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Financial Services and General Government (FSGG) FY2017 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 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.

On February 9, 2016, then-President Obama submitted his FY2017 budget request. The request included a total of $46.5 billion for agencies funded through the FSGG appropriations bill, including $330 million for the CFTC.

On June 15, 2016, the House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2017 (H.R. 5485, H.Rept. 114-624). Total FY2017 funding in the reported bill would have been $43.5 billion, with another $250 million for the CFTC included in the Agriculture appropriations bill (H.R. 5054, H.Rept. 114-531), which was reported on April 26, 2016. The combined total of $43.8 billion would have been about $2.8 billion below the President's FY2017 request. After a number of amendments on the floor, the House of Representatives passed H.R. 5485 on July 7, 2016. Although funding was shifted among some FSGG agencies, the overall level remained unchanged.

On June 16, 2016, the Senate Committee on Appropriations reported the Financial Services and General Government Act, 2017 (S. 3067, S.Rept. 114-280). S. 3067 would have appropriated $44.4 billion for FY2017, about $2.2 billion below the President's request. S. 3067 was not considered on the Senate floor during the 114th Congress.

No FY2017 FSGG appropriations were enacted prior to the end of FY2016. On September 29, 2016, the President signed P.L. 114-223. Division C of this act provided for continuing appropriations through December 9, 2016, generally termed a *continuing resolution* (CR). P.L. 114-223 provided funding for most FSGG agencies at the FY2016 funding rate subject to an across-the-board decrease of 0.496% (pursuant to Section 101(b) of Division C). This was followed by a second CR, P.L. 114-254, which provided funding through April 28, 2017, and a third, P.L. 115-30, which provided funding through May 5, 2017.

The Consolidated Appropriations Act, 2017 (P.L. 115-31/H.R. 244) was enacted on May 5, 2017, following House passage on May 3 and Senate passage on May 4. FSGG appropriations, including the CFTC, were provided in Division E. FY2017 FSGG appropriations totaled $43.3 billion, approximately $3.2 billion below the President's request.

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.

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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), 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.[3]

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

On February 9, 2016, then-President Obama submitted his FY2017 budget request. The request included a total of $46.5 billion for agencies funded through the FSGG appropriations bill, including $330 million for the CFTC.[4]

On June 15, 2016, the House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2017 (H.R. 5485, H.Rept. 114-624).[5] Total FY2017 funding in the reported bill would have been $43.5 billion, with another $250 million for the CFTC included in the Agriculture appropriations bill (H.R. 5054, H.Rept. 114-531),[6] which was reported on April 26, 2016. The combined total of $43.8 billion would have been about $2.8 billion below the President's FY2017 request with most of this difference in the funding for the Department of the Treasury and the General Services Administration (GSA). After a number of amendments on the floor, the House of Representatives passed H.R. 5485 on July 7, 2016. Although funding was shifted among some FSGG agencies, the overall level remained unchanged.

On June 16, 2016, the Senate Committee on Appropriations reported the Financial Services and General Government Act, 2017 (S. 3067, S.Rept. 114-280).[7] S. 3067 would have appropriated

[1] See CRS Report R44649, *Treasury Department Appropriations, FY2017*, by Gary Guenther.

[2] See CRS Report R44526, *Judiciary Appropriations, FY2017*, by Matthew E. Glassman.

[3] These provisions typically appear in Title I due to the Department of Treasury's role in sanctions enforcement. See CRS Report R43926, *Cuba: Issues for the 114th Congress*, by Mark P. Sullivan.

[4] The President's budget does not total the requested amounts according to the congressional appropriations structure. This total amount is as reported in S.Rept. 114-280.

[5] U.S. Congress, House Committee on Appropriations, Subcommittee on Financial Services and General Government, *Financial Services and General Government Appropriations Bill, 2017*, report to accompany H.R. 5485, 114th Cong., 2nd sess., June 15, 2016, H.Rept. 114-624 (Washington: GPO, 2016).

[6] 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, 2017*, report to accompany H.R. 5054, 114th Cong., 2nd sess., April 26, 2016, H.Rept. 114-531 (Washington: GPO, 2016).

[7] U.S. Congress, House Committee on Appropriations, Subcommittee on Financial Services and General Government, *Financial Services and General Government Appropriations Bill, 2017*, report to accompany S. 3067, 114th Cong., 2nd sess., June 16, 2016, S.Rept. 114-280 (Washington: GPO, 2016).

