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Financial Services and General Government (FSGG) FY2016 Appropriations: Overview

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Summary

The Financial Services and General Government (FSGG) appropriations bill includes funding for the Department of the Treasury, the Executive Office of the President (EOP), the judiciary, the District of Columbia, and more than two dozen independent agencies. The House and Senate FSGG bills fund the same agencies, with one exception. The Commodities and Futures Trading Commission (CFTC) is funded through the Agriculture appropriations bill in the House and the FSGG bill in the Senate. This structure has existed since the 2007 reorganization of the House and Senate Committees on Appropriations.

On February 2, 2015, President Obama submitted his FY2016 budget request. The request included a total of \$46.8 billion for agencies funded through the FSGG appropriations bill, including \$322 million for the CFTC.

On July 9, 2015, the House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2016 (H.R. 2995, H.Rept. 114-194). Total FY2016 funding in the reported bill would be \$41.6 billion, with another \$245 million for the CFTC included in the Agriculture appropriations bill (H.R. 3049, H.Rept. 114-205), which was reported on July 14, 2015. The combined total of \$41.8 billion would be about \$4.9 billion below the President's FY2016 request.

On July 30, 2015, the Senate Committee on Appropriations reported the Financial Services and General Government Act, 2016 (S. 1910, S.Rept. 114-97). S. 1910 would appropriate \$42.1 billion for FY2016, about \$4.7 billion below the President's request.

No full FY2016 FSGG appropriations bill was enacted prior to the beginning of the new fiscal year. In response, a number of continuing resolutions (CR) for FY2016, were enacted. P.L. 114-53 continued funding through December 11, 2015; P.L. 114-96 continued funding through December 16, 2015; P.L. 114-100 continued funding through December 22, 2015. The CRs generally provided budget authority for ongoing projects and activities at the rate they were funded during FY2015.

The Consolidated Appropriations Act, 2016 (P.L. 114-113/H.R. 2029) was passed by the House and Senate and signed by the President on December 18, 2015. The FSGG appropriations bill was included as Division E, whereas the CFTC was funded with the Agriculture appropriations in Division A. The total provided for FSGG agencies for FY2016, including the CFTC, was \$44.8 billion, about \$2 billion below the President's request.

Although financial services are a major focus of the FSGG appropriations bills, these bills do not include many financial regulatory agencies, which are funded outside of the appropriations process. Both H.R. 2995 and S. 1910 included language that would have altered the appropriations status of the Consumer Financial Protection Bureau (CFPB), changing its primary funding source to the FSGG bill instead of unappropriated funds provided through the Federal Reserve. The Senate committee FSGG bill also included the text of S. 1484, a broad financial regulatory reform package that was previously reported by the Senate Banking Committee, but has not been considered by the full Senate. P.L. 114-113 did not change the funding structure of the CFPB, but did include some of the S. 1484 provisions in Division O.

Contents

Introduction	1
Administration and Congressional Action.....	1
Continuing Resolutions	2
Consolidated Appropriations Act, 2016	3
Financial Regulatory Agencies and FSGG Appropriations	4
Committee Structure and Scope	5
CRS FSGG Appropriations Experts	6

Tables

Table 1. Status of FY2016 Financial Services and General Government Appropriations	4
Table 2. Financial Services and General Government Appropriations, FY2015-FY2016	4
Table 3. Financial Services and General Provisions Government-Wide Appropriations Experts.....	6

Contacts

Author Contact Information	7
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Introduction

The Financial Services and General Government (FSGG) appropriations bill includes funding for the Department of the Treasury (Title I),¹ the Executive Office of the President (EOP, Title II), the judiciary (Title III),² the District of Columbia (Title IV),³ and more than two dozen independent agencies (Title V). The bill typically funds mandatory retirement accounts in Title VI, which also contains additional general provisions applying to the funding provided agencies funds through the FSGG bill. Title VII contains general provisions applying government-wide.

The House and Senate FSGG bills fund the same agencies, with one exception. The Commodities and Futures Trading Commission (CFTC) is funded through the Agriculture appropriations bill in the House and the FSGG bill in the Senate. This structure has existed in its current form since the 2007 reorganization of the House and Senate Committees on Appropriations. Although financial services are a major focus of the bills, FSGG appropriations bills do not include many financial regulatory agencies, which are instead funded outside of the appropriations process.

