

OFFICIAL TRANSCRIPT

ORIGINAL

COMMITTEE ON FINANCE

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**UNITED STATES SENATE**

EXECUTIVE SESSION

WASHINGTON, D. C.

January 27, 1982

ALDERSON  REPORTING

400 Virginia Ave., S.W. Washington, D. C. 20024

Telephone: (202) 554-2345

## 1 EXECUTIVE SESSION

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WEDNESDAY, JANUARY 27, 1982

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United States Senate,

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Committee on Finance,

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Washington, D. C.

8 The committee met, pursuant to call, at 9:40 a.m., in  
9 room 2221, Dirksen Senate Office Building, Hon. Robert J.  
10 Dole (chairman) presiding.

11 Present: Senators Dole and Long.

12 The Chairman: The committee will come to order.

13 I don't believe this is a very controversial meeting.  
14 There are a number of senators who have indicated they would  
15 be here. I, for one, should be at another committee meeting  
16 down the hall on voting rights.

17 Has Mike Stern been notified, and is he coming?

18 Mr. Lighthizer: He is coming.

19 The Chairman: I wonder, while we are waiting for  
20 Senator Long and perhaps others, if we could have a brief  
21 explanation of the committee budget for the record.

22 First of all, has each member received a copy of the  
23 budget?

24 Mr. Lighthizer: Yes, Mr. Chairman.

25 The Chairman: Along with a letter of some kind?

1 Mr. Lighthizer: Yes, Mr. Chairman, that is correct.  
2 The material prepared by the staff, which gives last year's  
3 budget, this year's budget, and the net change, as well as  
4 an agenda indicating that this is the only item to be  
5 considered at the mark up this morning.

6 The Chairman: The budget has been prepared in  
7 cooperation with the majority and minority staff?

8 Mr. Lighthizer: Yes, Mr. Chairman.

9 The Chairman: Are there any disputes on the budget  
10 itself?

11 Mr. Lighthizer: No, sir.

12 The Chairman: There is agreement that this is an  
13 appropriate request to make of the Rules Committee?

14 Senator Long: Mr. Chairman, I was a few moments late  
15 because I had been studying this proposed budget with the  
16 assistance of the minority staff. It seems to me that this  
17 is a reasonable budget, and meets our requirements. It does  
18 provide for contingency, and I understand you want language  
19 in there to say that we want that contingency to hire  
20 consultants if the need arises, and reduce our staff in  
21 order to do it. I think this is a good step.

22 The Chairman: That language will be included?

23 Mr. Lighthizer: Yes, Mr. Chairman. We will prepare a  
24 submission from you and Senator Long to the Rules Committee  
25 based on the committee's decision on this sheet of paper,

1 and we will include that.

2       The Chairman: I might ask that a copy of the budget  
3 resolution prepared by the staff be made a part of the  
4 record.

5       [Budget Resolution follows:]

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1982 FINANCE COMMITTEE BUDGET RESOLUTION

(Prepared by the Staff of the Committee on Finance)

The Finance Committee staff budget includes funds to pay the salaries of Committee staff as well as the costs of holding hearings and other routine Committee expenses. The staff recommends that the Committee request an increase of \$80,000 in this year's authorization, representing the annualization of last year's cost-of-living pay increase.

Finance Committee Annual Staff Budget  
(figures rounded)

	1981 operating budget	1982 con- tinuation budget	Increase over 1981
Staff salaries	\$1,702,100	\$1,802,800	+\$100,700
Allowance for cost-of-living increase	39,000	37,500	-1,500
Consultants	35,000	---	-35,000
Administrative expenses:			
Government contribution for employee health insurance, retirement, life insurance	182,800	195,900	+13,100
Hearings	70,000	70,000	---
Stationery, subscriptions, etc.	<u>34,300</u>	<u>37,000</u>	<u>+2,700</u>
Subtotal	<u>287,100</u>	<u>302,900</u>	<u>+15,800</u>
Total budget	\$2,063,200	\$2,143,200	+\$80,000

Explanation of changes:

- Staff continuation costs.--An additional \$100,700 represents the cost of continuing staff salaries in 1982.
- Consultant services (-\$35,000).--The 1981 budget included \$35,000 for consultant services; no consultant services were in fact used in 1981. Though it is assumed that no such services will be used in 1982, it is recommended that the Committee funding resolution include a provision allowing the Committee up to \$30,000 for consultant services within the total budget. Should the need arise for consultant services, the cost would have to be met within the same total budget.
- All other changes (+\$14,300).--The remaining increases are principally related to an increase in Government contribution for employee health insurance, retirement and life insurance benefits.

