporting our federal law enforcement.

- The construction of new border barriers and tactical infrastructure along the southwest border remains essential for our nation's security. During testimony before the Committee, Secretary Nielsen said border barrier infrastructure is essential in supporting

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 2

DHS law enforcement personnel to detect and interdict illegal activity.¹ For the upcoming fiscal year, the Budget Resolution should continue to recognize the need for more border security and support DHS's requests for barriers, increased manpower, technology, and reductions in the legal incentives and loopholes that act as a magnet for illegal migration.

- Hiring continues to be a significant challenge for Customs and Border Protection (CBP). CBP has struggled to fill vacant border patrol agent positions, but is working to refine its hiring process to ensure additional agents are on-boarded to help address the increased workflow along the southern border. Secretary Nielsen said during testimony in December 2018 that "Increases to CBP staffing directly affect the Department's ability to stem the illegal entry of goods and people".² For the upcoming fiscal year, the Budget Resolution should continue to provide funding to support CBP's efforts to refine its hiring process and recognize the need to hire more Border Patrol agents to stop illegal migration and secure the southwest border.
- In January 2017, the President issued Executive Order 13768 which called for an increase of 10,000 Immigration and Customs Enforcement (ICE) agents.³ The Budget Resolution should continue to support the Administration's efforts to hire additional ICE agents to uphold our immigration laws and protect everyday citizens.
- To hire additional border patrol agents, ICE agents, and other critical law enforcement positions, the Budget Resolution should continue to support the Federal Law Enforcement Training Center (FLETC). Funding for the FLETC will ensure DHS can onboard the necessary law enforcement officers and receive proper training to secure our borders and ports of entry.

The recent surge in illegal immigration has placed undue strain on our nation's ability to detain illegal aliens and adjudicate immigration cases. As Chairman, I have examined ways to close the very loopholes that are overwhelming our nation's detention facilities and immigration courts.⁴ As Congress continues to grapple with legislative fixes to close these loopholes, the

¹ *Authorities and Resources Needed to Protect and Secure the United States Before the S. Comm. On Homeland Sec. & Gov't Affairs*, 115th Cong. (2018) (opening statement of Sec'y of Homeland Sec. Kirstjen Nielsen), available at <https://www.hsgac.senate.gov/imo/media/doc/Testimony-Nielsen-2018-05-15.pdf>.

² *Oversight of the Department of Homeland Security Before the H. Comm. On the Judiciary*, 115th Cong. (2018) (opening statement of Sec'y of Homeland Sec. Kirstjen Nielsen), available at <https://www.dhs.gov/news/2018/12/20/written-testimony-dhs-secretary-nielsen-house-committee-judiciary-hearing-titled>.

³ Exec. Order No. 13768, 82 Fed. Reg. 8799 (Jan. 25, 2017) (Enhancing Public Safety in the Interior of the United States), <https://www.whitehouse.gov/presidential-actions/executive-order-enhancing-public-safety-interior-united-states/>.

⁴ *Majority Staff Report of the Committee on Homeland Security and Governmental Affairs, Judicial Rulings Ending the Obama Administration's Family Detention Policy: Implications for Illegal Immigration and Border Security*, 116th Cong. (2019), available at <https://www.hsgac.senate.gov/imo/media/doc/Flores%20Majority%20Staff%20Report%201%2010%202019%20Final.pdf>.

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 3

Budget Resolution should provide DHS and the Department of Justice with the necessary resources and authority to expand the number of detention beds, immigration judges and administrative staff, to respond to the increased flow of illegal immigrants and arrests.

Priority #2: Strengthen National Cybersecurity

DHS's Cybersecurity and Infrastructure Security Agency (CISA) is the lead civilian agency for strengthening the nation's ability to defend against cyberattacks. CISA is responsible for managing programs and outreach to ensure the cybersecurity of federal networks and our nation's critical infrastructure—most of which is privately owned. The Committee remains committed to ensuring that DHS and CISA have the resources and capabilities needed to effectively execute its cybersecurity and infrastructure security missions.

- CISA's National Risk Management Center (NRMC) plays a key role in identifying and developing solutions to mitigate risks to our nation's supply chain posed by nation-state adversaries. To address the national security risk presented by the information and communication technology (ICT) supply chain, CISA established the ICT Supply Chain Task force within the NRMC. The Task Force is comprised of private sector experts and representatives from federal agencies, and focuses on develop solutions to manage the strategic risk associated with the global ICT supply chain. The budget should reflect CISA's key role in managing the risk posed to our nation's supply chain.
- The Budget Resolution should continue to support the implementation of the Continuous Diagnostic and Mitigation (CDM) program. The CDM program allows for the continuous monitoring of civilian federal networks, and helps federal agencies mitigate risks before they can be exploited and damage an agency's information technology assets.
- The mission and operations of CISA's National Cybersecurity and Communications Integration Center (NCCIC) are essential to our nation's ability to identify and address systemic cybersecurity risk and communication challenges. The NCCIC is the nation's civilian hub for cyber defense, incident response and operations integration. The budget should provide the resources necessary to appropriately support the effective management and enhance the capabilities of the NCCIC.
- To successfully execute its cybersecurity mission, the Department should be provided the resources necessary to support activities to attract and retain highly skilled cybersecurity professionals. In February 2019, the Committee approved the *Federal Rotational Cyber Workforce Act* to allow experienced cyber federal employees to rotate to federal agencies with insecure security information technology infrastructures to bolster their cyber defenses. The Budget Resolution should include the funding to ensure that DHS is able to attract a qualified cybersecurity workforce, as defined by the National Initiative for Cybersecurity Education Cybersecurity Workforce Framework (NICE Framework).

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 4

Priority #3: Protect the Nation's Critical Infrastructure

- Among its many functions, CISA's Infrastructure Security Division facilitates the dissemination of threat and vulnerability information to critical infrastructure owners and operators to understand and address the risk to our nation's critical infrastructure. The Budget Resolution should provide the funding necessary to ensure this Division has sufficient resources to carry out its mission.
- In accordance with the *FY2017 National Defense Authorization Act*, the Department submitted its strategy to protect and prepare U.S. critical infrastructure against electromagnetic pulses (EMP) and geomagnetic disturbances (GMD).⁵ However, nearly two years later, DHS has not provided Congress with the implementation plan and report on EMP and GMD national planning, research and development activities that was to accompany the strategy. Therefore, I remain concerned that the Department is not taking its responsibilities in this mission space seriously. The Budget Resolution should include resources to enhance DHS' ability coordinate the federal government's efforts to prevent, deter, mitigate and recover from an EMP or a GMD.
- To further protect and harden the electric grid from the effects of EMPs and GMDs, the Budget Resolution should set aside resources for the deployment of viable mitigation solutions, such as microgrids and transformer units. The economic impacts of a severe weather event, equal in magnitude to the 1959 Carrington Event, are estimated to range from \$1 to \$2 trillion in the first year following the incident.⁶ The Committee recently held a roundtable in which experts testified that such solutions could cost anywhere from a few hundred million dollars to \$50 billion—a relatively small price to pay to remedy the potentially catastrophic effects of these high-risk occurrences.⁷ I am working with my colleagues on the Armed Services and Energy and Natural Resources Committees to identify practical solutions and ensure that Congress takes action to address this threat.

Priority #4: Preventing Terrorism and Homegrown Violent Extremism

The terrorist threat to the United States encompasses an evolving landscape and the men and women of DHS are on the frontlines preventing attacks to the homeland. It is imperative that Congress do whatever it can to assist those protecting this country and keeping its citizens safe.

- Last year, Congress enacted the *Preventing Emerging Threats Act* that provides DHS and the Department of Justice the authority to protect critical buildings and assets when there

⁵ See National Defense Authorization Act for Fiscal Year 2017, Pub. L. No. 114-328, § 1092 (2016).

⁶ Lloyd's of London and the Atmospheric and Environmental Research, Inc. *Solar Storm Risk to the North American Electric Grid*, (2013), available at <Risfile:///C:/Users/mw46387/Downloads/Solar%20Storm%20Risk%20to%20the%20North%20American%20Electric%20Grid.pdf>.

⁷ Roundtable: *Perspectives on Protecting the Electric Grid from an Electromagnetic Pulse or Geomagnetic Disturbance Before the Sen. Comm. on Homeland Sec. & Governmental Affairs*, 116th Cong. (2019).

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 5

is a national security risk posed by an unmanned aircraft system (UAS).⁸ This measure was an important first step in proactively addressing an emerging terrorist threat. Therefore, it is imperative that the Budget Resolution fund DHS's efforts in this space, through the Science & Technology Directorate, to research, develop, and acquire counter-UAS technology.

- The President's FY 2019 Budget Request included funding for the expansion of the National Targeting Center (NTC).⁹ The NTC utilizes technology to identify high risk-travelers and cargo that have a nexus to terrorism or transnational criminal organizations. I support the President's efforts to expand and strengthen this vital tool, and I recommend the Budget Resolution continue to support the NTC.

Priority #5: Supporting and Streamlining DHS Management

The Budget Resolution should assist the Committee's efforts to strengthen DHS and streamline offices within its headquarters. Prioritizing the following areas can help reduce duplication and create better efficiencies, increase information-sharing, and improve management and oversight.

- The Department's Science and Technology Directorate (S&T) plays a vital role in ensuring that DHS's operational components have the technological capabilities needed to execute their critical homeland security missions. In October 2018, the Department announced that S&T will continue to support its research and development activities, but will shift its focus to its testing and evaluation activities. As mentioned in prior years, I support the deprioritization of S&T's research and development activities. Focusing on its test and evaluation activities will enable the Department the flexibility to rapidly identify and deploy emerging technologies to support mission critical operations. Therefore, I request that the Budget Resolution include the funding necessary to support S&T's ability to test and evaluate new and emerging technologies.
- Last Congress, the President signed the *Countering Weapons of Mass Destruction Act of 2018* into law.¹⁰ The act consolidated and strengthened DHS's counterterrorism and cybersecurity efforts by establishing the Countering Weapons of Mass Destruction (CWMD) Office. The function of this office is to coordinate efforts and protect against chemical, biological, radiological and nuclear attacks. The Budget Resolution should support CWMD's critical function within DHS.
- The Government Accountability Office (GAO) includes DHS's management functions on its high-risk list that includes areas in government of significant concern due to

⁸ Pub. L. No. 115-254.

⁹ The President's Budget Fiscal Year 2019, *Budget-in-Brief Fiscal Year 2019: Homeland Security* 31 (2018).

¹⁰ Pub. L. No. 115-387.

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 6

mismanagement or waste, fraud, and abuse.¹¹ While DHS has made strides over the past years, its financial management systems have proved to be a significant hurdle in this effort. Therefore, I ask that the Budget Resolution prioritize funding for improvements to DHS's and its components' financial management systems.

- DHS plans to consolidate its headquarters to the St. Elizabeth's site in Washington, D.C. Construction for this project began in 2009, but the planning and execution for the consolidation has run into schedule delays and cost overruns.¹² DHS states this is partly due to lack of funding. The project is set to cost an estimated \$4.5 billion, and Congress has so far allocated just over \$2 billion.¹³ In order to keep the consolidation project on track for completion by 2026, I recommend the Budget Resolution fund the necessary requests contingent on DHS and GSA providing updated schedule and cost estimates for completion.

DHS programs to Deprioritize

1. The Chemical Facility Anti-Terrorism Standards (CFATS) Program

- CFATS is a DHS program that regulates the security of over 3,000 "high risk" chemical facilities across the country. There is little evidence the program enhances security or reduces the risk of a terrorist attack. The Committee held a roundtable in June 2018, in which GAO stated, "Measuring risk reduction or the security benefit [of the CFATS program] is really difficult."¹⁴ Yet, it is estimated that the program has cost the chemical industry billions of dollars to comply with the burdensome regulations.¹⁵ I recommend lowering the priority of the CFATS program until Congress passes meaningful legislation to make significant improvements that reduces unnecessary burdens on industry and enhances security.

¹¹ Gov't Accountability Office, GAO-17-317, High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others (2017), available at <https://www.gao.gov/assets/690/682765.pdf>.

¹² Gov't Accountability Office, GAO-18-484T, Federal Real Property: DHS and GSA Have Not Implemented Recommendations to Strengthen the Management of DHS Headquarters Consolidation (2018), available at <https://www.gao.gov/products/GAO-18-484T>.

¹³ *Id.*

¹⁴ Roundtable: Examining the Chemical Facility Anti-Terrorism Standards Program Before the Sen. Comm. on Homeland Sec. & Governmental Affairs, 115th Cong. (2018) (statement of Christopher Currie, Dir., Homeland Sec. & Justice Team, U.S. Gov't Accountability Office), available at <https://www.hsgac.senate.gov/imo/media/doc/Testimony-Currie-2018-06-12.pdf>.

¹⁵ Chemical Facility Anti-Terrorism Standards, 6 C.F.R. § 27 (2006), available at https://www.dhs.gov/xlibrary/assets/IP_ChemicalFacilitySecurity.pdf.

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 7

2. FEMA's Intercity Bus Security Grant Program (IBSGP)

- The Budget Resolution should eliminate funding for the Intercity Bus Security Grant Program (IBSGP), which received \$2 million in FY 2018.¹⁶ The Administration has not requested funding for the program in almost a decade.¹⁷ The Committee has also conducted oversight of the program and found little evidence the grant furthers national security priorities.¹⁸ I recommend terminating funding for this grant program.

3. Transportation Worker Identification Credential (TWIC)

- The *Maritime Transportation Security Act of 2002* required DHS to develop access controls to critical maritime ports.¹⁹ DHS initiated the TWIC card program to give transportation workers unescorted access to secure areas. Unfortunately, GAO has identified significant management and operational challenges that date back to the program's inception.²⁰ Congress mandated DHS assess the program's security value of TWIC by February 2018, but to date, DHS has not completed such assessment.²¹ Until DHS can prove that the TWIC card program enhances national security and completes their assessment, the Budget Resolution should consider this program a lower funding priority.

II. GOVERNMENTAL AFFAIRS

Priority #1: Protecting School Choice in the District of Columbia

- 2019 marks the 15th anniversary of the Opportunity Scholarship Program (OSP) in the District of Columbia. Since the 2004-05 school year, over 24,351 children applied to the OSP, with over 10,701 scholarships awarded.²² There are currently 1,615 students enrolled in the OSP.²³

¹⁶ *Fiscal Year 2018 Intercity Bus Security Grant Program*, FED. EMERGENCY MGMT. AGENCY (2018), available at <https://www.dhs.gov/news/2018/08/24/dhs-announces-grant-allocations-fiscal-year-2018-preparedness-grants#>.

¹⁷ Letter from FEMA, to Chairman Ron Johnson, on IBSGP (Jan. 29, 2016) (on file with the Sen. Comm. on Homeland Sec. & Governmental Aff.).

¹⁸ Letter from Chairman Ron Johnson, to FEMA, on IBSGP (Dec. 7, 2015) (on file with the Sen. Comm. on Homeland Sec. & Governmental Aff.).

¹⁹ Pub. L. No. 107-295.

²⁰ Gov't Accountability Office, GAO-11-657, *Transportation Worker Identification Credential: Internal Control Weaknesses Need to Be Corrected to Help Achieve Security Objectives* (2011), available at <https://www.gao.gov/products/GAO-11-657>.

²¹ Dep't of Homeland Sec. Office of Inspector General, *OIG-18-88, Review of Coast Guard's Oversight of the TWIC Program* (2018) available at <https://www.oig.dhs.gov/sites/default/files/assets/2018-10/OIG-18-88-Sep18.pdf>.

²² *Serving our Children, About Serving Our Children, The Opportunity Scholarship Program*, (2016) available at <https://servingourchildren.dc.gov/about-us/>.

²³ *Id.*

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 8

- This year also marks the expiration of the program's authorization, which is why I've introduced the *SOAR Reauthorization Act of 2019*. This bill maintains the authorization of \$60 million annually to the D.C. education system for the next 5 years.²⁴ Given the success of the program and local support, I am working with the sponsors on a permanent reauthorization. The funding is equally split between D.C. public schools, D.C. public charter schools, and the OSP. I strongly support school choice and the Opportunity Scholarship Program (OSP), the first and only federally-funded school voucher program, providing low-income families a choice in their children's education.
- In addition to supporting the OSP, *SOAR Act* funding helps finance D.C.'s robust public charter school program, which accounts for 47.5 percent of all D.C. students and taught 43,340 students in the 2017-18 school year.²⁵
- Given the importance of the *SOAR Act* to the residents of D.C., I respectfully request that the budget include sufficient funds to fully support the three sector funding approach for D.C. schools authorized by Congress.

Priority #2: Reducing the Regulatory Burden

- The Office of Information and Regulatory Affairs (OIRA) is a critical part of the government's obligation to ensure consistent, high-quality and efficient regulatory policy across agencies. Created by the Paperwork Reduction Act of 1981,²⁶ OIRA initially had a full-time equivalent (FTE) staff ceiling of 97.27. By 2018, it had fallen to 53 FTEs, down more than 45 percent.²⁸ Over the same period, federal agencies' spending on regulatory activity increased 270 percent—up from more than \$16.5 billion to more than \$61 billion (both in constant 2009 dollars).²⁹ The discrepancy means OIRA has significantly diminished capacity to meaningfully review new regulations.
- The importance of OIRA is illustrated by the office's achievements in 2018. The Federal government only completed 14 significant regulatory actions while completing 57 significant deregulatory actions.³⁰ OIRA's work in 2018 resulted in an estimated savings

²⁴ S. 213, 116th Cong. § 2 (2019).

²⁵ DC Public Charter School Board, *Total Student Enrollment Increases in DC Public Charter Schools*, Table 1, (2018) available at <https://www.dcpsb.org/blog/total-student-enrollment-increases-dc-public-charter-schools>.

²⁶ See Paperwork Reduction Act of 1981, 44 U.S.C. §§ 3501–21 (2012).

²⁷ Susan Dudley & Melinda Warren, *Regulators' Budget: more for Homeland Security, Less for Environmental Regulation*, GEO. WASH. REG. STUDIES CTR. 19 tbl.A-3 (May 2018), <https://regulatorystudies.columbia.gwu.edu/sites/regulatorystudies.columbia.gwu.edu/files/downloads/Final%20Regulators%27%20Budget.pdf>.

²⁸ *Id.*

²⁹ *Id.* at 16 tbl.A-2.

³⁰ Regulatory Reform under Executive Order 13771: Final Accounting for Fiscal Year 2018, https://www.reginfo.gov/public/pdf/eo13771/EO_13771_Final_Accounting_for_Fiscal_Year_2018.pdf.

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 9

of \$23 billion.³¹ Furthermore, the administration's FY 2019 Unified Agenda projects an additional \$18 billion in regulatory cost savings.³²

- The growth and pervasiveness of federal regulations is a major impediment to the United States economy realizing robust economic growth and full employment. Therefore, OIRA staffing and resources should be sufficient to reflect its increased workload both in regulatory and deregulatory actions, and ensure the office can fully carry out responsibilities outlined in statutes, Executive Orders, and other Congressional and Presidential directives. In particular, these responsibilities include significant guidance and input related to the execution of Executive Order 13771 ("Reducing Regulation and Controlling Regulatory Costs").³³

Priority #3: Making Government More Effective and Accountable

Americans deserve a government that uses taxpayer resources responsibly. I support the work of watchdog agencies and offices to make the federal bureaucracy accountable to the taxpayers.

- GAO remains a key resource for Congress, providing information to improve the operations of the Executive Branch and save billions of dollars. In 2018, GAO testified a total of 98 times before congressional committees on issues touching virtually all major federal agencies. GAO estimates that its work related to the High Risk list has saved more than \$350 billion since its creation.³⁴ GAO estimates that its work generated \$75.2 billion in financial benefits in 2018 alone.³⁵ The Budget Resolution should continue to fund GAO's work, which generates a \$124 return for each dollar spent on the agency.
- Inspectors General (IGs) ensure that agencies are operating efficiently and help prevent waste, fraud, abuse, and mismanagement. In 2017, IGs identified \$32.7 billion in potential savings and \$21.9 billion in investigative receivables and recoveries.³⁶ The budget should fund inspectors general at levels sufficient to effectively carry out this important mission, which generates a \$22 return for every dollar spent.

³¹ *Id.*

³² Fall 2018 Unified Agenda of Regulatory and Deregulatory Actions, p. 2, <https://www.reginfo.gov/public/jsp/eAgenda/StaticContent/201810/VPStatement.pdf>.

³³ Exec. Order No. 13771, 82 Fed. Reg. 9339 (Jan. 30, 2017).

³⁴ U.S. Gov't Accountability Off., GAO-17-317, High Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others 1 (2017), <https://www.gao.gov/assets/690/682765.pdf>.

³⁵ U.S. Gov't Accountability Office, GAO-19-1SP, Performance and Accountability Report (2018).

³⁶ Council of the Inspectors Gen. on Integrity and Efficiency, Annual Report to the President and Congress (2017).

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 10

- The Council of the Inspectors General on Integrity and Efficiency (CIGIE) is an independent entity in the executive branch. CIGIE serves to develop government-wide policies and training for IG staff as well as for efficient interagency audits, evaluations, and investigations. On October 2, 2017, CIGIE launched a new website, oversight.gov, to be a one-stop resource to access all agency IG reports and other data.
 - CIGIE is funded by contributions from agency IGs into a revolving fund. However, this funding mechanism is not sufficient for CIGIE to carry out its responsibilities to ensure all agency IGs are performing economically and efficiently. The Committee recommends eliminating the practice of agency IGs funding CIGIE operations out of individual agencies' budgets, and instead, directly appropriating funds to CIGIE.
- The Office of Special Counsel (OSC) receives and investigates complaints of whistleblower retaliation and disclosures of waste, fraud, and abuse in the federal government.³⁷ As the number of new complaints and disclosures filed with OSC have grown,³⁸ Congress reauthorized OSC and expanded its authorities.³⁹ The Budget Resolution should include sufficient funding for OSC to fulfill its mission of redressing whistleblower retaliation and wrongdoing in the federal government.

Priority #4: Rightsizing the Federal Government and Federal Operations

The federal government has expanded enormously as it has assumed more and more authority over time. I support efforts to streamline and reign in the run-away federal bureaucracy. I also support efforts to create efficiencies and cost savings in the operations of federal agencies.

- The federal government spends nearly \$500 billion each year procuring goods and services. GAO has identified several procurement programs in need of attention,⁴⁰ and the Committee is working to make procurements faster, more cost effective, and safer. The Budget Resolution should support improvements to the federal procurement process.

³⁷ See 5 U.S.C. § 1212 (2012).

³⁸ *Reauthorization of the U.S. Office of Special Counsel: Hearing Before the Subcomm. on Gov't Operations, H. Comm. on Oversight & Gov't Reform*, 114th Cong. (2015) (statement of Carolyn Lerner, Special Couns., U.S. Off. of Special Couns.).

³⁹ See National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 1097 (2017); see also Office of Special Counsel Reauthorization Act of 2017, S. 582, 115th Cong. (2017).

⁴⁰ U.S. Gov't Accountability Off., GAO-17-317, High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others (2017), <https://www.gao.gov/assets/690/682765.pdf>.

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 11

- No action has been taken since the federal government paid \$80 billion in pension benefits to federal retirees and their survivors in 2016.⁴¹ Nonpartisan groups have proposed reforms to reduce pension costs by shifting the current defined benefit plan to a defined contribution plan, raising the high-level salary average from three years to five years, increasing contributions for all employees to 50 percent of the normal cost, eliminating the Federal Employee Retirement System annuity supplement, and basing cost-of-living adjustments on a chained consumer price index. The Budget Resolution should consider implementing these potential changes to bring public sector benefits in line with the private sector.
- The U.S. Census Bureau is entering the final year of preparation for the 2020 Census.⁴² Early in the planning process for the 2020 Census, both GAO and the Commerce Department's Office of Inspector General criticized the previous administration's life-cycle cost estimate for 2020 Census and highlighted the potential for cost overruns. In response, Secretary Ross followed GAO recommendations and updated the estimate to reflect independent expertise and better cost accounting. While the new cost estimate is \$3.3 billion higher than the original estimate, the Department of Commerce and the Census Bureau are more confident in its accuracy.
- To keep costs within this estimate, the Census Bureau will need to increase self-response rates by using technology upgrades to allow Internet responses. To accomplish this goal, the Bureau must adhere to planned tests, technology deadlines, and actively manage contracts to avoid cost overruns. The Budget Resolution should fund programs related to the 2020 Decennial Census at a level so that technology and testing are not delayed—and so the Bureau can hire appropriate staff to prevent costs from ballooning again.
- The Postal Regulatory Commission (PRC) is the federal agency responsible for the U.S. Postal Service's rates and service standards. The PRC recently completed its initial review of the postal rate system, as required by the Postal Accountability and Enhancement Act of 2006.⁴³ In December 2017, the PRC proposed changes to the postal rate system. The Budget Resolution should fund the PRC so that the PRC can complete its final review in a timely manner.

⁴¹ Cong. Budget Off., *Options for Changing the Retirement System for Federal Civilian Workers* (2017), https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53003-federalretirement_1.pdf.

⁴² U.S. Const. art. 1, § 2; see generally *2020 Census: Examining Cost Overruns, Information, Security, and Accuracy: Hearing Before S. Comm. on Homeland Sec. & Governmental Aff.*, 115th Cong. (2017) (statement of Wilbur Ross, Sec. of Commerce, U.S. Dep't of Commerce).

⁴³ 39 U.S.C. § 3622(d)(3) (2012).

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 12

- The Office of Management and Budget (OMB) issued its federal government reorganization plan on June 21, 2018.⁴⁴ This plan offered 32 cross-agency ideas for reorganizing the federal government to achieve more efficient and effective government operations for the public.⁴⁵ I support the innovative proposals in OMB's reorganization plan, including the proposal to transfer the human resources transactional services of OPM to GSA.
- In a July 26, 2018, hearing before the Subcommittee on Regulatory Affairs and Federal Management, then-OPM Director Dr. Jeff Pon testified that "[m]erging certain OPM provided services with GSA functions will provide increased economies of scale and creates opportunity for significant cost-avoidance based on reductions in contract and IT duplication, as well as increased data sharing and availability."⁴⁶ GSA Administrator Emily Murphy added "[c]entralizing the transaction processing and IT for administrative functions in GSA, where it is our mission to provide excellent mission-support services, will allow for OPM to focus on their core strategic mission."⁴⁷ Dr. Pon echoed the transfer of OPM human resources transactional services to GSA "is an opportunity to elevate the Federal workforce management function and maximize the operational efficiency of human capital services."⁴⁸
- The Budget Resolution should invest in the transfer of OPM human resources services to GSA, as well as other proposals in the OMB reorganization plan to make the federal government a more efficient and effective steward for the American public.

Governmental Affairs Programs to Deprioritize

1. OPM's Multi-State Plan Program

- The Affordable Care Act created the Multi-State Plan (MSP) Program, which required the Office of Personnel Management (OPM) to contract with private health insurers to offer high-quality, affordable health insurance options called Multi-State Plans.⁴⁹ The Affordable Care Act required MSPs to be available in all 50 states by 2017.⁵⁰

⁴⁴ Off. of Mgmt. and Budget, Exec. Office of the President, *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* (June 21, 2018), available at <https://www.performance.gov/GovReform/Reform-and-Reorg-Plan-Final.pdf>

⁴⁵ *Id.*

⁴⁶ *The Challenges and Opportunities of the Proposed Government Reorganization on OPM and GSA: Hearing Before the Subcomm. On Regulatory Affairs and Fed. Mgmt. of the S. Comm. on Homeland Security and Governmental Affairs*, 115th Cong. 115-451 (2018) (statement of Dr. Jeff Pon, Director, Off. of Personnel Mgmt.).

⁴⁷ *Id.* (statement of Emily Murphy, Administrator, Gen. Serv. Admin.)

⁴⁸ *Id.* (statement of Dr. Jeff Pon, Director, Off. of Personnel Mgmt.).

⁴⁹ 42 U.S.C. § 18054 (2012).

⁵⁰ 42 U.S.C. § 18054 (2012).

The Honorable Michael B. Enzi
 The Honorable Bernard Sanders
 March 15, 2019
 Page 13

- By all objective measures, the MSP program has failed. Currently, in 2019, only one state is participating in the Multi-State Plan Program and only an estimated 47,000 people will participate.⁵¹ The MSP Program has diverted \$54 million of taxpayer dollars—resources OPM could have used for mission-critical priorities like the retirement and security backlogs, and improving federal IT systems.⁵²
- In 2018, recognizing the failure of the MSP Program, the Committee passed on a bipartisan basis S. 2221, the Repeal Insurance Plans of the Multi-State Program Act of 2017, which repeals the program. The Budget Resolution should eliminate funding for the MSP program to allow OPM to reprioritize its focus on its mission and core functions.

2. The Government Printing Office

- The U.S. Government Printing Office (GPO) is an outdated government agency that could be combined with another federal agency or eliminated altogether. With the enactment of the GPO Electronic Information Access Enhancement Act in 1993, GPO's databases were uploaded onto the Internet, altering its business model from printing to publishing.⁵³ Mirroring this change in mission, the Government Printing Office changed its name to the Government Publishing Office in 2014 without Congressional approval.⁵⁴
- While accountability, openness, and transparency by the federal government are critical, it is evident that the mission of GPO duplicates the mission of existing federal agencies, including the National Archives and Records Administration (NARA).
- For FY2017, GPO requested and received \$117.1 million.⁵⁵ While GPO's mission as the federal government's printer was once essential and despite attempts to reinvent itself, GPO's existence is no longer necessary, duplicates federal functions, and competes with the private sector. The Budget Resolution should reduce or eliminate funding for GPO.

⁵¹ U.S. Off. of Pers. Mgmt., *Multi-State Plan Program and the Health Insurance Marketplace*, <https://www.opm.gov/healthcare-insurance/multi-state-plan-program/consumer/?page=1#url=FAQs> (last visited Mar. 9, 2018); see also Robert Pear, *U.S. Plans to Unveil New Insurance Options*, N.Y. Times (Sept. 29, 2013), <http://www.nytimes.com/2013/09/30/us/politics/us-plans-to-unveil-new-insurance-options.html?mcubz=0>; see also Email from Jonathan Blyth, Director, Congressional, Legislative, and Intergovernmental Affairs

⁵² Document production from U.S. Off. of Pers. Mgmt. provided to S. Comm. on Homeland Sec. & Governmental Aff. (Oct. 6, 2017) (on file with S. Comm. on Homeland Sec. & Governmental Aff.).

⁵³ *GPO: A New Name for the Digital Age*, U.S. Gov't Publishing Off., https://www.gpo.gov/pdfs/about/GPO_NewName.pdf (last visited Mar. 7, 2018).

⁵⁴ *Id.*

⁵⁵ Ida A. Brudnick, Cong. Res. Serv., R44515, *Legislative Branch: FY2017 Appropriations (2017)*, <https://fas.org/sgp/crs/misc/R44515.pdf>.