Administration and Congressional Action

On February 2, 2015, President Obama submitted his FY2016 budget request,⁴ which sought a total of \$46.8 billion for agencies funded through the FSGG appropriations bill, including \$322 million for the Commodity Futures Trading Commission (CFTC).⁵

On July 9, 2015, the House Committee on Appropriations (hereinafter “the House committee”) reported the Financial Services and General Government Appropriations Act, 2016 (H.R. 2995, H.Rept. 114-194).⁶ H.R. 2995 as reported would have provided \$41.6 billion for agencies funded through the House FSGG Appropriations Subcommittee bill. The House FY2016 Agriculture appropriations bill (H.R. 3049, H.Rept. 114-205) would have provided \$245 million for the CFTC.⁷ Total FY2016 funding in the two House bills would have been \$41.8 billion, about \$4.9 billion below the President’s FY2016 request.

¹ See CRS Report R44346, *Treasury Department Appropriations, FY2016*, by (name redacted)

² See CRS Report R44078, *Judiciary Appropriations FY2016*, by (name redacted)

³ See CRS Report R44030, *FY2016 Appropriations: District of Columbia*, by (name redacted)

⁴ Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 2016* (Washington, DC: GPO, 2015). In addition to the primary budget document, OMB also releases portions entitled *Analytical Perspectives*, *Historical Tables*, and *Appendix*. Citations to the primary budget document will take the form of “*Budget of the United States, FY2016*,” followed by the appropriate page number; citations to the other documents will take the form of, for example, “*Analytical Perspectives, Budget of the United States, FY2016*,” followed by page numbers. Current and past year’s budget documents can be found at <http://www.whitehouse.gov/omb/budget>.

⁵ The President’s budget does provide totals broken down by congressional appropriations bills. The \$46.8 billion total is as calculated by the Senate Committee on Appropriations. The Commodities Futures Trading Commission (CFTC) is funded in the House through the Agriculture appropriations bill and in the Senate through the Financial Services and General Government (FSGG) bill.

⁶ U.S. Congress, House Committee on Appropriations, *Financial Services And General Government Appropriations Bill, 2016*, report to accompany H.R. 2995, 114th Cong., 1st sess., H.Rept. 114-94 (Washington: GPO, 2015).

⁷ U.S. Congress, House Committee on Appropriations, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 3049, 114th Cong., 1st sess., H.Rept. 114-205 (Washington: GPO, 2015).

On July 30, 2015, the Senate Committee on Appropriations reported the Financial Services and General Government Act, 2016 (S. 1910, S.Rept. 114-97). S. 1910 would have appropriated \$42.1 billion for FY2016, about \$4.7 billion below the President's request.

Neither FSGG appropriations bill was considered on the floor prior to the end of FY2015.

Continuing Resolutions⁸

On September 30, 2015, H.R. 719, a continuing resolution (CR) for FY2016, was signed into law by the President (P.L. 114-53). The CR generally provided budget authority for ongoing projects and activities at the rate they were funded during FY2015. Most projects and activities funded in the P.L. 114-53 were subject to an across-the-board decrease of less than 1% (0.2108%). The FSGG section of the CR also included a small number of provisions that designate exceptions to the formula and purpose for which any referenced funding is extended (referred to as *anomalies*). The FSGG anomalies included in P.L. 114-53 were as follows:

- **Section 124—District of Columbia Local Funds.**⁹ This section provided the authority for the District of Columbia to expend local funds (from local tax revenues and other non-federal sources) for programs and activities funded in FY2015 at the rate set forth in the DC FY2016 Budget Request Act of 2015.¹⁰
- **Section 125—Recovery Board:**¹¹ Section 125 provided that no funds be included in the CR for the Recovery Accountability and Transparency Board, which was established by the American Recovery and Reinvestment Act¹² (ARRA) to provide oversight and transparency in the expenditure of ARRA funds. The board was funded through the Financial Services and General Government appropriations bill for the first time in FY2012. Before then, the board was funded by now-exhausted ARRA appropriations. The board received appropriations of \$20 million for FY2014 and \$18 million for FY2015 but was slated to sunset on September 30, 2015.
- **Section 126—Small Business Administration:**¹³ This provision authorizes the apportionment of appropriations that are provided by the CR up to the rate that is necessary to allow the Small Business Administration (SBA) to continue issuing general business loans under the 7(a) loan guaranty program if “increased demand for commitments” exceeds the program’s fiscal year authorization ceiling, which is currently \$23.5 billion. On July 23, 2015, for just the second time since the agency began operations in 1953, the SBA suspended the consideration of 7(a) loan guaranty program applications because the demand for 7(a) loans was projected to exceed the program’s then-\$18.75 billion FY2015 authorization ceiling. The SBA resumed issuing 7(a) loans on July 28, 2015,

⁸ See CRS Report R44214, *Overview of the FY2016 Continuing Resolution (H.R. 719)*, by (name redacted).