1           The Chairman: I think if you could briefly summarize  
2 the request. We are making a request for a very small  
3 amount of additional money.

4           Mr. Lighthizer: Yes, Mr. Chairman. This is  
5 essentially a continuation budget. It provides for about an  
6 \$80,000 increase over last year's budget, which is a little  
7 less than 4 percent, and basically it accounts for the cost  
8 of living expenses that were given to the members of the  
9 staff. There is about \$100,000 increase in salaries, and  
10 the consultants fees in the budget are reduced to zero to  
11 accommodate a good part of that salary staff increase. The  
12 net increase overall over last year is \$80,000, a little  
13 less than 4 percent of the total budget.

14          The Chairman: Mr. Stern, is that the way that you  
15 understand it?

16          Mr. Stern: Yes, sir. This budget was developed  
17 together by Mr. Lighthizer and myself.

18          The Chairman: When do we need to have this in the  
19 hands of the Rules Committee?

20          Mr. Lighthizer: We have to file it by the end of this  
21 month, which means in the next two days.

22          The Chairman: I don't believe that any other members  
23 will be here, if we are in agreement, could we poll the  
24 committee?

25          Senator Long: I would have no objection at all, Mr.

1 Chairman.

2       It was only a day or two ago when I first saw this  
3 proposal, but I find nothing in it that anyone would object  
4 to, to my knowledge. I would be pleased to go before the  
5 Rules Committee, if you wish me to go, or cooperate in any  
6 way you would like me to cooperate in regard to this budget,  
7 because I think it is a thoughtful document, it provides  
8 adequately for our needs, and I think we can live within  
9 it.

10       The Chairman: There is no doubt about it, we are going  
11 to have a rather large portion of the President's proposals,  
12 but I think it is a lean budget request. The very small  
13 increase, which was indicated by staff, is because of some  
14 of the professional staff and others on the staff who were  
15 given an increase, a small increase.

16       Senator Long: This is only to annualize, just to put  
17 on an annual basis the pay increases that occurred in the  
18 last year. This committee will have a very heavy workload.  
19 I think we can expect that because of the recommendations  
20 that will be before us.

21       Can our staff advise us of how this budget will compare  
22 with the other committee budgets. I assume that it will be  
23 one of the smallest of the major committees; is that correct  
24 or not.

25       Mr. Lighthizer: That is right, Senator Long. The

1 material we put together last year indicated, as I recall,  
2 that nine committees have a budget larger than ours, and  
3 five of those nine have a budget that is at least 50 percent  
4 larger than ours.

5       The Chairman: And none of those has the jurisdiction  
6 of this committee.

7       Mr. Lighthizer: That is correct, Mr. Chairman.

8       Three committees have a budget that is actually twice  
9 the size of the Finance Committee. Government Affairs,  
10 Judiciary, and Labor and Human Resources have committee  
11 budgets that are at least twice the size of ours.

12       Senator Long: The Judiciary has pretty big budget,  
13 doesn't it?

14       Mr. Lighthizer: Yes, sir.

15       The Chairman: It has been trimmed some, but it is  
16 still much larger.

17       Senator Long: How does the Budget Committee compare  
18 with us?

19       Mr. Lighthizer: Their budget is \$700,000 bigger than  
20 ours, so it is a third again as big.

21       Senator Long: I think the staff has done a good job,  
22 and I think we ought to congratulate them for the good work  
23 done by the staff.

24       Mr. Lighthizer and Mr. Stern, I think you have done a  
25 good job in preparing this budget, and I will be pleased to



1 support it.

2       The Chairman: I might say, for the record, there are  
3 staff here for almost every other member, so if there are  
4 any questions, they can take those questions up, and I will  
5 be happy to respond to any member's request.

6       Without objection, we will approve the recommendation  
7 and submit it to the Rules Committee.

8       Senator Long: If anyone wanted some additional funds  
9 for any activity that they wanted taken up, I would think  
10 that it would be their burden to be here and speak up, or  
11 forever hold their peace. I know of no request that has  
12 been made, but if I knew of it, I would be glad to consider  
13 it, and I think the same thing applies to you, Mr.

14 Chairman.

15       The Chairman: Right, and also if it is the other way,  
16 if they think the budget is too large, but I have no  
17 indication of that.

18       That is the only business to come before the  
19 committee?

20       Mr. Lighthizer: It is, Mr. Chairman.

21       The Chairman: The committee will stand adjourned.

22       [Whereupon, at 9:50 a.m. the committee adjourned,  
23 subject to call of the Chair.]

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