The Honorable Michael B. Enzi
The Honorable Bernard Sanders
March 15, 2019
Page 14

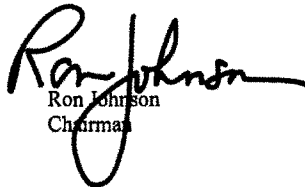
3. Re-evaluate the Benefits Provided to Former Presidents

- The Former Presidents Act was enacted in 1958 to ensure that former presidents had financial resources following their presidency to “maintain the dignity” of the Office of the President.⁵⁶ A former president receives \$205,700 annually as a pension and funds are provided for the former president to cover offices and staff.⁵⁷ In the modern era, these generous benefits are no longer necessary due to the opportunities available to former presidents.
- The Committee passed legislation to reduce the compensation package of former presidents in the 114th and 115th Congresses that were not signed by the President. This Congress, the Committee will work on legislation that only applies prospectively to encourage the support of former presidents. The Budget Resolution should deprioritize funding benefits provided to former presidents.

* * *

I appreciate your work in developing a Budget Resolution for Fiscal Year 2020 that reflects the values and priorities of the Senate. Thank you for your consideration of these proposals. If you have any questions, please feel free to contact me directly.

Sincerely,


Ron Johnson
Chairman

cc: The Honorable Gary C. Peters
Ranking Member

⁵⁶ S. Rep. No. 85-47, at 2 (1957).

⁵⁷ See 3 U.S.C. § 102 (2012) (note, Former Presidents; Allowance; Selection, Compensation, and Status of Office Staff; Office Space; Widow's Allowance, Termination; "Former President" Defined (b), (c), and (g)).

RON JOHNSON, WISCONSIN, CHAIRMAN

ROB PORTMAN, OHIO	GARY C. PETERS, MICHIGAN
RAND PAUL, KENTUCKY	THOMAS R. CARPER, DELAWARE
JAMES LANKFORD, OKLAHOMA	MAGGIE HASSAN, NEW HAMPSHIRE
MITT ROMNEY, UTAH	KARALA D. HARRIS, CALIFORNIA
RICK SCOTT, FLORIDA	KYRSTEN SINEMA, ARIZONA
MICHAEL B. ENZI, WYOMING	JACKY ROSEN, NEVADA
JOSH HAWLEY, MISSOURI	

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

GABRIELLE D'ADAMO SINGER, STAFF DIRECTOR
DAVID M. WEINBERG, MINORITY STAFF DIRECTOR

March 15, 2019

The Honorable Michael Enzi
Chairman
Senate Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bernard Sanders
Ranking Member
Senate Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

Thank you for your distinguished leadership. As Ranking Member of the Senate Homeland Security and Governmental Affairs Committee, I appreciate the opportunity to provide my views regarding a few key budgetary priorities for FY 2020.

U.S. Customs and Border Protection

Securing our borders while facilitating the legitimate flow of commerce is critical. Given the unique needs of my home state, I recognize that there is no one-size-fits all approach to border security. Any effective solution will require a strategic combination of personnel, technology, and infrastructure.

Continued fee authority and funding to hire additional Customs and Border Protection Officers (CBPOs) is needed to address critical shortages of officers at our nation's ports of entry. The current vacancy rate, according to CBP's workforce staffing model, is 1900 officers. This represents a shortage of more than 3500 positions. These staffing shortfalls continue to stretch the limits of operational, enforcement, and training capabilities at the ports of entry where the majority of illicit drugs including fentanyl are entering the country. Ensuring staffing needs are met will allow Customs and Border Protection (CBP) to achieve all aspects of their mission — from preventing trafficking of illicit goods to securing international trade and travel — and reduce disruptions to operations caused by shifting personnel from the Northern border to the Southern border.

I recommend that budgeting allow for no less than 600 more new CBPOs and associated mission support personnel, as well as no fewer than 200 Agricultural officers, in the coming fiscal year, and continue doing so each fiscal year until CBP's own workload staffing model targets are met. The Administration's proposal to hire only 171 CBPOs and mission support staff is inadequate to meet mission needs. Additionally, the current deficit in agricultural specialists poses a real threat to our ability to secure the nation's food and agriculture.

I strongly support the men and women of the U.S. Border Patrol. To that end, I have pushed for the Border Patrol to produce a Workload Staffing Model similar to what the Office of Field Operations has created to ensure an accurate assessment of workload needs. It is critical that we correlate staffing with workload and that entities responsible for boots on the ground are able to outline the various workloads that require staffing time. We also must ensure that law enforcement agents perform law enforcement functions, and that a sufficient number of support staff are available to perform administrative and non-law enforcement functions currently carried out by Border Patrol Agents. Lastly, the Border Patrol must have the assistance of qualified medical professionals to provide for the health and welfare of migrants apprehended while crossing the border. I will be requesting that CBP produce a plan on the number of medical professionals needed to address migrant health, especially for children, and how they plan to integrate medical services and professionals into processing protocols.

In addition to personnel, innovative technologies are needed for both our Northern and Southern borders as well as land, sea, and air ports. Creating and deploying more sophisticated and effective technologies will help to facilitate trade and travel across our borders, while also protecting the American people from possible threats. Meanwhile, upgrades are needed to existing and proven technologies, including Mobile Video Surveillance System, Integrated Fixed Towers, and Remote Video Surveillance Systems as well as Non-Intrusive Inspection equipment at our ports of entry.

With that in mind, the Department of Homeland Security (DHS) should complete a systematic mile by mile needs analysis that can inform a border strategy that clearly articulates mission goals. This analysis should provide our government with a greater understanding of the threat environment, needed capabilities, and current capability gaps, and then define requirements to address those gaps. This would inform our understanding of the optimal mix of assets and personnel to accomplish desired ends.

Finally, continued infrastructure improvements would enable CBP to better meet its mission requirements while accounting for economic impacts – positive and negative – on surrounding communities. One example is the completion of the customs plaza expansion at the Blue Water Bridge in Port Huron, Michigan. Over 100 properties representing 2% of the tax base of Port Huron were demolished in preparation for the expansion and the vacant land creates an economic hardship for the region. Completing infrastructure projects like the plaza expansion would facilitate greater trade, boost regional economies, and fulfill high-priority needs for CBP.

Cybersecurity

The security of the nation's federal cyber assets has been on the Government Accountability Office (GAO) High Risk List since 1997. Although improvements have been made over the last decade, more must be done, especially in the area of improving capacity of federal agencies to sufficiently protect information systems and personally identifiable information. The federal government suffers from a shortage of cybersecurity professionals due to persistent recruitment and retention problems. To improve capacity, GAO identified the need to increase budgetary resources and human capital strategies, and I strongly support additional resources to appropriately address and remedy these deficiencies.

Additionally, I support enhancing the resources of the Department of Homeland Security's Cybersecurity and Information Security Agency (CISA). Formerly known as National Protection and Programs Directorate, CISA is responsible for protecting the Nation's critical infrastructure from current and emerging physical and cyber threats. It helps safeguard the .gov networks, provides incident response and assessment capabilities to government and private sector, and it plays a critical role in coordinating the nation's critical infrastructure protection, including bolstering the security of our election infrastructure. Ensuring that DHS has the capability to perform these functions and support a resilient security posture will require funding above the FY 2019 level of approximately \$1.68 billion.

2020 Census and Census Bureau

A robust funding level nearing \$8 billion is needed for the U.S. Census Bureau in FY2020 consistent with the revised Lifecycle Cost Estimate for the 2020 Census and with the goal of providing sufficient support for the Census Bureau and its partners to ensure a complete enumeration.

Federal Emergency Management Agency

The Federal Emergency Management Agency (FEMA) is not only responsible for responding to major disasters that have decimated U.S. communities, particularly over the past two years, but is also tasked with helping our communities develop their own preparedness – against both disasters and potential terrorist attacks. Through a multitude of grant programs, FEMA's goal is ensure a secure and resilient Nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk. FEMA's preparedness grants programs, such as the State Homeland Security Program, the Assistance to Firefighters Grant Program, and the Nonprofit Security Grant Program, help to accomplish that goal. Therefore, I support continued resources for all preparedness grants programs at or above FY 2019 levels.

In addition, last year Congress passed the Disaster Recovery Reform Act (DRRA) as part of the Federal Aviation Administration (FAA) reauthorization bill. The DRRA enables FEMA to shepherd a monumental shift in our nation's strategy to combat the costly effects of the increasing number of major disasters by focusing more on mitigating against these threats as opposed to simply responding to them after they occur. This shift will hopefully lead to federal cost savings in the long run. It is important, however, that FEMA be given the proper resources to manage this shift, both in additional personnel and resources for information technology developments. The DRRA has also placed a strain on FEMA to adopt and updated multiple requirements, rules, policies, data collection, and program implementation responsibilities. Therefore, I recommend increasing the FEMA budget by \$21 million over the FY 2019 enacted level, which represents a five percent increase for those FEMA offices (i.e., Response and Recovery; Mitigation; and Regional Offices) that will bear greatest responsibility for implementing the DRRA.

DHS Science and Technology Directorate

I support funding the Science and Technology Directorate (S&T) at levels above the FY 2019 enacted amount of \$819 million. S&T is a key mechanism to support innovation, acquisition and procurement processes in the Department. By neglecting S&T in its budget proposals, the Administration continues to ignore Congress' actions in restoring vital funding for research, development, testing, evaluation, systems engineering and other activities that support frontline operators and first responders, and that empower senior leaders to make scientifically informed decisions. For example, S&T has an opportunity to play an integral role with academia in identifying methods to protect firefighters from compounds such as PFAS – harmful fluorinated chemicals to which firefighters are disproportionately exposed through firefighting foam and gear. Congress relies on S&T to provide independent and scientific-based assessments of technologies and to help DHS components to bridge the gap between agency requirements and capabilities.

Robust funding of S&T labs including the Chemical Security Analysis Center, National Urban Security Technology Laboratory, and National Biodefense Analysis and Countermeasures Center will ensure that critical work supporting intelligence assessments, preparedness planning, response, emerging threat characterization and bioforensic analyses continues.

The Administration plans to transfer operational funding and responsibility for the National Bio and Agro-defense Facility (NBAF) from DHS to the U.S. Department of Agriculture (USDA). The proposed transfer of operational responsibility raises certain questions about the perceived withdrawal of DHS from partnership activities with USDA concerning a National Critical Infrastructure. It is imperative that biosecurity R&D not be overlooked, and that dedicated biosecurity research funds continue to be identified to protect our nation and carry out necessary actions such as those recommended by the Blue Ribbon Panel on Biosecurity.

While I appreciate the Administration's move to realign offices according to mission, keeping research and development and the remaining DHS laboratory capabilities together within the S&T Directorate is vital and supports the Department's mission. Keeping the Transportation Security Lab in the Science and Technology Directorate is critical to ensuring the independence of this testing and evaluation facility.

Emerging Technology

I applaud the Administration's interest in new and emerging technologies, and its guidance to agencies to pursue research and development. The direction requires sufficient funding and support to ensure that America is competitive in a technology race against unscrupulous competitors. As an example, the Administration's Artificial Intelligence Strategy promotes research and development on artificial intelligence (AI) but does not include the necessary dedicated funds to truly launch a new race to promote American competitiveness. Making investments today is our only guarantee that America will be competitive tomorrow. I look forward to reviewing the budget in detail to assess the level of this Administration's commitment to AI research and development.

U.S. Digital Service

I have been very supportive of the work of the U.S. Digital Service (USDS) since it was established as a pilot program in 2014. Founded to protect and improve the Federal Government's most critical public-facing digital services, USDS has helped government reduce costs, address vulnerabilities and provide better services to Veterans, service members, small business owners, and others. For example, USDS collaborated with the Veterans Administration to create an enterprise cloud architecture that could save an estimated \$100 million over ten years and that has significantly enhanced accessibility for veterans.

The GAO's 2019 High-Risk List continues to include "Improving the Management of IT Acquisitions and Operations" as a high-risk area. USDS has been working to address this risk through the development of a digital IT acquisition professional training program. To date, USDS has trained 53 Digital IT Acquisition Professionals to date with a goal of an additional 194 trained by the end of FY 2019.

Because of USDS's record of quiet success and cost savings, I plan to introduce legislation to make USDS a permanent part of the Office of Management and Budget with its own line item. To support this effort, I support \$50 million annually specifically for USDS, within the Information Technology Oversight and Reform budget. This additional funding will allow the USDS to increase staffing levels to address critical technology projects across the federal government. I also strongly support other OMB efforts to use technology to enhance program and agency performance and look forward to evaluating such programs in the coming months.

Coast Guard

I support funding for the Coast Guard at or above the FY 2019 enacted level of \$11,816,561,000, to include continued modernization of vessels and aircraft that patrol, perform drug interdiction, and provide life-saving rescue missions across the nation's coastal borders. One concern is continued investment in development and acquisition of a Great Lakes icebreaker. During winters with severe ice coverage—which happen one out of every four winters, according to Coast Guard and NOAA data—the Coast Guard does not possess adequate capacity to meet its icebreaking mission on the Great Lakes, with negative consequences to the regional and national economy as well as to the safety of local communities.

General Services Administration and Office of Personnel Management

This year, HSGAC will perform oversight and examine the Administration's proposal to reorganize government and transfer functions of the Office of Personnel Management to the General Services Administration (GSA). It would be premature to reflect any change of this nature in the FY 2020 budget.

Additionally, the Administration's FY 2020 budget plan once again puts forward numerous ideas to cut retirement and health benefits from federal employees. These proposals failed to be enacted even with a Republican majority in both Houses of Congress and they should not be heeded now.

Office of Special Counsel

The Office of Special Counsel (OSC) is a federal investigative and prosecutorial agency that protects federal employees from "prohibited personnel practices," including whistleblower retaliation, and enforces the Hatch Act, which prohibits partisan political activity in the federal workplace. The number of complaints and cases filed with OSC is at historically high levels, and \$28 million, more than requested by the Administration, is needed for more adequate staffing.

In FY 2018, OSC received 6,015 new matters—one of the highest years on record. To address the rise in cases and a growing backlog, in FY 2018 and 2019, Congress increased OSC's funding level to \$26.5 million. With this additional funding, the agency was able to hire new attorneys to largely prevent an increase in its backlog, which is now just over 2,600 cases (vs. the over 3,000 that had been projected in FY 2018), but has not been able to reduce that number. At the same time, OSC has taken significant steps to reduce costs. In FY 2009, OSC spent \$6,127 processing each case, compared to \$4,419 per case in FY 2018. However, the agency is quickly reaching the limit of its ability to identify and utilize new efficiencies.

The federal government relies on OSC to protect whistleblowers from reprisal. Although OSC has largely stemmed the increase in its backlog, the current level is still at an unprecedented level, and the agency will be unable to begin reducing this number without hiring additional staff.

Government Accountability Office

The Government Accountability Office (GAO) supports Congress in meeting our legislative and oversight obligations and helps to improve accountability and cost savings in the federal government. Last year, GAO saved \$75.1 billion for taxpayers, a return of about \$124 for every dollar of GAO's budget. A significant percentage of senior employees at GAO are retiring or eligible for retirement, while Congress is relying on GAO to provide increasingly specialized knowledge in areas such as technology and cybersecurity. As such, Congress should support GAO's efforts to build its staff capacity and reach its optimal goal of 3,250 full-time equivalents.

Inspectors General

I recommend that Inspector General (IG) office budgets increase proportionally as their respective agency budgets increase to enable the offices to continue their mission to audit and perform investigations within federal agencies. In FY 2017, IGs across the federal government identified \$54.6 billion in potential savings, a \$22 return on investment for every dollar spent on

IG offices. These efforts yielded \$21.9 billion in investigative receivables and recoveries for the federal government.

The Council of Inspectors General for Integrity and Efficiency (CIGIE) works with IGs to address integrity, economy, and effectiveness issues within our federal agencies. CIGIE operates oversight.gov, an online tool that brings all public IG reports together on a single website to improve the public's access to independent and authoritative information about the Federal Government. In FY 2019, Congress provided its first line item appropriation of \$2 million to operate and enhance oversight.gov. This investment in transparency and accountability should be continued above the FY 2019 level commensurate with the increase seen by their respective agencies.

I appreciate this opportunity to provide input concerning key priorities. My staff and I are available to work with you as this process continues.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary C. Peters". The signature is written in a cursive, flowing style.

Gary C. Peters
Ranking Member
Committee on Homeland Security
and Governmental Affairs

JOHN HOEVEN, NORTH DAKOTA, CHAIRMAN
TOM UDALL, NEW MEXICO, VICE CHAIRMAN

TELEPHONE: (202) 224-2251
<http://indian.senate.gov>

JOHN BARRASSÉ, WYOMING
LESA MURKOWSKI, ALASKA
JAMES LANKFORD, OKLAHOMA
STEVE DAJES, MONTANA
MARTHA MESSALLI, ARIZONA
JERRY MORAN, KANSAS

MARIA CANTWELL, WASHINGTON
JON TESTER, MONTANA
BRIAN SCHATZ, HAWAII
CATHERINE CORTÉZ MASTO, NEVADA
TINA SMITH, MINNESOTA

United States Senate

COMMITTEE ON INDIAN AFFAIRS
WASHINGTON, DC 20510-6450

MIKE ANDREWS, MAJORITY STAFF DIRECTOR
JENNIFER ROMERO, MINORITY STAFF DIRECTOR

March 15, 2019

The Honorable Mike Enzi
Chairman
Committee on the Budget
United States Senate
Washington, DC 20510

The Honorable Bernie Sanders
Ranking Member
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

This letter is in response to the Budget Committee's request for the Committee on Indian Affairs (Committee) to submit a views and estimates letter. The Committee has prepared a views and estimates letter for the Budget Committee to consider during the Fiscal Year (FY) 2020 Budget Resolution process. We appreciate the opportunity for the Committee to express its views.

INTRODUCTION AND BACKGROUND

The fulfillment of the Federal trust and treaty responsibilities to American Indians and Alaska Natives is an enduring commitment Congress must honor. The Committee continues to exercise its oversight and legislative responsibilities to ensure that the agencies and applicable Federal programs are achieving the greatest possible efficiencies, investments, and outcomes when utilizing Federal resources.

As the Budget Committee moves forward with its consideration of the FY 2020 Budget Resolution, it is important that the Committee highlight the significance of the United States' trust, treaty, and other mandated responsibilities to Native Communities. Federal agencies carry out these responsibilities through the administration of programs and services that reflect a fiduciary duty between a trustee (the United States) and a beneficiary (the Tribe) which is a relationship based on the U.S. Constitution, treaties, U.S. Supreme Court decisions, and Federal laws.

Indeed, the entire Title 25 of the United States Code— including, the *Snyder Act of 1921*, the *Indian Reorganization Act of 1934*, the *Indian Self-Determination and Education Assistance Act of 1975*, the *Indian Health Care Improvement Act*, and the *Tribal*

Law and Order Act of 2010, is dedicated to upholding the trust responsibility. Additional Federal laws further define the obligations of the United States to provide various programs and services to Indians.

Through these Federal laws, tribal governments have prospered and have become stronger with greater authority over their own economic, social, and cultural development. Yet, many tribal communities continue to face numerous obstacles and unique socio-economic hurdles, leading to negative effects on health, education, income, housing, and public safety in those Native communities. Lack of access to basic infrastructure services such as water and wastewater systems, road systems, housing, and broadband create other compounding challenges in Indian country.

This letter sets forth recommendations for addressing some of the disparities experienced in Indian country by helping Indian Tribes move closer to true self-governance and self-determination.

ACHIEVING SELF-DETERMINATION

For more than forty years, the Federal government has empowered Indian Tribes through self-determination policies. The *Indian Self-Determination and Education Assistance Act of 1975* (ISDEAA) authorized Indian Tribes, through contracts or self-governance compacts, to assume the administration and operation of critical Federal programs intended to benefit Indians, placing control at the local level.

More than 350 of the 573 Federally recognized Indian Tribes are a party to at least one ISDEAA contract or self-governance compact with the Indian Health Service (IHS) in the Department of Health and Human Services (HHS) and the Bureau of Indian Affairs (BIA), or other agencies, in the Department of the Interior (DOI). Through these contracts and self-governance compacts, Tribes are able to operate programs involving health care, social welfare, education, public safety, infrastructure, forestry, and food programs. Experience shows that tribal communities are able to manage and operate these programs more effectively than the Federal government because, like local governments, they understand the needs of the local community and can tailor the programs to address the needs of their people.

The number of Tribes entering into ISDEAA contracts is likely to grow in the coming years as Congress recently expanded the program to the Department of Transportation (DOT) and the Department of Agriculture (USDA). The *Agriculture Improvement Act of 2018* (2018 Farm Bill)¹ included a historic number of provisions that

¹ Agriculture Improvement Act of 2018, Pub. L. No. 115-334 (2018).

will directly expand tribal self-determination to forestry and nutrition programming. Section 4003(b)(2) of the 2018 Farm Bill directs the Secretary of Agriculture to establish a demonstration project whereby Tribes and tribal organizations may procure agricultural commodities under the food distribution program via “638 Indian Self Determination” contracts.

Additionally, Section 8703(a) of the 2018 Farm Bill provides the Secretaries of Agriculture and the Interior authority to establish a demonstration project whereby Tribes and Tribal organizations may contract to perform administrative, management, and other functions of the *Tribal Forest Protection Act of 2004* through “638 Indian Self Determination” contracts. On February 21, 2019, the Committee received requests from tribal food distribution programs advising that an additional \$2 million is necessary to ensure the pilot sites demonstrate the project’s ability to succeed in the multiple and diverse regions of the United States. The Committee recommends \$7 million in appropriations for the establishment of the USDA’s Food Distribution Program on Indian Reservations (FDPIR) 638 Demonstration Project. The Committee also recommends full implementation of the Tribal Forest Management Demonstration Project.

A critical component of the ISDEAA and self-determination policy is the Federal government’s obligation to provide participating Tribes with ISDEAA funding equal to the costs that the United States would have incurred if it were to continue operating the programs. Known as Contract Support Costs, these expenses are the administrative costs associated with Tribes operating a Federal program. Three U.S. Supreme Court decisions have upheld the Federal government’s obligation to fully fund Contract Support Costs.² The Committee supports the accommodation of these obligations in the FY 2020 Federal budget.

ECONOMIC DEVELOPMENT

Some Indian communities are among the poorest in the United States. Tribal economic development opportunities can provide a foundation upon which to build a resilient and growing economy not only in Indian country but across the United States as well.

Like many state and local governments seeking to promote economic growth for their citizens, Indian Tribes often start businesses (e.g., financial services firms, construction companies, and other enterprises) that help create jobs and develop a

² *Cherokee Nation of Okla. v. Leavitt*, 543 U.S. 631 (2005); *Salazar v. Ramah Navajo Chapter*, 567 U.S. 182 (2012); and *Artis Slope Native Ass’n v. Sebelius*, 567 U.S. 930 (2012).

strong workforce. Several Indian Tribes have invested their own resources, when available, to increase economic development and overcome poverty within their communities. Although there has been much progress in increasing economic development in Indian country, many challenges remain — including the remoteness of many tribal communities, the lack of critical infrastructure, and inadequate access to markets.

The need for capital and credit in Indian country is great. As part of its oversight functions, the Committee held hearings on topics highlighting this need in June 2015, June 2016, November 2017, and January 2018. Tribal stakeholders frequently testify on the limitations around access to capital that exist for many Native communities. A report produced by the University of Arizona Native Nations Institute and funded by the Department of Treasury’s Community Development Financial Institutions (CDFI) Fund, entitled “Access to Credit and Capital in Native Communities,” further underscores the importance of increasing access to capital in Indian country.³ Tribes are leveraging available capital to their greatest extent possible, but increased access is needed.

Department of the Interior. The BIA within the DOI administers an Indian loan guarantee program that supports economic development and job creation in Indian country. This program has been successful in assisting Indian businesses and entrepreneurs engage in economic development by offering a remarkable repayment rate and a lower “default” rate than other Federal loan guarantee programs. The demand for the Indian loan guarantee program is more than double what is currently available. The President’s FY 2020 Budget Request proposes eliminating this program but, to continue facilitating additional economic development in more tribal communities, the Committee supports continuation of the program and favors funding levels to meet tribal demand.

Department of Energy. There is significant potential for energy development on tribal lands. Developing these resources would improve access to reliable and resilient power in the most remote parts of Indian country. These projects would also stimulate local economies and spur the creation of high-quality jobs in Indian country.

Despite these opportunities, many Tribes are unable to develop their energy resources because of limited access to financing, among other reasons. Congress recognized this challenge and authorized the Tribal Indian Energy Loan Guarantee Program in the *Energy Policy Act of 2005*.⁴ This program allows the Department of

³ Native Nations Institute, *Access to Capital and Credit in Native Communities* (2016).

⁴ Energy Policy Act of 2005, Pub. L. No. 109-58 (2005).

Energy (DOE) to guarantee up to 90% of the principal and interest of a loan issued to an Indian Tribe for energy development. The Loan Guarantee Program complements the grant and technical assistance programs already offered by the DOE Office of Indian Energy Policy and Programs.

By leveraging Federal resources, the loan guarantee program encourages tribal borrowers to partner with the private sector to develop energy programs. The DOE, for example, estimated that \$9 million in credit subsidy costs could support \$45-90 million in initial loan guarantees for qualified applicants. The President's FY 2020 Budget Request proposed eliminating this program, but because an inadequate capital market hinders development of tribal resources, the Committee strongly supports continuation of, and favors increased funding levels, for this program.

Department of the Treasury. The Department of the Treasury's primary program for tribal communities is the Native American Community Development Financial Institutions Assistance (NACA) program within the CDFI Fund. The NACA program assists Indian country in building institutions that can access and bring credit to rural and underserved tribal communities. The current levels of NACA funding to meet Indian country's increasing capital needs are exhausted quickly, long before the end of the fiscal year.

According to the 2016 "Access to Credit and Capital in Native Communities,"⁵ the number of applicants for training assistance grants to establish Native CDFIs in underserved capital markets has continued to outpace the resources the Department of the Treasury has to offer. The same report cites a fivefold increase in the number of Native CDFIs that provide lending and other financial services to underserved markets. Even during the recent economic downturn, Native CDFIs have continued to grow, proving the need for these financial services in Indian communities. Despite an increase in need, the NACA program's funding has remained steady at approximately \$15.5 million since FY 2017. Congress funded the NACA program at \$15.5 million for FY 2019, and the Committee recommends funding this program at \$16 million for FY 2020.

Indian country can also benefit from two additional programs offering tax incentives that bring private development to tribal communities with minimal cost and a significant return on investment. The New Market Tax Credit program and Low Income Housing Tax Credit program help provide incentives to induce private development in Indian country. Granting tribal access to specific amounts within these programs will help bring investment into Indian country with minimal cost.

⁵ Native Nations Institute, *Access to Capital and Credit in Native Communities* (2016).

Finally, one significant policy recommendation that can fundamentally change the manner in which tribal governments access public debt financing is through a repeal of the “essential government function test” required in Sec. 7871(c) of the Internal Revenue Code. Repealing this regulatory burden will help fund nearly \$1 billion in public works projects on and near tribal communities.

Department of Agriculture. The USDA Rural Development programs in which Tribes participate include the Rural Business – Cooperative Service (RBS), the Rural Utility Service (RUS), and the Rural Housing Service (RHS). According to USDA testimony received by the Committee, from FY 2009 to FY 2015, the USDA Rural Development invested nearly \$3 billion into Indian country. However, when viewed against the total funding for these programs in the same fiscal period (FY 2009 to FY 2014), Tribes fall well short of the total allocation of approximately \$214 billion. In other words, USDA made only 1% of Rural Development funds available for tribal communities during this period.

Support for the Indian Land Acquisition Loan program should also remain as Tribes continue to look at how this loan program can work to consolidate tribal lands for agricultural production. Consolidating lands in tribal communities is an important factor in driving economic development and self-determination. As such, the Committee recommends continuing to fund the Highly Fractionated Indian Land Loan program at \$20 million and the Indian Land Acquisition Loans program at \$10 million.

The USDA’s 502 Direct Loan program has proven to be an important program for helping individuals in rural parts of the country find affordable housing. Congress authorized the USDA, through this loan fund, to exercise nearly \$1 billion in home loan authority annually. Recently, the USDA, through the Single Family Housing Direct Loan Program, developed a tribal CDFI relending demonstration project where it provided two Native CDFIs \$800,000 through a loan. The Native CDFIs matched a percentage of these loans (\$400,000) and are using these combined monies to provide financing to homebuyers on tribal lands. The Native CDFI partners will also be responsible for servicing the loans after they are made to eligible homebuyers. The Committee recommends continued appropriations for the 502 Direct Loan program to ensure that, of those funds, USDA will utilize \$2 million use for the Single Family Housing Direct Loan Program Tribal Demonstration Project.

Finally, the USDA Office of Tribal Relations (OTR) is the primary source for inter-departmental coordination of tribal programs and policy within USDA. Also, as the lead USDA office on tribal programming and policy, the OTR will play a growing

role in helping the USDA implement the historic number of tribal provisions from the 2018 Farm Bill. For example, Section 12303 of the 2018 Farm Bill directs the establishment of a Tribal Advisory Committee to provide advice and guidance to the Secretary of Agriculture on matters relating to Indian affairs. The Committee expects the OTR to facilitate the establishment of this Advisory Committee as well as provide administrative support.

Continuing to fund the OTR and providing adequate resources will be key to ensuring that USDA programs serve tribal communities and do not become duplicative. As the Secretary of Agriculture seeks to reorganize the USDA and implement the 2018 Farm Bill, the Committee recommends an additional \$500,000 to the OTR to help ensure tribal programs remain unaffected during any proposed transition. This increase would bring the total allocation for this office to \$1 million.

Small Business Administration. The Office of Native American Affairs within the Small Business Administration (SBA) serves an important role as the single point of contact for tribal small business issues. By providing this resource to Tribes, the SBA would better meet its mission of fostering small business in all areas of the United States. The Office has been consistently funded at \$2 million in previous fiscal years. In recent programming years, the President's Budget Request has proposed zeroing out the entrepreneurship program in favor of "innovative small business development projects." However, this Committee requests that the FY 2020 Budget Resolution continue to reflect Congressional intent that SBA serve entrepreneurs in Indian country.

INFRASTRUCTURE

Telecommunications Infrastructure. Tribal communities continue to lag behind other areas and segments of the country with respect to broadband and telecommunications services. High poverty rates and low income levels in tribal lands—along with the fact that many tribal communities are located in remote rural areas often found in rugged terrain—are major factors that may explain why tribal areas have comparatively poor levels of broadband and telecommunications access, and why providers may lack an economic incentive to serve Tribes.

There are two Federal agencies that administer programs which serve as the primary source of funding for deploying broadband infrastructure in tribal lands and communities. The Federal Communications Commission (FCC) has established a Universal Service Fund (USF), which provides financial support to ensure that telecommunications services are available to all Americans. The USF currently administers four programs: the High Cost/Connect America Fund (CAF) Program;

the Schools and Libraries Program (E-Rate); the Rural Health Care Program/Health Connect Fund; and the Low Income Program (Lifeline and Link-up).

