

Statement of Frederick M. Nutt

Nominee for Controller, Office of Management and Budget

**United States Senate
Committee on Homeland Security and Governmental Affairs**

May 23, 2018

Good afternoon Chairman Lankford, Ranking Member Peters, Members of the Committee, it is an honor to appear before you today as the Administration's nominee for Controller in the Office of Management and Budget.

I would like to thank the President for nominating me to this position and I'd like to thank Director Mulvaney and Deputy Director for Management Weichert in supporting my nomination.

I would also like to thank my father, Tom Nutt, who is sitting behind me, for being a great father.

I come from a family with a long commitment to public service. My grandfather served in the Iowa House of Representatives, my grandmother was a school teacher and principal, my father served 30 years in the United States Navy and I have nearly 22 years of federal service as a civil servant. After my father's Navy career, my family began farming just 50 miles west of Washington, DC. It was there that I learned how farming was a way of life and a business; a small business subject to factors outside of the farmer's control such as weather, pestilence, and economic decline. I also learned about the importance of being responsible, reliable and consistent.

Years later, my family decided to try our hand at oyster farming in Reedville, Virginia. The Chesapeake Bay's oyster population had been depleted due to overharvesting and other ecological problems. We built a business that produced nearly 600,000 oysters per year, which in addition to providing a food source, filter the Bay's water and reduce the undesirable and excessive algae bloom.

These experiences in farming and oyster aquaculture introduced me to the role that government plays in the everyday lives of the American people. While farming, we interacted with the USDA's Farm Service Agency and the Natural Resources Conservation Service and with oyster farming, we interacted with the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, and the state marine resources commission. These experiences gave me an appreciation for the role government plays in our daily lives and how dependent we are for timely and effective interaction with government agencies.

After college, I started my first professional job working as a cost analyst for a defense contractor. Several years later, I worked in the House of Representatives tracking appropriations riders which were important to the Speaker. For the last 15 years, I have worked in management at Federal agencies: the U.S. Environmental Protection Agency; the Millennium Challenge Corporation; and the Overseas Private Investment Corporation. At these agencies I led efforts to track appropriations, modernize, replace and consolidate financial systems, and modernize business systems to improve agency management and achieve savings. My experience leading management professionals in the Federal community taught me that many agencies face the same management issues regardless of size.

At a time when the American people are accessing information instantaneously and ordering food and transportation services over their smart phones, the Federal government needs to modernize and transform the way it operates to be more effective at delivering the mission, to be more customer service oriented to the citizens, and to be good stewards of public assets.

In working to develop solutions for management problems, I've learned how to work with stakeholders with a variety of competing interests and I've learned that improving management in an agency is more than buying new systems. It's about changing the minds of your peers and getting them to adopt bold new ideas. Without the support of internal stakeholders, failure is often a likely outcome.

My experience has given me the knowledge, insight, and desire to lead efforts to address systemic problems including transforming financial management across government. My temperament and ability to convene people with a variety of interests, allows me to lead agency stakeholders to support new solutions. My practical experience has given me a holistic understanding of Federal financial systems and how they interact with other systems. I understand the life-cycle of a Federal dollar from appropriation to disbursement.

My strong interest in improving Federal financial systems across government allows me to work across the "silos" within agencies in the areas of information technology, procurement, and performance management to bring efficiency and transparency to government.

My appreciation for the role government plays in our daily lives; - the need for more efficient and effective government services; - improved transparency, and my experience in working in financial management, - has prepared me to address the issues facing financial management today.

Thank you again Chairman Lankford, Ranking Member Peters, and Members of the Committee for your time and for the opportunity to appear before you today.

I would be glad to take any questions you have.