

# Congress of the United States

## Washington, DC 20510

May 15, 2025

The Honorable Tom Cole  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable David Joyce  
Chairman  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Steny Hoyer  
Ranking Member  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

Chairman Cole, Ranking Member DeLauro, Chairman Joyce, and Ranking Member Hoyer:

Congress has an opportunity to exercise its constitutional powers under Article I to determine and appropriate the funding and continued operations of agencies and instrumentalities of the Federal government. Congress has an opportunity to reassert its constitutional powers and stop the Executive Branch's unilateral attempt to defund or dismantle agencies that are not only shortsighted—but legally dubious and fundamentally misaligned with the needs of American business owners. Congress has a duty to reaffirm the rule of law and reject any effort by the Executive Branch to roll back duly established and appropriated Federal programs or agencies.

It is with this conviction that we write to you regarding the funding of the Securities and Exchange Commission (SEC). The SEC is our cop on the Wall Street beat, and is tasked with the important mission to (1) protect investors; (2) maintain fair, orderly, and efficient capital markets; and (3) facilitate capital formation. As you consider the fiscal year (FY) 2026 Financial Services and General Government (FSGG) Appropriations bill, we urge you to fully fund the SEC with at least \$2.594 billion for its fiscal year (FY) 2026 budget.

In fulfilling this mission, the SEC oversees our \$110 trillion capital markets, as well as more than 29,000 market participants that employ over one million people in the U.S. These market participants include 15,000 investment advisers, 750 investment companies, 3,500 broker-dealers, 24 national securities exchanges, 95 alternative trading systems, 9 credit rating agencies, 7 clearing agencies, and self-regulatory organizations like the Public Company Accounting Oversight Board (PCAOB), the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), the Securities Investor Protection Corporation, and the Financial Accounting Standards Board. The SEC also reviews disclosures and financial statements of approximately 5,250 exchange-listed public companies with an aggregate market capitalization of \$51 trillion. Without sufficient funds, the SEC cannot fulfill its important mission or oversee these crucial activities and entities.

Adequate funding and staffing are essential for the SEC to manage the growing complexity and volatility in U.S. markets, especially considering the previous Administration's reductions in SEC personnel. It is crucial that the SEC receives the necessary resources to address long-neglected investor protection challenges in our capital markets. This includes funding to hire new personnel to replace the over hundreds of employees who have retired in the past few months. The SEC also needs to hire technologists and economists, professionals with expertise in areas of financial risks related to climate change, artificial intelligence, crypto currency, and cybersecurity. Additional funding is also needed to replenish SEC's Student Loan Repayment program. Additional funding is also necessary to expand the SEC's Office of Investor Advocate so that all investors, including retail investors, have a voice at the SEC, as well as to expand the Office of Minority and Women Inclusion (OMWI) so that it may play a greater role in the SEC's policymaking process to ensure that underserved populations are sufficiently represented both within the agency and the financial services industry at large.

Among several important priorities, \$2.594 billion will bolster the SEC's important rulemaking agenda. SEC needs funding to also ensure shareholders' ability to engage with the companies they invest in, including safeguarding shareholders' fundamental right to submit and resubmit proposals, and protecting the independence of proxy voting advice. Full-funding is also necessary to provide enhanced transparency in the private funds space; reform deficiencies in equities market structure highlighted by this Committee following the GameStop trading event. It is also important that the SEC invest in its own technology and regulatory infrastructure, including completion of the Electronic Data Gathering, Analysis, and Retrieval Modernization project and ensuring the Consolidated Audit Trail is fully operational. For these reasons, Democrats support the full allocation to the Reserve Fund created in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) and is specifically designed to support multi-year investments in I.T. projects.

While the SEC has broad authorities to regulate the offer and sale of securities and to regulate intermediaries, including trading platforms within the digital assets industry, the agency continues to face stiff resistance by crypto industry participants to register and become compliant with the securities laws and rules that have protected investors for decades. The SEC's requested funding level will bolster its ability to protect investors in digital assets, and allow it to craft additional rules to protect crypto investors and support crypto and Web3 capital formation.

The \$25 trillion private funds industry, encompassing hedge funds, private equity, and venture funds, now surpasses the U.S. commercial banking sector, valued at \$23 trillion. The fund managers' capital allocation decisions significantly affect investor returns, consumer welfare, and broader societal and environmental impacts. Sufficient SEC funding is also necessary to provide a window into private fund activities within industries, companies, and countries that pose strategic challenges to our national and economic security. Additionally, a robust budget would allow the SEC to focus on the proliferation of the issuance of unregistered—or exempt—securities, which lack sufficient protections for investors to better understand the risks associated with these securities.

Finally, we note that these funds appropriated to the Commission will not be borne by the taxpayer as all SEC funds are offset entirely by transaction and other fees on capital market participants.

For the reasons highlighted above, and our conviction that Congress must reaffirm and reassert its constitutional responsibilities of funding Federal government programs, agencies that we urge the Appropriations Subcommittee on Financial Services and General Government to

protect America's investors, ensure market integrity, and hold bad actors accountable, by fully funding the SEC. Thank you in advance for your consideration of this request.

Sincerely,



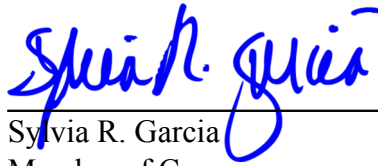
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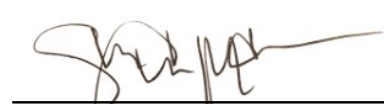
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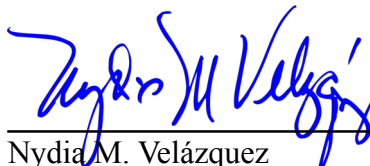
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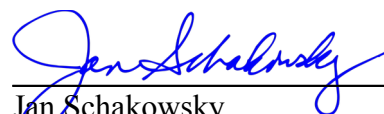
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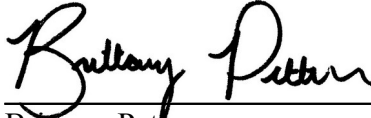
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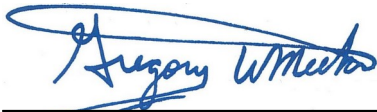
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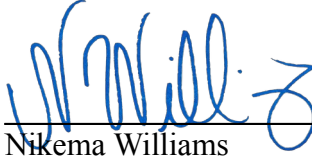
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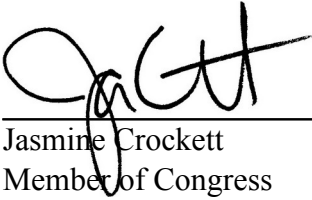
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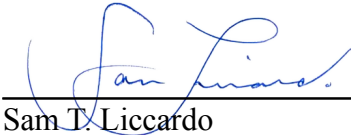
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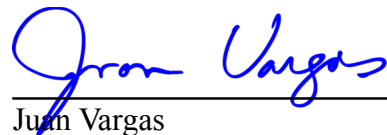
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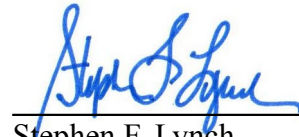
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