The Rural Utilities Service (RUS) of the USDA maintains a portfolio of telecommunications programs to finance broadband deployment and infrastructure to rural areas. Between 2010 and 2017, the RUS invested approximately \$512 million in telecommunications projects serving American Indians, Alaska Natives, tribal lands, and tribal organizations. The RUS broadband programs include the Community Connect Grant Program, the Distance Learning and Telemedicine Grant Program, the Rural Broadband Access Loan and Loan Guarantee Program (i.e. Farm Bill Broadband Loans), and the Telecommunications Infrastructure Loan and Loan Guarantee Program. The *2018 Omnibus Appropriations Act* established the pilot ReConnect Program and provided \$600 million for the building of infrastructure for essential internet e-Connectivity services in rural areas.⁶ Indian Tribes are eligible applicants for the pilot program. The Committee strongly supports robust funding of USDA programs which promote broadband access and infrastructure buildout to allow continued access to these critical services in tribal communities.

Transportation Infrastructure. According to the National Tribal Transportation Facility Inventory, there are about 161,000 miles of roads, managed by tribal, Federal, state, and local governments, which provide access to approximately 56 million acres of Indian lands, nationwide. The existing physical condition and safety performance of roads on tribal lands are of ongoing concern, as they are typically rudimentary and in poor condition. With a deferred maintenance backlog of \$289 million, access to health care, schools, and businesses is considerably limited.

The BIA, the Federal Highway Administration (FHWA), and the National Highway Traffic Safety Administration (NHTSA) coordinate programs which address transportation issues in Indian country. The largest share of Federal funding for highways on Indian lands is provided through the Tribal Transportation Program (TTP), which is jointly administered by the FHWA and the BIA.

Congress intended to use the TTP primarily for the construction or reconstruction of roads in the National Tribal Transportation Facility Inventory, a database maintained by the BIA and FHWA. The *Fixing America's Surface Transportation (FAST) Act* authorized the TTP for \$505 million for FY 2020. The Committee supports full funding for the TTP in FY 2020 to promote adequate accessibility in and around Indian country.

⁶ See Consolidated Appropriations Act, 2018, Pub. L. No. 115-141 (2018).

Additionally, the FAST Act authorized the Nationally Significant Federal Lands and Tribal Projects Program (NSFLTP) at \$100 million per year, to be paid from the U.S. Treasury General Fund. The NSFLTP is reserved for projects that are estimated to cost more than \$25 million.

Indian Tribes also receive funding from NHTSA's State Highway Safety Program, commonly referred to as "Section 402 safety grants." The NHTSA distributes these formula grants to states and territories and provides 2% for the Secretary of the Interior to use on Indian lands.

There is much work to be done as it relates to the maintenance of existing roads and highways in Indian country. The BIA has a maintenance responsibility for approximately 29,000 miles of roads and over 900+ bridges. For the past decade, budget requests for BIA's Road Maintenance Program have fluctuated between \$24 and \$28 million. The Committee supports robustly funding the BIA Road Maintenance Program in FY 2020 to enhance the current state of roads and highways on Indian lands.

Water Infrastructure. For more than a century, the Supreme Court has made clear, through application of the "Winters Doctrine" that the United States set aside the amount of water necessary to fulfill the purpose of establishing a reservation. The nature and extent of each Tribe's water rights is the source of ongoing litigation in many instances. One of the more widely recognized challenges for water settlements is appropriating dollars for those settlements. For example, during a July 2018 Committee hearing, the DOI testified that the Bureau of Reclamation will require \$1.6 billion to complete just five of the currently authorized Indian water rights settlements— an estimate that does not include inflation, cost overruns, or a number of water rights currently being negotiated. As a result, the Committee supports robust funding for appropriating money for Indian water settlements.

PUBLIC SAFETY AND JUSTICE PROGRAMS

Both the Departments of Justice and the Interior provide public safety services and programs for Indian communities. The Department of Justice (DOJ) provides engagement, coordination, and action on public safety in Indian country. The DOJ also provides prosecution and investigations of major crime in Indian communities— the rates of which can rival those of major metropolitan cities.

Within the DOI, the BIA provides programs that cover a range of federal, state, and local government services including, law enforcement, detention services, and administration of tribal courts for Indian Tribes. In addition to other BIA Agency

Offices that support public safety programs, the BIA allocates its appropriations to 190 Law Enforcement Programs; 96 Detention/Corrections Programs serving 55 Indian Tribes; 15 Districts, Headquarters, and Support Offices; and 185 Tribal Courts. This distribution only covers a portion of Indian country. Most Indian Tribes located in states (such as California) with “P.J. 280” jurisdiction, where states have joint criminal jurisdiction with Tribes over Indian lands, do not receive funding from the BIA.

The *Tribal Law and Order Act of 2010* required the BIA submit to Congress an annual unmet needs and spending report. According to the most recent report issued in May 2018, the total annual estimated need in Indian country is \$1.0 billion for Law Enforcement Programs, \$241.8 million for existing Detention Centers, and \$1.0 billion for Tribal Courts.

While funding is an important issue for public safety in Indian country, low levels of staffing are a significant contributing factor to the high rates of crime. The Federal Bureau of Investigation (FBI) has a Federal law enforcement responsibility on nearly 200 Indian reservations; however, the FBI may only have one or two agents available for a reservation and does not provide law enforcement services, such as patrol officers for Indian lands. Moreover, there may only be one or two BIA or tribal law enforcement officers patrolling vast land areas similar in size to the state of Connecticut, if not larger. The Committee strongly supports sufficient funding in both the DOJ and the DOI that will meaningfully reduce and prevent the high crime rates and enhance public safety programs in Indian country to address child protection, violent crime, illegal trafficking of Indian artifacts, human trafficking, domestic violence, drug trafficking, recidivism, juvenile justice, and other recurring public safety threats in Indian country.

Victims Services. Through its oversight and legislative efforts, the Committee determined that less than 1% of Crime Victims Fund (CVF) allocations went directly to Indian Tribes. In FY 2018, Congress initially set aside 3% of the CVF, which was established by the *Victims of Crime Act of 1984*, for Indian Tribes to assist victims of crime. The Department of Justice’s Office of Victims for Crime (OVC) administers this program and, through a system developed via tribal consultation, the OVC is in the process of awarding the FY 2018 and FY 2019 CVF funds to tribal communities. Understanding that Native communities across the country experience some of the highest victimization rates in the country, funding to continue providing needed victims services to Tribes is vital. To address the unacceptably high rates of victimization and prevent recidivism, the Committee recommends that a 5% tribal set-aside in the CVF for FY 2020 be included in any budgetary considerations.

HEALTH AND HUMAN SERVICES

Located within the HHS, the IHS is responsible for providing health care services to approximately 2.3 million American Indian and Alaska Natives. The IHS supports an extensive network of more than 850 Federal, Tribal, and Urban Indian hospitals, clinics, and health stations in 37 states. These facilities are predominantly located in rural areas. In addition to the number of tribal and urban Indian health employees, the agency has approximately 15,556 federal employees working in 12 service areas across the country.

Tribal communities continue to face overwhelming health disparities, which are repeatedly reflected in statistics. The population that the IHS serves has long experienced poor health outcomes when compared to other Americans, such as a life expectancy that is 5.5 years less than the national average. Indians die at higher rates than other Americans in numerous categories—including chronic liver disease and cirrhosis, diabetes mellitus, unintentional injuries, assault and homicide, intentional self-harm and suicide, and chronic lower respiratory disease. Indians also continue to experience disproportionately high rates of alcohol and substance abuse. These health levels indicate the great importance of IHS's work to provide vital health care to Native communities.

Indian health care facilities provide needed community services to Native communities in some of the most isolated corners of the country. Yet, investments in these key pieces of infrastructure have not kept pace with growing community demands and population. In its 2016 Facilities' Needs Assessment report to Congress, the IHS reported that the average IHS hospital is four times older than the average U.S. hospital, leading to increased operations and maintenance costs, and overcrowding. Additionally, the age of these facilities who average 37 years mean that many communities have hospitals and clinics that were built to serve much smaller patient populations, including minimal staffing levels. The IHS estimates that it has only half the required facility space needed to serve all 2.3 million IHS patients. The Committee supports increased funding to adequately address the IHS' Facilities Construction and the Backlog of Essential Maintenance, Alteration and Repair (BEMAR), which is estimated to be approximately \$569 million for all IHS and reporting tribal facilities.

Health Information and Equipment Technology. Medical and laboratory equipment has an average lifespan of six years, but it is common that IHS facilities have to use medical equipment for twice its recommended lifespan or longer. Given the life and death implications of the many documented needs of the IHS, the

Committee supports increased funding to address medical equipment backlog at or above the Administration's request for \$24 million.

Recently, the Committee received testimony from the IHS about its health information technology (HIT) and electronic health records (EHR) systems. The IHS utilizes an EHR system designed around the Department of Veterans Affairs retiring EHR system and is working with the HHS Chief Technology Officer to modernize its HIT infrastructure. Such a modernization should help streamline IHS's transition away from the soon-to-be unsupported RPMS system and increase the agency's ability to monitor patient wait times, clinical provider credentialing, and health outcomes. As such, the Committee supports the Administration's efforts to modernize their efforts.

Substance Abuse. Given the passage of recent authorizing legislation in the 115th Congress, the Committee recognizes addressing the opioid and substance abuse crisis in Indian country as a top funding priority in FY 2020. On October 24, 2018, the *Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act* was signed into law.⁷ This legislation authorized roughly \$4 billion in funding for prevention, treatment, interdiction and law enforcement, and new research into abuse-deterrent and non-addictive pain management modalities. The Act also included many provisions that will assist Tribes in better responding to the substance abuse crises in their communities.

Among other important tribal provisions, the *SUPPORT for Patients and Communities Act* reauthorized the State Targeted Opioid Response Grants for an additional two years and includes a 5% set aside for Tribes. The Act also authorizes a 3% tribal set-aside for grants and delivery of technical assistance to address the needs of infants born with substance dependence or withdrawal symptoms resulting from prenatal drug or alcohol use.

Additionally, the law authorizes \$10 million in competitive grants for Tribes and states to hire recovery coaches to provide substance use and overdose prevention education, follow-up services for patients who have overdosed, and to establish policies and procedures for administering naloxone and medication-assisted treatment. This section of the Act includes language outlining preference for Tribes that have experienced higher burden of overdose mortality compared to the national average. The Committee supports robust programmatic funding of the opportunities made available to Tribes and tribal organizations under the *SUPPORT for Patients and Communities Act*.

⁷ See Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act, Pub. L. No. 115-271 (2018).

The Committee supports continued efforts to address behavioral and mental health; alcohol and substance use disorders; screening and disease prevention; and the many other factors that can impact an Indian person's health, particularly access to quality health care services delivered by qualified medical professionals in safe, reliable facilities.

The Committee supports accountability in IHS programs to ensure the most effective delivery of services, and an increase in funding to the HHS' Office of Inspector General to assist in properly reviewing and investigating the efficacy of the IHS and report any waste, fraud, abuse, or misconduct in the IHS. By increasing accountability efforts and providing sufficient programmatic resources, the IHS can continue its work in addressing the Government Accountability Office's High Risk List placement. Finally, the Committee continues to support the Administration's request to address medical inflation, service population growth, and barriers to recruitment and retention of high quality medical personnel.

EDUCATION

Nationally, there are approximately 644,000 Indian students enrolled in elementary and secondary schools, including Bureau of Indian Education (BIE) schools and 30,000 Native and non-Native college students enrolled in a Tribal Colleges and University (TCU). Approximately 90% of Indian students attend public schools that are operated by a local education agency. The average educational outcomes for Native students raise many concerns, such as low high school graduation rate and low post-secondary enrollment rates. Despite these issues and the infrastructure challenges, examples of success in Native education are present across the country – with some tribally-operated BIE funded schools and Native language immersion schools reporting graduation rates above the national average.

Bureau of Indian Education. The BIE is comprised of 183 federally- and tribally-operated primary and secondary schools and dormitories, two federally-operated post-secondary schools, and 37 tribally and congressionally chartered Tribal Colleges and Universities (TCUs). The BIE uses the Indian Student Equalization Program (ISEP) formula to allocate funding for basic and supplementary instructional resources on a per pupil basis to all BIE funded K-12 schools. ISEP funds serve as the primary funding stream for determining each BIE school's annual budget and ensure BIE schools can secure adequate classroom resources and teachers. At an oversight hearing last Congress, the BIE and tribal school administrators indicated to the Committee that funding to address school security issues would require diversion of ISEP funds used for activities like teacher recruitment and school bus repair. As

such, the Committee requests the budget resolution include allowances for increases in BIE school safety resources. Additionally, Indian Tribes may exercise self-governance through operation of a BIE school that serves their community or reservation through either ISDEAA or the *Tribally Controlled Grant Schools Act* (TCGSA). Similar to contract support costs for ISDEAA contracts, tribal grant support costs support Indian Tribes that operate 126 BIE schools under the authority of the TCGSA. The BIE grant schools expend these funds on administrative overhead costs for schools including business operations, payroll, personnel, annual audits, information technology, and reporting. A shortfall in funding for tribal grant support costs would result in schools having to divert ISEP funds to pay for administrative costs.

The Committee recognizes the importance of maintaining funding for both ISHP and tribal grant support costs as a part of improving BIE student outcomes and supporting tribal self-determination in education.

Several Government Accountability Office reports confirm that BIE schools and facilities are in dire shape and have led to dangerous classroom conditions for students, e.g., exposed wiring, broken boilers, and buildings with little to no insulation, and asbestos dust. These reports estimate that BIE facilities' needs backlog for K-12 schools is currently \$1.3 billion. The Committee supports sufficient funding to begin expeditiously addressing the backlog at BIE facilities.

Department of Education. The Indian Education Title of the *Elementary and Secondary Education Act* (ESEA), as amended in 2015 by the *Every Student Succeeds Act*, authorizes a variety of programs to support the educational opportunities of American Indian, Alaska Native, and Native Hawaiian students that attend locally operated public schools. This Title authorizes grants to local education agencies with large populations of Native students, State-Tribal Educational Partnership Grants, demonstration programs, Native American language immersion competitive grants, and funding for the Department of Education to undertake tribal consultation. Additionally, many schools located on reservation land, but operated by local education agencies, receive funding through the Impact Aid Title of the ESEA. The Committee supports funding for these activities at the Department of Education and recommends support for programs that promote the development of culturally-informed educational opportunities for Native youth.

Tribally Colleges and Universities. In the 40 plus years since the *Tribally Controlled Colleges and Universities Assistance Act* was enacted, the number of TCUs has increased fivefold and full-time Indian student TCU enrollments have increased by more than 300 percent—including students from more than 230 Federally recognized

Indian Tribes at more than 75 locations, in 16 states. Despite the impressive growth, TCUs remain underfunded, causing persistent issues for recruiting and retaining qualified faculty and staff, and maintaining accreditation.

Tribal Colleges and Universities not only provide postsecondary education and workforce training opportunities, but they serve as public cultural and community centers and as primary employers for their communities. TCU students are often older than the traditional college student, including single heads of households that are seeking to provide a better future for their families. TCUs offer their students a chance to develop the skills they need to succeed in the workforce while continuing to attend to their family and community responsibilities.

The Committee requests full funding for institutional operations and technical assistance under the *Tribally Controlled Colleges and Universities Assistance Act* for the 37 TCUs funded under Titles I, II, III, and V of the Act. Strong funding would allow the institutions to continue offering culturally grounded, high quality postsecondary education opportunities to American Indians and Alaska Natives in some of the poorest and most geographically-isolated regions of the country.

CONCLUSION

We appreciate the Budget Committee's consideration of the Committee's views on these important matters and your efforts to ensure the Federal government is fulfilling its trust and treaty responsibilities to Indian tribes across the Nation.



John Hoeven, Chairman

Sincerely,



Tom Udall, Vice Chairman

LINDSEY O. GRAHAM, SOUTH CAROLINA, CHAIRMAN

CHARLES E. GRASSLEY, IOWA
 JOHN CORNYN, TEXAS
 MICHAEL S. LEE, UTAH
 TED CRUZ, TEXAS
 BEN SASSE, NEBRASKA
 JOSHUA D. HAWLEY, MISSOURI
 THOM TILLIS, NORTH CAROLINA
 JONI ERNST, IOWA
 MIKE CRAPO, IDAHO
 JOHN KENNEDY, LOUISIANA
 MARSHA BLACKBURN, TENNESSEE

DIANNE FEINSTEIN, CALIFORNIA
 PATRICK J. LEAHY, VERMONT
 RICHARD J. DURBIN, ILLINOIS
 SHELDON WHITEHOUSE, RHODE ISLAND
 AMY KLOBUCHAR, MINNESOTA
 CHRISTOPHER A. COONS, DELAWARE
 RICHARD BLUMENTHAL, CONNECTICUT
 MAZIE HIRONO, HAWAII
 CORY A. BOOKER, NEW JERSEY
 KAMALA D. HARRIS, CALIFORNIA

United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

March 15, 2019

The Honorable Michael Enzi
 Chairman
 Committee on the Budget
 United States Senate
 Washington, D.C. 20510

The Honorable Bernard Sanders
 Ranking Member
 Committee on the Budget
 United States Senate
 Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders:

Thank you for the opportunity to provide my views regarding funding for programs within the Senate Committee on the Judiciary's authorizing jurisdiction pursuant to section 301(d) of the Congressional Budget Act. My priorities outlined below show my commitment to ensuring that adequate resources are provided for essential programs. I ask that these requests be given consideration, understanding the need to make difficult decisions to reduce the deficit.

Department of Justice Grant Programs

Edward Byrne Justice Assistance Grant (Byrne JAG)

The Byrne JAG program provides critical funding necessary to support a range of program areas including law enforcement, prosecution and courts, crime prevention and education, corrections, drug treatment, technology improvements, and other law enforcement initiatives. I request that the Byrne JAG program be adequately funded to provide necessary support to states, tribes, and local law enforcement.

Bulletproof Vest Partnership (BVP)

Since its enactment in 1998, the Bulletproof Vest Partnership Act has provided funding to assist state and local law enforcement agencies with the procurement of more than one million ballistic resistant body armor vests. Recognizing the importance of the program, which plays an important role in providing lifesaving bulletproof vests to law enforcement officers serving on the front lines nationwide, I request adequate funding.

FIRST STEP Act

This legislation was a monumental, bipartisan accomplishment that works to reduce recidivism, improve the reentry of inmates back into society, and reform sentencing for certain nonviolent federal offenses. I request adequate funding to implement the provisions of this important law.

Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA)

This law helps state and local governments develop initiatives to reduce costs, improve public safety, and allow the alarmingly high number of mentally ill offenders to receive the treatment they need to return to productive lives. I request adequate funding for this program.

Regional Information Sharing Systems (RISS)

RISS serves as an invaluable tool to federal, state, and local law enforcement agencies by providing much-needed criminal intelligence and investigative support services. It has built a reputation as one of the most effective and efficient means to combat multi-jurisdictional criminal activity, such as narcotics trafficking and gang activity. I ask that RISS be funded sufficiently.

Crime Victims Fund

Under the Victims of Crime Act, which created the Crime Victims Fund, fines and special assessments paid by federal criminal offenders—not taxpayers—generate the revenues used for grants to state crime victim compensation programs, victim assistance services, and services to victims of federal crimes. I ask that the cap on the Crime Victims Fund be determined in a responsible way, while ensuring that an adequate amount of funding is retained to support victims in future years.

Debbie Smith DNA Backlog Grant Program

This significant program helps combat backlogs of DNA evidence, including rape kits, by providing funding to state and local governments to test DNA evidence and enhance lab capacity. I request sufficient funding for this program.

Violence Against Women Act (VAWA)

VAWA addresses domestic violence, sexual assault, dating violence, and stalking through programs to prevent and respond to these crimes and serve victims. VAWA programs make a substantial difference in the lives of victims, and I request that these programs receive adequate funding.

Trafficking Victims Protection Act (TVPA)

TVPA seeks to combat the heinous crime of human trafficking in the United States and around the world. The tools and resources made available through TVPA have allowed the United States to make progress in combating modern day slavery at home and abroad. TVPA programs help prevent trafficking, protect victims, and prosecute traffickers. I ask that the programs authorized under the TVPA be adequately funded.

Justice for All Act (JFAA)

JFAA programs aim to improve the quality of justice for all Americans by harnessing the power of DNA evidence. The Act addresses the rights of victims, improves forensic testing, reduces the risk of error in capital cases, and strengthens our Nation's criminal justice system. I request adequate funding for programs authorized through JFAA.

Juvenile Justice

Prevention and treatment programs for juveniles are essential. The Juvenile Justice and Delinquency Prevention Act was recently reauthorized, and I ask that programs under this Act receive adequate funding.

Court Security Improvement Act

The need for strong security for our courthouses, judges, and court personnel is imperative. This law demonstrates Congress's strong support for the safety and security of the Nation's court personnel. I support funding for the Court Security Improvement Act.

The Federal Judiciary

The Federal Judiciary plays an essential role in our federal system. The federal courts exercise no control over the number of cases filed and must meet changing law enforcement and economic demands, such as increased bankruptcy filings and enhanced immigration enforcement. I request that the Committee keep these evolving and increasing demands on the federal courts in mind and ensure adequate funding.

Department of Justice (DOJ)

The work of the Department of Justice and its agencies is imperative to enforce our laws and protect our country. While I have noted specific programs and agencies within the Department throughout this letter, I think it is important to highlight DOJ as a whole and the need to ensure that sufficient resources are provided to effectively run the agency and to ensure that appropriate oversight is in place.

Federal Law Enforcement**Federal Bureau of Investigation (FBI)**

The FBI is our nation's top law enforcement agency and should be provided with suitable resources to carry out its critical mission. The FBI keeps our country safe from terrorism and other serious threats. I also believe sufficient funding should be in place to make certain that appropriate oversight of the agency is conducted.

United States Marshals Service

The United States Marshals Service carries out a broad range of important duties in support of the Federal Judiciary and justice system. The Marshals Service provides protection to federal judges, transports prisoners, protects witnesses, and apprehends fugitives, among other substantial responsibilities. Given the important role the Marshals Service plays in support of the federal criminal justice system, I request sufficient funding for this agency.

United States Secret Service

Congress has tasked the U.S. Secret Service with critical protective and investigative mandates. In addition to protecting the current and former presidents, the vice president, and their families, the Secret Service will face increased demands associated with presidential candidate protection in the upcoming year. Sufficient funding should be provided to cover the projected travel, overtime, and nominating conventions' security expenses associated with the 2020 presidential campaign.

The Secret Service is successful because of the people who carry out the mission. The agency made significant progress with hiring and retention over the past several years and sufficient funding should be provided to enable the agency to achieve strategic staffing targets. Given the critical mission being carried out on behalf of all Americans, I request sufficient funding levels be allocated to the Secret Service.

Intellectual Property**U.S. Patent and Trademark Office**

I urge the Committee to fully allocate fee-based funding for the United States Patent and Trademark Office (PTO). Congress enacted the Leahy-Smith America Invents Act, which creates a Patent and Trademark Fee Reserve Fund. Any fees collected in excess of the appropriated amount are deposited into the Fund. Full funding for the PTO, including access to those fees, are essential to the PTO's effective implementation of this law and continuing to work through the overwhelming backlog of patent applications. I urge full access for the PTO to the fees it collects, including those deposited in the Reserve Fund.

U.S. Copyright Office

The Copyright Office is in the process of a multi-year re-engineering process to upgrade its internet technology (IT), so that Americans can more quickly register their copyrights and interested parties can identify copyright owners. This re-engineering will require several years of significant IT investments. I request that the Copyright Office receive sufficient funding dedicated solely to these IT re-engineering efforts so that such funds are not diverted to other uses.

Copyright Royalty Board (CRB) and the Copyright Royalty Judges

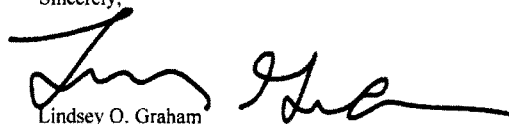
The CRB adjudicates the royalty rates for compulsory licenses under the Copyright Act, conducting proceedings that, for example, set rates to be paid by entities ranging from cable companies to webcasters for their use of copyrighted content as they deliver video and music programming. The CRB is also involved in adjudicating disputes about how these payments are distributed to copyright holders. Because the benefits of compulsory licensing flow almost exclusively to the licensees and the public, the cost of administering the licenses should not be paid exclusively by the copyright holders. The law creating the CRB made clear that funding was to come from public funds and not from the Copyright Office account (17 U.S.C. 803(e)(1)(B)). Thus, to implement that provision, I recommend that the CRB receive adequate funding.

Cybercrime

The FBI Cyber Division is the lead federal agency for investigating cyberattacks by criminals, terrorists, and other adversaries from abroad seeking to harm private citizens, industry, and the U.S. government. American companies are targeted for their intellectual property, trade secrets, and other sensitive data. Citizens are targeted by fraudsters and identity thieves. The Cyber Division focuses on computer and network intrusions involving counterterrorism, counterintelligence, and criminal violations, as well as ransomware attacks of the same ilk. Funding and staffing resources should be directed towards these important cyber investigations.

Thank you again for consulting with me on programs that fall under the jurisdiction of the Senate Committee on the Judiciary. I look forward to continuing to work together on these and other important matters.

Sincerely,



Lindsey O. Graham
Chairman

DIANNE FEINSTEIN
CALIFORNIA



COMMITTEE ON THE JUDICIARY - RANKING MEMBER
SELECT COMMITTEE ON INTELLIGENCE
COMMITTEE ON APPROPRIATIONS
COMMITTEE ON RULES AND ADMINISTRATION

United States Senate
WASHINGTON, DC 20510-0504
<http://feinstein.senate.gov>

March 21, 2019

The Honorable Mike Enzi
Chairman
Committee on the Budget
United States Senate
Washington, DC 20510

The Honorable Bernie Sanders
Ranking Member
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders,

Thank you for the opportunity to provide my views pursuant to section 301(d) of the Congressional Budget Act concerning fiscal year (FY) 2020 funding for programs within the Senate Committee on the Judiciary's authorizing jurisdiction.

First, I ask that the FY 2020 Budget Resolution provide a 302(a) discretionary budget authority level that exceeds the FY 2020 spending cap mandated by the 2011 Budget Control Act and is at least equal to the FY 2019 appropriated level.

Secondly, I want to express my deep concern about the Administration's desire to cut non-defense discretionary spending by \$54 billion in FY 2020 while increasing defense discretionary spending by \$174 billion. Therefore, I ask that if the FY 2020 Budget Resolution is written to accommodate this defense spending increase, that it also increase non-defense discretionary budget authority by an equal \$174 billion.

I believe that there is a significant need for more, not less, discretionary budget authority for programs under the jurisdiction of the Judiciary Committee. For example, additional budget authority is necessary to enable increased appropriations for:

- **Community Oriented Policing Services (COPS)** – Grants provided to local law enforcement agencies through the COPS program, particularly those related to hiring additional officers and task forces targeting methamphetamine and opioids, are critical to ensuring that local communities are able maintain public safety. Methamphetamine poses serious threats to the health and safety of U.S. citizens. Between 2015 and 2017, this powerful substance caused 23,591 overdose deaths. Although domestic production has declined, methamphetamine seizures at the Southwest Border increased 134 percent between 2015 and 2017. The Mexican methamphetamine entering our country is 96.8% pure, 88.7% potent, and extremely cheap. This, coupled with the 2018 Drug Enforcement Administration’s National Drug Threat Assessment finding that methamphetamine is being paired with fentanyl to create dangerous “speedball” combinations means that these drugs are becoming even more lethal, necessitates that efforts to combat methamphetamine trafficking be prioritized.

Methamphetamine production, trafficking, and use present complex challenges to federal, state, and local law enforcement and public health partners. Therefore, I request that the Budget Resolution provide additional budget authority to enable the COPS Anti-Meth Task Forces to be funded at no less than the historically appropriated level of \$8 million to ensure that those states with high seizures of precursor chemicals, finished methamphetamine and methamphetamine laboratories have the necessary resources to investigate illicit activities related to the manufacture and distribution of methamphetamine.

- **State Criminal Alien Assistance Program (SCAAP)** – SCAAP provides reimbursement to state and local jurisdictions for the costs incurred for incarcerating undocumented criminal aliens who have been convicted of a felony or two misdemeanors. These costs to detain individuals who are here in violation of federal law place a heavy fiscal burden on states and localities and limit their ability to provide other services to their citizens. For example, California counties are routinely reimbursed for less than 10 percent of their SCAAP-related expenses. Despite being authorized at \$950 million, annual appropriations for SCAAP have struggled to reach even \$300 million, demonstrating the need for additional budget authority to fully fund SCAAP at authorized levels.

- **Federal Law Enforcement Agency Staffing** – All four Department of Justice law enforcement agencies face significant generational attrition issues that must be dealt with before the agencies are crippled, particularly the Drug Enforcement Administration (DEA) and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Given the continuous calls to fully enforce existing laws, it is essential that our law enforcement agencies have the resources and staff they need to actually do so. Therefore, I ask that the Budget Resolution provide sufficient budget authority to enable ample appropriations for all four DOJ law enforcement agencies to ensure they can withstand forthcoming retirement waves.
- **Support for Local Law Enforcement** – In addition to the COPS programs, the Department of Justice provides critical financial and technical support to local law enforcement agencies that have witnessed largely stagnant funding in recent years. Grant programs such as the Byrne Justice Assistance Grants, Regional Information Sharing System, Bulletproof Vests Partnership Grants, and the Community Trust Initiative are critical to protecting local officers and improving their relations with the community. Other programs such as DNA-related and forensic science grant programs have helped local agencies dramatically reduce the backlog of untested DNA evidence kits, solve cold cases, and provide justice to victims. It is essential that federal support for these efforts continue, and I ask that the Budget Resolution provide enough budget authority to not only maintain, but increase funding levels for each of these critical grant programs.
- **Gun Violence Prevention and Response** – In 2017, there were 39,773 gun deaths. This was the highest rate in the last twenty years. Those who object to the passage of stronger gun laws frequently claim that new legislation is unnecessary and that we simply need to better enforce existing laws. To effectively do so, however, the agencies whose mission it is to prevent and respond to gun violence, such as the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Federal Bureau of Investigation, and the Office of Justice Programs, must be fully funded and staffed. Therefore, I ask that you provide budget authority to enable appropriators to increase funding this year for additional ATF agents, the National Criminal History Improvement Program, the FBI's National Instant Criminal Background Check System, the National Integrated Ballistics Information Network, the Comprehensive School Safety Initiative, the VALOR Initiative, Gun Violence Prevention Research, and the National Violent Death Reporting System.

