

Congress of the United States

House of Representatives

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Opening Statement Vice Ranking Member Gerald E. Connolly Hearing on “Federalism Implications of Treating States as Stakeholders” February 27, 2018

Mr. Chairman, thank you for calling this hearing on the topic of federalism, and welcome to our guests – the governors of Idaho, New Mexico, and Utah.

We are conducting this hearing in collaboration with the Speaker’s Task Force on Intergovernmental Affairs, chaired by my friend Representative Rob Bishop of Utah. As a member of the Task Force, I have been glad to work with Mr. Bishop and our colleagues on the Task Force over the course of the past year on several hearings and events centered around the topic of improving coordination among the different levels of government.

One thing our Task Force has done well is promote an intergovernmental dialogue that incorporates all perspectives. While I would have preferred to include on today’s panel the local government perspective side-by-side and with equal billing as these state executives, I hope we can invite in the near future American mayors and local government officials to testify to the full Committee on this topic. This is a dialogue best had without segregating the different levels of government in a way that promotes the very divisions we seek to address.

In the spirit of promoting intergovernmental collaboration, I intend to introduce the Restore the Partnership Act to establish the National Commission on Intergovernmental Relations – a successor to the Advisory Commission on Intergovernmental Relations, which operated from 1959 until 1995. The Commission will promote mechanisms for fostering better relations among the levels of government, provide technical assistance to the federal executive and legislative branches in the review of proposed legislation, recommend the most desirable allocation of government functions, responsibilities, and revenues among the levels of government, and help coordinate and simplify tax laws and administrative policies to achieve a more orderly and less competitive fiscal relationship among the levels of government.

As a former local government official who served 14 years on the Fairfax County Board of Supervisors, including 5 years as Chairman of the Board, I have witnessed the good, the bad,

and the ugly of intergovernmental relations. In our community, we led local efforts to improve regional air quality, enabled by strengthened federal clean air regulations. We also dealt with the burden of unfunded mandates on localities like those imposed by the No Child Left Behind Act (P.L 107-110). And in Virginia, we adhere to the Dillon Rule, which means local governments in Virginia only have those powers granted expressly by the state. The Dillon Rule severely constrains the ways in which local governments can raise revenue to pay for public safety, public education, and mandates placed on localities by both the federal and state governments.

The revenue burden is why those of us from Dillon Rule states are particularly offended by the Trump Budget and the Administration's so-called infrastructure plan. Undergirding both is an assumption that if the federal government defunds an activity or shifts the funding burden down to state and local governments, that there are untapped and unlimited revenue reserves that will fill the vacuum left by the federal government. The Trump Infrastructure Plan for example would be paid for by stealing money from federal transit investments and the plan would flip the federal highway funding match on its head by requiring local governments to come up with 80 percent of project costs as opposed to the current 20 percent. A Penn Wharton Budget Model team found that the plan would likely lead to an additional \$30 billion in state, local, and private spending – 98 percent less than the \$1.3 trillion the Administration has claimed will be raised by the plan.

The president's budget would compound the infrastructure investment crisis by retreating on federal funding for Metro and the types of infrastructure loans (TIFIA loans) that helped us fund the Silver Line extension of Metro. The budget also sweeps the rug out from under local affordable housing initiatives by eliminating entirely the Community Development and Community Services block grants as well as the HOME Investment Partnerships Program. These housing cuts alone would cost my communities in Fairfax and Prince William counties nearly \$10 million in annual affordable housing investments. The proposed cuts also expose the conservative panacea of block granting as potentially a more expedient method of cutting federal investments in local communities.

I look forward to our discussion today, and hope it is not bound by rigid ideology. We should be mindful that not all unfunded mandates consist of the feds putting mandates on states. All 50 states guarantee their citizens the right to a public education, but it is often local governments that bear the majority of the financial burden for public education. Additionally, not all regulations or mandates are bad. There are federal regulations that ensure everyone's right to equality in education. This federal intervention was necessitated by state and local level intransigence. This equality was hard fought and we should never again open the door to the abuse and discrimination that preceded it. Finally, we cannot ignore that a lack of regulation can be a form of unfunded mandate. For example, pollution from a state that lacks strong

environmental protections can drift into a neighboring state creating air quality issues and health problems that impose costs on both the private and public sectors.

Through the work of this committee and the Task Force, we can create bipartisan support for unfunded mandate reform and find broad agreement that the federal government can and should improve its coordination and collaboration with state, local, and tribal governments. I hope the discussion today furthers our work towards these ends.

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