



United States Senate

Committee on Homeland Security and Governmental Affairs

Chairman Joseph I. Lieberman, ID-Conn.

Opening Statement of Chairman Joseph Lieberman
Nomination of Heather Higginbottom to be Deputy Director, Office of Management and Budget
Homeland Security and Governmental Affairs Committee
March 8, 2011

As Prepared for Delivery

The hearing will come to order. Good afternoon. It's a pleasure to welcome Heather Higginbottom today to this hearing on her nomination to be Deputy Director of the Office of Management and Budget (OMB), a really important position in our government.

If confirmed, Ms. Higginbottom, you will have one of the nation's most challenging jobs, always challenging, but particularly at this moment in our government's history and in our nation's economic history. You will be called upon to work closely with a politically divided Congress at a time when there are very few easy decisions to make, or decisions that are not politically risky. You've got to help us bring the federal budget under control and in a way that hopefully doesn't impede the national economic recovery. Given the size of the current debt and our existing spending commitments, the recurring threats of a government shutdown, the expiration next week of the third Continuing Resolution for Fiscal Year 2011, and an impending showdown over the debt ceiling – that's an extremely tall order. But it's one that we've all got to work together to meet.

Our economic challenges today are as difficult as they have been at any point in the last half century or so. We've seen positive job indicators recently, and an unemployment rate that's finally inched below 9 percent but the uncertainty of the political situation in North Africa and the Middle East and its affect on the price of oil and gasoline threatens not just the economic gains we're beginning to make, but the return of critically necessary public confidence and optimism.

Late last year, the President's National Commission on Fiscal Responsibility and Reform issued a series of tough recommendations to move us toward long-term solvency. The Commission recommended that we initiate many of its proposals in FY2012. I want to talk to you about the extent to which the President's FY2012 budget does that and what else we can do in Congress to meet that standard.

I'd also like to raise two other issues that concern me and which I raised with Director Lew during his nomination hearing. They are about the system by which the federal government purchases goods and services from the private sector and the management, government-wide, of information technology.

Oversight of federal acquisition is a critical OMB responsibility, especially given the amount of the budget it consumes. More than half a *trillion* dollars were spent on federal contracts in FY2010, and some of it was wasted through mismanagement and, in some cases, fraud.

Federal contracting programs continue to account for a large portion of GAO's "High Risk" list of mismanaged and inefficient programs. And GAO's recent report on duplication in federal programs found that major cost savings could be achieved if agencies did a better job of buying goods and services collectively, rather than negotiating contracts individually.

I am encouraged by OMB's work to reverse a number of problematic trends, such as an over-reliance on non-competitive contracts, poor contract planning, and weak oversight of contractor performance. Therefore, I would like to hear your ideas, Ms. Higginbottom, on how OMB can keep the momentum going for reform in this area.

Management of information technology (IT) is another major responsibility of OMB, and one in which this Committee has a deep interest. Given the Administration's \$80 billion request for IT in the FY 2012 budget, you will be called upon, if confirmed, to help oversee that investment and the Administration's ambitious IT management reform plan. I'd like to know how you think OMB can help agencies better use technology to fulfill their missions more effectively and efficiently, increase transparency, and encourage citizen participation.

Thank you for your years of public service in the Legislative and Executive Branches of our government, and for responding to this latest call to serve our country. Senator Collins?