- **Juvenile Justice** – The federal government plays an important role in supporting programs that help prevent crimes by juveniles, and provide support and treatment to those juveniles that become involved in the criminal justice system. Accordingly, I ask that the Budget Resolution provide sufficient authority for adequate funding of Title II formula grants and juvenile justice block grants, as well as other juvenile justice programs, to ensure that state, local and private dollars continue to be leveraged effectively to promote public safety, prevent delinquency and protect some of our most vulnerable children and youth.
- **Violence Against Women** – Congress must continue to support efforts to prevent and eliminate violence against women in various forms – including domestic violence, dating violence, sexual assault, and stalking – and to assist and support victims of such violence. The most recent reauthorization of the *Violence Against Women Act (VAWA)*(P.L. 113-4) retained and improved the core lifesaving grant programs that are needed to end sexual and domestic violence, and to assist and support victims. These programs include Services, Training, Officers, Prosecutors (STOP) grants, Transitional Housing Assistance Grants, Rural Domestic Violence and Child Victimization Enforcement Grants, and other programs that help prevent domestic violence and provide services to victims. Requests for services, however, go unmet on any given day due to lack of resources. We must remedy that situation, and I ask that the Budget Resolution provide sufficient budget authority to enable full appropriations of these programs under VAWA.
- **Legal Services** – I am very concerned by the Administration’s proposals to eliminate funding for the Legal Services Corporation (LSC), which provides critical support and funding for legal aid organizations around the country. These LSC-funded organizations and programs provide essential legal services, particularly in hard-to-reach rural areas. As noted recently in a letter to the Director of the Office of Management and Budget by more than 150 law firms nationwide, eliminating the LSC will “imperil the ability of civil legal aid organizations to serve Americans in need” and also “vastly diminish the private bar’s capacity to help these individuals.” The LSC funds local programs in every state and every congressional district that are vital to ensuring that all Americans –regardless of their income or geography – have access to essential legal services. I request that that the Budget Resolution provide budget authority to fund the Legal Services Corporation

and that such authority is sufficient for adequate appropriations to fund the LSC and its important work.

- **Legal Services – Immigration** – I also request that the Budget Resolution provide the budget authority necessary to maintain appropriations for the functions of the Executive Office for Immigration Review (EOIR), as well as programs that provide legal information and assistance to immigrant adults and children involved in detained removal proceedings and immigration court proceedings.

The immigration court system is comprised of 57 immigration courts and nearly 250 immigration judges under EOIR. In recent years, the number of immigration prosecutions has increased significantly without EOIR having adequate resources to deal with these increasing caseloads. Immigration courts continue to be underfunded, understaffed and overwhelmed, factors which have hampered EOIR's ability to provide fair and efficient immigration adjudications. I request sufficient budget authority to enable adequate funding for the Executive Office of Immigration Review so that it is able to effectively handle its increased caseload.

The Legal Orientation Program, the Legal Orientation for Custodians of Unaccompanied Alien Children, and other legal services programs administered through the Office of Legal Access Programs at the Justice Department's Executive Office for Immigration Review are important and worthwhile programs that should be fully funded. Giving children the opportunity to obtain access to counsel can help expedite matters in immigration courts. And while not a substitute for legal representation, the adult LOP educates detained immigrants in removal proceedings about immigration law and process so that they can understand their legal options and responsibilities.

- **Drug Control / Narcotics Trafficking**

ONDCP. The Office of National Drug Control (ONDCP) policy advises the President on drug control issues and is responsible for developing and implementing the federal drug control strategy. As such, it coordinates drug control activities and the associated funding across the federal government. It works with various federal, state, and local agencies, as well as tribal governments, to produce the National Drug Control Strategy on an annual basis. This strategy addresses drug-related crime, violence, and health

consequences, and outlines government-wide efforts to reduce the manufacturing and trafficking of illicit narcotics, prevent illicit drug use, and treat those with addiction.

Given the high rates of drug overdose deaths in our country – which have outpaced firearm deaths, motor vehicle crashes, suicide, and homicides each year since 2009 – such a strategy is now more important than ever. In 2017 alone, there were more than 70,000 overdose deaths. Moving forward, ONDCP is critical to ensuring that the federal government develops and executes an effective, comprehensive, and unified strategy to prevent, combat, and reverse this alarming figure. Accordingly, I request that the Budget Resolution provide the budget authority necessary to adequately fund the ONDCP.

HIDTA. The High Intensity Drug Trafficking Areas (HIDTA) program coordinates federal, state, and local law enforcement agencies in designated areas, enabling them to effectively disrupt or dismantle drug trafficking organizations. These partners work together to balance enforcement, prevention, and treatment to effectively reduce drug abuse. The efforts of the four existing California HIDTAs to attack drug trafficking organizations, as well as HIDTAs throughout the country, are invaluable. As such, I request that the Budget Resolution provide the budget authority necessary for the HIDTA program to receive the highest possible funding to ensure that federal, state, and local law enforcement in critical drug trafficking regions have the necessary resources to advance innovative approaches aimed at addressing our nation's preeminent drug threats.

Drug Free Communities. The Drug Free Communities (DFC) program provides grants to coalitions comprised of 12 different community sectors to develop and implement local strategies to prevent and reduce youth substance abuse. The national independent evaluation of the program demonstrates its effectiveness. In communities where Drug Free Community coalitions exist, past 30-day use of prescription drugs in funded communities has decreased by 10.7 percent among middle school students and 17.5 percent among high school students during the same time frame. In many instances, the DFC program is the only federally funded substance abuse prevention program in existence at the community level. This program plays an essential role in stopping youth drug use before it starts, and it should be expanded and funded at the highest possible level. Accordingly, I request

that the Budget Resolution provide the budget authority necessary for such funding.

Drug Courts. Strictly punitive approaches for those struggling with addiction in the criminal justice system often are ineffective. Such approaches ignore the fact that addiction is often the root cause of the criminal behavior, and typically contributes to increased recidivism rates.

Drug courts offer a viable alternative to this approach. They are cost effective – producing an average savings of \$6,744 per participant – and result in reductions in recidivism rates that range between 17 and 26 percent. Drug courts achieve these results by employing a comprehensive model that combines desperately needed substance use treatment with judicial monitoring for offenders with substance use disorders. As of 2018, there were more than 3,000 drug courts nationwide. Given their effectiveness, drug courts should be expanded and funded at the highest possible level. Accordingly, I request that the Budget Resolution provide the budget authority necessary for such funding.

Opioid Abuse. Our nation is in the midst of a public health crisis. According to the Centers for Disease Control and Prevention, nearly 48,000 Americans died from opioid overdoses, including heroin, fentanyl, and prescription drug overdoses, in 2017, up 13 percent since 2016. Communities throughout the country are struggling to effectively and comprehensively address this crisis. As such, federal investments in opioid abuse prevention, treatment, and recovery efforts are essential. Unfortunately, many of the programs that support these efforts have been consistently cut or flat-funded, while the opioid problem in the United States has increased. For this reason, I strongly support full funding for the range of programs authorized by the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act, the Comprehensive Addiction and Recovery Act, the opioid-specific programs funded through the 21st Century Cures Act . Accordingly, I request that the Budget Resolution provide the budget authority necessary for such funding.

- **United States Coast Guard** – Cocaine overdose deaths in the United States surged by more than 105 percent between 2015 and 2017. The vast majority of cocaine found in the United States originates in Colombia and is trafficked via maritime conveyance. The Coast Guard plays a critical role in detecting and interdicting cocaine and other drugs. Unfortunately, the Coast

Guard is only able to act on a fraction of the intelligence it receives, largely due to a lack of resources. Therefore, despite interdicting 209 metric tons of cocaine in 2018, this only represents 7.9 percent of the Coast Guard's annual removal goal. Accordingly, I request that the Budget Resolution provide the authorities necessary to substantially increase the personnel, land and sea assets, and technology necessary to enhance the Coast Guard's ability to pursue additional interdiction missions, thereby reducing the number of U.S. overdose deaths associated with cocaine.

- **Internet Crimes Against Children Task Force Program (ICAC)** – The ICAC Program was established in response to the proliferation of child sexual abuse images posted online, and the use of the internet by predators to facilitate exploitation. In particular, the use of the internet to sell children for sex has escalated dramatically over the past few years. The National Center for Missing and Exploited Children reported an 846% increase in reports of suspected child sex trafficking from 2010 to 2015 — a spike the organization found to be “directly correlated to the increased use of the Internet to sell children for sex.” The ICAC Program helps provide state and local law enforcement with the tools and training necessary to combat internet crimes against children and technology-facilitated child sexual exploitation. This multijurisdictional and multiagency network of taskforces plays a critical role in identifying, investigating, and prosecuting online crimes against children. It is essential that we prioritize funding for the ICAC program to respond to the growing problem of online sexual exploitation. I therefore ask that the Budget Resolution provide the budget authority necessary to increase appropriations for the program to ensure this program continues to maintain its programs and develop new tools to effectively and efficiently respond to online child victimization.
- **Trafficking Victims Protection Act** – Human trafficking continues to be a global problem with real and tragic impacts here in the United States. The federal government has an important role to play in combating human trafficking and assisting victims of trafficking. The *Trafficking Victims Protection Act* (TVPA) was reauthorized as a part of the Violence Against Women Reauthorization Act of 2013 (P.L. 113-4). The programs authorized by this bipartisan measure seek to combat human trafficking, a modern-day form of slavery in which victims are forced into labor or sexual exploitation. The programs created by the TVPA help prevent trafficking, prosecute those who engage in this atrocious offense, and provide victims the services they need to rebuild their lives. I request that the Budget

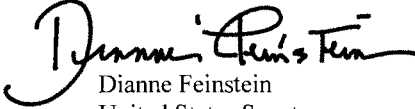
Resolution provide the budget authority necessary for programs under the TVPA to be fully funded.

- **Crime Victims Fund** – With regard to the Crime Victims Fund, I ask that the FY 2020 Budget Resolution include neither an assumption of recessions nor any provision that would undermine the scoring benefit the Appropriations Committee receives from the unspent balance of the Crime Victims Fund. While this scoring benefit may sound like an esoteric budgeting issue, it is in fact absolutely essential to ensuring that the Appropriations Committee has the budgetary authority it needs to ensure that our federal law enforcement agencies and other critical Department of Justice programs are fully funded.
- **Antitrust enforcement** – The Department of Justice’s Antitrust Division, along with sister agency the Federal Trade Commission, continue to investigate and challenge mergers of increasing size and complexity. Over the past five years, the number of mergers and acquisitions reviewed by the two agencies has increased by over 50%, from 1,326 transactions reported in FY2013 to 2,052 transactions reported in FY2017. Not reflected in these statistics are the non-merger antitrust investigations that both agencies pursue, as well as the Division’s criminal enforcement activity, which has uncovered global billion-dollar price-fixing conspiracies. Meanwhile, appropriations for the two agencies have actually decreased during that time upon adjusting for inflation. Robust anti-trust enforcement is essential to protect our free market economy and ensure fairness and a level playing field. I therefore ask that the Budget Resolution provide sufficient budget authority to ensure that antitrust enforcement efforts are fully funded.

Thank you again for soliciting my views and estimates in advance of your work on the FY 2020 Budget Resolution. If you have any questions about this request, please do not hesitate to contact me or have your staff contact Jennifer Duck (Jennifer_Duck@Judiciary-dem.senate.gov) or Elisabeth Fox (Elisabeth_Fox@feinstein.senate.gov) in my office.

I look forward to working closely with you to ensure that the needs of the Judiciary Committee and its counterparts within the Appropriations Committee are accommodated within this year's Budget Resolution.

Sincerely,


Dianne Feinstein
United States Senator

ROY BLUNT, MISSOURI, CHAIRMAN

MITCH MCCONNELL, KENTUCKY	AMY KLOBUCHAR, MINNESOTA
LAMAR ALEXANDER, TENNESSEE	DIANNE FEINSTEIN, CALIFORNIA
PAT ROBERTS, KANSAS	CHARLES E. SCHUMER, NEW YORK
RICHARD SHELBY, ALABAMA	RICHARD J. DURBIN, ILLINOIS
TED CRUZ, TEXAS	TOM UDALL, NEW MEXICO
SHELLEY MOORE CAPITO, WEST VIRGINIA	MARK WARNER, VIRGINIA
ROGER WICKER, MISSISSIPPI	PATRICK LEAHY, VERMONT
DEB FISCHER, NEBRASKA	ANGUS S. KING JR., MAINE
CINDY HYDE SMITH, MISSISSIPPI	CATHERINE CORTEZ MASTO, NEVADA

FITZHUGH ELDER IV, STAFF DIRECTOR
ELIZABETH PELUSO, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON
RULES AND ADMINISTRATION
WASHINGTON, DC 20510-6325

March 15, 2019

The Honorable Mike Enzi, Chairman
Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bernie Sanders, Ranking Member
Committee on the Budget
United States Senate
624 Dirksen Senate Office Building
Washington, D.C. 20510

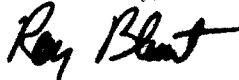
Dear Chairman Enzi and Ranking Member Sanders:

Thank you for the opportunity to provide the Committee on Rules and Administration's views and estimates on matters within our jurisdiction.

Pursuant to section 301(d) of the Congressional Budget Act, the Committee has reviewed the limited information available for the President's fiscal year 2020 budget request for the agencies and programs under our jurisdiction. Due to the delayed release of the materials supporting the administration's FY2020 budget request, the Committee will, if warranted, update this letter after reviewing the congressional justifications.

Additionally, the Committee has, under section 4201 of the fiscal year 2018 budget resolution, and will, as part of its oversight responsibilities, continue to review agencies and programs under our jurisdiction for waste, fraud, abuse, duplication, and overall effectiveness. The Committee is in regular contact with the Government Accountability Office and the Inspectors General for our agencies. We will contact the Budget Committee as our oversight activities unearth information we believe would be useful for your consideration.

Sincerely,



Roy Blunt
Chairman

ROY BLUNT, MISSOURI, CHAIRMAN
 MITCH MCCONNELL, KENTUCKY
 LAMAR ALEXANDER, TENNESSEE
 PAT ROBERTS, KANSAS
 RICHARD SHELBY, ALABAMA
 TED CRUZ, TEXAS
 SHELLEY MOORE CAPITO, WEST VIRGINIA
 ROGER WICKER, MISSISSIPPI
 DEB FISCHER, NEBRASKA
 CINDY HYDE-SMITH, MISSISSIPPI
 AMY KLOBUCHAR, MINNESOTA
 DIANNE FEINSTEIN, CALIFORNIA
 CHARLES E. SCHUMER, NEW YORK
 RICHARD J. DURBIN, ILLINOIS
 TOM UDALL, NEW MEXICO
 MARK WARNER, VIRGINIA
 PATRICK LEAHY, VERMONT
 ANJULS S. KING JR., MAINE
 CATHERINE CORTEZ MASTO, NEVADA
 FITZMURGH ELDER IV, STAFF DIRECTOR
 ELIZABETH PELLUSO, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON
 RULES AND ADMINISTRATION
 WASHINGTON, DC 20510-6325

March 25, 2019

The Honorable Mike Enzi, Chairman
 The Honorable Bernard Sanders, Ranking Member
 Committee on the Budget
 United States Senate
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

I am responding to your letter dated February 8, 2019, regarding your request for "views and estimates" in accordance with section 301(d) of the Congressional Budget Act. As Ranking Member of the Committee on Rules and Administration, I welcome the opportunity to make recommendations regarding the President's FY 2020 budget proposals for programs under the Rules Committee's jurisdiction.

The Rules Committee has jurisdiction over the Federal Election Commission (FEC) and the Election Assistance Commission (EAC). Both of these agencies are crucial to an open and fair election process and as such should be fully funded.

Election Assistance Commission

We are deeply concerned that the President's budget does not call for an increase of the EAC's funding. Since its creation, the EAC has provided essential assistance to state and local election officials through the sharing of best practices and election materials that many jurisdictions could otherwise not afford. Additionally, the EAC administers the country's most comprehensive election survey, the Election Administration and Voting Survey (EAVS), every two years. The EAVS tracks voter registration, military voting, provisional ballots, and absentee voting. This provides a basis for election administrators to change election administration policy to better suit the needs of voters. Recently, the EAC has proven to be a significant resource for our government agencies and state election officials as they face the increased challenges of protecting the integrity of elections.

The EAC's budget has largely remained static, with an actual decrease in operational funding of \$505,500 when discounting costs for a new office location. This funding cut is proposed at a time when the EAC is vital to the safekeeping of our democratic process. The Help America Vote Act specifies that four commissioners are nominated by the President with recommendations from the majority and minority leadership in the U.S. House and U.S. Senate. For the first time since 2009, the EAC has all four commissioners. With a fully staffed commission, the EAC needs additional funds to continue to support state and local election administrators and improve the administration of elections at the federal level.

As we approach the 2020 elections, state and local election administrators will need critical guidance and resources to ensure that every eligible American can cast a ballot and that our elections are secure. Therefore, we respectfully request that the EAC's budget be increased to the budget it had the last time the Commission was fully staffed in FY 09, \$16,679,000. This will provide the commission with the necessary resources so that our elections can be effectively administered.

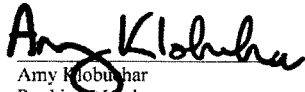
Federal Election Commission

Recent campaign finance violations by organizations and politicians demonstrate the need for a fully funded FEC. The FEC's FY 2020 Budget request is \$70,537,500, a 1% reduction from the previous year. Ensuring that the FEC receives the full funding that it needs is critical to ensuring that our campaign finance rules are properly enforced and that the agency has the tools it needs to combat foreign spending in our elections. We respectfully request that FEC funding be consistent with the FY19 request of \$71,250,000. The FEC is the independent regulatory agency charged with administering and enforcing federal campaign finance laws. Understanding what entities and persons contribute to federal candidates, political party committees, and other political committees is critical to our elections process. Facilitating financial transparency in our federal elections is a necessary function and is essential for ensuring a fair and open elections process. The FEC is currently engaging in rulemaking related to improving the transparency of online political advertisements and ensuring that our regulations keep up with 21st century technology. For the FEC to continue its mission of protecting the integrity of the federal campaign finance process, it is critical that it be fully funded so that it can operate effectively.

The roles of the EAC and FEC are essential to the administration of elections and protecting our democratic process. Full funding for the FEC, and an increase in funding for the EAC, would ensure that both agencies have the resources necessary to address serious threats to our democracy and can continue to provide services critical to the oversight of federal elections.

I appreciate your consideration of these issues as you complete your work on the FY20 budget.

Sincerely,


Amy Klobuchar
Ranking member

MARCO RUBIO, FLORIDA, CHAIRMAN
 BENJAMIN L. CARDIN, MARYLAND, RANKING MEMBER

JAMES E. RISCH, IDAHO	MARIA CANTWELL, WASHINGTON
RAND PAUL, KENTUCKY	JEANNE SHAHEEN, NEW HAMPSHIRE
TIM SCOTT, SOUTH CAROLINA	EDWARD J. MARKEY, MASSACHUSETTS
JONI ERNST, IOWA	CORY A. BOOKER, NEW JERSEY
JAMES M. INHOFE, OKLAHOMA	CHRISTOPHER A. COONS, DELAWARE
TODD YOUNG, INDIANA	MAZIE HIRONO, HAWAII
JOHN KENNEDY, LOUISIANA	TAMMY DUCKWORTH, ILLINOIS
MIFF MCNIEY, UTAH	JACKY ROSEN, NEVADA
JOSH HAWLEY, MISSOURI	

MICHAEL A. NEEDHAM, REPUBLICAN STAFF DIRECTOR
 SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
 COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
 WASHINGTON, DC 20510-6350
 TELEPHONE: (202) 224-6175 FAX: (202) 224-6619

March 15, 2019

The Honorable Michael B. Enzi
 Chairman
 Committee on the Budget
 United States Senate
 Washington, D.C. 20510

The Honorable Bernard Sanders
 Ranking Member
 Committee on the Budget
 United States Senate
 Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders:

As Chairman of the Senate Committee on Small Business and Entrepreneurship, I submit the following views and estimates on funding allowances for the U.S. Small Business Administration (SBA) and other matters under the Committee's jurisdiction, as directed by §301(d) of the Congressional Budget Act of 1974.

Small businesses are America's job creators, accounting for nearly two-thirds of new jobs. The SBA plays a critical role by providing lending and training resources to America's thirty million small businesses. In order to deliver relevant services that match the needs of the twenty-first century entrepreneur, changes are necessary to the SBA's program structures and appropriation levels. The last comprehensive reauthorization of the Small Business Act was over ten years ago. As Chairman, I am committed to a full reauthorization of the SBA this Congress, and the Committee will work in a bipartisan, bicameral effort to modernize the SBA and improve the effectiveness of their programs.

According to the Congressional Budget Office, there are a number of expired and expiring authorizations of appropriations under the jurisdiction of the Small Business Committee. In response to your request for guidance on these expiring authorizations of appropriations, I support reauthorizing the following as part of the Committee's efforts this Congress:

- Administrative expenses, salaries and expenses, and loan subsidy of the Small Business Administration;
- Small Business Development Center Program;
- Hubzones; and,
- Office of Veterans Business Development.

In addition, I support repeal of the following authorizations:

- Paul Coverdell drug-free workplace demonstration program;
- Technical assistance to small businesses for establishing drug-free workplaces;
- Outreach grants; and,

- Small business team pilot program.

The President has requested \$820 million in budget authority for the SBA in FY 2020, including a net request of \$665 million in appropriations. The limited budget details released thus far indicate that the Agency will be proposing that Congress grant the Agency “the flexibility to adjust existing fee structures across its business loan guarantee programs.” Without having the details of the Administration’s proposals, I am unable to comment on them at this time. However, as I previously stated, I will be undertaking a thorough review of all of the SBA’s programs and policies as part of the reauthorization process the Committee is undertaking. This effort will include robust analysis of performance metrics and a focus on eliminating wasteful, duplicative and ineffective programs.

ACCESS TO CAPITAL

One of the greatest barriers to entrepreneurship and the scaling of small businesses is access to capital. Access to capital is integral to the creation of dignified jobs and economic mobility for entrepreneurs while providing opportunities for small businesses to scale and increase employment.

7(a) and 504/CDC Loan Guaranty Programs

The 7(a) loan guaranty program is the flagship loan program at SBA. This program provides loans of up to \$5 million to fund startup costs, buy equipment, purchase or expand an existing business, and more. This program also includes specialized programs for various types of businesses, including those businesses interested in exporting. Of SBA 7(a) lending, under 10 percent of loans are made to businesses in traded-sectors, such as manufacturing, agriculture, and software. SBA should look more closely at the 7(a) loans made in traded sectors and what outreach and marketing is done to bring awareness to potential borrowers of export loan opportunities. The 7(a) loan program guaranteed over 60,000 loans for over \$25 billion in FY 2019. The program’s authorization cap should be set to allow for marginal growth in FY 2020, while continuing to operate without taxpayer subsidy. Therefore, I support an authorization level of \$30 billion for FY 2020, consistent with the level set in FY 2019.

The 504/CDC loan guaranty program provides long-term, fixed financing for borrowers for purchases like real estate and equipment. The program is also required to meet a job creation, community or public policy goal. This program’s requirements differ depending on the type of business: for example, the job creation requirement is one job for every \$75,000 with the exception of manufacturers, for whom the job creation requirement is one job for every \$120,000 borrowed. I support an authorization level of \$7.5 billion for the 504/CDC program in FY 2020, and like with the 7(a) loan program, to be administered without taxpayer subsidy.

Lender Oversight

Last Congress, the Senate Committee on Small Business and Entrepreneurship passed legislation to codify the Office of Risk Management (OCRM) that oversees the SBA’s lending programs, including the 7(a) and 504/CDC loan guaranty programs. The legislation provided enforcement tools for SBA and established an appeals process for lenders. The SBA is currently in the implementation process of the law (P.L. 115-189), which should provide stability to the programs for their long-term availability to credit-worthy borrowers who are unable to obtain credit elsewhere. SBA is in the process of implementing this legislation, with the promulgation of a rule mandated by June 21, 2019. The provisions in this law provide the baseline tools SBA needs to conduct appropriate oversight of the SBA’s lending programs.

Microloan Program

Last Congress, significant changes were made to the microloan program, including increasing the program's aggregate loan limit for intermediaries from \$5 million to \$6 million and adjusting the ratios for technical assistance to allow 50 percent of technical assistance funds to be used prior to an intermediary issuing a loan to a borrower and 50 percent after the loan is issued. These changes should allow for the microloan program to meet the technical assistance needs of small business borrowers, while enabling them to provide more loans with the increased aggregate loan limit.

INVESTMENT AND INNOVATION

Congress should focus its efforts on creating dignified jobs through investment and innovation, including through the Small Business Investment Company (SBIC), Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

Small Business Investment Company (SBIC) Program

The SBIC program, an early model of venture capital funding created in 1958, provides integral investment to small businesses who have the ability to grow, scale and create well-paying jobs. Since the SBIC program's inception in 1958 through December 2017, SBICs have invested approximately \$91.5 billion in capital through approximately 178,175 financings. In FY 2017, the SBA committed to guarantee \$1.96 billion in SBIC small business investments. SBICs invested another \$3.77 billion from full private capital for a total of \$5.73 billion in financing for 1,077 small businesses. Further, the program is responsible for the creation of nearly three million jobs between October 1995 and December 2014.

In a review of the program by SBA, management of the SBIC program should remain a priority for SBA, including the timely review of license applications to the program, timely examinations, and the judicious winding down of funds in the program's liquidation and receivership processes. The cap of the program is currently set at \$4 billion and has provided more than enough flexibility for the program with no concerns about the possibility of reaching the cap. Consequently, I support an authorization level of \$4 billion for SBIC lending in FY 2020, to be administered without the need for taxpayer subsidy.

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs

The SBIR and STTR programs are proven programs that, through a highly competitive, merit-based process, receive awards or contracts to meet a government need while providing funds for development of a business's technology. Authorized in 1982 and 1992 respectively, the SBIR program requires federal agencies with extramural research and development budgets of \$100 million or more to allocate at least 3.2 percent of their extramural funds for research awards to small businesses, while the STTR program requires federal agencies with an extramural research and development budget of \$1 billion or more to allocate at least 0.45 percent of their extramural funds for STTR awards. Currently, eleven federal agencies participate in the SBIR program and five federal agencies participate in the STTR program. Through FY 2017, all federal agencies made approximately 167,612 awards totaling \$48.5 billion under the SBIR and STTR programs. In FY 2017, agencies awarded \$2.22 billion in SBIR funding.

The economic output and commercialization data available for the programs show an extremely high return on investment and promising commercialization metrics, which has resulted in the creation of well-paying jobs. SBA should allocate an appropriate amount of its salaries and expenses budget for robust oversight of the program and the eleven participating agencies. The Agency should also allocate

appropriate IT funding to ensure the transition of reported data from agencies to SBA's systems in order to expedite reporting to Congress.

ENTREPRENEURIAL DEVELOPMENT PROGRAMS

SCORE

The Service Corps of Retired Executives (SCORE) is a volunteer mentoring network offering low or no-cost counseling and training to entrepreneurs and small business owners through over 11,000 volunteers and 350 chapter locations. In FY 2017, roughly 1.1 million volunteer hours provided more than 646,000 SCORE clients with training and mentoring services. While SCORE greatly exceeded their target number of clients trained, the SBA performance indicators showed that the program failed to meet its mentorship target by 19%. I recommend SCORE improve mentorship outcomes through increasing diversity within their volunteer network and ensuring that mentors are providing training tailored for the modern economy.

Small Business Development Center (SBDC) Program

The SBDC program is SBA's largest entrepreneurial development program, with over 1,000 centers throughout the United States. Each center offers technical and managerial training to entrepreneurs in all stages of business creation. In FY 2017, the SBDC program trained and counseled over 450,000 clients, leading to the creation of more than 14,000 new small businesses. Those businesses experienced sales growth 4.3 times the national average and generated roughly \$7 billion in new sales. In addition to fulfilling its mission of providing entrepreneurial development resources to small businesses, the SBDC program operated with an outstanding return on investment, generating \$47 in new capital per federal dollar invested.

SBDCs continue to perform well, as seen in the SBA performance indicators, exceeding their business creation and capital infusion goals for the last five years. Despite slightly underperforming in terms of the number of client trained and advised, the SBDC program remains essential to the business creation ecosystem. I recommend continued modernization of the SBDC program, along with improved data collection and reporting processes. This will allow the program to continue to serve this integral role.

Women's Business Center (WBC) Program

The WBC program was established through the Women's Business Ownership Act of 1988 for the purpose of offering entrepreneurial training and counseling specifically tailored toward women-owned business. Celebrating their 30th anniversary last October, the WBC program has had a significant impact on women's business ownership and creation. In FY 2017 alone, the WBC program reached more than 148,000 clients and aided in the creation of over 17,000 business.

The training and counseling provided at WBCs is crucial to the continued growth of women-owned businesses, as can be seen by the program outperforming its business creation goal by 59%. The program must continue to meet the needs of women entrepreneurs, through tailored training, increased mentorship opportunities, and improved outreach to maintain this entrepreneurial impact.

Office of Veterans Business Development (OVBD)

The OVBD works to ensure that veterans and service-disabled veterans are able to effectively participate in and have access to SBA programs. In addition to working within the SBA to ensure veteran needs are considered, the OVBD offers specified entrepreneurial training for veterans through Veterans Business Outreach Centers (VBOCs). VBOCs, with 22 center locations, play a vital role in veteran's

entrepreneurship, through administering the Boots to Business program, offering business creation workshops, and providing one-on-one training and counseling. In FY 2017, VBOCs reached more than 48,000 clients and provided Boots to Business training to more than 17,000 individuals.

The training and counseling offered through the OVBD not only provides veterans with entrepreneurial training, but fulfills the entrepreneurial training requirement in the Department of Defense's Transition Assistance Program. While programmatic updates, modernization efforts, and improved client engagement are necessary to ensure the OVBD programs remain effective, continued support for the office is necessary.

GOVERNMENT CONTRACTING PROGRAMS

Small business contractors provide innovative government solutions, while creating jobs that fuel communities across the country. In FY 2018, small businesses used federal contracts to create nearly one million jobs, valued at more than \$105 billion in prime awards to small businesses. The SBA has several set-aside programs designed to promote small business participation in federal contracting by putting aside a percentage of government contracts for classes of small businesses whose members might not otherwise be considered for awards in full and open competitions.

Since 2005, the SBA's Inspector General (IG) has listed small business contracting – frequently a source of fraud – as one of the agency's most serious management challenges. Similarly, GAO reports from the last decade show rampant fraud from ineligible entities receiving certification in the sole source and set-aside programs. GAO has also reported some good news in small business contracting. A July 2018 release showed that small disadvantaged businesses – specifically those owned by minorities and women – have gradually received more government contracts from 2013 through 2017. The Administration should establish a women's contracting certification program at the SBA, in order to address fraud in the program. I strongly recommend that the SBA dedicate funding to develop a more legitimate and streamlined certification process for all of its contracting programs to help these programs improve their integrity and boost participation.

8(a) Business Development Program and 7(j) Technical Assistance

The 8(a) program provides business development assistance and the opportunity to bid on set-aside and sole source contracts for economically and socially disadvantaged small businesses. 8(a) program participants are eligible for business training funded by the 7(j) program, which provides procurement-specific technical assistance and training.

