

Advance Questions for Jamie Morin
Nominee for Assistant Secretary of the Air Force (Financial Management)

Defense Reforms

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms have strengthened the war-fighting readiness of our Armed Forces. They have enhanced civilian control and clearly delineated the operational chain of command and the responsibilities and authorities of the combatant commanders, and the role of the Chairman of the Joint Chiefs of Staff. They have also clarified the responsibility of the Military Departments to recruit, organize, train, equip, and maintain forces for assignment to the combatant commanders.

Do you see the need for modifications of any Goldwater-Nichols Act provisions?

I am familiar with the history of the Goldwater-Nichols Act and strongly support its intent. The Act has been extremely successful to date, and has also benefitted over the years from periodic incremental changes to reflect lessons learned and the changing world situation.

If so, what areas do you believe might be appropriate to address in these modifications?

At present, I do not see any needs for modifications. If I am confirmed and I identify areas that I believe merit changes, I will propose those changes through the established process.

Duties of the Assistant Secretary of the Air Force (Financial Management)

What is your understanding of the duties and functions of the Assistant Secretary of the Air Force (Financial Management)?

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) is principally responsible for the exercise of the comptrollership functions of the Air Force, including all financial management functions. Additionally, this individual is responsible for all financial management activities and operations of the Air Force and advising the Secretary of the Air Force on financial management.

What background and experience do you possess that you believe qualifies you to perform these duties?

For the last six years, I have served as the senior defense analyst at the Senate Budget Committee, with lead responsibility for the committee's work on the defense, foreign affairs, and intelligence budgets. Budget Committee Chairman Senator Kent Conrad has been particularly

interested in Air Force matters, and directed me to devote particular effort to reviewing the Air Force budget request. This experience has familiarized me with many Air Force programs and has also allowed me to get to know many of the senior Air Force leaders, both civilian and military. Additionally, given the Committee's interest in overall federal spending and financial management, I have been exposed to many of the financial management challenges which exist throughout the Department of Defense. Earlier in my career, I worked as an economist and strategy consultant. I have also held fellowships from various public policy and defense think tanks and spent four months during graduate school working in the Office of the Secretary of Defense..

My academic preparation includes a Ph.D. in political science, where I focused my research on congressional involvement in the defense budgeting process, as well as an M.Sc. in public administration. My training included econometric methods and similar rigorous quantitative work that will help me oversee the Air Force's economics and cost estimation operations, if I am confirmed. These specialized graduate studies complement my undergraduate work in national security policy.

Do you believe that there are any actions that you need to take to enhance your ability to perform the duties of the Assistant Secretary of the Air Force (Financial Management)?

Although I have some insight into Air Force financial operations, if confirmed I will need to develop a much deeper understanding of the operational challenges facing the Air Force financial management organization, particularly when it comes to information technology development and audit readiness projects. As a general matter, I believe strongly in the need for managers to understand the operational processes of their organizations, so if confirmed I would intend to devote a portion of my time to familiarizing myself with those processes.

Relationships

What is your understanding of the relationship between the Assistant Secretary of the Air Force (Financial Management) and each of the following?

The Secretary of the Air Force

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) is the principal advisor to the Secretary of the Air Force on financial management matters and performs other duties as the Secretary may prescribe.

The Under Secretary of the Air Force

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) is also the principal advisor to the Under Secretary of the Air Force on financial management matters and performs other duties as the Under Secretary may prescribe.

The other Assistant Secretaries of the Air Force

It is my understanding that the Assistant Secretary (Financial Management) works closely with the other Assistant Secretaries of the Air Force by providing advice and input on financial matters, as well as financial management policy leadership, guidance, implementation and coordination, as appropriate.

The General Counsel of the Air Force

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) has a close working relationship with the General Counsel of the Air Force and Air Force fiscal counsels to assure an understanding of any and all legal implications in Air Force financial matters and compliance with the appropriate rules and regulations.

The Director of the Air Force Business Transformation Office

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) works with the Air Force Chief Management Officer and Air Force Business Transformation Office in support of their business transformation initiatives. These initiatives align with the mission of the Business Transformation Agency of executing enterprise level business transformation for the Department of Defense.