$44.4 billion for FY2017, about $2.2 billion below the President's request. As with the House bill, most of this difference is due to the Treasury and GSA.

Continuing Resolution[8]

With the end of FY2016 approaching and no permanent FSGG appropriations bill enacted, Congress passed, and the President signed, H.R. 5325/P.L. 114-223. Division C of this act provided for continuing appropriations through December 9, 2016, generally termed a *continuing resolution* (CR). The CR provides funding for most FSGG agencies at the FY2016 funding rate subject to an across-the-board decrease of 0.496% (pursuant to Section 101(b) of Division C). It also provides appropriations in the Military Construction and Veterans Affairs Appropriations Act for all of FY2017 (Division A), as well as emergency funds to combat the Zika virus and provide relief for flood victims in Louisiana and other affected states (Division B). In addition to the funding for FSGG agencies as described, the CR contains a number of deviations from general formula. These "anomalies" focused on funding related to the presidential transition.

Two further CRs were enacted: P.L. 114-254 provided funding through April 28, 2017, and a third, P.L. 115-30 provided funding through May 5, 2017.

Consolidated Appropriations Act, 2017 (P.L. 115-31)

The House of Representatives passed H.R. 244 on May 3, 2017, followed by Senate passage on May 4 and enactment on May 5. FSGG appropriations, including the CFTC, were provided in Division E. FY2017 FSGG appropriations totaled $43.3 billion, approximately $3.2 billion below the President's request.

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 FY2016, the President's FY2017 request, the FY2017 amounts from H.Rept. 114-624 and H.Rept. 114-531, the FY2017 amounts from S.Rept. 114-280, and the enacted FY2017 amounts from the Explanatory Statement in the Congressional Record.[9]

Table 1. Status of FY2017 Financial Services and General Government Appropriations

Subcommittee Markup							Final Adoption		
House	Senate	House Report	House Passage	Senate Report	Senate Passage	Conference Report	House	Senate	Public Law
5/25/16	6/15/16	H.Rept. 114-624 6/15/16	7/7/16	S.Rept. 114-280 6/16/16	—	—	H.R. 244 5/3/17	H.R. 244 5/4/17	P.L. 115-31 5/5/17

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

[8] For more information on the CR, see CRS Report R44653, *Overview of Continuing Appropriations for FY2017 (H.R. 5325)*, coordinated by James V. Saturno.

[9] Representative Rodney Frelinghuysen, "Explanatory Statement Submitted by Mr. Frelinghuysen of New Jersey, Chairman of The House Committee on Appropriations, Regarding the House Amendment to the Senate Amendments on H.R. 244," *Congressional Record*, vol. 163, no. 76–book II (May 5, 2017), pp. H3782-H3806.

Table 2. Financial Services and General Government Appropriations, FY2016-FY2017

(in millions of nominal dollars)

Agency	FY2016 Enacted	FY2017 Request	FY2017 House Passed	FY2017 Senate Committee	FY2017 Enacted
Department of the Treasury	$11,942	$13,146	$11,699	$12,040	$11,595
Executive Office of the President	692	646	706	705	709
The Judiciary	7,203	7,424	7,387	7,418	7,359
District of Columbia	730	764	725	746	756
Independent Agencies	3,304	3,188	1,897	2,076	1,528
Mandatory Retirement Accounts	20,961	21,376	21,376	21,376	21,376
Total	**$44,832**	**$46,544**	**$43,790**	**$44,361**	**$43,325**

Sources: House amounts from H.R. 5485 as passed by the House, H.Rept. 114-624, and H.Rept. 114-531; Senate amounts from S.Rept. 114-280; FY2016 enacted, FY2017 request, and FY2017 enacted from the Explanatory Statement and P.L. 115-31.

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 amount stems from Title VI (Section 619). Title VI also includes authority for the Public Company Accounting Oversight Board to obligate $1 million in funding for a scholarship program in Section 620. Totals may not sum due to rounding. Dollar amounts are not adjusted for inflation.