Participants in these program have declined by more than half from 2010 to 2017 (from 7,000 down to 3,421). A decline in applications and in participation has not solved the problem of fraud that already plagues this program. SBA's aggressive new growth plan that streamlines applications for this program – aimed at increasing participation – is liable to increase approval of ineligible firms, given that SBA has failed to implement any corrective actions or additional controls, as requested by the IG.

GAO and the SBA IG both repeatedly stated that agency oversight of the 8(a) program is insufficient. In 2018, 20 of the 25 firms that the OIG reviewed should have been removed from the program, resulting in \$126.8 million in contract dollars being taken away from the disadvantaged small businesses the 8(a) program is targeted to help. I recommend that the SBA first use its contracting funds

to increase its oversight of the 8(a) program in order to ensure that it is effective, rather than focusing efforts and money on increasing applications.

Historically Underutilized Business Zone (HUBZone) Program

The HUBZone program, which gives contracting preferences to firms in economically distressed areas, is a vital tool of urban and rural development. The program has delivered significant Federal contracting opportunities to the areas that need them the most. The HUBZone program works in tandem with one of the administration's newest projects, Opportunity Zones, to reach the goal of revitalizing the areas of the country with chronic jobloss.

Unfortunately, the HUBZone program itself is also chronically distressed. In the last decade, GAO has reported on the rampant fraud within the HUBZone program more than ten times (July 2008, March 2009, July 2010, February 2015, October 2015, March 2016, September 2016, March 2017, June 2017, and September 2018). The SBA's failure to verify participant eligibility in the program has resulted in countless cases of fraud and abuse. While the SBA requests information to support applications, it fails to verify that the firms have legitimate principle places of business within a HUBZone. While the SBA has attempted to combat fraud by making site visits and reviewing firms that are recertifying under new guidelines, I am concerned that these limited actions will fix the root of these deeply entrenched problems.

In addition to SBA's limited progress on ending fraud within the HUBZone program, the program is also not meeting its target contracting goal of three percent, reaching only 1.65 in FY 2017. SBA has also failed to provide metrics that show whether the program is meeting the mission increasing employment opportunities and stimulating capital investment in the HUBZones. I recommend that the SBA use any additional funding for the HUBZone Program to focus on oversight and developing better controls.

Women-Owned Small Business Contracting Program

In November of 2014, GAO found severe problems with the certification for the women-owned small business program, leading to fraud and a loss of opportunity for legitimate women-owned small businesses. In the FY2017 NDAA, Congress mandated that the SBA create an in-house certification process to remedy the issues associated with various institutions providing women-owned certification. However, the SBA still has not complied with this mandate and taken the certification process under the agency's control. Given the Administration's increase in the SBA's budget for the purpose of establishing "a full certification program for SBA's women-owned business certification programs," I encourage the agency to finally fulfill its congressional mandate.

Service-Disabled Veteran-Owned Program

The Service-Disabled Veteran-Owned program suffers from a shortage of staff. Staff for this program decreased this past year despite the fact that the SBA will soon increase work with veterans as it takes over the process of certifying service-disabled veteran-owned small businesses, as well as certifying all veterans – services previously performed by the Department of Veterans Affairs (VA). This transfer follows reports from GAO that the verification system for service-disabled veteran verification had systemic issues in 2010 and 2013. Initially, the VA will accompany this transfer of duties with the transfer of a lump sum. However, SBA will need to allocate funds or create a method for fee recovery to

continue to certify veterans following the initial certification set up. I recommend that the SBA address the need for adequate staff for this program, as well as contracting education for participating firms.

DISASTER ASSISTANCE PROGRAM

SBA provides federal disaster loans for businesses, private nonprofits, homeowners, and renters. Disaster loan assistance is a critically important function of the SBA, in that this program provides victims of devastating natural disasters the capital to reconstruct their businesses, homes, and lives. SBA disaster loans available to those in declared disaster areas include business physical disaster loans, economic injury disaster loans, and home disaster loans. Business loans are limited to \$2,000,000 for the repair or replacement of real estate, inventories, machinery, equipment and all other physical losses. The law also limits economic injury loans to \$2,000,000 for alleviating economic injury. Homeowners may be eligible for up to \$200,000 for their repair and replacement costs not covered by insurance for their primary residence, and up to \$40,000 to repair or replace damaged or destroyed personal property.

In the aftermath of Hurricane Sandy, Congress passed legislation that allowed the SBA to increase the unsecured loan limit for personal damage loans during an SBA declaration from \$14,000 to \$25,000. This had a sunset of three years, however, and last year the Senate passed an amendment that extended this increase for another year, expiring in November 2019. The SBA has asked for this \$25,000 limit for unsecured loans to be made permanent. This recommendation is based on the understanding that in times of devastating and unforeseen natural disasters, victims often lack the collateral needed to receive adequate loans. That is why I support both permanently raising the limit on unsecured loans from \$14,000 to \$25,000 for physical damage loans under SBA disaster declarations, and the minimal increase in costs that may coincide with this action. Natural disasters destroy homes and buildings, ruin property, cripple local economies, and tear lives apart. SBA recovery efforts play a vital role in helping these victims rebuild their lives and livelihoods, which is why I support equipping SBA with the funds necessary to fulfill this mission.

INTERNATIONAL TRADE PROGRAM

State Trade Expansion Program (STEP)

STEP offers U.S. states and territories grant-based support to encourage and expand small business exporting. These grants, awarded on a competitive basis, offer states the flexibility they need to minimize small business barriers to exporting based on their states' specific economic environment and exporting goals. Throughout STEP's history, the program has boasted outstanding returns on investment, with the most recent data, for FY 2015, showing a \$33 return per federal dollar invested. STEP plays an important role in increasing the number of small business exporters and expanding the economic impact many small firms have, both on a local and global scale. I recommend programmatic improvements, such as addressing high administrative costs for grant recipients, in order to further improve STEP.

NATIONAL OMBUDSMAN

The SBA Office of the National Ombudsman (ONO) serves in a unique way to further the Administration's goal to reduce the regulatory burden, as stated in Executive Orders 13771 and 13610. The ONO is the face of equal enforcement of existing regulations. The ONO provides a critical link between small businesses and federal agencies and helps to remedy the problems of excessive fines or unfair penalties that can devastate small businesses. The ONO engagement on behalf of small businesses extends to the ten Regional Regulatory Fairness Boards that it is charged with overseeing. These boards

not only serve to funnel grievances to the Ombudsman about unfair enforcement actions, but they also perform a function that is often lacking in the federal government: listening to people's problems.

This program provides a critical link between small businesses and federal agencies, with only a minimal staff. At present, the National Ombudsman position is vacant, as are several other positions in that office. Through its decision not to fill vacancies at the ONO and on the Regulatory Fairness Boards, the SBA has not indicated that the office lacks resources to do conduct its engagement and casework.

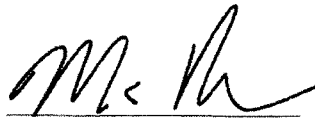
OFFICE OF ADVOCACY

The SBA Office of Advocacy is independent of the larger SBA but its work supports the agency's mission by acting as a voice for small business interests within the rest of the Federal Government and working to reduce the burden of unnecessary regulations. The Office of Advocacy's work directly supports the Administration's efforts to reduce the national economic burden, as requested in Executive Orders 13771 and 13777. I encourage the Office of Advocacy to use its money to focus economic work and agency advocacy on the mission of reducing the regulatory burden on small businesses.

CONCLUSION

The SBA's programs pose a unique opportunity to promote economic development and small business dynamism. The reauthorization of the Small Business Act will provide necessary improvements to the Small Business Administration's programs and services. Thank you for your consideration as we work together towards a responsible budget and, if you have any questions, feel free to contact Meredith West at 202-224-5175.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Rubio', written over a horizontal line.

Marco Rubio
Chairman

MARCO RUBIO, FLORIDA, CHAIRMAN
 BENJAMIN L. CARDIN, MARYLAND, RANKING MEMBER

JAMES E. RISCH, IDAHO	MARIA CANTWELL, WASHINGTON
RAND PAUL, KENTUCKY	JEANNE SHAHEEN, NEW HAMPSHIRE
TIM SCOTT, SOUTH CAROLINA	EDWARD J. MARKEY, MASSACHUSETTS
JONI ERNST, IOWA	CREV A. BOOKER, NEW JERSEY
JAMES M. INHOFE, OKLAHOMA	CHRISTOPHER A. COONS, DELAWARE
TODD YOUNG, INDIANA	MAZIE HIRONO, HAWAII
JOHN KENNEDY, LOUISIANA	TAMMY SLEKOWORTH, ILLINOIS
MITT ROMNEY, UTAH	JACKY ROSEN, NEVADA
JOSH HAWLEY, MISSOURI	

MICHAEL A. NEEDHAM, REPUBLICAN STAFF DIRECTOR
 SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
 COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
 WASHINGTON, DC 20510-6350
 TELEPHONE: (202) 224-5175 FAX: (202) 224-5619

March 15, 2019

The Honorable Michael Enzi
 Chairman
 Committee on the Budget
 United States Senate
 Washington, DC 20510

The Honorable Bernard Sanders
 Ranking Member
 Committee on the Budget
 United States Senate
 Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

As the Ranking Member of the Senate Committee on Small Business and Entrepreneurship, I respectfully submit the following views and estimates for the Fiscal Year 2020 (FY2020) Budget Resolution as it pertains to the Small Business Administration ("SBA" or "the Agency") and other matters under the jurisdiction of the Senate Committee on Small Business and Entrepreneurship, in compliance with section 301(d) of the Congressional Budget Act of 1974. I appreciate your past support for the SBA and its network of resource partners that help facilitate the creation, sustainability and growth of small businesses.

FY2020 Budget Overview

America's 30 million small businesses are the backbone of our economy, creating two out of three new private-sector jobs and employing nearly half of America's workforce. The federal investment in small businesses builds wealth in our communities, allowing entrepreneurs to reinvest in their neighborhoods and to expand local hiring opportunities.

SBA, along with its resource partners, plays an essential role in the creation, sustainability and growth of small businesses. SBA partners with the private sector to provide loans to entrepreneurs, keeping their monthly payments affordable. In Fiscal Year 2017, SBA facilitated access to more than \$100 billion in federal contracts, ensuring that small businesses owned by minorities, women and veterans were given an opportunity for success. SBA and its entrepreneurial resource partners foster a supportive ecosystem that offers low and no-cost training and counseling to help aspiring entrepreneurs start, scale and expand their small businesses. SBA also provides timely disaster loan assistance to help small business owners, renters, homeowners and nonprofits recover from natural disasters.

Unfortunately, because the Administration's recent government shutdown delayed the release of its detailed budget proposal, we are not able to provide a full analysis of the request for SBA. However, if the limited information contained in the Administration's "skinny budget" is any indication, this proposed budget appears to place a low priority on the programs that help small

businesses succeed. So far, we know that it recommends significant cuts to the Microloan Program and SBA's largest entrepreneurial development program and that it proposes a number of legislative initiatives, most of which appear to be similar to proposals requested last year that were opposed by the small business community and subsequently rejected by Congress.

The Omnibus signed into law last month provides \$715 million for the Agency through the end of Fiscal Year 2019 (FY2019). This amount excludes new disaster assistance funding, as SBA continues to draw upon supplemental disaster assistance appropriated in 2018 to provide loans to individuals and small businesses recovering from hurricanes, floods, fires and other natural disasters.

For FY2020, the Administration requests \$820 million in new budget authority, which is \$14 million less than the amount proposed in last year's budget proposal. This amount appears to include additional administrative funding for disaster assistance not provided in the FY2019 Omnibus. When compared with the total amount of funding available in FY2019, which includes the enacted level in the Omnibus and the additional amounts currently available for disasters, the FY2020 proposal imposes substantial cuts to essential small business programs and places a greater burden on the enterprises that rely on them.

Access to Capital

Access to capital remains one of the major challenges facing America's small businesses, and the SBA's loan and investment programs play an essential role in filling the gap left by private lenders. The need for SBA capital is clear. An analysis by Florida Atlantic University indicates that bank lending to small businesses decreased 13.7 percent from 2008 to 2016, while lending to large firms increased 48.9 percent during the same period.

In FY2018, the SBA's core loan programs – the 7(a) Loan Guaranty Program, the 504 Loan Guaranty Program, and the Microloan Program – facilitated more than 71,000 loans and provided more than \$30.2 billion in lending to small businesses. SBA's investment program – the Small Business Investment Company Program – invested more than \$5.5 billion in 1,151 high-growth small businesses.

Based on what we know so far, the Administration's FY2020 budget proposes a number of changes to SBA's loan programs that would make it harder for entrepreneurs to access affordable capital. The Administration has requested cuts to the SBA's Microloan and Microloan Technical Assistance Programs, which proportionately serve more women, minorities, and rural small businesses than SBA's other finance programs.

The Administration also requests authority to change the fees it charges borrowers and lenders. As you may recall, last year the Administration proposed a set of "counter-cyclical" policies in the business guarantee loan programs to offset \$155 million in operational costs. Under that proposal, participant fees for 7(a) loans, 504 loans (regular and refinance), and SBIC investments would have increased. These policies were opposed by Congress and the industry and consequently were not adopted.

Unfortunately, the skinny budget suggests that a similar proposal, to be detailed when the Administration releases the full budget, will be offered so that the SBA can provide these services “without taxpayers subsidizing their costs.” Specifically, the FY2020 budget proposes that SBA have flexibility to adjust fees across its business loan program, allowing it to finance both its anticipated lending *and* operational cuts. As I did last year, I oppose increasing fees on borrowers and lenders to cover SBA’s expenses because those fees exist to back the loan guaranties. We would be changing the rules on the backs of small businesses. Further, the skinny budget notes that the SBA’s two largest loan programs performed better than the Administration estimated and overpaid in fees to cover the cost of guaranties. We should be lowering fees, or using the fees to offset fee waivers and other policies that have proven to reach borrowers shut out of the conventional market and increase incentives for lenders. I urge the Budget Committee to oppose initiatives that would reduce access to capital and make SBA loans less affordable.

Entrepreneurial Development Programs

The majority of those cuts appear to be directed at SBA’s Entrepreneurial Development (ED) programs, which provide valuable counseling services and training to help small business owners and entrepreneurs succeed. More than one million entrepreneurs utilize SBA’s resource partner network of Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), SCORE and Veterans Business Outreach Centers (VBOCs) each year. SBDCs budget is proposed at \$101 million, a 23 percent reduction from the FY2019 enacted level of \$131 million. It is unclear from this skinny budget what the specific impact will be on WBCs, SCORE, and VBOCs, but we expect deep cuts.

Over one million entrepreneurs utilize SBA’s resource partner network of SBDCs, WBCs, SCORE and VBOCs each year. Research has shown that small businesses that receive three hours of counseling have higher one year survival rates than firms that receive less counseling. Providing sufficient levels of funding for counseling and training programs to support small businesses is clearly an effective use of taxpayer dollars and fiscally responsible. I urge the Budget Committee to reject these ill-conceived program reductions.

SBDC Competitive Grant Authority

I have concerns with the SBA’s proposal to create a competitive set-aside program within the SBDC program, in which a certain percentage of appropriated funds available for SBDCs would be designated for a new performance-based funding award. This competitive grant proposal, coupled with the Administration’s FY2020 request of \$101 million for SBDCs, would mark a drastic reduction from the FY2019 enacted level of \$131 million. I urge the Budget Committee to oppose the Administration’s proposal to establish a competitive grant program.

FY2020 Budget Analysis

A more detailed analysis of my views on the Administration's FY2020 budget proposal for the specific programs under the jurisdiction of the Small Business and Entrepreneurship Committee is below:

Access to Capital

7(a) Loan Guaranty Program Level

SBA's 7(a) Loan Guaranty Program is the Agency's largest capital access program. It provides government-backed loans to small businesses that have repayment ability but are unable to obtain conventional bank loans. In FY2018, more than 60,350 small business owners were approved for 7(a) loans, pumping \$25.4 billion in long-term capital into local communities across the country, supporting 543,171 jobs. The Administration has not yet provided a program level for FY2020, but the industry estimates that a level program authority of \$30 billion for the 7(a) Loan Guaranty Program is sufficient. I support a program level of at least \$30 billion in FY2020.

7(a) Loan Guarantee Program Fee Waivers

Since FY2013, the SBA has waived fees on small-dollar loans of less than \$150,000 to increase lending to small businesses in underserved and disadvantaged communities, spur the economy, and create jobs. The waivers have made access to capital more affordable for women and minorities and helped reverse the downward trend in SBA lending to these populations after the Great Recession. Unfortunately, the Administration's FY2019 budget eliminated fee waivers on small loans, except on Express Loans to veterans, which by law must continue. Instead, SBA proposed using that new revenue to offset the administrative costs of making 7(a) loans as part of their new "counter-cyclical policies." Authorizers and appropriators rejected that proposal, and SBA ultimately provided fee waivers on loans of \$150,000 less, but limited the fee waivers to businesses located in rural areas or Historically Underutilized Business Zones (HUBZones). I wrote a letter to SBA and OMB and urged them to provide fee waivers for all borrowers of small-dollar loans in FY2020, which I include with this letter. I support fee waivers for small-dollar loans, and I urge the Budget Committee to support women and minority business owners by providing SBA with sufficient budget authority for FY2020 that would allow SBA to continue waiving fees for small-dollar 7(a) loans.

504 Loan Guaranty Program & the 504 Refinance Program

The SBA 504/CDC Loan Guaranty Program backs long-term, fixed-rate loans of up to \$5.5 million to support investment in major assets, such as real estate and heavy equipment. The program mandates that 504 lenders fund projects that foster local economic development and create or retain local jobs. The SBA also operates the 504 Loan Guaranty Refinance Program (504 Refi) to help small businesses refinance existing commercial real estate and equipment debt using the SBA's 504 loan program. The fixed interest rates make this SBA product more essential as interest rates rise.

The industry estimates that a level program authority of \$7.5 billion will be sufficient to support growing small businesses that need 504 loans next year, and also urges a level program authority of \$7.5 billion for the 504 Refi loans. We don't know what program levels the Administration will request for FY2020, but in FY2019 the Administration requested a program level of \$7.5 billion for regular 504 loans and a program level of \$1 billion for 504 Refi loans, which was a reduction from the \$7.5 billion enacted in FY2017. The reduction caused concern because the Administration proposed decreasing the program level for 504 refinance loans even though demand was growing for capital as the Federal Reserve raised interest rates. As you may know, rate increases drive borrowers from loans with variable rates to more affordable, fixed-rate loans, such as the SBA 504 loans. Moreover, the industry noted that limiting 504 Refi loans to \$1 billion would have sent a message to 504 lenders and their bank partners that it is not worth marketing these loans to borrowers. I urge the Budget Committee to support a program level of \$7.5 billion for the 504 Guaranty Program and also the 504 Refinance Program, which are the same as FY2019 enacted levels.

Microloan Program

SBA's Microloan program partners with nonprofit intermediary lenders that offer loans up to \$50,000 to very small businesses to start up and expand. It serves more women and minorities and businesses in rural areas on a proportional basis than any other SBA finance program. In FY2018, microloan intermediaries made 5,459 microloans, totaling nearly \$78 million in assistance and supported more than 20,000 jobs.

Of those microbusinesses that received loans, 34 percent went to African American-owned businesses, 49 percent went to women entrepreneurs, 19 percent went to businesses in rural areas and 38 percent went to startups. Intermediaries also help microloan borrowers succeed by providing training and technical assistance.

The Administration's budget proposal for FY2020 would support a microloan program level of \$40 million, a decrease of \$2 million or nearly 5 percent from the FY2019 enacted level. The budget requests \$25 million for technical assistance, a \$6 million or 20 percent reduction from the FY2019 enacted level of \$31 million. The microloan community opposes cuts and recommends an increase in funding, from \$42 million to \$45 million for loans, and from \$31 million to \$35 million in microloan technical assistance support, to meet increased demand. Given the program's track record of successfully reaching more underserved borrowers, and growing demand for small loans, I urge the Budget Committee to support enough funding to leverage \$45 million in microloans and \$35 million in microloan technical assistance.

Disaster Assistance Loans

SBA's Office of Disaster Assistance provides low-interest loans to help small businesses, homeowners and renters recover from natural disasters. In the wake of Hurricanes Maria, Irma and Harvey, SBA approved over 100,000 in loans totaling \$6 billion. The importance of providing timely and affordable loans to help revitalize these ravaged communities cannot be understated. The Administration's FY2020 request includes additional money for administrative expenses to operate the disaster loan program. Although the availability of 2018 supplemental disaster appropriations for this purpose made additional money in FY2019 unnecessary, I support additional funding for this program should existing amounts prove insufficient to meet the Agency's needs.

Small Business Innovation Research and Technology Transfer Programs

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs help innovative small businesses meet the research and development needs of the federal government, while spurring commercialization of those innovations in the marketplace. The SBA coordinates the SBIR and STTR programs for the federal government, setting performance standards for the 11 participating agencies, tracking metrics and helping small businesses interested in the opportunities. On December 23, 2016, Congress reauthorized these programs through 2022. Since 1982, the SBIR program has awarded more than \$32 billion in grants to more than 130,000 small businesses.

As part of the Committee's efforts to reauthorize the programs, we found staffing at the SBA has not kept pace with program growth. SBA's ability to manage the programs, which now represent \$2.5 billion, has been constrained. A modest increase in the SBA's resources devoted to the SBIR and STTR programs would enhance the SBA's ability to work with relevant federal agencies to spur innovation among America's small businesses and create jobs.

Federal and State Technology Program (FAST)

The Federal and State Technology Program is a competitive grant program that provides outreach and technical assistance to science and technology driven small businesses to boost participation in SBIR and STTR programs. This program is designed to strengthen the technological competitiveness of small businesses in all 50 states and to improve the geographic distribution of SBIR and STTR awards. I recommend at least \$5 million for this program in FY2020.

Entrepreneurial Development (ED)

SBA's entrepreneurial ecosystem is comprised of 63 Small Business Development Centers (SBDCs), over 100 Women's Business Centers (WBCs), more than 11,000 SCORE volunteers and 22 regional Veterans Business Outreach Centers (VBOCs). They provide free and low-cost counseling services and training to entrepreneurs. Research has shown a direct correlation between counseling and the profitability, longevity, and growth of small businesses. In order to ensure the continued success of these programs, it is critical that SBA's partners have sufficient resources. Based on the budget details the Administration has provided so far, it seems likely that it will request a reduction in proposed funding for entrepreneurial development programs from FY2019 enacted levels. I strongly object to these harmful cuts.

Small Business Development Centers

The Small Business Development Center (SBDC) program is our federal government's largest and most successful management and technical assistance program for small businesses and has broad bipartisan support. SBDCs provide targeted counseling and technical training in all areas of business management to small businesses and entrepreneurs across the country. An independent analysis of the program has shown that businesses receiving counseling and technical assistance experience job growth rates that are seven times higher and sales growth rates that are four times higher than businesses that do not receive assistance from SBDCs. In FY2018, SBDCs counseled and trained more than 430,000 entrepreneurs, created nearly 14,000 small businesses and helped access \$5.2 billion in capital. This time-tested program has proven to be successful in helping aspiring entrepreneurs achieve their dreams. I support \$135 million in funding for the SBDCs in FY2020, which is \$4 million above the FY2019 enacted level.

SCORE

SCORE is our nation's largest network of volunteer, expert business mentors. SCORE's volunteers provide free one-on-one counseling, technical assistance, and mentoring services to small businesses and entrepreneurs throughout the country. SCORE is effective, efficient, and a powerful engine of economic growth. In FY2018, SCORE helped its clients create more than 32,000 new small businesses and more than 135,000 new jobs, generating \$47.16 in new federal tax revenue for every dollar appropriated.

In an effort to reach more aspiring entrepreneurs, SCORE has developed and implemented its Futures 2025 initiative to ensure SCORE's relevance and client success into the future. The Futures 2025 initiative will require an additional investment above the FY2019 enacted level of \$11.7 million. I support \$13.5 million for SCORE in FY2020, which is a \$1.8 million increase in funding compared to FY2019.

Women's Business Centers

Women's Business Centers (WBCs) are a nationwide network that provides business training, mentoring, programming, and advocacy to help women start and grow successful businesses.

They are an effective and efficient resource for women entrepreneurs. In FY2018, WBCs provided counseling and business training for more than 126,000 clients, advised more than 27,000 clients, and created more than 17,000 new small businesses. For every federal dollar appropriated, WBCs return \$46 to local economies.

Women-owned firms are growing at a rate of five times the national average, surging by 58 percent between 2007 and 2018. Moreover, the WBC program is the only small business resource that is statutorily purposed to provide this type of assistance to women. I strongly support \$30 million in funding for WBCs in FY2020, reflecting the need for increased expansion of this program from its \$18.5 million FY2019 funding level.

Growth Accelerators

Growth Accelerators is a program created in 2014 to support small business job creation by giving early-stage entrepreneurs an opportunity to immerse themselves in intense learning. The program has provided invaluable support to startups and helped fill a void by making awards in underserved regions. I support \$5 million in funding for this program, an increase of \$3 million compared to FY2019.

Veterans Business Development

Veterans bring their leadership skills and commitment to excellence to the civilian world, and I am committed to providing support for the veteran's small business community. According to a 2017 SBA report, "Veteran-Owned Businesses and Their Owners," small business firms that are owned by veterans employed more than 5 million people, had an annual payroll of \$195 billion and receipts of \$1.14 trillion in 2012. The SBA's Office of Veterans Business Development (OVBD) supports veterans through programs such as the Veterans Business Outreach Centers (VBOCs), which counseled or trained over 48,000 veterans in FY2017, and the Boots to Business program, which provided entrepreneurship education at military installations to nearly 18,000 service members and their spouses transitioning out of service. I strongly support \$12.7 million in funding for FY2020, which is equal to the amount provided in FY2019.

Trade

State Trade and Export Promotion Program (STEP)

The State Trade and Export Promotion was originally created by the Small Business Jobs Act of 2010 to help small businesses sell their products overseas. The STEP program awards competitive grants to states and territories to use for trade missions, international marketing efforts, business counseling, export trade show exhibits and other promotional activities. Congress provided \$18 million for FY2019 for this program. Although the specific request for FY2020 has not been released as of the date of this letter, the topline figure included in the Administration's FY2020 preliminary request suggests that, once again, it will propose reducing this amount significantly.

According to the SBA, the STEP program yielded over \$615 million in export sales for a return on federal taxpayer investment of nearly 33:1 in FY2015. Recognizing the success of the program and the importance of ensuring that small businesses have access to foreign markets, Congress reauthorized this program for five years at \$30 million per year as part of the Trade Facilitation and Enforcement Act of 2016 (P.L. 114-125). This investment continues to yield dividends, as states receiving support from STEP report that the program allows their small businesses to successfully conduct export activities. I recommend full funding in the amount of \$30 million for the STEP program in FY2020.

Contracting

The federal government is the world's largest single purchaser of goods and services, and by statute has a goal that 23 percent of all contract dollars go to small businesses for a total of \$442.5 billion small business eligible contracts. SBA has several contracting programs to help small businesses gain preferential access to federal contracting opportunities. These programs are particularly beneficial to women, minority, and veteran-owned small businesses who have difficulty accessing the resources necessary to compete for federal contracts. These contracting programs include:

The 8(a) Business Development Program

The 8(a) Business Development Program is both a business development and contracting program, assisting business owned by persons who are socially and economically disadvantaged compete for sole-source and set-aside contracts. The federal government has a goal of awarding 5 percent of contracting dollars to 8(a) businesses. SBA should continue to maintain the current level of services.

The HUBZone program

The HUBZone program helps small businesses in economically distressed communities compete for federal contracts. The federal government has a goal of awarding 3 percent of contracting dollars to HUBZone businesses. I recommend the Budget Committee support sufficient levels of funding for the HUBZone program.

Women-Owned Small Business (WOSB) Federal Contracting Program

The WOSB program allows women-owned small businesses to compete for set-aside or sole-source awards in industries where women-owned small businesses are underrepresented. The federal government has a goal of awarding five percent of contracting dollars to WOSBs. I recommend the Budget Committee support sufficient levels of funding for the WOSB program.

Service-Disabled Veteran Owned Businesses Program

The Service-Disabled Veterans Owned Businesses Program expands federal contracting opportunities for veteran entrepreneurs by allowing procurement agencies to set aside contracts

for exclusive competition among service-disabled, veteran-owned small businesses and make sole source awards. I support sufficient levels of funding for this valuable program.

The 7(j) Management and Technical Assistance Program

The 7(j) program provides invaluable technical training to disadvantaged small businesses, helping to level the playing field and enabling small business owners to more successfully compete for federal contracting opportunities. I strongly support \$2.8 million in funding for FY2020, which is equal to FY2019 funding.

Procurement Center Representatives (PCR) and Commercial Marketing Representatives (CMRs)

In addition to helping small businesses compete for federal contracts through technical assistance and set-aside programs, it is important to ensure that small businesses are actually being awarded federal contracts. The SBA is the primary agency responsible for reviewing federal contracts awarded to small businesses, which is an enormous undertaking. One way the SBA addresses this challenge is through the efforts of a small number of procurement center representatives (PCRs) and commercial marketing representatives (CMRs) assigned to procurement centers throughout the country. PCRs and CMRs are responsible for ensuring that small businesses are aware of both federal prime contracting and sub-contracting opportunities, as well as reviewing and flagging potentially bundled contracts. Unfortunately, the programs are under-staffed and under-resourced, which has limited the ability of PCRs and CMRs to effectively advocate on behalf of small businesses and ensure that they are winning their fair share of federal prime and sub-contracting awards. I support sufficient levels of funding to increase the number of small business advocates.

Information Technology and Cybersecurity

SBA continues to face challenges with the modernization of its antiquated IT systems, which inhibit its ability to provide first-rate customer service to America's small businesses. SBA also handles a large amount of sensitive data on the small businesses it assists. I support ongoing efforts and funding to modernize the SBA's technology infrastructure to ensure that data is secure and the customer experience with SBA continues to improve.

Office of the National Ombudsman

The Office of the National Ombudsman works directly with federal agencies to review complaints made by small businesses, reduce or waive penalties and reverse unfair agency decisions. In FY2017, the Office of the National Ombudsman conducted 134 regional outreach events and helped 460 small businesses submit complaints. I request sufficient funding for the Office of the National Ombudsman.

Office of Advocacy

The Office of Advocacy was created in 1976 to represent the interests of small businesses. Part of their mission is to partner with agencies to ensure small business concerns are being heard throughout the rulemaking process and to conduct research on issues important to small businesses. I support the Administration's FY2020 request of \$9.1 million for the Office of Advocacy. Given the current Administration's focus on evaluating regulatory burdens on small businesses, I urge the Office of Advocacy to remain fully committed to being an independent, non-partisan voice for small business.

