

STATEMENT OF SHAUN DONOVAN

**Nominee to Serve As
Director of the Office of Management and Budget**

**UNITED STATES SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS**

June 11, 2014

Thank you Chairman Carper, Doctor Coburn, and Members of the Committee for welcoming me today. It is a privilege to be considered by this Committee as the President's nominee to be Director of the Office of Management and Budget.

I want to begin by thanking Senator Landrieu and Senator Collins for their kind words. I've had the pleasure of working with these distinguished public servants on a number of issues over the years. Senator Landrieu and I have collaborated to improve the way our Nation responds and rebuilds after natural disasters strike. Senator Collins and I have worked together to make HUD operate better and help Veterans experiencing homelessness find housing. They have been great partners and I am deeply grateful for their leadership and friendship.

I would also like to thank my wife, Liza, and my two sons, Milo and Lucas. In public service, the biggest burdens and sacrifices often fall on our families. So I deeply appreciate their continued support as I seek to take on this new challenge.

I am also grateful to President Obama for nominating me. I continue to be honored and humbled by the confidence he has shown in me.

Finally, I want to thank the Members of the Committee and their staffs for meeting with me over the last few weeks and for sharing your insights. If I am confirmed, I very much look forward to continuing our conversations.

I recognize that Secretary Burwell set a high bar for OMB Directors going forward - both with her strong leadership and her efforts to maintain solid relationships with Congress. If confirmed, I would look forward to picking up where Secretary Burwell left off by engaging with you and your colleagues to achieve common goals, to meet deadlines, and to work with Congress to restore regular order.

During my time as the Secretary of the Department of Housing and Urban Development, I worked tirelessly to ensure that the Federal Government is doing its part to help the American people secure access to safe and affordable housing. Homes are the center of every person's life. They play a key role in shaping safe neighborhoods, good schools, solid businesses, and ultimately a strong economy.

For the past five-and-a-half years, HUD has been creative in helping families obtain this key part of the American Dream and, during these tough fiscal times, have done so in a fiscally

responsible fashion. Working with colleagues across the Administration, we have helped millions of families fight off foreclosure, reduced the number of veterans experiencing homelessness by 24 percent in three years, revitalized distressed neighborhoods, and helped communities hit by natural disaster rebuild stronger than before. Through all this work, I have seen first-hand how critical the Federal budget process is and how it makes an impact on the people we serve. The Federal budget is not just numbers on a page. It is a reflection of our values and it is important to our future.

I believe the President's Budget shows a responsible path forward for the Nation. It creates jobs and lays a foundation for growth by investing in infrastructure, research, and manufacturing. It expands opportunity by ensuring health care is affordable and reliable, expanding access to housing, investing in job training and preschool, and providing pro-work tax cuts. And it ensures our long-term fiscal strength by fixing our broken immigration system and addressing the primary drivers of long-term debt and deficits, health care cost growth and inadequate revenues to meet the needs of our aging population.

Over the last five years, the deficit has been cut in half as a share of the economy, the largest sustained period of deficit reduction since World War II. Our Nation can continue this progress while focusing on the critical goals of accelerating economic growth, creating jobs, and expanding opportunity for all Americans.

I would like to briefly outline my priorities, if I am confirmed as Director:

First, if confirmed, I look forward to working with Congress to continue the important progress made on the Budget over the past year. The Bipartisan Budget Act and Consolidated Appropriations Act for FY2014 were good first steps in moving beyond the manufactured crises of the past few years and providing some measure of relief from the damaging cuts caused by sequestration. But there is more that we must do to invest in our economy, create jobs, and promote national security, while continuing to promote fiscal stability by addressing the key drivers of our long-term debt and deficits.

Second, I want to acknowledge the critical management-side of OMB's responsibilities. I would work to advance the President's Management Agenda, which is focused on making the Federal Government more efficient, effective, and supportive of economic growth. Under the President's leadership, the Administration is working to improve key citizen- and business-facing transactions with Federal agencies. It is working to increase the quality and value in core Government operations and enhance productivity to achieve cost savings for the American taxpayer. It is working to open Federal Government assets to the public, including data from Federally-funded research, to create a platform for innovation and job creation. And it is working to unlock the potential of the Federal workforce and build the workforce we need for tomorrow by investing in training and ensuring agencies can hire the best talent from all segments of society.

Third, it is critical that OMB's Office of Information and Regulatory Affairs continue the Administration's regulatory focus on maintaining a balance between protecting the health, welfare, and safety of Americans and promoting economic growth, job creation,

competitiveness, and innovation. And I would seek to continue the President's successful regulatory retrospective review, or regulatory "lookback," where the Administration is streamlining, modifying, or repealing regulations to reduce unnecessary burdens and costs.

Finally, I want to note what a particular honor it would be for me to serve as the head of OMB. OMB plays a unique and critical role in the functioning of the Federal Government. As HUD Secretary, I have worked closely with OMB's leadership, including Deputy Directors Brian Deese and Beth Cobert, and I have seen the outstanding contributions made by the talented men and women who work throughout the institution.

To give just one example, in my role as the Chair of the Hurricane Sandy Rebuilding Task Force, I saw the tireless efforts made by OMB staff, many of them long-serving career employees, as they worked literally night and day for weeks and even months to ensure that disaster relief was delivered swiftly, fairly, and responsibly. It was OMB employees who had the expertise, knowledge, and Government-wide perspective to help coordinate the effort and make sure it was done right.

Again, I want to thank the President for giving me this opportunity and the Committee for considering my nomination. I look forward to answering any questions you may have.