The Under Secretary of Defense (Comptroller)

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) works closely with the Under Secretary of Defense (Comptroller) in the development and execution of financial, budgetary and fiscal policies as they relate to the Air Force.

The Deputy Chief Management Officer of the Department of Defense

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) would support the Deputy Chief Management Officer of the Department of Defense in close coordination with the Air Force Chief Management Officer in their responsibilities to manage the business operations of the Department as they relate to and support the business operations of the Air Force.

The Director of the Business Transformation Agency

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) works with the Director of the Business Transformation Agency (BTA) to accomplish the BTO mission of executing enterprise level business transformation.

The Assistant Secretary of Defense for Networks and Information Integration/Chief Information Officer

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) works closely with the Assistant Secretary of Defense (NII) to ensure that Department of the Air Force's diverse and extensive information technology systems are properly managed and resourced to accommodate and perform the full spectrum of financial management functions and reporting which is required to achieve the Air Force's financial management reporting goals.

The Director, Office of Program Analysis and Evaluation

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) would work with the Director, Program Analysis and Evaluation to ensure the program priorities of the Air Force are well understood and thorough Air Force program reviews are conducted within the framework of the Planning, Programming, Budgeting and Execution (PPBE) process and timetables. Additionally, the Assistant Secretary of the Air Force (Financial Management) works closely with the Deputy Chief of Staff for Strategic Plans and Programs to convey and communicate the results to Air Force leadership, and ensures the results of the program reviews are in line with overall Department of Defense strategy.

The Chief of Staff of the Air Force

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) would work closely with the Chief of Staff to provide support required in order to execute his duties and responsibilities to achieve the overall mission of the Air Force.

The Assistant Secretaries for Financial Management of the Army and the Navy

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) works closely with the with the Assistant Secretaries of the Army and Navy in the area of financial management in an effort to facilitate integrated and coordinated decision making at all levels and achieve the strongest cooperation between the services possible. A cordial and productive working relationship with these colleagues and the Under Secretary of Defense (Comptroller) is essential to successfully supporting the efforts of the Secretary of Defense.

Major Challenges

In your view, what are the major challenges that will confront the Assistant Secretary of the Air Force (Financial Management)?

In my opinion, the primary challenge the Assistant Secretary of the Air Force (Financial Management) will face is the need to help develop and implement a balanced Air Force budget at a time when our nation faces a serious fiscal situation and must provide the resources needed to meet wartime requirements. Improving the transparency and fidelity of the Department's financial processes is essential to ensure that senior leadership can make the best possible decisions about prioritization among military requirements.

Assuming you are confirmed, what plans do you have to address these challenges?

If confirmed, I will work closely with the Air Force senior leadership to develop workable budgets which rebalance Air Force programs to address our nation's commitment to our uniformed service members, provide the capabilities needed in the wars we are fighting today, and prepare for the uncertain conflicts of the future.

Additionally, I will work with Air Force and Department of Defense leadership to enhance our efforts to improve business processes and systems, and will seek to ensure that the Air Force can recruit, train, and retain a work force that can meet defense financial management needs into the 21st century. I will play an active role in the Air Force's part of the Financial Improvement and Audit Readiness (FIAR) and Enterprise Transition Plan (ETP) programs and will provide aggressive leadership and support for my staff in these critical efforts.

Priorities

If confirmed, what broad priorities would you establish in terms of issues which must be addressed by the Assistant Secretary of the Air Force (Financial Management)?

The Secretary and Chief of Staff of the Air Force have indicated that their top five priorities are to reinvigorate the Air Force nuclear enterprise, to partner with the joint and coalition team in winning today's fight, to develop and care for airmen and families, to modernize equipment, organizations, and training, and to recapture acquisition excellence. If confirmed, my intention would be to work within the Air Force corporate process to ensure that these priorities are appropriately resourced. Within the Financial Management organization itself, I would intend to focus on three main priorities: improving the transparency and fidelity of the Department's financial processes in order to provide senior leaders with a clearer picture of the Air Force's fiscal situation, developing and empowering financial management professionals across the Air Force, and enhancing Air Force cost estimation capabilities as part of the Department's commitment to improving the defense acquisition processes.

