

Amendment 2667 to transfer some additional funds for Herbert C. Hoover Building Renovation to the Inspector General's Office

- **Despite Record Increases, Congress Cannot Prioritize Funds**
- **Building Renovation Includes Bike Racks and Historical Restoration**
- **The Department of Commerce is Suffering from Mismanagement**
- **Congress Must Prioritize Funds**

At a time when the national economy is hurting and the national debt is greater than \$11.8 trillion, the Senate has recommended increasing the given the Department of Commerce's (DOC) annual budget by a more than 50 percent increase in funding in this bill (\$4.775 billion increase), even though Congress already supplemented DOC funding with almost \$8 billion in "stimulus" funds.

In the Senate version of this appropriations bill the Senate has recommended a 350 percent increase (or \$17.5 million increase) for the renovation and modernization of the Herbert C. Hoover Department of Commerce building (HCHB). In contrast, the House version of this bill includes \$5 million - the same amount as last year.

While some of these renovations may be necessary, it is questionable that "historic restoration" and "new bicycle racks"¹ should be prioritized at this point in time given the tough economic circumstances Americans find themselves in.

By prioritizing some of the proposed increase in spending instead for oversight of DOC as it continues to receive record-breaking amounts of federal taxpayer dollars, Congress will be helping to ensure this mammoth spending increase is less prone to waste and mismanagement.

Despite Record Increases, Congress Cannot Prioritize Funds

¹ <http://www.osec.doc.gov/bmi/budget/10CJ/DM%20FY%202010%20Congressional.pdf>

The Department of Commerce is slated to receive an increase of 52 percent in funding in the Senate version of the bill, despite the fact that it also received a \$7.9 billion in additional “stimulus” funds – an appropriation equal to 85 percent of DOC’s entire FY09 appropriation.

Yet, even with these incredible increases that would result in DOC experiencing an almost 250 percent increase in total funding within a year, the Senate appropriations committee also recommends increasing funding to renovate its headquarters in Washington, D.C., the Herbert C. Hoover Building (HCHB) by 350 percent, or \$17.5 million (for a total of \$22.5 million).

The House, which approved a slightly smaller spending increase for the entire DOC, did not approve of this increase and instead included the same funding levels for this year as last year – \$5 million – because the increase didn’t fit within the Committee’s priorities and was substantially higher than the previous year.

Both the House and the Senate dedicate this renovation and modernization funding “For expenses necessary, including blast windows ... to remain available until expended.” The only difference is that the Senate appropriates 350 percent more, even though it also appropriates \$200 million more for DOC than the House.

On top of this giant increase in spending, within the stimulus, the General Services Administration’s (GSA) appropriated \$4.5 billion to convert GSA facilities into “High-Performance Green Buildings” and \$750 million for federal buildings and courthouses. From this amount, \$225.6 million has been allocated just for the renovation of the HCHB.²

While DOC claims that GSA would have to reevaluate its plan if less than the \$22.5 million is appropriated for renovating HCHB in this appropriations bill,³ GSA

² E-mail to the Office of Senator Coburn, October 6, 2009, Department of Commerce Congressional Liaison

³ If GSA has to revise its schedule, it may either hold the funds for one more year in hopes that DOC receives funding in FY 2011 or reallocate some or all of that funding to another project.

argues that an appropriation of \$17.5 million is adequate to ensure all GSA modernization funds for DOC are used.⁴

It is unclear why taxpayers should be asked to fund these improvements when Congress cannot even keep spending at a reasonable level within the bill while taxpayers are suffering through a tough economy.

This amendment would still allow for a 250 percent increase for HCHB renovation and modernization efforts, but prioritize the additional increase for DOC oversight in a budget neutral manner.

Building Renovation Includes Bike Racks and Historical Restoration

According to the firm that has been hired to carry out the renovation project of a building that was once considered the largest building in the world, this \$600 million project will:

“Replace all of the major building systems, create additional office space, and preserve significant historic spaces including the main lobby, auditorium, former aquarium, library, and the office of the Secretary of Commerce. The building will attain a Silver LEED rating and include the latest government initiatives in perimeter and building security, energy efficient building systems, and high performance workspace design.⁵

According to DOC, the \$22.5 million in this year’s appropriation bill are for a variety of improvements, including to:

“Target new efficient mechanical, electrical, and plumbing systems; new life safety systems; security improvements and historic restoration...