⁹ This section was authored by (name redacted), analyst Federalism and Economic Development Policy, fedacted@crs.loc.gov-....

¹⁰ For further information about the purposes and amounts that are the basis for this alternative formula, see CRS Report R44030, *FY2016 Appropriations: District of Columbia*, by (name redacted)

¹¹ This section authored by (name redacted), specialist in American National Government, fedacted@crs.loc.gov-....

¹² P.L. 111-5.

¹³ This section was authored by (name redacted), senior specialist in American National Government, fedacted@crs.loc.gov-.... and (name redacted), analyst in Public Finance, fedacted@crs.loc.gov-....

following enactment of the Veterans Entrepreneurship Act of 2015,¹⁴ which increased the 7(a) loan guaranty program's FY2015 authorization ceiling to \$23.5 billion. Previous CRs had increased the 7(a) loan program's authorization ceiling to a specified amount to reduce the likelihood that the demand for commitments would exceed the ceiling. For example, the Continuing Appropriations Resolution, 2015 (P.L. 113-164) increased the ceiling from \$17.5 billion to \$18.5 billion, and the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) increased the ceiling to \$18.75 billion. This appears to be the first time that a CR anomaly has not specified a ceiling amount.¹⁵

- **Section 127—Internet Tax Freedom Act:**¹⁶ Section 127 extended a moratorium preventing state and local governments from taxing Internet access or imposing multiple or discriminatory taxes on electronic commerce. The moratorium was originally enacted as the Internet Tax Freedom Act¹⁷ (ITFA) in 1998. The 113th Congress enacted multiple extensions of ITFA. The Internet tax moratorium and grandfather clause were set to expire on November 1, 2014, but the Continuing Appropriations Act, 2014 (P.L. 113-46) extended them through December 11, 2014. P.L. 113-235 then further extended these provisions through September 30, 2015.¹⁸ The Consolidated Appropriations Act, 2016 (P.L. 114-113), discussed further below, made the IFTA moratorium permanent.

To avoid a lapse in annual appropriations prior to the expiration of continuing appropriations, two more continuing resolutions were enacted. P.L. 114-96 continued funding through December 16, 2015, and P.L. 114-100 continued funding through December 22, 2015, under the same provisions established in the first CR.

Consolidated Appropriations Act, 2016

The Consolidated Appropriations Act, 2016 (P.L. 114-113/H.R. 2029) was passed by the House and Senate and signed by the President on December 18, 2015.¹⁹ The FSGG appropriations were included as Division E, whereas the CFTC was funded by the Agriculture appropriations in Division A. The total provided for FSGG agencies for FY2016, including the CFTC, was \$44.8 billion, about \$2 billion below the President's request. Division O of P.L. 114-113 also included some provisions relating to financial regulators that had appeared in the Senate FSGG bill.

Table 1 reflects the status of FSGG appropriations measures at key points in the appropriations process. **Table 2** lists FSGG agencies' enacted amounts for FY2015, the President's FY2016 request, the FY2016 amounts from H.R. 2995 as reported by the House Committee on

¹⁴ P.L. 114-38.

¹⁵ For additional information and analysis, see CRS Report R41146, *Small Business Administration 7(a) Loan Guaranty Program*, by (name redacted) .

¹⁶ This section was authored by (name redacted), analyst in Macroeconomic Policy, fedacted@crs.loc.gov7-.....

¹⁷ P.L. 105-277, Title IX.

¹⁸ For additional information and analysis, see CRS Report R43772, *The Internet Tax Freedom Act: In Brief*, by (name redacted) .

¹⁹ An "Explanatory Statement" for the bill was submitted by House Appropriations Chairman Hal Rogers and printed in the December 17, 2015, *Congressional Record*. It included summary tables and final committee recommendations. Any recommendations in the House and Senate Appropriations' Committee reports are to be considered in force unless specifically contradicted in the Explanatory Statement.

Appropriations, the FY2016 amounts from S. 1910 as reported by the Senate Committee on Appropriations, and the enacted amounts from P.L. 114-113.

Table I. Status of FY2016 Financial Services and General Government Appropriations

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Final Adoption		Public Law
House	Senate						House	Senate	
6/11/15	7/21/15	H.Rept. 114-194 7/9/15	None	S.Rept. 114-97 7/30/15	None	None	H.R. 2029 12/18/15	H.R. 2029 12/18/15	P.L. 114-113 12/18/15

Source: Prepared by the Congressional Research Service (CRS).

