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Financial Services and General Government (FSGG) FY2018 Appropriations: Overview

(name redacted)

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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 Commodity 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.

President Trump submitted his FY2018 budget request on May 23, 2017. The request included a total of \$45.2 billion for agencies funded through the FSGG appropriations bill, including \$250 million for the CFTC.

The House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2018 (H.R. 3280, H.Rept. 115-234) on July 17, 2017. Total FY2018 funding in the reported bill would be \$42.5 billion, with another \$248 million for the CFTC included in the Agriculture appropriations bill (H.R. 3268, H.Rept. 115-232). The combined total of \$42.7 billion would be about \$2.5 billion below the President's FY2018 request, with most of this difference in the funding for the General Services Administration (GSA).

The House Committee on Rules announced a September 5, 2017, meeting to consider a rule on H.R. 3354, which was reported from the Appropriations Committee as the Interior appropriations bill. Under the Rules Committee announcement, H.R. 3354 would be considered on the House floor including nearly all of the text of H.R. 3280 as Division D of H.R. 3354.

The Senate Committee on Appropriations has held FSGG subcommittee hearings, but has yet to release an FSGG bill for FY2018.

Although financial services are a major focus of the FSGG appropriations bills, these bills do not include funding for many financial regulatory agencies, which are funded outside of the appropriations process. The FSGG bills do, however, often contain additional legislative provisions relating to such agencies as is the case with H.R. 3280, which contains several provisions in Title IX and Title X that also appear in H.R. 10, a broad financial regulatory bill passed by the House on June 8, 2017.

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The Financial Services and General Government (FSGG) appropriations bill includes funding for the Department of the Treasury (Title I), the Executive Office of the President (EOP; Title II), the judiciary (Title III), the District of Columbia (Title IV), 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 through the FSGG bill. Title VII contains general provisions applying government-wide. The FSGG bills have often also contained provisions relating to U.S. policy toward Cuba.¹

The House and Senate FSGG bills fund the same agencies, with one exception. The Commodity 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

President Trump submitted his FY2018 budget request on May 23, 2017. The request included a total of \$45.2 billion for agencies funded through the FSGG appropriations bill, including \$250 million for the CFTC.²

On July 17, 2017, the House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2018 (H.R. 3280, H.Rept. 115-234).³ Total FY2018 funding in the reported bill would be \$42.5 billion, with another \$248 million for the CFTC included in the Agriculture appropriations bill (H.R. 3268, H.Rept. 115-232).⁴ The combined total of \$42.7 billion would be about \$2.5 billion below the President's FY2018 request, with most of this difference in the funding for the General Services Administration (GSA).

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Table 1 reflects the status of FSGG appropriations measures at key points in the appropriations process. **Table 2** lists the broad amounts requested by the President and included in the various FSGG bills, largely by title, and **Table 3** details the amounts for the independent agencies. Specific columns in **Table 2** and **Table 3** are FSGG agencies' enacted amounts for FY2017, the

¹ These provisions typically appear in Title I due to the Department of Treasury's role in sanctions enforcement. See CRS Report R44822, *Cuba: U.S. Policy in the 115th Congress*, by (name redacted) .

² The President's budget does not total the requested amounts according to the congressional appropriations structure. This total amount is as reported in H.Rept. 115-234 and H.Rept. 115-232.

³ U.S. Congress, House Committee on Appropriations, Subcommittee on Financial Services and General Government, *Financial Services and General Government Appropriations Bill, 2018*, report to accompany H.R. 3280, 115th Cong., 1st sess., July 17, 2017, H.Rept. 115-234 (Washington: GPO, 2017).

⁴ U.S. Congress, House Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018*, report to accompany H.R. 3268, 115th Cong., 1st sess., July 17, 2017, H.Rept. 115-232 (Washington: GPO, 2017).

President’s FY2018 request, and the FY2018 amounts as reported by the House Appropriations Committee.

Table I. Status of FY2018 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	
6/29/2017		7/17/2017	—	—	—	—	—	—	—

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

Table 2. Financial Services and General Government Appropriations, FY2017-FY2018

(in millions of dollars)

Agency	FY2017 Enacted	FY2018 Request	FY2018 House Committee	FY2018 Senate Committee	FY2018 Enacted
Department of the Treasury	\$11,595	\$11,223	\$11,551		
Executive Office of the President	709	689	692		
The Judiciary	7,359	7,670	7,535		
District of Columbia	756	704	696		
Independent Agencies	1,528	3,110	503		
Mandatory Retirement Accounts	21,376	21,800	21,800		
Total	43,325	45,193	42,723		

Sources: H.R. 3280, H.Rept. 115-234, H.R. 3268, and H.Rept. 115-232.

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 are net reflecting 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 amount stems from Title VI (\$619). Title VI also includes a \$2.6 million reduction in Small Business Administration unobligated balances in Section 620. Title IX’s legislative provisions result in a \$50 million savings. Totals may not sum due to rounding.