Civilian and Military Roles in the Air Force Budget Process

What is your understanding of the division of responsibility between the Assistant Secretary of the Air Force (Financial Management) and the senior military officer (the Director, Air Force Budget) responsible for budget matters in the Air Force Financial Management office in making program and budget decisions, including the preparation of the Air Force Program Objective Memorandum, the annual budget submission, and the Future Years Defense Program?

It is my understanding that the Assistant Secretary of the Air Force (Financial Management) has the responsibility and authority for all budget matters within the Air Force. The Deputy Assistant Secretary for Budget, the senior military officer responsible for Air Force budget matters in the Financial Management office, reports directly to the Assistant Secretary of the Air Force (Financial Management). As the primary advisor to the Assistant Secretary on program and budget issues, the Deputy Assistant for Budget is responsible for the formulation, justification and execution of the Air Force budget, including the preparation of the Air Force Program Objective Memorandum and the Future Years Defense Program.

Financial Management and Accountability

DOD's financial management deficiencies have been the subject of many audit reports over the past 10 or more years. Despite numerous strategies and attempts at efficiencies, problems with financial management and data continue.

What do you consider to be the top financial management issues that must be addressed by the Department of the Air Force?

The most recent Air Force financial statements include 3 pages of discussion of material weaknesses or significant deficiencies in General Fund financial reporting. Many audit reports confirm these weaknesses. Continued improvement in business processes and operations is the top priority, followed by continued improvements in business systems (though some critical business systems are joint) and addressing the organizational culture to embrace and support these system and process improvements.

If confirmed, how would you plan to ensure that progress is made toward improved financial management in the Air Force?

If confirmed, my initial plan to ensure financial management progress continues would be to: evaluate, support and enhance the Air Force efforts to improve business processes and operations (including to support the Air Force's compliance with the FIAR and ETP programs); communicate the benefits of process and systems improvements; enhance training and education across the financial management spectrum; and work with other parts of the Department to benefit from best practices and exploit synergies.

If confirmed, what private business practices, if any, would you advocate for adoption by the Department of Defense and the Department of the Air Force?

Although the Department of Defense and the Department of the Air Force are different from the private sector in their mission and in many operational aspects, there are certainly a number of financial and management practices which are similar to the private sector and could benefit from best practices being used elsewhere. If confirmed, I would encourage the sharing of best practices with the other services, agencies and departments in the federal government, but would

also strongly advocate awareness and adoption of private sector practices where the Air Force would benefit from emulating them.

What are the most important performance measurements you would use, if confirmed, to evaluate changes in the Air Force's financial operations to determine if its plans and initiatives are being implemented as intended and anticipated results are being achieved?

Performance metrics play a significant role in the success of any financial operation. I am not sufficiently familiar with the current financial performance metrics to judge whether they are fully appropriate. If confirmed, I will work to understand and manage the current financial performance metrics the Air Force is employing and also will work with the Under Secretary of Defense (Comptroller) to ensure the financial performance metrics the Air Force uses in the future will support the financial operations success of both the Department of Defense and the Department of the Air Force.

The Business Transformation Agency (BTA) was established in the Department of Defense to strengthen management of its business systems modernization effort.

What is your understanding of the mission of this Agency and how its mission affects the responsibilities of the Assistant Secretary of the Air Force (Financial Management)?

It is my understanding that the mission of the BTA is to be responsible for executing enterprise level business transformation and that it therefore works with the functional leaders and components to accomplish its mission. Given the stated mission of the BTA and the tiered accountability approach to execution, it is my understanding that the Assistant Secretary of the Air Force (Financial Management) will be allowed the flexibility to direct the requirements for the Air Force financial management mission, while continuously coordinating and integrating with the BTA to ensure meeting enterprise level mission requirements as well.

What is your understanding of the role of the Assistant Secretary of the Air Force (Financial Management) in providing the Air Force's views to the Agency, or participating in the decision-making process of the Agency, on issues of concern to the Air Force?

It is my understanding that the implementation of BTA mission within DoD divides governance and accountability for business modernization initiatives between military services and the Secretary of Defense. The Assistant Secretary of the Air Force (Financial Management) continuously coordinates and integrates with the BTA to ensure the BTA is aware of the ongoing Air Force issues, as well as to understand the challenges and issues at the enterprise level.