Table 2. Financial Services and General Government Appropriations, FY2015-FY2016

(in millions of nominal dollars)

Agency	FY2015 Enacted	FY2016 Request	FY2016 House Committee	FY2016 Senate Committee	FY2016 Enacted
Department of the Treasury	\$11,522	\$13,456	\$10,758	\$11,139	\$11,942
Executive Office of the President	689	630	676	677	692
The Judiciary	7,117	7,387	7,335	7,285	7,203
District of Columbia	680	760	678	689	730
Independent Agencies	2,204	3,597	1,431	13,51	3,304
Mandatory Retirement Accounts	20,980	20,961	20,961	20,961	20,961
Total	\$43,191	\$46,789	\$41,842	\$42,102	\$44,830

Sources: H.R. 2995, H.Rept. 114-194, S. 1910, S.Rept. 114-97, P.L. 114-113 and Explanatory Statement.

Notes: Totals for each column include funding for the Commodity Futures Trading Commission (CFTC). The CFTC is funded in the House through the Agriculture appropriations bill and in the Senate through the FSGG bill. Figures include rescissions and offsetting collections. The mandatory spending for the President's salary is contained in Title VI whereas the rest of presidential spending is in Title II. The mandatory retirement accounts include funding for judiciary retirement accounts. Totals may not sum due to rounding. Dollar amounts are not adjusted for inflation.

Financial Regulatory Agencies and FSGG Appropriations

Although financial services are a focus of the FSGG bill, the bill does not actually include funding for the regulation of much of the financial services industry. Financial services as an industry is often subdivided into banking, insurance, and securities.²⁰ Federal regulation of the

²⁰ For a more complete discussion regarding the funding of financial regulators see, CRS Report R43391, *Independence of Federal Financial Regulators*, by (name redacted), (name redacted), and (name redacted)

banking industry is divided among the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), the Office of Comptroller of the Currency (OCC), and the Bureau of Consumer Financial Protection (generally known as the Consumer Financial Protection Bureau, or CFPB). In addition, credit unions, which operate similarly to many banks, are regulated by the National Credit Union Administration (NCUA). None of these agencies receives its primary funding through the appropriations process, with only the FDIC inspector general and a small program operated by the NCUA currently funded in the FSGG bill.

Insurance generally is regulated at the state level with some oversight at the holding company level by the Federal Reserve. There is a relatively small Federal Insurance Office (FIO) inside of the Treasury, which is funded through the Departmental Offices account, but FIO has no regulatory authority.²¹

Federal securities regulation is divided between the SEC and the CFTC, both of which are funded through appropriations. The CFTC funding is a relatively straightforward appropriation from the general fund, whereas the SEC funding is provided by the FSGG bill, but then offset through fees collected by the SEC.

Although funding for many financial regulatory agencies may not be provided by the FSGG bill, legislative provisions that would affect some of these agencies have often been included. Both House and Senate bills would have changed the funding procedure for the CFPB, with future funding to be provided by congressional appropriations rather than the current situation in which primary CFPB funding is provided through unappropriated funds transferred from the Federal Reserve.²² The Senate bill also included the full text of S. 1484, a broad financial regulatory reform bill that was previously reported by the Senate Committee on Banking, Housing, and Urban Affairs. Many provisions of S. 1484 amend the Dodd-Frank Act²³ and some have proven controversial in the past.²⁴

P.L. 114-113 did not include the provisions relating to CFPB funding from the committee bills and included a relatively small number of the provisions relating to financial regulation from S. 1484/S. 1910.²⁵

Committee Structure and Scope

The House and Senate Committees on Appropriations reorganized their subcommittee structures in early 2007. Each chamber created a new Financial Services and General Government Subcommittee. In the House, the jurisdiction of the FSGG Subcommittee comprised primarily agencies that had been under the jurisdiction of the Subcommittee on Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent

²¹ For more information, see CRS Report R44046, *Insurance Regulation: Background, Overview, and Legislation in the 114th Congress*, by (name redacted)

²² The Dodd-Frank Act (P.L. 111-203), which created the CFPB, provided that additional funding could be requested by the CFPB and provided through the appropriations process, but this has not occurred.

²³ P.L. 111-203, see CRS Report R41350, *The Dodd-Frank Wall Street Reform and Consumer Protection Act: Background and Summary*, coordinated by (name redacted)

²⁴ For more information on S. 1484, see CRS Insight IN10278, *Financial Regulatory Improvement Act Included in Senate Appropriations Bill*, by (name redacted), (name redacted), and (name redacted)

²⁵ For more information on these provisions, see CRS Insight IN10417, *Selected Financial Services Provisions in the Consolidated Appropriations Act, 2016*, coordinated by (name redacted) .