Office of the Inspector General

The Office of the Inspector General (OIG) plays an important role at the SBA, ensuring that taxpayer's dollars are well-spent. Their work helps save money, uncover wrongdoing and promote the integrity of the office. OIG realized over \$221 million in monetary recoveries and savings in Fiscal Year 2018. I support sufficient funding for the Office of Inspector General that will allow for effective oversight of the Agency and support compliance with the additional requirements included in the Digital Accountability and Transparency Act of 2014 (DATA Act).

I appreciate your consideration of my views and recommendations for the Small Business Administration. The SBA and its resource partners are working to help small businesses, start, grow and thrive and sufficient levels of funding are critical in FY2020. Thank you for your continued support of America's small businesses and entrepreneurs.

Sincerely,



Ben Cardin
Ranking Member

JOHNNY ISAKSON, GEORGIA,
CHAIRMAN
JERRY MORAN, KANSAS
JOHN BOGZEMAN, ARKANSAS
BIL CASSIDY, LOUISIANA
MIKE ROUNDS, SOUTH DAKOTA
THOM TILLIS, NORTH CAROLINA
DAN SULLIVAN, ALASKA
MARSHA BLACKBURN, TENNESSEE
KEVIN CRAMER, NORTH DAKOTA

ADAM REECE, STAFF DIRECTOR

United States Senate

COMMITTEE ON VETERANS' AFFAIRS
WASHINGTON, DC 20510

JGH TESTER, MONTANA,
RANKING MEMBER
PATTY MURRAY, WASHINGTON
BERNARD SANDERS, VERMONT
SHERROD BROWN, OHIO
RICHARD BLUMENTHAL, CONNECTICUT
MAZIE HIRONO, HAWAII
JOE MANCHINI II, WEST VIRGINIA
KYRSTEN SINEMA, ARIZONA

TONY McCLAIN, STAFF DIRECTOR

March 15, 2019

The Honorable Michael Enzi
Chairman
The Honorable Bernard Sanders
Ranking Member
Committee on the Budget
624 Dirksen Senate Office Building
United States Senate
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

Pursuant to Section 301(d) of the Congressional Budget Act of 1974, it is my pleasure as the Chairman of the Committee on Veterans' Affairs (Committee) to submit this letter to the Committee on the Budget on the fiscal year 2020 (FY20) budget and the fiscal year 2021 (FY21) advance appropriations budget request for Function 700 (Veterans' Benefits and Services) programs.

GENERAL COMMENTS

The principal focus of my letter will be on certain components of Function 700 spending – Department of Veterans Affairs (VA) programs. Because the Committee has not received the detailed FY20 and FY21 advance appropriations budget request and, therefore, is not fully able to analyze the request, I will limit my comments to general observations and highlight areas that I believe merit focus by the Committee on the Budget.

The 115th Congress was one of the most productive legislative periods in the history of our Committee. We were able to enact significant reforms in the areas of accountability and whistleblower protection, appeals modernization, veterans' educational assistance, caregivers benefits, and veterans' health care. We heard from VA and the Veterans Service Organizations (VSOs) that represent our veterans on what changes and improvements needed to be made at VA and we passed legislation to make those reforms.

Now it is time for VA to implement the laws we passed, and we must provide the oversight and funding they need for that implementation. The hard work of the Senate, Congress, and our partners at VA and within the VSOs will be wasted if the changes we made in law are not faithfully translated into meaningful improvements for our veterans and their families. Congress has given VA a monumental task in implementing these new laws and we must ensure

we conduct the necessary oversight and hold them accountable for their successes and shortcomings.

The Committee wants to ensure VA is planning and executing its modernization efforts as part of a cohesive, enterprise-wide strategy. Of the five major reforms signed into law, two have generally been delivered on time, two have faced at least partial delays, and one is yet to be seen. In both the on time deliveries and the delays, information technology (IT) systems have proven to be pivotal in helping to determine success or failure. If VA is going to be successful in delivering benefits and health care, it must articulate a vision of what its information systems and support processes should look like so we can all work toward achieving that vision.

DEPARTMENT OF VETERANS AFFAIRS

Community Care

One of the most significant veterans bill passed in the 115th Congress was the John S. McCain III, Daniel K. Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (VA MISSION Act). The VA MISSION Act will consolidate seven community care programs into one, the Veterans Community Care Program, beginning on June 6, 2019. The Committee is committed to the successful implementation of the VA MISSION Act so that veterans receive care that best fits their individual needs while making the VA health care system stronger. In order to achieve this, Congress must ensure VA has the necessary resources to provide quality, timely access to health care for veterans, whether in a VA facility or through the community care program.

The Administration requested \$8.9 billion in FY20 for the implementation of the VA MISSION Act. The Committee has not yet received more detailed budget information regarding the request for VA MISSION Act implementation funding but encourages adequate resources for this critical community care program. Additionally, during the implementation of the VA MISSION Act, the information technology systems needed to support the consolidated community care program must be prioritized and adequately funded. As we have witnessed with other VA programs, IT systems are a critical component of the successful implementation and execution of new programs.

Caregivers

The VA MISSION Act expanded eligibility for VA's Program of Comprehensive Assistance for Family Caregivers, currently for post-9/11 veterans, to include all eras of veterans. Before moving forward with expansion, the law requires VA to strengthen the current program, including implementing a new IT system.

This program provides valuable care and support for seriously injured veterans and caregivers. It is imperative that VA has necessary resources to implement and maintain the required new IT system, as well as to address current concerns with the program and to prepare for expansion. I am committed to the oversight of this program to ensure VA is effectively utilizing its resources to serve our nation's veterans and their caregivers.

Appeals

In August 2017, the President signed into law the Veterans Appeals Improvement and Modernization Act of 2017, which overhauled VA's outdated disability claims appeal process. Since the legislation was enacted, VA spent 18 months preparing for implementation of the new process, including upgrading IT systems, piloting certain aspects of the new appeals process, and hiring additional staff. Secretary Wilkie certified to Congress last month that VA had met the requirements of the law and was prepared to implement the new process. VA began processing appeals utilizing the new process on February 19, 2019.

VA currently has more than 384,000 legacy appeals pending. As long as there are legacy appeals pending, VA is simultaneously processing appeals under two systems. It is critically important that VA has adequate resources to provide timely, quality decisions on disability claims appeals to our nation's veterans utilizing the new authorities provided to them by Congress. This includes continuing to support the number of required staff and ensuring IT systems receive necessary maintenance and upgrades, both at the Veterans Benefits Administration and the Board of Veterans Appeals. I look forward to working with VA, the Committee on the Budget, and our colleagues to ensure the success of appeals modernization.

Forever GI Bill

The Harry W. Colmery Veterans Educational Assistance Act of 2017, better known as the Forever GI Bill, included 32 education provisions to improve benefits for veterans, active duty military, and their families. VA successfully implemented 28 of those provisions on time, but struggled to implement two key provisions related to how VA pays monthly housing stipends to students. Committee oversight of this implementation helped identify several key problems.

First, VA did not have an internal capacity to rapidly identify new program requirements, acquire technology development capability, and manage the program execution across the business office, enterprise IT office, and department leadership. Key early decisions on how to implement the necessary software changes and what policies to adopt in implementing the law put VA on a high-risk path that resulted in needing to restart the process with a new approach.

Additionally, the overly complex and partially outdated IT systems used to pay educational benefits to schools and to students meant that any development of new software

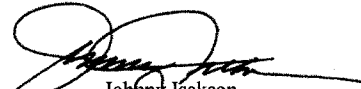
capabilities would require tremendous resources for writing new code and conducting testing. The multiple systems required to process benefits have been knitted together over more than 30 years of incremental changes in what types of benefits are provided to veterans and how those benefits are adjudicated and paid out. The overall system VA currently has was not purposely built for the tasks VA now has to complete.

It is critical that we fund VA for development and maintenance of IT systems capable of delivering benefits as required by law. But we must also make sure VA is building an overall strategy for how it can shed outdated IT systems and unhelpful business processes in order to maximize the latest technology to deliver benefits with more accuracy and fewer delays.

CONCLUDING COMMENTS

Thank you for your consideration of my views on the programs and services for our nation's veterans. VA has numerous challenges which VA leadership must address. I look forward to working with the Committee on the Budget and all of our colleagues to help improve and modernize the system of benefits and services for veterans, their families, and their survivors.

Sincerely,



Johnny Isakson
Chairman

JOHNNY ISAKSON, GEORGIA,
CHAIRMAN
JERRY MORAN, KANSAS
JOHN BOOZEMAN, ARKANSAS
BILL CASSIDY, LOUISIANA
MIKE ROUNDS, SOUTH DAKOTA
THOM TILLIS, NORTH CAROLINA
DAN SULLIVAN, ALASKA
MARSHA BLACKBURN, TENNESSEE
KEVIN CRAMER, NORTH DAKOTA

ADAM REECE, STAFF DIRECTOR

United States Senate

COMMITTEE ON VETERANS' AFFAIRS
WASHINGTON, DC 20510

JON TESTER, MONTANA,
RANKING MEMBER
PATTY MURRAY, WASHINGTON
BERNARD SANDERS, VERMONT
SHERROD BROWN, OHIO
RICHARD BLUMENTHAL, CONNECTICUT
MADE K. HIRONO, HAWAII
JOE MANCHINI II, WEST VIRGINIA
KRYSTEN SINEMA, ARIZONA

TONY McCLAIN, STAFF DIRECTOR

March 15, 2019

The Honorable Michael Enzi, Chairman
The Honorable Bernard Sanders, Ranking Member
Committee on the Budget
624 Dirksen Senate Office Building
United States Senate
Washington, DC 20510

Dear Chairman Enzi and Ranking Member Sanders:

Pursuant to Section 301(d) of the Congressional Budget Act of 1974, I write to provide my views and estimates to the Committee on the Budget on matters within the jurisdiction of the Committee on Veterans' Affairs (Committee). The President's Budget provides an overall increase for the Department of Veterans Affairs' (VA) spending on veterans programs. However, as proposed, this budget lays the groundwork for the hollowing out of an increasing portion of veterans' health care, while neglecting investments that are necessary to enhance VA's existing capacity, address an aging population, and improve the agency's antiquated IT infrastructure.

The limited Budget materials provided at this time by the Administration do not allow for members of the Committee to accurately assess the President's proposed spending plan. Without the requisite details for individual programs and initiatives, it is impossible to accurately assess the agency's priorities or ability to serve our nation's veterans. For example, it is not clear whether the Administration has once again proposed to merge funding lines that pay for in-house VA medical care with those that cover the cost of care in the private sector, a proposal that Congress has already rejected. Without unique funding streams, visibility into how much money VA diverts to private sector care and away from in-house VA medical care would be significantly limited.

In addition, the limited budget materials provided thus far do not indicate how—if at all—the administration plans to address the need to adjust VA's discretionary budget caps in FY 2020 and beyond. While the Administration strongly supported creating a new, consolidated community care program under the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (VA MISSION Act), it did not support any adjustment to VA's discretionary caps, meaning that as the new community care program is implemented, VA could be forced to cut spending in other areas, including on the direct delivery of care in VA medical facilities. This is an issue that the Senate appropriating and authorizing committees fought to address during the FY 2019 appropriations process, but ultimately agreed to table. I remain committed to working with other leaders of these committees in the Senate and House of Representatives to ensure this issue is addressed for FY 2020.

On February 26, 2019, the Committee began a series of hearings during which veterans service organizations (VSO) provided their legislative priorities for this year as well as their perspectives on challenges facing the VA and the veterans community across our nation. During my time on the Committee, these hearings have been invaluable in helping me better understand the legislative and budgeting priorities on which Congress should be focusing. As Ranking Member, I have restated my belief that I need to be taking my cues from our nation's servicemembers, veterans, and family members on how best we can honor their service and ensure they receive the benefits and services they have earned.

Accordingly, to assist in preparing these views and estimates, I have given careful consideration to the "Independent Budget: Veterans Agenda for the 116th Congress" (Independent Budget or IB) prepared by three VSOs - The Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars. This comprehensive budget and policy document created by veterans and for veterans is also supported by many other organizations that care deeply about veterans and their families.

Veterans and their families continue to face many of the challenges that have been identified over the last several years. Veterans still wait too long for a benefits claim decision or appeal of that decision, though implementation has begun on the new appeals process that was passed into law by Congress in 2017; they often wait too long to receive health care when and where they need it; and they need better assistance in transitioning from military service to civilian life - pursuing an education, finding a job, or starting a business. I remain deeply concerned about VA's ability to recruit and retain medical providers, particularly in rural and medically underserved communities, areas that are home to many of our National Guard and Reserve Component personnel. Congress must work to make sure VA is prioritizing full staffing of clinical positions at facilities across the country, rather than letting services dwindle to the point where veterans no longer have the choice of seeing a provider at their VA facility.

Demand for VA's services and programs continues to rise. While I appreciate the increased funding requested in the President's Budget for FY 2020, I will draw your attention to specific programs and operations that must receive focused support in our budget resolution for VA to have the ability to succeed. We must demand excellence and accountability from VA, but it is our role to ensure they have the resources to provide our veterans and other beneficiaries with the world class services they have been promised.

Discretionary Account Spending

A. Medical Care

Medical Services - The President's FY 2020 budget includes \$51.41 billion for medical services, a 3 percent increase over the FY 2019 level. This falls about \$4.6 billion below the IB recommendation of \$56.01 billion for FY 2020, which is quite reasonable in its assumed increase of 900,000 new unique patients in FY 2020, and a 2.1-percent cost-of-living increase for VA

employee pay and benefits. As explained in the introductory paragraphs of this letter, I am very concerned by the Administration's possible continued refusal increase VA's discretionary budget caps. I strictly oppose allowing implementation of the VA MISSION Act's new community care program to come at the expense of preserving and enhancing VA's direct system of care and urge that the amount for medical services support this important objective.

Combining Medical Services and Medical Community Care - The President's FY 2020 Request does not make clear whether the Administration is once again proposing to combine the Medical Community Care and Medical Services accounts. A lack of clarity into what the Department is spending on community care versus in-house care is a concern if the two accounts are merged. I would not support this comingling of funds.

Recruitment and Retention of Employees - The President's FY 2020 budget request includes an increase of 13,066 staff for the Veterans Health Administration (VHA). I am committed to ensuring that VHA achieves its full clinical capacity, and that critical non-clinical positions are filled, to help ensure that veterans continue to have access to timely, high-quality health care services delivered at VHA medical facilities. I hope that these new staff will help VA achieve this important goal. However, I have questions about the extent to which VHA is prepared to fill the additional positions proposed for FY 2020. In accordance with the VA MISSION Act, VA has begun publishing quarterly reports on staffing, hiring, and vacancies. In each of the three quarterly reports published thus far, VHA has reported more than 40,000 vacancies. Congress has worked hard to provide numerous new authorities to help VA identify and address persistent workforce shortages, and to help make VA an employer of choice among medical professionals, but VHA has yet to make full use of these new authorities.

VHA would be better positioned to recruit the 13,066 new employees and retain its more than 340,000 existing employees if it made better use of the authorities Congress has provided. For example, as of December 2018, VA had yet to implement any of the five new recruitment authorities that were provided under P.L. 115-46, the VA Choice and Quality Employment Act of 2017. Another example of the Department's poor use of existing authorities is in its use of a new direct hire authority it was granted in February 2018 by the Office of Personnel Management. This new authority was intended to help VA fill vacancies for 14 occupations that were deemed essential to helping VA expand its capacity to deliver health care to veterans. As of October 2018, VA had made only 619 hires using this new authority, which accounted for only a very small percentage of the Department's total hiring actions since the new direct hire authority became available.

Finally, VA was provided with new authority in the VA MISSION Act to offer medical professionals up to \$100,000 in student loan repayment. VA has recently shared that this funding is making a large impact on the retention of employees, with more employees taking advantage of the higher benefit and in increased amounts. I recommend that the President's budget request include adequate funding to provide this important incentive to all medical professionals who apply and are eligible for the benefit.

Community Care- Less than 3 months from now, VA must begin operating the Veterans Community Care Program that was created under the VA MISSION Act. The new program consolidates and streamlines several existing programs—including the Veterans Choice Program—and will fundamentally transform the delivery of veterans' health care. In preparation for the new program, VA recently published a proposed rule setting forth the Department's proposed access standards, which will establish some of the new criteria under which veterans will be eligible for community care referrals. Specifically, VA has proposed that veterans residing more than 60 minutes driving time from a VA medical facility that provides specialty care, or 30 minutes driving time from a VA facility that provides primary care, mental health, or non-institutional extended care services, be eligible for referral to the new program. In addition, under VA's proposed access standards, veterans will be eligible for community care referrals if they must wait more than more than 28 days to receive specialty care or more than 20 days to receive primary care, mental health, or non-institutional extended care services at VA medical facilities.

Together with the other eligibility criteria set forth in the VA MISSION Act, the Department's proposed access standards will vastly expand veterans' eligibility for community care referrals. I question whether the President's request of \$15.28 billion for community care—a 6.8 percent increase over the FY 2019 request—will be sufficient to support the Department's proposed expansion and note that the request falls about \$2.8 billion short of the IB recommendation of \$18.1 billion. According to VA's regulatory impact analysis, at least 33 percent of currently enrolled veterans will be eligible for community care referrals under VA's proposed driving time access standards. This is in addition to the 7 percent that will remain eligible under the current Veterans Choice Program 40-mile driving distance standard. However, VA states in its regulatory impact analysis that it cannot estimate the percentage of veterans that will be eligible under the proposed wait-time standards. According to data provided by VA's third-party administrators, the vast majority of veterans who utilized the Veterans Choice Program between FY 2015 and FY 2018 were referred under similar appointment wait-time standards. It is therefore reasonable to expect that some additional percentage of veterans will be eligible for the new Veterans Community Care Program under VA's proposed wait-time standards. It is also worth noting that the President's first budget request for VA community care fell far short of VA's needs—by \$2.18 billion in FY 2018. It remains to be seen whether the President's FY 2019 request fell short of VA's needs. And while I have concerns about how VA is implementing the Veterans Community Care Program, for the sake of veterans who will utilize expanded access to private-sector care, the Department must have sufficient funding in FY 2020 to carryout the Program that it moves forward with.

Mental Health- I remain concerned that the Department's investments in mental health care, despite continuous funding increases, are inadequate to meet the needs of our veterans – both those recently returned from combat and those facing ongoing mental health issues. While VA treatment is shown to be effective in preventing suicide, much more remains to be done.

Mental health services encompass everything from outpatient models, including peer support services, which should continue to be integrated into primary care settings, to acute, inpatient treatment for immediate and appropriate care for a veteran in crisis. This integrated

approach is a hallmark of VA care and is difficult to replicate in the private sector, as evidenced by a March 2018 RAND report on private sector competencies in military/veteran culture. Peer support models within VA have proved very effective, and I ask that the peer support program be fully funded to expand the placement of peer support specialists in Patient Aligned Care Teams (PACT) to increase access to veterans for mental health support. Recently, the Secretary shifted the Department's policy to enable veterans with other-than-honorable discharges to receive emergency mental health care for a renewable 90-day period. I believe this program has been under-advertised and could lead to significant resource needs once veterans and their advocates have a clear understanding of the program. This eligibility must continue to be advertised in creative ways in order to reach some of our most vulnerable veterans.

Additionally, suicide prevention must continue to be a top priority for VA. The suicide rate for veterans has increased consistently since 2005, and reached an all time high of 30.1 veterans per 100,000 in 2016, the most recent year for which data is available. The problem is worse for our youngest veterans, age 18-34, who commit suicide at a rate of 45 per 100,000. The President's Budget request must include funding to support the January 8, 2018, Executive Order (EO) 13822 regarding transitioning servicemembers and the March 5, 2019, EO 13861 creating a task force to develop a roadmap to tackle veteran suicide. EO 13861 calls for an "all hands on deck" approach to addressing veteran suicide, and as such there must be sufficient funding to tackle this issue from all angles.

In that vein, Senator Moran and I introduced a major mental health bill that includes expanded eligibility for transitioning servicemembers, as well as those who received other-than-honorable discharges. The bill also includes grant programs for community organizations that provide or coordinate mental health services and organizations that assist in the transition process. These expanded eligibilities, grants, and other provisions included in the bill should be fully funded in order for VA to successfully implement its suicide prevention and intervention efforts.

The President's Budget requests a \$426 million increase for mental health services, as well as \$15.6 million increase for suicide prevention outreach from last fiscal year. While I am supportive of this increased funding, this money must be fully and effectively spent. As recently as last year, the Office of Mental Health and Suicide Prevention did not spend the entirety of their budget. If we hope to reduce the shocking statistic of 20 veterans a day dying by suicide, VA must use this increased funding to fully implement successful programs and invest in new, promising initiatives.

Long-Term Services and Supports- Long-Term Services and Supports (LTSS) can be required for veterans regardless of cohort, and are particularly important for veterans with spinal cord injury/disease. As enrollees continue to age, appropriate utilization of LTSS through home and community-based services will help ensure veterans are able to access care in the most appropriate manner, continue to live in their communities for as long as possible, and avoid higher levels of care that would result in unnecessary spending. As a result of limitations in Medicare coverage of LTSS, declines in utilization of VA care that typically occur as the population ages into Medicare coverage are not expected to occur when it comes to LTSS.

The provision of LTSS by VA happens in both institutional and non-institutional settings in order to best serve the veteran where it is most appropriate. I believe that the Department's continued commitment to funding LTSS is appropriate and should be supported fully. In particular, the focus on non-institutional care settings reflects the significant importance of this care delivery model. Due to aging, and the changing demographics of the Priority 1a population, veterans who have a service-connected disability rating of 70 percent or higher, in particular, are expected to be a significant driver of increased LTSS. It is important to note that VA is mandated by law to provide nursing home services to Priority 1a veterans.

I believe that increased utilization of these programs, from the current 6 percent of VA's patients LTSS currently serves, will continue for the foreseeable future, and urge that funding levels for LTSS grow as the Department continues to purchase more nursing home care.

Rural Health- More than 4.5 million veterans live in rural or highly rural areas across the country. This broad geographic distribution makes it difficult for VA to reach many veterans near their homes. Many veterans, including those in my home state of Montana, live many miles from the nearest VA facility and must travel significant distances, often on unpaved roads, in order to access their earned care. The Office of Rural Health's (ORH) work, increasing the number of CBOCs, funding many telehealth initiatives, and operating Rural Health Resource Centers, is critical to serving this population.

The ORH focuses on improving access and quality of care for veterans residing in these areas by developing evidence-based policies and ground-breaking practices. However, based on previous funding requests, my belief is that funding for this critical office will remain static. Research indicates veterans who live in rural and highly rural areas suffer higher rates of depression, chronic disease, and physical health problems. To this end, I request sufficient funding to allow expansion of ORH's efforts in rural and highly rural areas in order to ensure the unique needs of this population are being met. In particular, I would like to see the Department continue its efforts to offer telehealth services at non-VA facilities that are not traditional medical facilities, but can be modified to provide such services. For example, a Veterans of Foreign Wars post in Eureka, Montana is providing space to veterans who want to use telehealth services, but have no medical facility nearby from which to have the telehealth encounter.

Women Veterans- Funding to address the needs of women veterans should be increased to match the predicted growth of the population within the VA health care system.

As the number of women veterans continues to grow, they are enrolling in VA's health care system in record numbers, nearly double the enrollment of 2001. In response to this rapid growth, VA is working to improve its access, quality, environment of care, and expertise in the delivery of a range of women's health care services. This is especially important due to the steady rise in the number of women in all military services and the opening of combat roles to women. VA must prepare itself to deliver services to women veterans who will increasingly be sustaining injuries similar in severity and complexity to their male counterparts.

I support the President's request of \$547 million for women veterans' health care, but it is not clear from the limited materials provided thus far whether this amount would be included in

or separate from the \$51.4 billion Medical Services request. The IB recommended that VA's Medical Services appropriation include \$540 million designated for women's health care programs. In addition, the IB recommends an increase of \$75.8 million in funding to hire 200 new physicians as designated women's health providers at VA medical facilities; train 700 existing providers through VA's successful women's health mini-residency program; and hire 800 additional nurses, women veterans program managers, care coordinators, peer support specialists, and other staff to address attrition and support improvements in the delivery of services for women veterans at VA medical facilities. This would help to ensure that VHA can effectively plan for and accommodate the growing needs of the women veteran population. In addition, I urge that VA be provided an appropriate amount of funds to retrofit existing facilities with fixtures that support women veterans' privacy and environment of care, including locks on doors and privacy screens.

Reproductive Services- In P.L. 114-223, the Continuing Appropriations Act 2017, Congress authorized VA to provide reproductive services, to include in vitro fertilization (IVF), to service-connected catastrophically disabled veterans whose injuries preclude their ability to conceive children. On March 6, 2019, VA published a final rule to amend its medical benefits package. Specifically, VA is now able to authorize fertility counseling and treatment using assisted reproductive technologies, including IVF, for veterans whose service-connected disabilities makes them unable to procreate without the use of the fertility treatment, as well as for the veterans' spouses. VA's regulatory impact analysis accompanying this rule estimated that VA would incur obligations of about \$12.4 million to implement this benefit in FY 2020. The IB recommends \$20 million for FY 2020 and notes that these services are not directly funded. Future funding levels must consider a permanent extension of this authority in order to properly honor the sacrifice of our service members.

Caregivers- Public Law 111-163, the Caregivers and Veterans Omnibus Health Services Act of 2010 (Caregivers Act), was enacted to reduce the burden faced by family caregivers of post-9/11 veterans by providing them with a tax-free monthly stipend, reimbursement for travel expenses, health insurance, mental health services and counseling, training, and respite care. Nearly a decade later, the VA MISSION Act expanded the Caregivers Program to veterans of all eras in phases.

I am concerned that, despite the explicit timelines set out in the VA MISSION Act, the Department will be delayed in executing the initial requirements related to Information Technology. Based on the little detail that we have on the President's budget request at this point, it appears the request of \$720 million shows a lack of urgency on VA's part to bring this much-needed benefit to pre-9/11 veterans. In particular, I believe the Department must mitigate the damage done by an unusable Care-T, the long-planned Caregivers IT system that is being scrapped after being inadequate to support both the current and expanded beneficiary populations, so that VA can meet the IT certification timeline set in law. Therefore, I believe the Department requires additional funding to get the expansion back on track and complete the first phase of this expansion.

Homelessness- Since 2009, the number of homeless veterans has been cut in half due to dedicated work from local service providers and increased funding to end veterans'

homelessness. While progress has been made over the past 10 years, 37,878 veterans remain homeless nationwide, and the momentum started a decade ago must continue and begin shifting toward prevention of further veteran homelessness.

Without a sustained commitment to homeless prevention programs, the progress that has been made, and the necessary forward momentum, will be lost. This must include adequate funding for Grant and Per Diem (GPD), Housing and Urban Development –Veterans Affairs Supportive Housing (HUD-VASH) case management, Supportive Services for Veteran Families (SSVF), and Homeless Veterans Reintegration Program (HVRP). Further reductions in homelessness will also require VA and its partners to focus on unique prevention measures that address veterans with more specialized needs, legal assistance, and challenging psycho-social conditions, which may necessitate increased funding per veteran treated.

The homeless providers' GPD program has been the foundation of community-based homeless veterans' assistance and is often the first and most significant step toward recovery for veterans experiencing homelessness. Congress should fund GPD at the level of need demonstrated in communities, and VA must provide data demonstrating demand and usage of GPD in both urban and rural areas.

The SSVF program is the only national, veteran-specific program to help at-risk veterans avoid becoming homeless and rapidly re-house those veteran families who lose their housing. Funding to SSVF must be increased to \$400 million to allow for the continued delivery of preventative resources to very low-income veterans and their families including services such as: legal aid, child care, transportation, fiduciary, and payee services, daily living assistance, benefits, housing counseling, and health services. Additional funding for SSVF grants, or permanent authorization by Congress, would provide additional focus on specialized needs and also help women veterans.

The HUD-VASH program is the only federal program specifically designed to end chronic homelessness for veterans and their families by awarding veteran specific HUD Section 8 vouchers, while also providing VA case management to help the veteran maintain stable housing. Congress should fully fund the case management costs associated with these projected vouchers. Given the Administration's proposed cuts to the overall Housing and Urban Development budget, it is vital that VA allocate full funding for the HUD-VASH program that falls within its jurisdiction.

In addition to providing housing assistance for homeless veterans, resources must be provided to enable veterans to re-enter the workforce and obtain a livable salary. The Homeless Veterans' Reintegration Program (HVRP) is dedicated to servicing homeless veterans by assisting them in overcoming multiple barriers to employment. Congress should reauthorize and fund HVRP at a minimum of \$100 million.

B. Office of Inspector General (OIG).

The OIG must have the resources necessary to support the operations of its Office of Investigations, Office of Healthcare Inspections, and Office of Audits and Evaluations, each of

which provide meaningful oversight. The President's Budget for FY 2020 includes \$207 million for VA's OIG, a 7.8-percent increase above the FY 2019 enacted level. I support this request, which will support current operations and help ensure that VA OIG continues to deliver the robust level of oversight it provided in the 309 audits, health care inspections, and administrative investigative reports completed last year. At a time when VA is poised to implement sweeping changes to its model of care through implementation of the VA MISSION Act, a robust OIG will be absolutely essential for holding VA accountable to Congress, veterans, and American taxpayers. There is no shortage of areas that would benefit from the work of VA's OIG: however, I specifically urge continued oversight in relation to VA's health care management of veterans with complex comorbidities including mental health conditions and pain management, wait times at VA facilities, fraud within VA's community care programs and other large contracts, efforts to adequately meet the health care needs of the growing population of women veterans, consistency in application of workforce-related policies, as well as collaborative efforts between VA and DoD that have the potential to improve the delivery of benefits and services to our nation's veterans.

C. Medical and Prosthetic Research

Non Profit Research and Education Corporation Funding – In September 2018, VA's Office of General Counsel changed its legal opinion of how nonprofit research and education corporations are regarded under the Economy Act, causing money received for multi-year research programs to retain its fiscal year identity. This change has caused over \$16 million in research funds to be frozen or returned to the Treasury. This funding issue has caused some of the Administration's high-priority research programs, including the Million Veteran Program, the National Cancer Institute and VA Interagency Group to Accelerate Trial Enrollment (NAVIGATE), and the Defense Health Agency Millenim Cohort Study, to be put on hold with future funding uncertain. Twenty employees have received termination letters due to this funding problem. This situation must be remedied quickly, or VA will lose research partners and investigators. If outside research funding cannot be secured, VA must supplement historical grants from other Federal agencies with VA funds in order to ensure that vital research continues to be performed. The President's budget request includes a decrease in research funding that will undoubtedly have a negative impact on both large multi-year, multi-site research studies as well as smaller projects. I request that the Medical and Prosthetic Research budget be increased to reflect the IB's request of \$840 million.