Table 3. FSGG Independent Agencies Appropriations, FY2017-FY2018
(in millions of dollars)

Agency	FY2017 Enacted	FY2018 Request	FY2018 House Committee	FY2018 Senate Committee	FY2018 Enacted
Administrative Conference of the United States	\$3	\$3	\$3		
Commodity Futures Trading Commission ^a	250	250	248		
Consumer Product Safety Commission	126	123	123		
Election Assistance Commission	10	9	7		
Federal Communications Commission ^b	(357)	(322)	(322)		
Federal Deposit Insurance Corporation: Office of Inspector General ^c	(36)	(39)	(39)		
Federal Election Commission	79	71	71		
Federal Labor Relations Authority	26	26	26		
Federal Trade Commission	173	164	164		
General Services Administration ^d	-1,095	509	-2,044		
Harry S Truman Scholarship Foundation	1	—	1		
Merit Systems Protection Board	47	47	47		
Morris K. Udall Foundation	5	5	—		
National Archives and Records Administration ^e	376	351	355		
National Credit Union Administration	2	—	2		
Office of Government Ethics	16	16	16		
Office of Personnel Management (discretionary)	289	310	291		
Office of Special Counsel	25	27	25		
Postal Regulatory Commission	16	14	15		
Privacy and Civil Liberties Oversight Board	10	8	8		
Public Building Reform Board	—	2	0035		
Securities and Exchange Commission ^b	(1,605)	(1,847)	(1,897)		
- SEC Reserve Fund Rescission	-25	-25	-75		
Selective Service System	23	23	23		
Small Business Administration	887	829	848		
- SBA Prior Year Rescission	-55				
United States Postal Service (USPS)	35	58	58		
USPS Office of Inspector General	254	235	235		

Agency	FY2017 Enacted	FY2018 Request	FY2018 House Committee	FY2018 Senate Committee	FY2018 Enacted
United States Tax Court	51	53	51		
Total: Independent Agencies (net discretionary)	1,528	3,110	503		

Sources: H.R. 3280, H.Rept. 115-234, H.R. 3268, and H.Rept. 115-232.

Notes: All figures are rounded. Columns may not sum due to rounding. Figures in parenthesis reflect offsetting collections and are not totaled.

- a. The CFTC is funded in the House through the Agriculture appropriations bill and in the Senate through the FSGG bill.
- b. The Federal Communications Commission (FCC) and the Securities and Exchange Commission (SEC) are funded by collecting regulatory fees, resulting in no direct appropriations. Therefore, the amounts shown for the FCC and SEC represent budgetary resources, but those amounts are not included in the table totals. The SEC reserve fund reduction is contained in the general provisions in Title VI rather than with the agency funding in Title V and is reflected in the totals.
- c. Budget authority transferred to the Federal Deposit Insurance Corporation's (FDIC's) Office of Inspector General (OIG) is not included in total FSGG appropriations; it is counted as part of the budget authority in the appropriation account from which it came.
- d. The General Services Administration's (GSA's) real property activities are funded through the Federal Buildings Fund (FBF), a multibillion-dollar revolving fund into which federal agencies deposit rental payments for leased GSA space. Congress makes the FBF revenue available each year to pay for GSA's real property activities. A negative total for the FBF occurs when the amount of funds made available for expenditure in a fiscal year is less than the amount of new revenue expected to be deposited.
- e. Amount as shown in the committee reports; figures do not include appropriations for repayments of principal on the construction of the Archives II facility. The amount reported in the President's budget request and the specific appropriations bills includes this principal repayment.

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.⁵ Federal regulation of the 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 the

⁵ For a more complete discussion regarding the funding of financial regulators see, CRS Report R43391, *Independence of Federal Financial Regulators: Structure, Funding, and Other Issues*, by (name redacted), (name redacted), and (name redacted)

Treasury, which is funded through the Departmental Offices account, but FIO has no regulatory authority.⁶

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 affecting financial regulation in general and some of these agencies specifically have often been included in FSGG bills. H.R. 3280 includes many provisions, particularly in Title IX and Title X, that would amend the 2010 Dodd-Frank Act⁷ and other statutes relating to the regulation of financial institutions and the authority and funding of financial regulators. Many of these provisions were included in other legislation, notably H.R. 10,⁸ which was passed by the House on June 8, 2017. Of particular interest from the appropriations perspective, H.R. 3280 would bring several financial regulators under the FSGG bill instead of receiving funding from outside of the appropriations process as is currently the case.⁹ Previous FSGG bills that addressed the Dodd-Frank Act and other financial regulatory changes proved controversial.

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 is composed primarily of 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 Agencies, commonly referred to as “TTHUD.”¹⁰ 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).

⁶ For more information, see CRS Report R44046, *Insurance Regulation: Background, Overview, and Legislation in the 114th Congress*, by (name redacted)

⁷ 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)

⁸ For more information on H.R. 10, see CRS Insight IN10695, *The Financial CHOICE Act (H.R. 10) and the Dodd-Frank Act*, by (name redacted) and CRS Report R44839, *The Financial CHOICE Act in the 115th Congress: Selected Policy Issues*, by (name redacted) et al.

⁹ These regulators include the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System. For more information on financial regulator funding, see CRS Report R43391, *Independence of Federal Financial Regulators: Structure, Funding, and Other Issues*, by (name redacted), (name redacted), and (name redacted)

¹⁰ The agencies previously under the jurisdiction of the House Appropriations Subcommittee on Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies (TTHUD) 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.

In the Senate, the jurisdiction of the new FSGG Subcommittee is a combination of agencies from the jurisdiction of three previously existing subcommittees. Most of the agencies that had been under the jurisdiction of the Transportation, Treasury, the Judiciary, and Housing and Urban Development, and Related Agencies Subcommittee were assigned to the FSGG subcommittee.¹¹ In addition, 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. 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 4 lists various departments and agencies funded through FSGG appropriations and the names and contact information of the CRS expert(s) on these departments and agencies.

Table 4. CRS 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
Commodity 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 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

¹¹ The agencies that did not transfer from the Senate Appropriations Subcommittee on Transportation, Treasury, the Judiciary, and Housing and Urban Development, and Related Agencies 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
Merit Systems Protection Board	Barbara Schwemle	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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