

**Transcript of Remarks by Senate Budget Committee Chairman Kent Conrad (D-ND)
at Hearing on Performance-Informed Budgeting:
Opportunities to Reduce Cost and Improve Service
October 29, 2009**

The hearing will come to order. Welcome all. Today's hearing will examine the issue of performance budgeting, a topic that this Committee has a special interest in.

As Chairman of the Budget Committee, several months ago, Senator Whitehouse came to me and said, Senator, we've talked before about the need to have greater oversight and to try to focus on things that would improve the overall operations of the Federal government. It is very clear to members of this Committee that insufficient time has been spent on oversight on how the government performs its functions. How can it improve? How can we affect efficiency throughout the Federal government?

And, Senator Whitehouse had the idea to form a task force of this Committee to focus on these issues. More than that, he also recommended that Senator Warner be made the head of this Task Force based on his extraordinary performance as Governor of Virginia. I thought this was an exceptionally good idea of Senator Whitehouse's, and I thought his suggestion that Senator Warner lead the Task Force was not only gracious on his part, but right on point, because all of us who watched Governor Warner when he was Governor of Virginia – and we were close by following the way he conducted himself as Governor – recognized that he has the background in both the public and private sector to bring real experience and real skills to this job.

And so we have put in place a Task Force on Government Performance that will be led by Senator Warner, and Senator Whitehouse and Senator Cardin on our side will serve. And I also want to thank very much Senator Gregg, the ranking member of this Committee for his gracious and helpful agreement to go forward with the performance of a task force.

We all know that our government, our country, faces very tough choices, and choices that we're going to need to make soon. Performance information can aid us in making those decisions and making them in a way that makes the most sense.

Senator Warner, as I said, has the right experience and background for this job. As Governor of Virginia, he successfully used performance metrics and other private sector best practices to transform Virginia into a model state in terms of management. TIME Magazine named him one of "America's Five Best Governors." In one notable example, Senator Warner led the development of a centralized procurement system now used by over 500 state and local agencies that has driven lower, more competitive prices, and generated more than \$218 million in cumulative savings for the state. We are fortunate to have Senator Warner's experience on the Budget Committee.

I also want to thank the other Members of the Task Force. As I indicated, Senators Cardin and Whitehouse on our side, and I'm very grateful to Senator Bunning and Senator Crapo who have agreed to serve on the Republican side. And I again want to thank Senator Gregg for all he did to make this Task Force a reality.

I would like to also welcome our first witness today, Jeffrey Zients, Deputy Director for Management and the Chief Performance Officer at OMB – an outstanding selection by President Obama, I might add. I look forward to hearing about the administration’s plans for performance budgeting and how this Committee can assist you in that effort.

In addition, we want to welcome Sir Michael Barber, a partner at McKinsey and Company and, before that, the head of British Prime Minister Tony Blair’s very successful Delivery Unit. And, finally, Dr. Paul Posner, the Director of Public Administration at George Mason University – well-known to this Committee for his many years of service at the GAO, that is the Government Accountability Office, working on budget issues, where he enjoyed a very good reputation, and we’re delighted that he is here as well.

Let me stop there and turn to Senator Warner, who is going to be running this Task Force. He is going to be chairing this hearing. This Task Force is going to be under his leadership, and I again want to thank the Republican side as well, and especially thank Senator Bunning who is here today who will be an important member of this Task Force as well.

With that I am going to turn the gavel and the chair over to Senator Warner. I thank the witnesses for being here, and thank him for his leadership. We deeply appreciate it.