

February 24, 2016

Opening Statement of Senator James Lankford

**Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs
and Federal Management Hearing titled:**

**“The Unfunded Mandates Reform Act: Opportunities for Improvement to Support
State and Local Governments”**

Good Morning. We meet today to discuss the burden federal laws and regulations have on state and local governments, and how the Unfunded Mandates Reform Act of 1995 intended to relieve state and local governments of these burdens. We will also discuss how we can build upon UMRA’s successes so that we can best address the burdens we place on state and local governments.

The Unfunded Mandates Reform Act, or UMRA, was the result of bipartisan recognition that many decisions made by the federal government have significant costs, particularly to state and local governments.

UMRA has provided better quality information to Congress and agencies as we contemplate new requirements that will add cost burdens to local governments. But the benefits of UMRA on state and local governments have fallen short of their intended goals.

UMRA is complex and contains many exceptions, and as a result, federal actions that affect state and local governments do not benefit from the consultation and analyses otherwise required by UMRA.

The Government Accountability Office has found that issued regulations seldom trigger UMRA’s reporting and consultation requirements. There are many reasons for this. It could be because the rule was promulgated by an independent agency or the regulation was issued without a notice of proposed rulemaking or perhaps the requirements in the regulation were considered voluntary as a condition of federal aid, or the regulation did not meet the dollar threshold for UMRA.

Implementation of UMRA could be improved- various experts also told GAO that the process used to consult with state and local officials needed to be more consistent and that more could be done to involve state and local governments early in the rulemaking process.

I have heard these same sentiments from several officials in state and local governments. The very public servants that will later implement a regulation are not consulted early enough to

improve the regulation or are not given enough time to make the changes required to be in compliance.

The provisions of UMRA require us to ask hard questions about the balance between our federal government and those governments closer to the people- we cannot simply pass the burden to them in times of scarce resources without due consideration.

During my tenure in the House, we held three hearings on the effects of UMRA and potential improvements to the statute. I look forward to hearing more insights today.

It is time to revisit UMRA. HR 50, The Unfunded Mandates Improvement and Transparency Act (UMITA) proposed by Representative Virginia Foxx, and its Senate companion S. 189, introduced by Senator Fischer, was conceived to strengthen the original 1995 UMRA legislation. Representative Foxx, who is here today- I want to acknowledge your leadership on this issue and your tenacity on behalf of state and local governments and I have been honored to work with you over the years on this important issue.

UMITA improves upon UMRA by reflecting much of what we have learned since UMRA's passage. It updates the legislation to reflect current CBO practices, addresses current exceptions to UMRA analysis and consultation, allows for analysis of mandates to states and locals as conditions of grant aid, and codifies OMB directives to agencies on how to consult with state and local governments in an effort to enhance consistency of these efforts.

H.R. 50 passed the House in February 2015. UMITA is supported by all the major stakeholders representing state and local governments. I am optimistic about its prospects here in the Senate- this is a good governance bill on behalf of state and local governments that should have bipartisan backing.

I look forward to hearing from our panel today about the real costs of federal decisions on state and local governments, how UMRA has worked, and actions Congress could take to ensure more thoughtful decisions about the balance between federal and local governments.

With that, I recognize Senator Heitkamp for her opening remarks.