Million Veterans Program (MVP) - VA's Million Veteran Program (MVP) provides a rich platform to discover the relationships among genes, environmental exposures, and health. More than 710,000 veterans have provided DNA specimens, military exposure information, and access to their health records by authorized researchers to facilitate studies on topics ranging from the biological underpinnings of Gulf War illness, PTSD, heart disease, diabetes, chronic kidney disease, cancer, and eye disease to functional impairment in schizophrenia and bipolar disorder. By collecting genetic samples from a million veterans over the next five to seven years, the MVP seeks to better understand how genes affect health and better understand military-related illnesses, such as PTSD. VA estimates that it costs around \$75 to sequence each veteran's blood sample. A separate funding line for MVP should be created to prevent the diversion of funds from other research programs.

Cannabis Research- Thirty-five states across the country, along with the District of Columbia, Guam, Puerto Rico, and the US Virgin Islands, have authorized the use of medical cannabis to treat chronic pain or PTSD, conditions much more prevalent among veterans compared to the general population. To date, no large-scale randomized controlled trials exist that explore the efficacy of medical cannabis in treating these or other conditions. The observational studies that have been conducted indicate that medicinal cannabis shows potential to relieve the symptoms of chronic pain and/or PTSD, but all studies call for more research into the issue. Veterans are already medicating with medical cannabis, whether through a doctor's prescription or through self-medication. High quality research is needed to ensure that medical cannabis is a safe and effective treatment for veterans with chronic pain and/or PTSD. I recommend that any future Budget Resolution contain adequate funding to allow this research.

D. Major and Minor Construction Projects. VA's FY 2020 request level for major and minor construction, totals \$1.63 billion. This represents a 45 percent decrease from the FY 2019 enacted amount. Presently, VA has 21 major construction projects that are authorized and partially funded.

VA must continue to ensure that the facilities where veterans come to receive care and benefits, and where dedicated employees work delivering those services, are safe, secure, and state of the art. In the Bipartisan Budget Act of 2018, a commitment was made that \$2 billion in FY 2018 and \$2 billion in FY 2019 would support construction for rebuilding and improving VA medical facilities. Initially, the VA requested to direct half of these funds to community care, the exact opposite of where Congress intended the funds to be used. With veterans, the public, and many members of Congress concerned that VA leadership is more focused on sending veterans outside the VA system for care rather than strengthening the VA care delivery, it is critical to reassure veterans of Congress' commitment in this area. Therefore, I support the IB recommendation for funding of \$2.78 billion for major construction in FY 2020. As the IB notes, this would provide \$1.73 billion to "fund either the next phase or fund through completion all existing projects, and begin advance planning and design development on all major construction projects that are the highest ranked on VA's priority list." Alarming, VA currently has approximately \$7 billion of pending seismic projects nationally. In FY 2019, VA requested \$400 million to address this issue. This is clearly inadequate. I support the IB's recommendation of \$1 billion in FY 2020 so that we can begin to make significant down payments in this critical life safety area.

The IB also recommends funding minor construction projects at \$761 million, which can be used for critical updates for existing facilities. This recommended level, one which I support, is appropriate given the pressing needs in this area, rather than the \$399 million included in the FY 2020 request which represents a 50 percent reduction from the FY 2019 enacted minor construction budget.

E. Grants for State Extended Care Facilities. More and more of VA's Vietnam Era enrollees are becoming eligible for long-term care, and State Homes are an important part of providing this care. In recent years, unstable economic, tax, and revenue environments kept many states from

providing funding necessary to qualify for Federal Grants for State Extended Care Facilities, commonly referred to as State Home construction grants. Under this program, VA provides 65 percent of project costs while states are required to fund the remaining 35 percent. \$150 million was provided in FY 2019, and it is expected that between \$250-300 million in Priority 1 grant requests will be made by states in FY 2019.

Congress has provided significant funding and leadership in this area over the last several fiscal years, allowing existing Priority 1 projects to be addressed. Given this accomplishment, I support the IB's recommended request of \$250 million for VA Grants for State Extended Care Facilities, which will provide full funding for the expected FY 2019 Priority List for Group 1 requests from states that have secured the necessary matching funds.

F. Information Technology. Information technology plays an integral role in VA's transition into an innovative, outcomes-driven, veteran-centric organization. Technology improvements are vital to the delivery of care and benefits in the 21st Century. For example, the Veterans Benefits Management System (VBMS) is the technology cornerstone of VA's efforts to transform the claims system into a paperless and electronic system. Additionally, VA has a multitude of high priority updates for programs like HRSmart and CareT, and must simultaneously balance an influx of newly legislated initiatives, such as Appeals Modernization and the Mission Act. However, VA's long-standing difficulties in managing its IT acquisitions and operations led to its placement on the GAO High Risk list for federal agencies at risk for management failures that could impact public health or safety; could result in significantly impaired service or program failure; or significantly reduced economy, efficiency, or effectiveness. GAO specifically cited these IT failures in leaving VA on the 2019 High Risk list. VA's inability to manage its IT upgrade efforts have already led to delays and inaccuracies in the delivery of education benefits.

I am particularly concerned that IT modernization efforts required for Education Services to deliver benefits and implement the Harry W. Colmer Education Improvement Act are not receiving appropriate levels of resources, due to competition with other IT modernizations efforts across VA. VA still has not shown definitively how it will provide appropriate support for Education Service IT modernization within its budget, and more specific documentation is needed. I also remain concerned with the lack of transparency that the Department of Information Technology has demonstrated overall in relation to the comprehensive IT projects and needs of the agency. Additional insights into the program management of the Office that decides which of these projects will be prioritized for funding must also be examined and evaluated. It is vital that these funding decisions are being made with a holistic, strategic view of the actual needs of each Department.

With VA's contract award to Cerner to procure the Millennium EHR, the same product DoD is currently implementing, the Department took the first step towards providing veterans with one record to take them through their time in DoD and VA. I strongly support VA using the same off-the-shelf product as was purchased by DoD, and understand that the need for well-functioning, up-to-date electronic health record technology is absolutely critical as VA plans for a shift to a model of care that greatly expands its use of care in the community. Although VA and DoD have attempted to achieve interoperability in the past, this goal has never been fully realized. Failure to accomplish this goal under the Cerner contract will limit VA clinicians'

ability to readily access information from DoD records, potentially impeding their ability to make the most informed decisions on treatment options, and possibly putting veterans' health at risk.

The FY 2020 budget request is for \$4.34 billion for information technology across the VA. Additionally, the Department separately seeks \$1.6 billion to fund the electronic health record modernization effort. VA had previously indicated it required \$1.6 billion for the EHR account in FY 2020, and the IB recommends \$1.8 billion.

I would recommend full funding of this project to support necessary infrastructure improvements and the most robust change management support possible. Reporting on the DoD roll-out suggested that change management efforts will be the crucial point of potential failure for VA's modernization effort. I believe we must make sure VA does not cut any corners on that aspect of the modernization. Further, I believe Congress must make sure VA continues to ensure that VistA, the current EHR, is maintained to support veterans who will rely on it for the next decade during the Cerner roll-out. However, I believe these resources must be separately funded and not taken from the Medical Care accounts or other IT programs.

Although we currently lack specific timeframes, I request sufficient funding be provided to allow VA to expand its information security operations; close out material weaknesses associated with FISMA compliance; and ensure its cyber security measures comply with federal standards and guidance. This investment in additional security elements will help VA to ensure the safety and privacy of veteran and employee information for all aspects of VA's business, including administration of benefits, health care, cemetery operations, and other VA services. The importance of cybersecurity and information technology cannot be understated as VA seeks to transform its delivery of care and benefits. Therefore, I will work to ensure VA and its agency partners are investing in appropriate information technology solutions, as demonstrated by sound business cases that fully consider the life-cycle costs of these investments.

G. Office of Accountability and Whistleblower Protection. Accountability at VA continues to be a focus of Congress and of veterans. In 2017, the Congress passed, and President Trump signed into law, a bill that enhanced accountability authorities of the VA, and tasked the Office of Accountability and Whistleblower Protection with receiving, reviewing, and investigating allegations of misconduct, retaliation, or poor performance involving individuals occupying a senior executive occupation. Unfortunately, VA has not been operating this office in accordance with Congressional intent. For example, the law requires the Office of Accountability and Whistleblower Protection to advise the Secretary on matters relating to accountability of all VA employees, retaliation against whistleblowers, and recommendations related to accountability against VA employees, but the office has limited its scope thus far to advising only on matters relating to senior-level executives or supervisory employees.

Because this office and its implementation of the new authorities granted by Congress are absolutely critical to regaining the trust of the public and veterans, I urge that this office be appropriately funded. It cannot perform the critical role of reviewing and investigating allegations of misconduct by senior leaders in all areas of the organization without appropriate

staffing levels and appropriate technological support. Currently, it is funded through reimbursements, but I support \$25 million in funding specifically allocated for this office.

H. Vocational Rehabilitation and Employment. VA's Vocational Rehabilitation and Employment (VR&E) Program provides career counseling and rehabilitative services to servicemembers and veterans with service-connected disabilities in order to overcome employment barriers.

In the past four years, participation in VR&E increased by an estimated 16.8 percent, while VR&E staffing rose by only 1.8 percent, with no new personnel requested by VA in the past three years. VA expects participation to have increased by 9 percent in 2018, and by 4 percent in 2019. In November 2016, VR&E reported that its average Vocational Rehabilitation Counselor (VRC)-to-client ratio was 1:141, though the overall goal is 1:125 VRC-to-clients. With increased program participation, and no new hires, the counselor to casework ratio continues to get worse.

I am encouraged by the FTE growth noted in VA's initial budget request documents, but will need to see detailed breakdowns of FTE by program, in order to ensure that VA is adding the sorely needed additional VRC FTEs. In order to meet the demand for VR&E services and address the recommendations of a January 2014 GAO report on this topic, the IB organizations recommend 143 new full time equivalent employees, three quarters of which should be dedicated to the VRCs providing direct services to veterans in order to better distribute caseloads. These staffing increases must be properly distributed to ensure that VRCs have equitable workloads among the VA Regional Offices (VARO) and VA can achieve the goal of 1:125 VRC-to-clients ratio in FY 2019.

I. Education. VBA continues to work with stakeholders to ensure veterans are utilizing educational benefits in a timely and accurate manner. VA has established interagency partnerships and relationships with State Approving Agencies (SAA) and VSOs to improve outreach and transparency. VA education benefits provide educational opportunities for veterans and their dependents, which help to facilitate the transition from military to civilian life. Since 2009, VA has provided \$66 billion to send more than 1.6 million veterans and their dependents to school under the Post-9/11 GI Bill program. With help from SAAs, VA conducted over 5,000 compliance surveys in FY 2017 to ensure that educational programs complied with provisions of Title 38, U.S.C.

Following significant delays and inaccuracies in payments to veterans receiving Chapter 35 GI Bill benefits, as a result of difficulties in implementing the Harry W. Colmery Education Improvement Act, I believe there exists a lack of prioritization of resources within VBA for the IT modernization efforts within Education Services. I will continue to evaluate VA's implementation of the forever GI Bill and challenges associated with updating its aging Information Technology infrastructure while implementing new benefits for student veterans. I also recommend VA continue to reform its compliance review process to allow early detection of fraudulent marketing or predatory recruiting practices among institutions of higher learning to ensure that veterans and their families are not wasting VA education benefits at unscrupulous institutions.

J. Compensation & Pension Staffing. Timely and accurate disability compensation decisions are a critical component of VA's mission to provide veterans the benefits they have earned. VA has made significant progress in reducing the disability compensation backlog, but while VBA has processed an unprecedented number of rating claims in recent years, the disability claims inventory continues to rise. With 358,000 claims pending, and over 83,000 claims pending for more than 125 days, it is clear that VBA's work is not done. Notably, VBA must ensure that the quality of the decisions being made is not compromised in the name of decreasing the agency's inventory. In addition, the high volume of pending non-rating claims must be prioritized by the agency, including with IT developments to increase automation in the processing of benefit claims. VA must have the resources necessary to address not only rating claims, but the entire compensation claims workload.

In addition to the workload required to reduce the claims inventory, VBA also has a role to play in the appeals process. Today, there are approximately 407,000 appeals pending throughout VBA and BVA, 266,000 of which are within VBA's jurisdiction. With the implementation of the Appeals Improvement and Modernization Act, VBA will continue playing a vital role in the appeals process – giving veterans a more timely avenue for dispute resolution. VBA has realigned their current staff to better serve the mission of the new appeals system, but as the implementation is in its earliest stages, it is vital that VBA maintain these current levels. As the reform progresses, it will be important to continually assess if additional staffing is necessary in the future to maintain the timeliness goals of the program.

K. Board of Veterans' Appeals (BVA). BVA is responsible for making final decisions on behalf of the Secretary for the thousands of benefit claims presented for appellate review annually. BVA's inventory has been growing in recent years as VBA, the primary Administration from which BVA receives appeals, has worked to address its own claims backlog.

Congress passed the Veterans Appeals Improvement and Modernization Act to streamline and shorten the appeals process for veterans. While VA has now implemented the changes, continued training and build out of IT functionality will no doubt be essential to success. BVA must take the necessary steps to address its pending inventory, as well as the growth of incoming appeals through the new system, and this requires consistent funding for a sufficient number of appropriately trained staff, attorneys, and veteran law judges to meet current demand.

I support the funding level proposed in the President's FY 2020 budget, as it will allow for the Board to maintain their current staffing level. I will continue to closely monitor BVA's workload and productivity, including the impact of the appeals modernization initiative on appeals decisions to determine if additional staffing increases are warranted in the future.

L. National Cemetery Administration. In order to meet the burial and access needs of our veterans and eligible family members, and to achieve their long term goal of 95 percent coverage

for all veterans, NCA continues to expand and improve the national cemetery system. This expansion of the national cemetery system will help to facilitate the projected increase in annual veteran interments and will simultaneously increase the overall number of graves being maintained by the NCA from 3.9 million in 2019 to 4 million by 2021.

I strongly believe that VA national cemeteries must always honor veterans, even after cemeteries have reached capacity, which is why I support the NCA's National Shrine Commitment. Additionally, NCA must continue to provide greater choice for veterans, including in rural and tribal areas. With the above considerations in mind, I agree with the President's Budget recommendation of \$329 million for FY 2020 for NCA.

M. Transition. The Transition Assistance Program (TAP) has been the primary method of disseminating critical information to transitioning service members. With the passage of P.L. 115-232 there are significant changes to the administration of TAP, and I believe there are significant opportunities for VA, DOD, Department of Labor, and the Small Business Administration to increase the coordination of efforts across agencies to bring all available resources to bear for our servicemembers as they transition back to civilian life. I will continue to evaluate the performance of these programs and the collaboration among the federal agencies to ensure veterans across the nation are provided the opportunities they deserve.

Mandatory Account Spending

Cost-of-Living Adjustment. I remain committed to protecting veterans' and survivors' benefits from any reductions based on the manner by which cost-of-living adjustments are calculated. To that end, I recommend that the Committee on the Budget reject the proposal to provide a round-down of the computation of the cost of living adjustment for service-connected compensation and dependency and indemnity compensation.

Closing

I thank the Committee on the Budget for its attention to my views and estimates on the FY 2020 budget and FY 2021 advance appropriations requests for VA and matters within the jurisdiction of the Committee on Veterans' Affairs. I look forward to working with you to continue to meet the needs of those who have served our country.

Sincerely,



Jon Tester
Ranking Member

ADDITIONAL AND MINORITY VIEWS

STATEMENT OF RANKING MEMBER BERNARD SANDERS OF THE BUDGET

Mr. Chairman, let me begin by thanking you for doing what no other previous Budget Committee Chairman has done: For the second time in a row, you and your staff have released your Budget Resolution 5 days prior to our mark-up. And I appreciate that very much.

But Mr. Chairman, that's the end of my compliments. The sad truth is that the budget you released on Friday, and the Trump budget that was released a couple of weeks ago, would be an absolute disaster for the American people.

What is remarkable about the Senate Republican Budget, as well as President Trump's budget, is that it does exactly the opposite of what the American people want. At a time of massive income and wealth inequality, when the three wealthiest families own more wealth than the bottom half of the American people, when the top 1 percent owns more wealth than the bottom 92 percent, when 46 percent of all new income is going to the top 1 percent, the American people want a budget whose priorities reflect the needs of ordinary Americans—not just those on the top.

But, unfortunately, the Republican budget does just that.

This is a budget that moves our country rapidly into the direction of oligarchy. It constitutes a massive transfer of wealth from the working class to the billionaire class.

It is the Robin Hood principle in reverse. It takes from those in need and gives to the wealthiest people in America—those who are doing phenomenally well and have never had it so good.

Mr. Chairman, I frankly do not understand why Republicans seem to have such a hatred toward providing health care to the American people. Today, in America, 34 million Americans have no health insurance, and even more, are under-insured with high deductibles and co-payments, and one out of five Americans cannot afford the outrageously high prices that the pharmaceutical industry charges us for prescription drugs.

There are estimates that over 30,000 of our fellow Americans die every single year because they don't get to a doctor when they should because they are uninsured. We are the only major country on earth that does not guarantee health care to all of our people.

Given that reality, why in God's name would you want to do the same thing that Trump's budget does which is to try and repeal the Affordable Care Act, throw 32 million Americans off of the health insurance they have, take away health insurance coverage from Americans 26 years of age and younger who are on their parents

health insurance plans, end the subsidies low and middle-income Americans receive through the health insurance exchanges, substantially increase premiums for older workers, and raise prescription drug prices for senior citizens. Why do you want to do all of that? Why do you want to cause so much pain for the American people? I honestly don't get it.

Further, and importantly, when you propose to end the Affordable Care Act, you are eliminating protections for pre existing conditions. That means that if someone has diabetes, asthma, heart disease, cancer and tries to get private health insurance, what the Republicans are proposing will either greatly increase their premiums or make it virtually impossible for them to get any health insurance at all.

You tell me how much would a private health insurance company charge a 55-year old man or woman in the midst of cancer treatment which involves chemotherapy and radiation?

And you tell me, Mr. Chairman how many working class families will simply not be able to pay that cost and how many people will die as a result.

Over and over again, during his campaign for president, Donald Trump promised the American people that he would not cut Medicare, Medicaid or Social Security.

On May 7, 2015, Trump tweeted: "I was the first & only potential GOP candidate to State there will be no cuts to Social Security, Medicare & Medicaid."

On August 10, 2015, Trump said: "[I will] save Medicare, Medicaid and Social Security without cuts.

[We] have to do it . . . People have been paying in for years, and now many of these candidates want to cut it."

That's what Trump said during his campaign. Unfortunately, he lied—as he often does. His budget proposes a \$1.5 trillion cut to Medicaid, \$845 billion cut to Medicare and a \$25 billion cut to

Social Security. The Republican Senate budget does not go as far as Trump did in his disastrous budget, but it would also cause incalculable harm to tens of millions of Americans.

Like Trump, the Republicans eliminate the Affordable Care Act with all of the horrible ramifications that that would bring about.

In addition, they would cut Medicaid by \$223 billion over 5 years—not 10 years. They would cut Medicare by \$77 billion over the next 5 years—not 10 years.

In America today, Medicaid pays for more than two-thirds of all of the nursing home care in our country. What happens to senior citizens with Alzheimer's and other serious illnesses who have their nursing home coverage paid for by Medicaid, if that program is cut by hundreds of billions of dollars?

And it's not just seniors. Today, Medicaid covers millions of children with special needs. We are the only major country on Earth not to guarantee health care to all people, and this budget would then throw tens of thousands of children with special needs off of the health insurance they have. We have an opioid epidemic from one end of this country to the next. But when you cut Medicaid, you make it much harder for communities, cities, and States to deal with this terrible crisis.

Further, just like Trump's budget, the Republican Senate budget that will make it harder for our children to get a decent education, harder to protect the air that we breathe and water we drink, and harder for the elderly to live out their retirement years with dignity and respect.

If you are a working-class student trying to figure out how you could possibly afford college, your dream of a college education could evaporate along with 7 million other students because of more than \$55 billion in cuts to Pell Grants and other student financial assistance programs.

If you are a low-income pregnant woman you may no longer receive the nutrition assistance that you and your newborn baby need because the Republican budget would make about \$4.6 billion in cuts to the Women, Infants, and Children (WIC) program.

If you are a lower income senior citizen, you may no longer be able to keep your home warm in the winter because of a \$3.2 billion cut to the Low Income Home Energy Assistance Program.

Further, at a time when millions of Americans are paying 40 or 50 percent of their limited incomes on housing, this budget eliminates housing assistance for nearly 700,000 families by making a \$36 billion cut to the Section 8 rental assistance program and other housing programs.

At a time when the cost of childcare has skyrocketed, the Republican budget eliminates Head Start services for nearly 175,000 children by cutting this program by \$8.6 billion.

In total, the Republican budget would cut more than \$1.1 trillion from education, health care, affordable housing, child care, transportation, and other programs that working people desperately need over the next 5 years.

So the bad news is that if you are a low-income or working class American this budget will be a disaster for you. But, here is the good news. If you are a billionaire or in the top 1 percent, you should immediately write to the Republican leadership and tell them how grateful you are for this budget—because it works very well for you.

If you are the Koch brothers, the third wealthiest family in America worth over \$100 billion, you will continue to receive a

\$1 billion tax break—each and every year—as a result of the Trump tax plan.

If you are Sheldon Adelson, a multi-billionaire casino magnate, you will continue to receive a \$526 million tax break from the Trump tax plan—each and every year.

If you are a large corporation like Amazon, Netflix, General Motors or IBM you will continue to make billions in profits, but pay nothing in Federal income taxes.

Mr. Chairman, poll after poll after poll tells us that the American people do not want us to cut Medicare or Medicaid or education or nutrition programs—but that is exactly what the Republican budget does.

Poll after poll tells us that the overwhelming majority of the American people believe that the wealthiest Americans should pay more in taxes.

But the Republican budget allows the wealthiest Americans to continue receiving massive tax breaks.

Mr. Chairman, the American people fully understand that the Congress works night and day to protect the interests of the wealthy and powerful, while ignoring their needs. And that is exactly what this budget does.

Let us reject this budget and write a budget that works for all Americans, not just the 1-percent.



The Senate Republican Budget:
Cutting Medicare, Medicaid, and Education to Pay for Tax Breaks to the Top 1 Percent

The Senate Republican Budget is immoral and bad economic policy. In almost every instance this budget ignores the needs of ordinary Americans and what the American people want, while at the same time protecting the interests of the wealthiest and most powerful people in this country – many of whom are the largest GOP campaign contributors.

This is a budget that moves this country rapidly in the direction of oligarchy. It constitutes a massive transfer of wealth from the working class to the billionaire class.

Just like the Trump Budget, the Senate Republican Budget proposes to throw an estimated 32 million Americans off of health insurance, substantially increase premiums for older workers, and eliminate protections for pre-existing conditions by repealing the Affordable Care Act.

During the debate over the Trump Tax Cuts, many of us predicted that if the Republicans succeeded in giving over a trillion dollars in tax breaks to the top one percent and large, profitable corporations, they would try to pay for it by cutting Medicare, Medicaid, and other lifesaving programs that the American people desperately need.

The Senate Republican Budget cuts Medicare, Medicaid, and other health care programs by \$360 billion over the next five years.

Over and over again during his campaign for president, Donald Trump promised the American people that he would not cut Medicare, Medicaid, and Social Security.

On May 7, 2015, Trump tweeted: “I was the first & only potential GOP candidate to state there will be no cuts to Social Security, Medicare & Medicaid.”

On June 16, 2015, Trump said he would “save Medicare, Medicaid and Social Security without cuts – have to do it ... People have been paying in for years, and now many of these candidates want to cut it.”

That’s what Trump said during the campaign. This budget – and the president’s budget which calls for even deeper cuts to Medicare, Medicaid, and Social Security – exposes Trump for the fraud that he is.

This is a budget that will make it harder for our children to get a decent education, harder for working families to get the health care they need, harder to protect the air that we breathe and water we drink, and harder for seniors to age with the dignity and respect they deserve.

Here are just a few examples of what the Senate Republican Budget could mean to the American people:

- If you are a working-class student trying to figure out how you could possibly afford college, your dream of a college education could evaporate along with more than 7 million other students because of more than \$55 billion in cuts to Pell Grants and other financial aid programs.¹
- If you are a low-income pregnant woman you may no longer receive the nutrition assistance that you and your newborn baby need because of \$4.6 billion in cuts to the Women, Infants, and Children (WIC) program.
- If you are a low-income senior, you may no longer be able to keep your home warm in the winter because of a \$3.2 billion cut to the Low-Income Home Energy Assistance Program.

Moreover, at a time when millions of Americans are paying 40 or 50 percent of their limited incomes on housing, this budget eliminates housing assistance for nearly 700,000 families by making a \$36 billion cut to the Section 8 rental assistance program and other housing programs.

Even though the cost of child care has skyrocketed, the Senate Republican Budget eliminates Head Start services for nearly 175,000 children by cutting this program by \$8.6 billion.

In total, the Senate Republican Budget would cut more than \$1.1 trillion from education, health care, affordable housing, child care, transportation, and other programs that working people desperately need over the next five years.

What follows is a summary of the Senate Republican Budget proposal:

1. The Senate Republican Budget Proposes to Repeal the Affordable Care Act

The Senate Republican Budget proposes “repealing and replacing” the **Affordable Care Act**.

- The most recent Republican bill to “repeal and replace” the ACA **would have left 32 million fewer Americans without health insurance within 10 years**. It would have also abolished federal protections for people with pre-existing conditions.
- That legislation would have also substantially increased premiums for older Americans: a 60-year-old making \$25,000 a year would have seen their health care premiums increase by **more than \$10,500 a year** – from \$1,608 to \$12,180 in 2020, almost half of their income.
- The Senate Republican Budget also uses **the same “budget reconciliation” maneuver that they attempted in 2017** to repeal the Affordable Care Act.

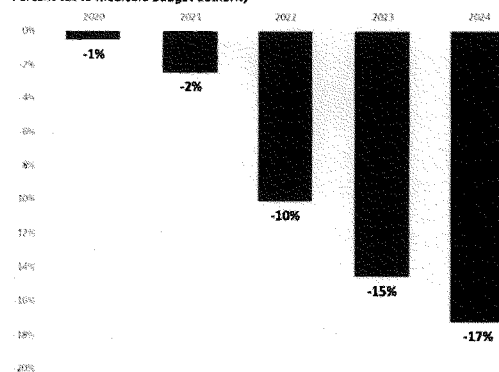
¹ Cuts are calculated from FY19’s funding level plus inflation. Cuts are over five years. Moreover, this analysis follows the Senate Republican budget resolution’s percent cuts by budget function and assumes that the cuts would be applied at an across-the-board manner to all programs within the budget functions.

2. The Senate Republican Budget Cuts Medicare, Medicaid and Other Health Programs

The Senate Republican Budget would cut health care programs by \$360 billion over the next five years – including a \$77 billion cut to Medicare and a \$223 billion cut to Medicaid. While 34 million Americans are uninsured – and even more are underinsured – removing \$360 billion from our federal health care programs would make a bad situation even worse.

The Senate Republican Budget Would Cut Medicaid by 17 Percent by the Fifth Year

Percent cut to Medicaid budget authority



Note: Calculations assume mandatory cuts to budget function 550 are applied proportionally.

Source: Senate Budget Committee Democrats calculations from Senate Republican FY2020 budget resolution

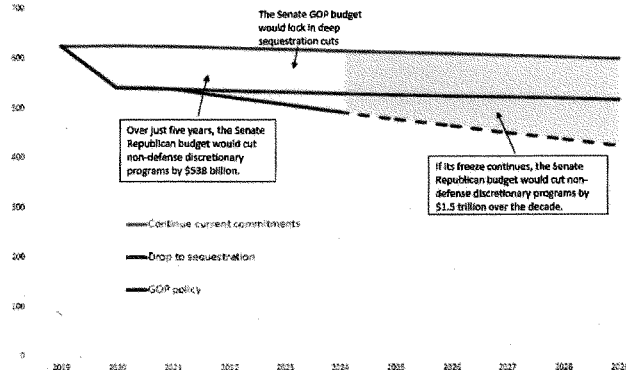
- The Senate Republican Budget proposes to implement **work requirements** for programs like Medicaid. Making such requirements mandatory could kick 1.7 million people off their coverage every year.
- **Medicaid covers one in five Americans.**
- Medicaid covers nearly half of all births in a given state, 38 percent of all children, and 83 percent of poor children.
- It covers 48 percent of children with special needs and 45 percent of all non-elderly adults with disabilities.
- Medicaid covers 62 percent of nursing home residents and 61 percent of all non-elderly Americans who are living below the federal poverty line.
- About 875,000 non-elderly veterans – nearly 1 in 10 veterans ages 19 to 64 – rely on Medicaid.
- **Medicaid is essential for fighting the opioid epidemic**; Medicaid covers 38 percent of non-elderly adults with opioid addiction.
- Medicaid covers an estimated 40 percent of people with HIV.

3. The Senate Republican Budget Cuts Domestic Priorities by \$55 Billion Next Year – and \$538 Billion Over Five Years

Because the Senate Republican Budget leaves in place the statutory budget caps for Fiscal Year 2020, **funding for domestic discretionary priorities would fall from \$597 billion in 2019 to \$542 billion in 2020** – a \$55 billion or 9 percent cut,² even before factoring in inflation or population growth.

The Senate GOP Budget Resolution Calls for \$538 Billion in Cuts to Non-Defense Discretionary Programs - Programs Like WIC, LIHEAP, Head Start, Section 8, etc.

Non-defense discretionary budget authority in FY2020 dollars, adjusted for inflation and population



Note: Cuts were calculated relative to the CBD uncapped baseline, which takes each discretionary program and grows under a blended inflation rate. The Republican budget resolution calls for freezing nominal non-defense discretionary funding for the final three years. The final five years of this graph, and the corresponding figures, assume that freeze continues through the end of the budget window. For graphical purposes only, budget authority has been inflated using a blend of the OMB total non-defense composite outlay deflator and population growth data.

Source: Senate Budget Committee Democrats' Criticisms from Senate Republican FY2020 budget resolution, OMB Historical Table 30.1, Social Security 2018 Trustees Report

Moreover, the Senate Republican Budget makes no effort to plan for a future deal to raise the cap on domestic spending, even though it does just that for its proposed Pentagon budget. **Compared to our current commitments – that is, what we spent on domestic priorities in 2019, adjusted for inflation – the Senate Republican Budget calls for a five-year cut of \$538 billion, including a 20 percent cut in the fifth year alone.**

What would these cuts to domestic priorities look like for the people who rely on our essential federal programs? Here are some of the devastating effects the Senate Republican Budget proposes:

- **Section 8 Rental Assistance:** By the fifth year, almost 700,000 families could lose their homes by cutting Section 8 rental assistance and other housing programs by \$36 billion.

² This becomes a 13 percent cut – \$83 billion – if 2020's level is compared to 2019's level plus inflation, also accounting for scoring changes.

- **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):** Over the next five years, more than 5 million infants, toddlers, and pregnant mothers could be denied nutrition assistance due to a \$4.6 billion cut to WIC.
- **Low-Income Home Energy Assistance Program (LIHEAP):** By the fifth year, more than 1 million families would be denied the heating and cooling assistance they need, people would see their benefits cut 16 percent, or some combination of the two through a \$3.2 billion cut to LIHEAP.
- **Head Start:** By the fifth year, nearly 175,000 kids could be denied an early childhood education due to an \$8.6 billion cut to Head Start.

