

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-01 page# 1

dest=hill.senaprop,dmj,sjd,budgus.defic,crime  
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ATTY GEN. RENO: Mr. Chairman, it's a privilege to be here. I'm  
pleased to have this opportunity to appear before you today to testify  
on Senate Joint Resolution 41, the balanced budget amendment. My  
remarks this morning will be devoted to explaining why this amendment,  
which I oppose, could severely undermine the ability of this nation to  
fulfill its core function of fighting crime, especially from the  
vantage point of the Department of Justice.

As everyone here is no doubt aware, the administration is deeply  
committed to fighting crime and to making our streets and schools safe  
once again. President Clinton has made a promise to the American  
people to use all the resources of his administration possible to  
reduce the rate of crime now plaguing our communities. As the  
president himself said last month in his State of the Union address,  
violent crime and the fear it provokes are crippling our society,  
limiting --

SEN. BYRD: Attorney General Reno, you -- pardon my interruption.  
You may need to move the microphone just a bit closer to you.

ATTY GEN. RENO: How's that, sir?

SEN. BYRD: Let's try it.

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-01 page# 2

ATTY GEN. RENO: Okay.

SEN. BYRD: Thank you.

ATTY GEN. RENO: -- limiting personal freedom and fraying the  
ties that bind us. Our charge is clearly to rid our society of this  
scourge while healing the wounds that divide us.

Members of this committee have made a significant contribution in  
the fight against crime by voting for passage of a comprehensive crime  
bill. I salute you and your colleagues in the Senate for your support  
and your dedicated efforts towards making this legislation a reality.

As attorney general, my important responsibility to the American  
people is to ensure that the laws are strictly enforced and that all  
the means at my disposal are utilized to their fullest extent in the  
fight against crime. My testimony today will focus on why the  
balanced budget amendment by forcing cutbacks in the very programs at  
the center of our anti-crime crusade could severely undermine the  
department's ability to banish violence from our homes and our streets  
and our schools.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET REMO ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-02 page# 1

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At the outset, let me state very clearly the basic assumptions I have made in addressing the effects of the balanced budget amendment on the Department of Justice. For purposes of my analysis this morning, I have assumed that any spending cuts required by the balanced budget amendment would be prorated across all government programs. No single Cabinet department or agency would be asked to cut any more or any less than any other; all would be affected equally.

Applying this basic assumption in 1999, the earliest year the amendment could go into effect, the total budget deficit is projected to be \$201 billion. Because Department of Justice outlays are approximately 1 percent of total federal outlays, we have estimated -- again, assuming that the department will be asked to make the same percentage of spending reductions as everyone else -- that the department would be cut by \$2 billion in outlays, or 1 percent of \$201 billion. This equates to about \$1.8 billion in budget authority by 1999, or approximately 20 percent of our discretionary budget authority.

Let me be blunt, if the balanced budget amendment took effect today and we were asked to cut almost \$2 billion from discretionary spending, the effects would be immediate and they would be dire. We would feel those cuts in the very areas we are now trying to strengthen in order to win back our streets, schools and homes against escalating crime and violence. Here's what would happen if the amendment took effect today.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET REND, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-02 page# 1

dest=hill,senapprop,doj,sjd,budgus,defic,crime,police,immig  
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We wouldn't be able to put 100,000 police officers on the streets. We wouldn't be able to build new prisons or open those institutions currently under construction. We would not be able to house the significant number of new prisoners anticipated in the next five years. Put simply, the balanced budget amendment would put at risk the Justice Department's ability to provide truth in sentencing and to make sure that the sentences of our courts mean what they say and that people are not prematurely released from prison.

We wouldn't be able to seal key entry points along our borders from illegal immigration and develop mechanism for effective deportation of those illegally in our country. We would not have the automation and technology to make the Immigration and Naturalization Service an efficient, well-run organization that can protect our borders.

Prison overcrowding would soar to a startling 77 percent by 1999, forcing courts to mandate the release of violent offenders back onto the street. Living conditions would worsen, increasing the dangers posed to staff, inmates, and the community at large.

We simply would not have the resources to fund these initiatives. Too much energy and hard work has been devoted to the passage of the Crime Bill by the United States Senate, and to see it rendered moot by enactment of the balanced budget amendment would not be fair to the American people. They are tired of empty rhetoric and tired of escalating crime. They are looking to us to provide direct and immediate action to make our communities safe once again.