Table 3. FSGG Independent Agencies Appropriations, FY2016-FY2017

(in millions of dollars)

Agency	FY2016 Enacted	FY2017 Request	FY2017 House Passed	FY2017 Senate Committee	FY2017 Enacted
Administrative Conference of the United States	$3	$3	$3	$3	$3
Commodity Futures Trading Commission[a]	250	330	250	250	250
Consumer Product Safety Commission	125	131	121	124	126
Election Assistance Commission	10	10	5	10	10
Federal Communications Commission[b]	(384)	(358)	(315)	(341)	(357)
Federal Deposit Insurance Corporation: Office of Inspector General[c]	(35)	(36)	(36)	(36)	(36)
Federal Election Commission	76	81	81	79	79
Federal Labor Relations Authority	26	27	27	26	26
Federal Trade Commission	169	202	178	167	173
General Services Administration[d]	642	362	-706	-548	-1,095

Agency	FY2016 Enacted	FY2017 Request	FY2017 House Passed	FY2017 Senate Committee	FY2017 Enacted
Harry S Truman Scholarship Foundation	1	—	—	1	1
Merit Systems Protection Board	47	47	47	47	47
Morris K. Udall Foundation	5	5	—	5	5
National Archives and Records Administration[e]	375	375	376	375	376
National Credit Union Administration	2	2	2	2	2
Office of Government Ethics	16	16	16	16	16
Office of Personnel Management (discretionary)	272	321	319	275	289
Office of Special Counsel	24	27	26	24	25
Postal Regulatory Commission	15	18	16	15	16
Privacy and Civil Liberties Oversight Board	21	10	10	10	10
Securities and Exchange Commission[b] - SEC Reserve Fund Recission	(1,605) -25	(1,781)	(1,555) -75	(1,605)	(1,605) -25
Selective Service System	23	23	23	23	23
Small Business Administration - SBA Prior Year Recission	871	878 -55	883 -55	871 -55	887 -55
United States Postal Service	304	322	299	301	288
United States Tax Court	51	54	51	54	51
Total: Independent Agencies (discretionary)	**$3,304**	**$3,188**	**$1,897**	**$2,076**	**$1,528**

Sources: House amounts from H.R. 5485 as passed by the House, H.Rept. 114-624, and H.Rept. 114-531; Senate amounts from S.Rept. 114-280; FY2016 enacted, FY2017 request, and FY2017 enacted from the Explanatory Statement and P.L. 115-31.

Notes: All figures are rounded. Columns may not sum due to rounding.

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. SEC reserve fund reduction is contained in the general provisions in Title VI rather than with the agency funding in Title V and is included 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 multi-billion 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.[10] 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 of the Treasury, which is funded through the Departmental Offices account, but FIO has no regulatory authority.[11]

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. H.R. 5485 would change 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.[12] The House bill also includes other provisions that would amend the Dodd-Frank Act,[13] such as changing the leadership of the CFPB to a five-person commission and changing the authority of the Financial Stability Oversight Council (FSOC). Previous FSGG bills have also included similar Dodd-Frank Act changes that have proven controversial in the past.

P.L. 115-31 did not include the CFPB nor the FSOC provisions from H.R. 5485.

[10] For a more complete discussion regarding the funding of financial regulators see, CRS Report R43391, *Independence of Federal Financial Regulators*, by Henry B. Hogue, Marc Labonte, and Baird Webel.

[11] For more information, see CRS Report R44046, *Insurance Regulation: Background, Overview, and Legislation in the 114th Congress*, by Baird Webel.

[12] 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.

[13] P.L. 111-203, see CRS Report R41350, *The Dodd-Frank Wall Street Reform and Consumer Protection Act: Background and Summary*, coordinated by Baird Webel.

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 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."[14] 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.[15] 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 the CRS expert(s) on these departments and agencies.

Table 4. Financial Services and General Provisions Government-Wide Appropriations Experts

Area of Expertise	Name
Coordinator	Baird Webel
Department of the Treasury	Gary Guenther
Executive Office of the President	Barbara L. Schwemle
Judiciary	Matt Glassman
District of Columbia	Eugene Boyd
Commodity Futures Trading Commission	Rena S. Miller

[14] 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.

[15] 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
Consumer Product Safety Commission	Gary Guenther
Cuba	Mark Sullivan
Federal Communications Commission	Patty Figliola
Federal Deposit Insurance Corporation: OIG	Raj Gnanarajah
Federal Election Commission	R. Sam Garrett
Federal Labor Relations Authority	David Bradley
Federal Trade Commission	Gary Guenther
General Services Administration	Garrett Hatch
Government-wide General Provisions	Barbara Schwemle
Internal Revenue Service	Gary Guenther
Merit Systems Protection Board	Barbara Schwemle
National Credit Union Administration	Darryl Getter
Office of Personnel Management	Barbara Schwemle
Office of Special Counsel	Barbara Schwemle
Securities and Exchange Commission	Gary Shorter
Small Business Administration	Robert Dilger
U.S. Postal Service	Michelle Christensen

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