4. The Senate Republican Budget Calls for a Massive Increase to the Bloated Pentagon Budget

Even as the Senate Republican Budget assumes there will not be a bipartisan deal to lift the statutory budget cap on funding for discretionary priorities – as there has been every year since 2012 – the plan states that **their goal is to increase defense spending to \$750 billion in 2020, a \$34 billion, or 5 percent, increase from 2019.**

- In 2018, the United States spent more on the military than the next 10 countries combined. This includes Russia and China, as well as many of our top allies, like the United Kingdom, Japan, and France.
- According to the Government Accountability Office, **since 2013, the Department of Defense has returned more than \$80 billion in appropriated funding back to the Treasury**, including more than \$16 billion in 2018 alone.
- Right now, the United States is spending more on national defense when adjusted for inflation than we spent at the height of the Cold War under President Ronald Reagan. And, we're spending more on our defense when adjusted for inflation than we did at the height of the wars in Korea and Vietnam.
- Further, almost three decades after the enactment of the Chief Financial Officers Act of 1990, the Pentagon remains the only federal department that is unable to pass an audit.

5. The Senate Republican Budget Continues the Trump Tax Giveaway to the Top 1 Percent

In December of 2017, Trump signed into law a tax cut bill that will increase the deficit by nearly \$2 trillion. The Senate Republican Budget includes a provision to extend the portions of the Trump Tax Cuts that expire between now and 2029.

- If all of the expiring provisions of the Trump Tax cuts were extended, 71 percent of the benefits would go to the top 20 percent of taxpayers in 2026. **In that year, the top 5 percent would receive 49 percent of the total tax cuts.**

- In 2026, the top 1 percent would receive an average tax cut of \$29,910 if the Trump Tax Cuts are extended. This represents a total tax cut of \$50 billion going to the top 1 percent in 2026 alone.
- After passing \$2 trillion in tax cuts over the next 10 years, the Trump Administration and Congressional Republicans want to pile on nearly \$1 trillion more in tax cuts that primarily benefit the wealthy by 2029.
- The proposed extension of the Trump Tax Cuts includes **\$49 billion in cuts to the estate tax that would exclusively benefit the wealthiest 0.2 percent of estates.**

6. The Senate Republican Budget Allows the Pensions of 1.5 Million Americans to be Cut up to 60 percent.

The Senate Republican Budget would make it harder to prevent the pensions of more than 1.5 million American workers and retirees from being cut by up to 60 percent.

OPENING STATEMENT OF HON. DEBBIE STABENOW

Thank you, Mr. Chairman, for convening this hearing.

The Federal budget should reflect our Nation's priorities and values. I understand that the Chairman values reducing the deficit, and I share that sentiment.

I believe that we can find common-sense ways to reduce the deficit while maintaining investments in important priorities.

In 1997, I was in the House of Representatives and part of the effort when we balanced the budget for the first time in 30 years. We made tough choices focused on growing our economy and strengthening the middle-class.

However, these last few years have shown that this Republican-led Senate says one thing and does another.

One day they're talking about reining in deficits. The next day they're pushing legislation that puts our Nation on an unsustainable fiscal path. Just take a look at the 2017 Republican tax bill.

According to the Congressional Budget Office, the 2017 Republican tax bill will add nearly \$1.9 trillion to the national debt.

And now—just as we predicted—this Administration and this Committee want Congress to pay for that huge tax giveaway for the wealthiest among us by cutting priorities important to Michigan families.

Let me say that again: The Republican Majority is asking us to pay for a huge tax giveaway for the wealthy by taking funding away from things important to American families including Medicare, Medicaid, and support for public education.

This Republican budget would cut \$77 billion from Medicare. That is an attack on seniors.

This Republican budget would cut nearly \$223 billion from Medicaid while 2 out of 3 seniors get their nursing home care through Medicaid. And half of all babies born in America have their health care through Medicaid. That is an attack on seniors, families and children.

This budget would cut \$171 billion from education programs including support for afterschool programs, teacher training and professional development, and Special Olympics. This is a budget for Betsy DeVos . . . not for children and teachers in Michigan.

Budgets reflect our priorities and values. This budget suggests that Republicans prioritize the wealthiest and well-connected while asking seniors . . . children . . . and working families to pick up the tab.

Instead of this Republican budget, this Committee should pass a bipartisan budget that values the American people.

We should pass a real budget that improves access to health care, and makes real investments to drive economic growth.

We can start by rejecting cuts to Medicare and Medicaid and stopping the ceaseless attacks on the Affordable Care Act.

Millions of Americans have received coverage through the ACA. Yet just this week, the Trump Administration has come out in support of completely repealing the ACA.

That means almost 700,000 people would lose access to health care through Healthy Michigan, our Medicaid expansion.

That means the Medicare “donut hole” would reopen, jacking up prescription prices for seniors.

That means families would no longer be able to insure their children up to age 26.

And that means no more protections for people with pre existing conditions.

We need to stop attacking health care and start valuing people.

And while we are at it, let’s stop taking valuable resources away from our Nation’s public schools and start putting meaningful resources into job training programs that get people the skills they need to get ahead.

In Michigan, we make things and we grow things. If we want a strong economy, we need to invest in our infrastructure—bridges and roads and high-speed internet service in every part of the country.

We need to protect our natural resources including our beautiful Great Lakes, so they can be enjoyed by our grandchildren and their grandchildren.

And we need to invest in our VA Health care system so it can continue to serve those who have put their lives on the line to defend our country.

Veterans shouldn’t stand in the back of any line, not for education, housing, a good job, the military honors they’ve earned, or for health care.

The Federal budget should reflect our Nation’s priorities and values. This budget proposal neglects our priorities and fails to live up to our values.

Tomorrow, I hope my Republican colleagues will join me in crafting a budget resolution that respects the American people.

I look forward to this markup.

STATEMENT SUBMITTED BY HON. DEBBIE STABENOW ON THE FISCAL
YEAR 2020 BUDGET RESOLUTION

The Federal budget should reflect our Nation’s priorities and values. A smart budget should grow our economy, strengthen the middle class, support our Nation’s farmers, and protect the most vulnerable among us.

I believe that we can find common-sense ways to reduce the deficit while protecting key programs that American families and communities count on. Unfortunately, this budget falls short and fails too many Americans.

The Senate Republican Budget cuts Medicare, Medicaid, and other social safety net programs. This budget cuts \$77 billion from Medicare and nearly \$233 billion from Medicaid. Furthermore, it once again repeals the Affordable Care Act. The Senate Republican Budget also directs the Senate Committee on Agriculture, Nutrition, and Forestry to implement deep cuts to programs that are vital to rural America. These actions will reduce the quality of life for millions of Americans including seniors, working families, and farmers.

Had I been present for the vote on the motion to report this budget resolution, I would have voted no.

SUBMISSION FOR THE RECORD
FROM SENATOR CRAMER
FISCAL YEAR BUDGET
DATE: 3/28/19
SENATE BUDGET COMMITTEE
OPENING STATEMENT

Thank you Mr. Chairman.

Families in my State know the importance of fiscal responsibility. They adhere to their budgets because they know the consequences of excessive debt. However-unfortunately too often Congress sees budgets as optional. Though passing a budget is an important step in the appropriations process, our efforts today may hold little sway as the Appropriations committee drafts their spending bills. This process is broken. We should not have a system that ignores budgets and encourages omnibus spending packages. If we are going to get our fiscal house in order, we must begin with reforming our budget and appropriations process.

Furthermore, we must have the political confidence to make tough decisions and tackle our Nation's spending problem on both the mandatory and discretionary side of the ledger. To this end, this budget is a step in the right direction. It recommends relatively modest reforms that would put our country on a more fiscally responsible path.

As we make reforms, we must preserve programs that are vital to our Nation's economy. I understand the budget directs the Committee on Agriculture, Nutrition, and Forestry to find savings. There are savings to be found in some of the entitlement programs the Committee oversees; however, it is critical we preserve the risk management and commodity programs our farmers and ranchers rely on. For this reason, I have introduced an amendment that would create a deficit neutral reserve fund for the preservation of agriculture risk management programs (such as crop insurance).

Additionally, it is important we continue increasing investments in our military and ensure we care for those who have served our country. I have introduced a second amendment that would ensure this budget protects funding for our veterans. Our veterans have given everything in service to our county, and it is critical we give them the care they have earned.

As I Stated, this budget is a step in the right direction, but there is much more work to be done. I look forward to working with this committee to reform our budget and appropriations process and to get our Nation's fiscal house in order.



We're Building A Better America!

American Road & Transportation Builders Association (co-chair) ■ Associated General Contractors of America (co-chair) ■ American Coal Ash Association ■ American Concrete Pavement Association ■ American Concrete Pipe Association ■ American Council of Engineering Companies ■ American Subcontractors Association ■ American Iron and Steel Institute ■ American Society of Civil Engineers ■ American Traffic Safety Services Association ■ Asphalt Emulsion Manufacturers Association ■ Asphalt Recycling & Reclaiming Association ■ Associated Equipment Distributors ■ Association of Equipment Manufacturers ■ Concrete Reinforcing Steel Institute ■ International Slurry Surfacing Association ■ International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers ■ International Union of Operating Engineers ■ Laborers-Employers Cooperation and Education Trust ■ Laborers' International Union of North America ■ National Asphalt Pavement Association ■ National Association of Surety Bond Producers ■ National Electrical Contractors Association ■ National Ready Mixed Concrete Association ■ National Steel Bridge Alliance ■ National Stone, Sand and Gravel Association ■ National Utility Contractors Association ■ Portland Cement Association ■ Precast/Prestressed Concrete Institute ■ The Road Information Program ■ United Brotherhood of Carpenters and Joiners of America

For More Information:
202/289-4434 (ARTBA)
703/548-3116 (AGC)

March 26, 2019

The Honorable Mike Enzi
Chairman
U.S. Senate Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Enzi,

The 31 national trade associations and labor unions that make up the Transportation Construction Coalition (TCC) strongly commend the inclusion of a provision in your budget proposal that makes the Highway Trust Fund (HTF) solvent through increased user fee revenue. This fiscally responsible move would allow for the stabilization and growth of federal surface transportation investments without increasing the federal budget deficit.

The user-pays system has served the federal highway and transit programs well since the 1950's. However, the HTF has been augmented by \$140 billion in General Fund revenue for the past decade. The series of bailouts became necessary to continue spending on highway and transit programs at 2009 levels, with inflationary adjustments, after static gas and diesel tax rates for the last 25 years. The next surface transportation bill will require at least \$90 billion to pay for a six-year authorization law. The adjustment called for in the budget could permanently solve this crisis by raising existing or new user fees, dedicating them to the HTF and indexing rates to inflation.

The TCC also applauds the inclusion in the budget of a reserve fund for an infrastructure package. The nation's infrastructure needs are both acute and immediate. The budget recognizes the role the government has at the federal level, as a partner with state and local entities, and is the first step the Senate should take in moving forward with an infrastructure package this year. The TCC recommends that an infrastructure package should combine an HTF revenue solution with additional investments to put a dent in the backlog that exists across all categories of infrastructure.

Again, we thank you for your actions to help kickstart the debate on both an HTF revenue solution and an infrastructure package. The TCC stands ready to work with you and your colleagues to ensure both happen this year.

Sincerely,

The Transportation Construction Coalition

Cc: Senate Committee on the Budget Members

Ranking Member Womack Statement on Senate Budget Committee's Release of a Budget Resolution For FY2020

March 22, 2019

WASHINGTON, D.C. – House Budget Committee Ranking Member Steve Womack (R-AR) today issued the following statement after Senate Budget Committee Chairman Mike Enzi (R-WY) released the Committee's fiscal year 2020 budget resolution:

"I commend Chairman Enzi for introducing a realistic and achievable budget, and for his intention to advance this resolution in the coming weeks. As lawmakers sitting on the budget committees in the House and Senate, we all have a responsibility to lead federal spending decisions that fund the priorities of the American people while also addressing our nation's fiscal challenges."

###



The Daily Dish

A Friday Surprise

DOUGLAS HOLTZ-EAKIN | MARCH 25, 2019

Eakinomics: A Friday Surprise

Friday's surprise document release was not confined to the Mueller report. In addition, Senator Mike Enzi released his Chairman's Mark for the Fiscal Year 2020 Senate Budget Resolution. (For more details, see AAF's insight from Gordon Gray.) The surprise was not that the Budget Committee was pursuing a resolution; the surprise was that the budget was utterly realistic and not a mere messaging document. The typical messaging budget is built on a rosy economic scenario; the Chairman's Mark assumes the Congressional Budget Office (CBO) economic projections.

In recent years, it has been common for budget resolutions to pretend to come to balance over 10 years, regardless of the size of deficits the country is facing. The Chairman's Mark differs in two important ways. First, it covers only the next 5 years. That eliminates the artificiality of big deficit reduction in the second 5 years of a 10-year window. Second, it cuts total deficits by \$538 billion over those 5 years, but leaves a deficit of \$748 billion (2.9 percent of gross domestic product or GDP) in 2024. That's a much more realistic outlook.

It achieves this with a combination of \$179 billion in increased revenue and \$362 billion in mandatory spending reduction. One notable feature of the budget is its treatment of discretionary spending. At the end of fiscal year 2019 (on September 30), the deal reached in the Bipartisan Budget Act of 2018 expires and discretionary spending snaps back to the budget caps imposed by the Budget Control Act (BCA). The Chairman's Mark meets the BCA caps, but "creates the infrastructure to adjust these levels if an agreement on revised funding levels is reached to fully meet defense needs." In English, Congress can spend more on defense and non-defense discretionary spending and still comply with the budget resolution if it reduces mandatory spending to offset the increase.

The proposed resolution is a sensible, modest approach. It would be a pleasant surprise any day of the week.



Insight

Highlights of the Senate Budget Committee's Chairman's Mark

GORDON GRAY | MARCH 24, 2019

On March 22, the Senate Budget Committee (SBC) released the Chairman's Mark for the FY2020 Budget Resolution. It is remarkable in that, unlike many recent budget plans from Congress or the administration, it has a nodding acquaintance with reality. It does not assume rosy economic growth, but rather hews to the Congressional Budget Office's (CBO) economic forecast. It does not purport to balance in 10 years, a task that is increasingly a flight of fancy. Rather, it acknowledges the reality of prevailing fiscal policy and attempts to restrain growing deficits through a modest mix of reduced mandatory spending and higher revenues over the next 5 years. It is exactly the right place to begin a discussion of how to realistically improve the budgetary outlook in the near term.

Figure 1: Chairman's Mark Budgetary Levels

		2020	2021	2022	2023	2024
Revenue	\$ Billions	3,702	3,870	4,049	4,252	4,499
	% GDP	16.7	16.9	17.0	17.2	17.5
Discretionary Spending	\$ Billions	1,291	1,288	1,290	1,290	1,298
Mandatory Spending	\$ Billions	3,273	3,459	3,698	3,832	3,949
Total Spending	\$ Billions	4,565	4,747	4,988	5,122	5,247
	% GDP	20.6	20.7	21.0	20.8	20.5
Deficit	\$ Billions	863	877	939	870	748
	% GDP	3.9	3.8	3.9	3.5	2.9
Debt	\$ Billions	17,561	18,488	19,469	20,382	21,174
	% GDP	79.4	81.2	83.2	85.0	86.2

The Chairman's Mark assumes modest revenue increases and outlay reductions that would reduce the trajectory of projected deficits to below 3 percent of gross domestic product (GDP) by the end of the 5-year budget window and without reaching \$1 trillion as projected under current law.

Figure 2: Chairman's Mark Policies Compared to CBO Baseline[1]

\$ Billions	2020	2021	2022	2023	2024	2020-2024
Revenue						
CBO	3,686	3,841	4,012	4,208	4,448	20,195
SBC	+16	+29	+36	+44	+51	+179
Outlays						
CBO	4,589	4,814	5,140	5,347	5,539	25,430
SBC	+20	+3	-67	-129	-189	-362
Deficit						
CBO	903	974	1,128	1,139	1,091	5,235
SBC	4	-26	-104	-173	-239	-538

Revenues: By the end of the 5-year budget window, revenues will amount to 17.5 percent of GDP. This is slightly above the 17.4 percent historical average. This reflects modest increases in revenue amounting to \$179 billion over 5 years. While a budget resolution can't alter federal law, the revenue increase is assumed under the Chairman's Mark to be derived in part from improvements to the Highway Trust Fund's financing.

Spending: By the end of the budget window, the Chairman's Mark assumes overall federal spending declines to 20.5 percent of GDP, just above the historical average of 20.3 percent. This reflects net spending reductions of \$362 billion over the next 5 years. This spending reduction is net of \$213 billion in higher assumed discretionary spending, which is largely a function of irregular spending assumed in the CBO's baseline and future defense funding increases upon the expiration of the Budget Control Act's discretionary spending caps. The Chairman's Mark does not assume increases to Overseas Contingency Operations above the CBO baseline. The Chairman's Mark assumes \$551 billion in savings to mandatory spending over the next 5 years. To provide for these savings, the Chairman's Mark includes reconciliation instructions to five Senate committees to reduce the deficit over the next 5 years by at least \$94 billion. The Chairman's Mark further assumes \$14 billion in debt service savings.

Deficits: Under current law, budget deficits will grow substantially over the budget window, reaching over \$1 trillion in 2022. Through higher revenues, reduced growth in mandatory spending and savings on debt service, the Chairman's Mark assumes net deficit reduction through policy changes of \$538 billion.

Additional Features: The Chairman's Mark is a 5-year budget, departing from the prevailing practice of using 10-year budget windows. There are advantages and disadvantages to both approaches. Where a 10-year budget provides a longer planning horizon, the uncertainty and inaccuracy that necessarily attends to such long-term

forecasts diminishes the value of out-year projections. The Chairman's Mark contemplates a 2-year budget deal, providing for increases to both defense and non-defense discretionary spending levels, assuming those increases are offset over a 10-year period.

[1] Note that the CBO baseline assumes certain temporary spending provisions persist under current law, which artificially increases spending under the baseline. The Chairman's Mark assumes these spending levels decline, but does not "count" the decline in this assumed spending as a policy change.



BLOG

Senate Budget Resolution Aims to Shrink Deficit

by Demian Brady | March 26, 2019

Senate Budget Committee Chairman Mike Enzi (R-WY) released a budget resolution for Fiscal Year 2020. The blueprint presents a five-year plan to reduce the deficit by over \$538 billion over the next five years. This would cut the on-budget deficit from 3.2 percent in 2019 to 2.3 percent in 2024, well below the historical average of 3.5 percent.

Specifically, the plan would:

- Use the reconciliation process to instruct five committees to report legislation that would reduce the deficit by at least \$94 billion over five years.
- Adhere to the Budget Control Act caps while avoiding the Overseas Contingency Operation funding gimmick in the President's budget to boost the defense budget outside of the caps. The Enzi resolution provides that any agreement to yet again increase the caps must be fully offset.
- Eliminate use of the "changes in mandatory programs" gimmick whereby authorizations for mandatory spending that were unlikely to be spent are rescinded and used to "offset" appropriations.
- Require the Congressional Budget Office to continue to account for macroeconomic feedback in scores of major legislation.
- Establish a new point of order against legislation that "circumvents existing scorekeeping and federal estimating guidelines by dictating its own accounting." This would target a gimmick in provisions that employ directed scorekeeping to boost discretionary spending caps.

The resolution recognizes that mandatory spending is "out of control" and seeks to find sensible reductions. In a perfect world, taxes would be low and the budget would be balanced. The Chairman's summary of the resolution notes, "This budget does not presume to solve all of our shared fiscal challenges. Rather, it is intended to start a gradual process of addressing our unsustainable deficits and debt." Enzi's resolution is commendable for seeking to build momentum toward balance through sensible, achievable budget reforms.

Draft of Senate Budget Committee's resolution looks like a fiscally sensible alternative

BY RYAN ALEXANDER, OPINION CONTRIBUTOR — 03/26/19 02:15 PM EDT 4
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

The Senate Budget Committee released its draft of a Budget Resolution for fiscal year 2020 and it represents an important step toward fiscal responsibility.

My staff and I haven't read all the fine details – and no doubt we will have more to say when we do. But the topline numbers tell an important story.

The Budget Control Act of 2011 (BCA) set the defense spending topline at \$576 billion with non-defense capped at \$542 billion. This resolution maintains those caps. But unlike the President's Budget Request which stuffed nearly \$165 billion into the uncapped Overseas Contingency Operations (OCO) account to "comply" with the BCA, the Senate Budget Committee funded OCO \$67 billion to add to the Pentagon's topline. Would I like that to be lower? Yes. Would I like the indefensible gimmick that is OCO to go away completely? Sure. But this budget resolution is an important step in the right direction – and far better than the shameless dodge that the president used.

As a reminder for those of us who do not live and breathe budget jargon, and as I wrote in these pages last month, "back in the 1990s, the Clinton administration used a transfer fund for emerging OCO expenses that the Army faced during operations in the Balkans. These expenses were both overseas and contingencies the Army had not anticipated when drafting its annual budget request. The transfer fund swept up unobligated balances from various Pentagon accounts at the end of the fiscal year to cover those unexpected costs to the Army accounts."

But any fiscal controls on this account have long since been abandoned. From a high of roughly \$187 billion in FY08, when the country was in two shooting wars, OCO was on a fairly steady downward course until it reached a "low" of \$59 billion in FY16. Then, to avoid the BCA caps, the upward creep began again.

The Trump administration did own up to something Taxpayers for Common Sense (TCS) and other budget watchdogs have been saying for years: OCO is a giant slush fund. It's no longer reserved for actual contingency operations that occur overseas. Here is what the president's budget briefing lays out for us:

- \$25.4 billion in this year's request is for "Direct War Requirements" defined as "Combat or combat support costs that are not likely to continue once contingency operations end." Read: for actual contingencies that are overseas.
- \$41.3 billion is for "OCO for Enduring Requirements" described as "Enduring in-theater and CONUS costs that will remain after combat operations end." Enduring requirements are by definition, ongoing. Not contingent. CONUS, for the uninitiated, is the acronym for "CONTinental United States." And that means that it *cannot possibly be overseas.*
- \$97.9 billion is devoted to "OCO for Base requirements" which is defined as, "Base budget requirements financed in the OCO budget *to comply with the Budget Control Act (BCA) of 2011.*" (Emphasis added. Irony implied.)

And that last one is the big whopper of an abuse. Using OCO funds "for Base requirements" is not compliance with the BCA – it is straight up evasion. If the Trump administration was complying with the BCA, they would have proposed a Pentagon budget capped at \$576 billion for FY20.

If the Senate holds to \$67 billion in this draft Resolution, this roughly equals the first two categories of OCO listed in the President's Budget Request. It is also slightly lower than the FY19 OCO total of \$67.9 billion. Add that to the BCA defense spending cap of \$576 and you bring total defense spending to \$643 billion. Contrast that with the president's combined request of \$750 billion and the Senate Budget Committee draft looks like a fiscally sensible alternative.

We'll continue to comb through the details, but on Pentagon spending, I like what I see.

Ryan Alexander is president of Taxpayers for Common Sense.



Senate Budget Plan Includes Realistic Deficit Reduction

MAR 22, 2019 | [BUDGETS & PROJECTIONS](#)

For Immediate Release:

Senate Budget Committee Chairman Mike Enzi (R-WY) introduced today a Chairman's Mark of the Fiscal Year 2020 budget resolution to be considered and voted on by the full committee. The budget calls for \$538 billion in deficit reduction over five years.

The following is a statement from Maya MacGuineas, president of the Committee for a Responsible Federal Budget:

We applaud the committee for putting forth a budget that includes significant deficit reduction and a realistic fiscal goal of returning deficits to their historical average within five years. It is a roadmap for beginning to improve the fiscal situation, providing a framework to address discretionary spending caps and the insolvent Highway Trust Fund. Encouragingly, it calls for any deal to increase the spending caps to be fully offset. As a first step, this is what a serious budget looks like.

It is a positive step to see a plan that uses reasonable economic assumptions and rejects gimmicks like the significant abuse of the Overseas Contingency Operations (OCO) account in the President's budget. After the last use of reconciliation to pass a budget-busting tax bill, it is encouraging to see reconciliation return to being aimed at reducing deficits.

Under this plan, deficits stay under \$1 trillion, peaking in 2022 at \$939 billion and returning back to their historic average as a share of the economy by 2024. Under current policies, trillion-dollar deficits return as soon as next year.

Budget documents have become messaging documents in a broken budget process, and it is a good step to see Chairman Enzi propose a more realistic resolution that can contribute to negotiations. This resolution upholds many of the principles we called for in any responsible Congressional budget resolution.

Further, the fact that the policies in this budget include both spending reductions and revenue increases is a productive acknowledgment that everything should be on the table to put our unsustainable debt on a downward path.

The House Budget Committee should follow suit with its own budget that reduces deficits and proposes a responsible method to deal with discretionary spending caps, then the two parties will need to find common ground to pass a concurrent budget resolution as required by law.

###

For more information contact Patrick Newton, press secretary, at newton@crfb.org.

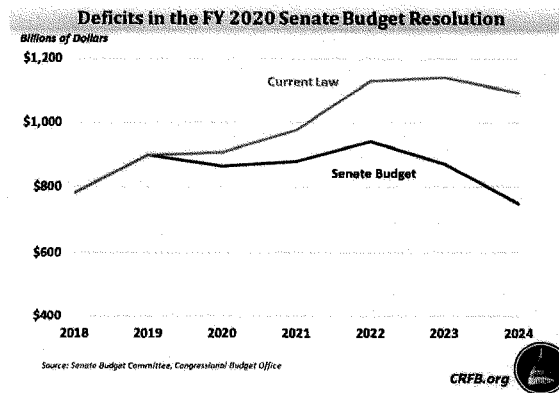


Senate Budget Committee Sets the Stage for Responsible Budget Deal

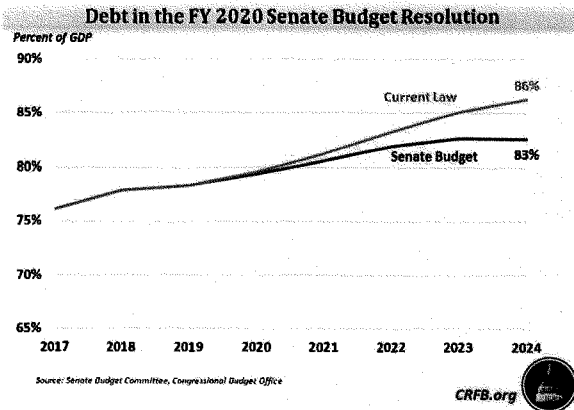
MAR 22, 2019 | BUDGETS & PROJECTIONS

Senate Budget Committee Chairman Mike Enzi (R-WY) has released his Chairman's Mark for the FY 2020 budget resolution, covering the next five fiscal years. The budget would reduce deficits by \$538 billion over five years, on net, and includes \$94 billion of reconciliation instructions. While the budget does not recommend specific discretionary spending levels for the next two years, it proposes a framework for a budget deal that increases spending caps and fully offsets the cost. Unlike the President's budget, it does not rely on a huge increase in war spending to backfill the defense budget.

As a result of the savings in the budget, deficits would peak at \$939 billion (3.9 percent of GDP) in 2022 then fall to \$748 billion (2.9 percent of GDP) by 2024, about their historic average as a share of the economy. By contrast, deficits under current law are projected to rise to \$1.1 trillion (4.3 percent of GDP) by 2024.



These deficits would still result in rising debt as a share of GDP. Debt would increase from 78 percent of GDP in 2018 to 83 percent by 2024, which is an improvement on the 86 percent projected in 2024 under current law.



The budget resolution covers five years, the minimum required under law, rather than the ten years covered by recent budget resolutions, and it would reduce deficits by \$538 billion – or about 0.5 percent of GDP – over five years.

Those savings are the net effect of a \$170 billion increase in defense spending and roughly \$100 billion in spending for the wars and disaster relief in 2022 through 2024 along with \$812 billion of gross deficit reduction. \$85 billion of that deficit reduction comes from a three-year freeze in non-defense discretionary spending after 2021. An additional \$77 billion would come from Medicare savings; \$281 billion from Medicaid, ACA, and other health savings; \$72 billion from education programs; and \$41 billion from the commerce function. Noteworthy for a GOP budget resolution, the proposal also calls for \$176 billion of new revenue, about half of which would come from Highway Trust Fund financing (such as the gas tax) with the remainder from increasing federal employee retirement contributions and other non-tax revenue.

Finally, the budget estimates \$24 billion of interest savings. The budget does not include a “fiscal dividend” or otherwise count on faster economic growth to achieve its fiscal objectives.

Savings in the FY 2020 Senate Budget Resolution

Budget Category	2020-2024 Savings/Cost (-)
Medicare	\$77 billion
Other Health Care	\$281 billion
Education	\$72 billion
Commerce	\$41 billion
Other Mandatory	\$80 billion
Discretionary and Highway	-\$213 billion
Revenue	\$176 billion
Interest	\$24 billion
Total Savings	\$538 billion

Source: Senate Budget Committee.

Importantly, the budget does not incorporate the potential cost of a two-year budget deal, though it does include a deficit-neutral reserve fund for legislation modifying the discretionary spending caps. It also includes Overseas Contingency Operations (OCO) spending at roughly current levels for the next two years before eliminating that spending entirely and incorporating it into base defense spending.

To encourage action on its \$727 billion of mandatory savings and revenue, the budget includes reconciliation instructions, which sets up legislation that could be considered on a fast-tracked basis without risk of a filibuster threat, asking five committees to achieve at least \$94 billion of savings over five years. The instructions include \$50 billion of savings for the Finance Committee; \$15 billion for the Homeland Security and Governmental Affairs Committee; \$10 billion each for the Banking and Health, Education, Labor, and Pensions (HELP) Committees; and \$9 billion for the Agriculture Committee.

Reconciliation Instructions in FY 2020 Senate Budget

Committee	Five-Year Minimum Savings
Finance Committee	\$50 billion
Homeland Security and Governmental Affairs Committee	\$15 billion
Banking Committee	\$10 billion
HELP Committee	\$10 billion
Agriculture Committee	\$9 billion
Total	\$94 billion

Source: Senate Budget Committee.

The Senate budget also includes a few improvements to the budget process. It would eliminate fake savings from changes in mandatory programs (CHIMPs) starting in 2020, establish a point of order against increased OCO spending, and establish a point of order against using different scorekeeping and accounting. These changes would help remove some of the gimmickry in the current budget process.

Though it may not put debt on a downward path, the FY 2020 Senate budget adopts a more achievable fiscal goal, bringing a much-needed dose of realism and fiscal responsibility to the budget process. It eschews gimmicks, including the most egregious use of rosy economic assumptions and the OCO account in the President's budget. Hopefully, this budget will be the start of a productive process to deal with the discretionary spending caps and begin to grapple with our unsustainable deficits.

300