By passing the balanced budget amendment, we would not be able to make good on the promises set forth in the Crime Bill. We would be saying to the American people in the same breath that while we're serious about fighting crime, we won't be able to fund the essential programs necessary to win this battle. We cannot and we should not send such conflicting messages to the American people. Yet by passing the balanced budget amendment, we would be gutting the heart and soul of the Senate-passed Crime Bill.

The 20 percent reduction required by the amendment would affect the crime control fund, like all other discretionary spending programs. For example, one of the most important initiatives I have already alluded to included in the crime bill is the provision to hire 100,000 new police officers. America's neighborhoods desperately need these new cops. More cops on the street in community policing programs can make a difference. We have seen programs throughout the country where

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET REND, ATTORNEY GENERAL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-03 page# 2

community police working with neighborhoods, schools, parks and recreation are doing so much to focus on the key problems in the neighborhood and take effective action against them while at the same time developing balanced programs for prevention, which mean less crime. The balanced budget amendment will severely undercut our ability to put these police in the community where they belong.

Just as important to our crime-fighting plan is the decision to build boot camps. I think youth violence is probably one of the greatest single crime problems we face in America today. There are too many young people who think they can get away with something and thumb their nose at police officers, but yesterday I was in New York City looking at the results of a boot camp that works, that puts our youngsters through strict drill procedures, keeps them working for six months, and then brings them back to the community in job development programs that have given so many of them a fresh start. I met graduates from that program who had been out for two years and are constructive people in society.

If we -- the passage of a balanced budget amendment as effective today would eliminate our opportunity to support state initiatives and boot camp provisions throughout the country. These camps can give youths who have committed their first crime and who are at risk of drug and gang involvement the discipline, education and training they need to grab another chance for an honest life. The balanced budget amendment would slash funds intended for these camps, depriving many young offenders of a chance at a new start in life.

Similarly, drug treatment and coerced abstinence programs for criminal offenders, including residential substance abuse treatment for prisoners, cornerstones of both the Crime Bill and the president's national drug control strategy, would not be possible under a balanced budget amendment, nor could the bill's plan to help support drug courts, drug testing and certainty of punishment for young offenders be implemented under a balanced budget amendment.

This analysis is a best-case scenario. It could even be worse. My discussion and figures assume that we will incur no further increases such as pay raises or inflation which are beyond the scope of our control. These types of mandatory increases would force us to cut even deeper, meaning the effect on the department and our ability to fight crime could be even worse than I've described.

Tomorrow Assistant Attorney General Walter Dellinger will testify before this committee on the potential impact of the balanced budget amendment on the structure of the Constitution, and I don't want to duplicate what he will say. I do hope, however, that everyone will listen carefully to his testimony because it will highlight another important aspect of this debate, one that warrants serious

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET REND, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-03 page# 3

consideration when you debate the merits of this amendment.

Mr. Chairman, I hope my testimony has made this committee more aware of just how dangerous the balanced budget amendment could be for the department in its efforts to reduce violent crime and drugs on America's streets and schools. No one wants to see the deficit reduced more than this administration. As the president and the Senate showed last summer, the deficit can be reduced only if we are willing to make the hard and necessary choices to control federal spending.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET REND, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-04 page# 1

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The balanced budget amendment is not the simple cure that its proponents suggest. It will not reduce spending, nor will it keep Congress from passing budgets with deficit each day put their lives on the line to protect their fellow countrymen and women from the dangers of their communities. We owe it to them and to all of us who are afraid to walk our streets at night or to attend schools during the daytime to provide them with the resources they need to stamp out this epidemic of crime and to restore our neighborhoods' security and to give our youngsters a chance at a positive, safe, constructive future.

The balanced budget amendment will impede us in this effort at the very time that it is needed most. Let us not make this mistake.

Thank you very much for the opportunity to meet with you this morning, and I would be happy to answer any questions, sir.

SEN. BYRD: Thank you. The Department of Justice is the government's principal litigator in the enforcement of our federal laws and efforts to collect taxes, money owed to the U.S. Treasury. What impact would a balanced budget amendment have on the department's ability to prosecute criminal cases? Would potential delays in the government's ability to prosecute criminal cases result in cases being thrown out of court? And while pretending to save money, would a balanced budget amendment have the impact of costing the federal government, through the loss of revenues realized by the department's inability to collect the debts owed to the U.S. Treasury?