⁴ E-mail to the Office of Senator Coburn, October 13, 2009, Government and Services Administration Congressional Liaison; Funding is needed for DOC to vacate the construction zone before construction can start and return when it is completed. GSA funds the renovation design, construction and construction management. \$17.5 million would be enough to complete move-out, ancillary costs, and move back in to renovated space requirements. DOC could request the \$5M needed for security upgrades in the future.

⁵ http://www.gga.com/architecture/pub_govt/hover.html

“Funds are also required to purchase and install new bicycle racks to meet Leadership in Energy & Environmental Design (LEED) certification requirements.”⁶

In other words, while millions of Americans are out of a job and suffering financially, Congress is increasing funding for the modernization of an agency’s headquarters by 350 percent to purchase bike racks, and increase energy efficiency while also increasing total spending for the same agency by almost 250 percent in just one year.

The Department of Commerce is Suffering from Mismanagement

While, Congress has shown neither restraint nor the ability to prioritize spending in determining appropriation levels for DOC, the Senate Appropriations Committee, in the process of increasing spending for DOC by more than 80 percent, also noted of numerous instances of waste within DOC.

Just within the Senate report accompanying the CJS bill, the following statements are made:

- “The Committee is extremely concerned about the persistent pattern of cost overruns and schedule slippages on major projects and missions carried out by the agencies in this bill.”
- The Committee “remains apprehensive about the management of [the Census]. Two year ago, laptop computers were misplaced, raising concerns about the privacy and security of personal information. Last year, the handheld computer system could not be fully implemented due to a failed Government contract, forcing the Census Bureau to revert back to archaic paper-based systems.”
- “Reports have exposed a culture within many agencies that exhibits a lack of accountability and oversight of grant funding.”
- “The Committee is concerned that the Census Bureau has failed to implement [three] recommendation [by the IG to promote an accurate address list and contain costs].”

⁶ <http://www.osec.doc.gov/bmi/budget/10CJ/DM%20FY%202010%20Congressional.pdf>

- “NOAA’s satellite programs ... have undergone extensive independent reviews after experiencing cost overruns, delays and setbacks. Satellite acquisitions account for 25 percent of NOAA’s budget, with over \$1,200,000,000 requested in 2010.”
- The “National Polar-orbiting Operational Environmental Satellite System (NPOESS) [program] has struggled for years with cost overruns and schedule delays resulting in a high risk of gaps occurring to our Nation's weather and climate satellite coverage. A recent independent review team tasked with assessing all aspects of the program found many overarching flaws, ultimately determining that NPOESS is a program with a low probability of success... The Committee was told that it could not expect any management changes until after the 2010 budget is passed. Recognizing how critical this satellite program is to forecasting our Nation’s weather, the Committee’s recommendation fully funds the budget request for 2010...”⁷
- “The Committee remains concerned by the lack of progress toward reducing patent pendency and the overall patent backlog. As such the Committee has provided bill language to transfer funding to the Office of Inspector General for the express purpose of conducting continual audit engagements and oversight at the USPTO.”

Yet, despite these concerns and despite the fact that the Senate intends to increase total DOC appropriations by 52 percent in this bill, the account for the Inspector General is only increased by 4.4 percent (from \$25.8 million to \$27 million).

Congress also included only \$16 million in the stimulus to oversee the almost \$8 billion in additional spending (\$1 million for every \$500 million of spending), despite the fact that Congress ordered DOC to start from scratch a **\$4.7 billion** broadband program among other things.

⁷ http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:sr034.111.pdf

This amendment would shift some of the increase in appropriations for renovation of HCHB to DOC's Inspector General's office to help ensure that taxpayer funds are spent as intended and as effectively as possible.

Congress Must Prioritize Funds

Even though funding the HCHB modernization initiative may produce some positive results, Congress must make the tough choices and prioritize limited resources during a time when the national economy is struggling and taxpayer revenue has decreased.

This is especially true, given the fact that the Senate version of this bill represents more than a 50 percent increase in funding over last year, our national debt is spiraling out of control, and the GSA estimates that DOC will not lose **any** modernization funds with a slightly smaller appropriation.

With such large increases, prioritizing additional funds for the IG within DOC will help assure taxpayers that at least some of their taxes are being spent effectively and with oversight.