Agencies, commonly referred to as “TTHUD.”²⁶ In addition, the House FSGG Subcommittee was assigned four independent agencies that had been under the jurisdiction of the Science, State, Justice, Commerce, and Related Agencies Subcommittee: the Federal Communications Commission (FCC), the Federal Trade Commission (FTC), the Securities and Exchange Commission (SEC), and the Small Business Administration (SBA).

In the Senate, the jurisdiction of the new FSGG Subcommittee was a combination of agencies from the jurisdiction of three previously existing subcommittees. The District of Columbia, which had its own subcommittee in the 109th Congress, was placed under the purview of the FSGG Subcommittee, as were four independent agencies that had been under the jurisdiction of the Commerce, Justice, Science, and Related Agencies Subcommittee: the FCC, FTC, SEC, and SBA. In addition, most of the agencies that had been under the jurisdiction of the TTHUD Subcommittee were assigned to the FSGG Subcommittee.²⁷ As a result of this reorganization, the House and Senate FSGG Subcommittees have nearly identical jurisdictions, except that the CFTC is under the jurisdiction of the FSGG Subcommittee in the Senate and the Agriculture Subcommittee in the House.

CRS FSGG Appropriations Experts

Table 3 below lists various departments and agencies funded through FSGG appropriations and the names and contact information for the CRS expert(s) on these departments and agencies.

Table 3. Financial Services and General Provisions Government-Wide Appropriations Experts

Area of Expertise	Name	Phone	Email
Coordinator	(name redacted)	7-....	/redacted/@crs.loc.gov
Department of the Treasury	(name redacted)	7-....	/redacted/@crs.loc.gov
Executive Office of the President	(name redacted)	7-....	/redacted/@crs.loc.gov
Judiciary	Matt Glassman	7-....	/redacted/@crs.loc.gov
District of Columbia	(name redacted)	7-....	/redacted/@crs.loc.gov
Commodities Futures Trading Commission	(name redacted)	7-....	/redacted/@crs.loc.gov
Consumer Product Safety Commission	(name redacted)	7-....	/redacted/@crs.loc.gov
Cuba	Mark Sullivan	7-....	/redacted/@crs.loc.gov
Federal Communications Commission	Patty Figliola	7-....	/redacted/@crs.loc.gov
Federal Deposit Insurance	(name redacted)	7-....	/redacted/@crs.loc.gov

²⁶ The agencies previously under the jurisdiction of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies (TTHUD) Subcommittee that did not become part of the FSGG Subcommittee were the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), the Architectural and Transportation Barriers Compliance Board, the Federal Maritime Commission, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, and the United States Interagency Council on Homelessness.

²⁷ The agencies that did not transfer from TTHUD to FSGG were DOT, HUD, the Architectural and Transportation Barriers Compliance Board, the Federal Maritime Commission, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, and the United States Interagency Council on Homelessness.

Area of Expertise	Name	Phone	Email
Corporation: OIG	(name redacted)	7-....	/redacted/@crs.loc.gov
Federal Election Commission	(name redacted)	7-....	/redacted/@crs.loc.gov
Federal Labor Relations Authority	David Bradley	7-....	/redacted/@crs.loc.gov
Federal Trade Commission	(name redacted)	7-....	/redacted/@crs.loc.gov
General Services Administration	(name redacted)	7-....	/redacted/@crs.loc.gov
Government-wide General Provisions	Barbara Schwemle	7-....	/redacted/@crs.loc.gov
Internal Revenue Service	(name redacted)	7-....	/redacted/@crs.loc.gov
Merit Systems Protection Board	Barbara Schwemle	7-....	/redacted/@crs.loc.gov
National Archives and Records Administration	(name redacted)	7-....	/redacted/@crs.loc.gov
National Credit Union Administration	Darryl Getter	7-....	/redacted/@crs.loc.gov
Office of Personnel Management	Barbara Schwemle	7-....	/redacted/@crs.loc.gov
Office of Special Counsel	Barbara Schwemle	7-....	/redacted/@crs.loc.gov
Securities and Exchange Commission	(name redacted)	7-....	/redacted/@crs.loc.gov
Small Business Administration	Robert Dilger	7-....	/redacted/@crs.loc.gov
U.S. Postal Service	Michelle Christensen	7-....	/redacted/@crs.loc.gov

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