ATTY GEN. RENO: One of the principal concerns I've had since taking office, Mr. Chairman, is the fact that debts go uncollected. We are trying to initiate, through efforts and initiatives undertaken by Congress, new, affirmative collection efforts that can increase our collections, increase the contributions that this effort makes to the Treasury of the United States and have a real impact. If we can't increase that effort, if we are cut back again, we will be hampered sorely in this effort.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT. BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO. ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-05 page# 1

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date

SEN BYRD: One of the fastest growing discretionary spending programs within the Department of Justice is the federal prison systems operating account. For fiscal year 1995 alone, an increase of \$457 million has been requested to support the expanding federal prison population and to activate newly constructed facilities ready to come on line. With the federal prison population expected to increase by some 33 percent by 1999, and our existing federal prison capacity already stretched, would the federal government find itself having to release offenders, as some states have had to do?

ATTY GEN. RENO: Mr. Chairman, as I previously mentioned, this is exactly what we would have to do. I come from a state that has been doing that because it has had gridlock in our prison system because the legislature did not authorize monies to match the sentences that were necessary and that our courts were imposing.

If we are not able to open prisons currently under construction, if we do not have the operating expenses to hire the personnel -- it's estimated by the year 2000 we will need 10,000 additional personnel to properly control the prison population that is estimated to come into federal prisons -- we will, I fear, see the release of serious offenders who do not belong on our streets, and the federal government will be contributing to what I think is one of the great concerns of the American people -- the fact that in too many instances we do not have truth in sentencing in America. I think the most important part of the criminal justice system is to make sure that when a court says this is what the punishment is going to be, we mean it.



SEN. BYRD: And on the other side, the department's ability to prosecute criminal cases would be greatly impeded, would it not?

ATTY GEN. RENO: Yes, sir.

SEN. BYRD: And cases would be thrown out of court.

ATTY GEN. RENO: I try, when I travel to different districts, to visit with the United States attorneys' offices. Yesterday in Brooklyn I went to the Eastern District of New York. I ask one question when I go to these offices to begin the discussion: If you were attorney general of the United States, what would you do to improve the operation of this office? And consistently -- and yesterday specifically -- they said we need more staff in the civil and criminal division. We will not be able to provide that.

SEN. BYRD: You have stated that the balanced budget amendment would force the Federal Bureau of Investigation to eliminate nearly

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1993  
AY-15-05 page# 2

4,400 positions, 1,900 of which would be agents, the Drug Enforcement Administration would lose some 1,100 positions, of which 500 would be agents.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-06 page# 1

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With reductions in agent staffing of this magnitude, would the department be forced to close FBI and DEA field offices throughout the country? And if so, what size offices would be most impacted?

ATTY GEN. RENO: It is hard at this point to estimate, but if the budget -- if the cut took place today, if we had to absorb this --

One of the things that we've tried to do is be as fiscally responsible as possible. I am so proud of the efforts undertaken by Director Freeh in making sure that we move agents, skilled, trained agents from the desk to the streets, get them out of Washington and onto the streets of America. But even with that, faced with the expenses that we anticipate, faced with the problems associated with health care fraud, faced with this violent crime initiative that we are trying to undertake in partnership with communities throughout the nation, we would be sorely hampered in this effort.

The configuration of the offices, which offices would close, you would have to make that judgment on a case by case basis.

SEN BYRD: But the department would be forced to close FBI and DEA field offices throughout the country?

ATTY GEN RENO: It would, again, depend. It would not be all of them, because there might -- what I'm trying to do is develop a flexible operation so that we can respond to need. But clearly, most of the small and mid-sized offices would have to be closed.

SEN. BYRD: Would you then foresee an increase in violent criminal and illegal drug activity in these virtually unmanned areas?

ATTY GEN. RENO: Well, again, Mr. Chairman, as I have said both with respect to DEA and FBI staffing and the fact that we could not provide what I think is one of the most essential initiatives involved in this whole anti-crime effort, the hundred thousand community police to the streets of America where the crime is happening and the violence is happening, we wouldn't be able to do that.

