

Statement of Nani A. Coloretti, Nominee to be Deputy Secretary of the
U.S. Department of Housing and Urban Development
Senate Committee on Banking, Housing and Urban Affairs
April 8, 2014

Chairman Johnson, Ranking Member Crapo and distinguished Members of the Committee, it is a great privilege to appear before you as President Obama's nominee to be Deputy Secretary of the Department of Housing and Urban Development. Before I begin, I would like to introduce my husband of over 15 years, David Goldstein, who I met many years ago at UC Berkeley's school of public policy. As a teacher and education policy consultant, he shares a commitment to public service, and he has been a fantastic, supportive partner during my years of government service and private sector work. We are both very proud of our 12-year old son, Kaleo Goldstein-Coloretti, who is a committed student and athlete but he also composes songs, volunteers at the public library and reminds both of us to always look on the bright side.

I come from a family with a tradition of community service and one that represents the best of what our country has to offer. My grandparents on both sides of my family emigrated here from three different countries: the Philippines, Italy and Spain, and all came to America in search of a better life. My Filipino grandfather was a minister and later became a community organizer to address working conditions for Filipinos in Hawaii's sugar cane fields. My grandmother was one of the first in a long tradition of Filipino nurses. My mother, one of six children, and was also a nurse and later, a preschool teacher. This tradition of service was reinforced by my parents' decision to raise their five children in the beautiful state of Hawaii. Because Hawaii is a set of islands with a diverse population, it is there that I learned how to listen, celebrate differences and to make space for others. These values of community involvement and inclusion directly contribute to my passion for public service today.

I bring over 20 years of experience in budget, finance, economic and program analysis, and implementation skills, as well as over 15 years managing and leading teams to accomplish multiple outcomes. Much of my experience has helped deliver better value for the public by grounding public organizations and programs in a strong operational context. My work spans the public and private sectors, and I have contributed to improving outcomes and increasing efficiency at the State, Local and Federal government levels.

My federal service started just after graduate school, when I arrived in Washington D.C. right out of graduate school to join the Office of Management and Budget as a Presidential Management Intern. At that job, I got helpful exposure to the federal budgeting and performance management framework and learned how to ask the right questions and seek ways to invest even while reducing the budget. I left as Congress passed the Balanced Budget Act of 1997 while creating the State Children's Health Insurance Program.

A few years later I began a 10-year stint at the City and County of San Francisco. While there, I helped manage a small department and later went on to serve Mayor Gavin Newsom as his deputy policy director and then as his budget director. At the Department of Children, Youth and Their Families, I led teams that helped children and young people by partnering with other agencies across the city, the private sector, and public foundations. For example, we expanded and enhanced high quality early care and education and after school options by grounding our analysis in data and rethinking how best to use public funding streams, ultimately adding 3,000 more high quality child care spaces.

At the Office of Mayor Gavin Newsom, I led cross-cutting teams to implement universal health care coverage and a citywide wellness initiative. As budget director for San Francisco, I balanced three consecutive budgets, the last year being the most difficult since we faced a \$575 million shortfall - initially about half of the city's discretionary budget. I balanced the budget that year by working with the legislative branch to prioritize core city services, working with the unions, and managing the city's revenue effectively.

At Treasury, I have been fortunate to work for two great Secretaries and they have both supported efforts to modernize Treasury's systems and structures even in a time of diminishing resources. This effort has largely been aided by a data-driven approach to decision making. Over the last four years, I helped Treasury create and sustain an analytical approach to operations and management through quarterly performance reviews, run by the Deputy Secretary of Treasury and my position, the Assistant Secretary for Management. Through this effort, we have provided visibility into Treasury operations for decision making and accountability, which has yielded over \$1 billion dollars in budget savings, allowed the department to better complete the merger of two bureaus (saving \$96 million over 10 years),

and allowed Treasury to more successfully achieve its priority goals, such as processing over 95% of payment transactions electronically instead of on paper.

To create a culture of continuous improvement at Treasury, I have focused on operational effectiveness and governance. I helped create a new Treasury Operations Excellence team, which has successfully applied lean principles developed in the private sector to improve performance at Treasury. This work encompassed dozens of process improvement outcomes—ranging from an eightfold efficiency gain in processing visitor access requests to the Main Treasury building to improvements in data reporting efforts that now span hours instead of days. This work has saved Treasury money and staff time while engendering a culture of continual improvement. I have also set up a governance structure to review all IT investments, providing a forum to track cross-cutting efforts across bureaus, such as the closure and consolidation of 18 data centers over the last four years. Treasury continues to achieve clean audit opinions with no new material weaknesses since fiscal year 2009, which is an accomplishment that I am proud of considering the complexity and breadth of Treasury's programs and financial systems. All of this work continues to help Treasury structure itself for the future.

The role of the Deputy Secretary is to be the Chief Operating Officer, and if confirmed, I will work under the Secretary's direction to manage the day-to-day operations at HUD. I will build on the legacy of those who came before me and did impressive work, including beginning the transformation of HUD's human resources and financial management systems.

I am humbled and honored by the nomination and grateful to the President and Secretary Donovan for asking me to serve the country in this capacity. If confirmed, I will apply my experience, energy, values and passion to build upon the great work that is already happening and further improve the effectiveness of HUD.

I thank you for allowing me to appear before you today and will answer any questions you have.