The Congress this past summer passed the \$150 million supplemental appropriations bill. You gave me the responsibility for getting that money out to the streets of America. I have been amazed at the response from police agencies, desperately wanting this money, showing me the need, showing me the program, showing me what they have been able to do to date with limited dollars in terms of violent crime reduction through community policing. If I don't have the FBI agents to match these community policing initiatives, if we can't provide

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-06 page# 2

this hundred thousand community policing -- hundred thousand cops to the streets of America, I think it's going to be a long, long time before we get violence under control.

SEN. BYRD: Last fall upon enactment of the FY1994 Commerce, Justice, and State, the Judiciary and related agencies appropriations bill, the first significant increase in resource to fight illegal immigration into this country was provided the Immigration and Naturalization Service.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET REND, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-07 page# 1

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Included in this initiative was a \$45 million enhancement to bring 600 additional border patrol agents to the line to beef up enforcement of our southwestern land border.

In your testimony, you state that a balanced budget estimate would force the department to cut 2,400 INS employees. Would this reduction in staff include the recently enacted border control initiative which will bring 600 additional border patrol agents to the southwest border?

ATTY GEN. REND: As I mentioned in my testimony, if we are not able to pursue this, if we cannot use these monies, these new monies that we have just focused on 1995 and the effect on 1994, we would not be able to proceed with the initiatives that are so vital for sealing our borders, and as importantly, Mr. Chairman, for giving the current border patrol agents the tools to do the job. I go to the border and I see them without radios in their cars so that the cars can't be activated. We can make that Immigration and Naturalization an efficient, effective operation. There are many dedicated people there. If given the tools to do the job, if given the additional staffing, we can have an impact on our borders. If we -- if the balanced budget amendment were passed today, we could not do that.

SEN. BYRD: What states would bear the greater part of the brunt?

ATTY GEN. RENO: California, Arizona, New Mexico, Texas, Florida, and we have also -- are underway in trying to develop a criminal alien tracking system that can keep track of aliens so that they can be easily identified in partnership with local government and so that the federal government can take effective action against them in assuring their prompt, proper deportation if they are in this country illegally. Illinois and New York have both come to us expressing real concern about the burdens the criminal aliens who are in this country illegally have placed on the entire infrastructure of those states.

SEN. BYRD: What impact would a reduction of the magnitude that you've addressed have on the Immigration and Naturalization Service's ability to enforce our immigration laws and keep our country safe from future terrorist attacks like the one that occurred last year at the World Trade Center?

ATTY GEN. RENO: I think that despite the fact that there are so many dedicated people in that service that for too long it has served as a stepchild. With our distinguished commissioner, Doris Meissner, I've tried to make the case for the additional staff, the additional technology, the automation, the tracking capability necessary to make

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-07 page# 2

the Immigration and Naturalization Service and the border patrol a full partner in our efforts to protect our borders and to protect against terrorism in America.

SEN. BYRD: What impact would the amendment have on the FBI's analysis capabilities, particularly with regard to assisting in state and local investigations?

ATTY GEN. RENO: This has sorely troubled me because every time we have talked about budget cuts, this is one of the first areas that people talk about cutting. As a local prosecutor, I depended on the FBI for very detailed and expert analysis in a significant number of cases in the 15 years that I served as prosecutor in Dade County. I watched remarkable officers have the advantage of the national FBI academy experience at Quantico. So much of this would be limited, as would the entire Justice Department's capability through it's Office of Justice programs to provide support, assistance and innovative initiatives to local and state government in the criminal justice area.

MORE

HEARING OF THE SENATE APPROPRIATIONS COMMITTEE SUBJECT: BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT CHAIRED BY: SEN ROBERT BYRD (D-WV) WITNESS:  
JANET RENO, ATTORNEY GENL OF THE UNITED STATES TUESDAY, FEBRUARY 15, 1994  
AY-15-08-E page# 1

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data

SEN. BYRD: Attorney General Reno, you have indicated the  
necessity for a departure at 10:45 a.m.. We're already four minutes  
past that. I thank you on behalf of the committee.

And let me also express appreciation on behalf of my colleague,  
Senator Hatfield, the ranking member of this committee, the former  
chairman of this committee, who is just as opposed to a balanced  
budget amendment to the Constitution as I am opposed to it. He asked  
me to so state during the hearings and to state his steadfast,  
steadfast opposition and his gratitude for those witnesses who have  
appeared and will have appeared.

And thank you very, very much.

ATTY GEN. RENO: Thank you, Mr. Chairman for your leadership.  
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