Section 904 of the National Defense Authorization Act for Fiscal Year 2008 designated the Under Secretary of the Air Force as the Chief Management Officer of the Air Force. Section 908 of the National Defense Authorization Act for Fiscal Year 2009

required the establishment of a Business Transformation Office within the Air Force to assist the Chief Management Officer in carrying out his duties.

If confirmed, what would your role be in the Department's business modernization effort?

If confirmed, I believe my role as the Assistant Secretary of the Air Force (Financial Management) would be to work closely with the Air Force Business Transformation Office and the Air Force Chief Management Office to ensure Air Force financial management mission and requirements are coordinated and integrated with the enterprise business operations, plans, and modernization efforts of both the Air Force and the Department of Defense.

What is your understanding of the relative responsibilities of the Chief Management Officer, the Air Force Business Transformation Office, and the Assistant Secretary of the Air Force (Financial Management) in Air Force business systems modernization and improvements in financial management?

Public Law 110-417, Section 908 required the Secretary of the Air Force to establish a Business Transformation Office to develop and implement a business transformation plan with measurable performance goals and objectives to achieve an integrated management system for the business operations of the Air Force. If confirmed as the Assistant Secretary of the Air Force (Financial Management), I would work closely to coordinate and integrate the requirements of the financial management mission within this framework and to support the Air Force Chief Management Officer and Business Transformation Office in the accomplishment of their business transformation responsibilities.

Do you believe the organizational structure of the Department of the Air Force is properly aligned to bring about business systems modernization and improvements in the financial management of the Air Force?

At this point, I am not sufficiently familiar with how the specifics of the Air Force's organizational structure affect efforts at the business systems modernization and desired improvements in the financial management of the Air Force. As with any large, complex organization the Air Force has multiple stakeholders with sometimes competing equities in any business system or process modernization effort.

If not, how do you believe the Department should be restructured to more effectively address these issues?

At this point, I do not have a sufficient understanding of how the Air Force organizational structure affects these modernization efforts to make recommendations. If confirmed, I would work to assess whether the current organizational structure of the Air Force is properly aligned to accomplish business systems modernization and improvements in Air Force financial management. If I identify shortfalls, I would intend to raise them with the Chief Management

Officer and the Business Transformation Office in order to develop a consensus on any necessary restructuring.

Section 2222 of title 10, United States Code, requires the Department of Defense to develop a Business Enterprise Architecture and Transition Plan to ensure that the Department's business systems are capable of providing timely, accurate, and reliable information, including financial information, on which to base management decisions. The Department also prepares an annual Financial Improvement and Audit Readiness (FIAR) plan aimed at correcting deficiencies in the Department of Defense's financial management and ability to receive an unqualified "clean" audit. Section 376 of the National Defense Authorization Act for Fiscal Year 2006 required that the FIAR plan be systematically tied to the actions undertaken and planned pursuant to section 2222.

If confirmed, what role would you expect to play in the formulation of the Air Force's contribution to the Business Enterprise Architecture and Transition Plan and the FIAR plan?

If confirmed, I expect to work closely with the Air Force Chief Management Officer and Business Transformation Office to continuously coordinate and integrate Air Force financial management requirements with the Business Enterprise Architecture and Transition Plan to ensure they are linked and consistently executed with the FIAR Plan.

What steps would you take, if confirmed, to ensure that the Air Force's contribution to the FIAR plan is systematically tied to actions undertaken and planned in accordance with section 2222?

If confirmed, I would work closely with the Office of the Under Secretary of Defense (Comptroller) to ensure Air Force financial improvement and audit readiness initiatives are closely coordinated and integrated with the FIAR Plan and Business Enterprise Architecture and Transition Plan to ensure we focus on the business and financial information needed to manage the department and the Air Force.

The Comptroller General has testified that the Department of Defense should fix its financial management systems before it tries to develop auditable financial statements. He explained that: "Given the size, complexity, and deeply ingrained nature of the financial management problems facing DOD, heroic end-of-the-year efforts relied on by some agencies to develop auditable financial statement balances are not feasible at DOD. Instead, a sustained focus on the underlying problems impeding the development of reliable financial data throughout the Department will be necessary and is the best course of action."

Do you agree with this statement?

I agree with the judgment of former Comptroller General David Walker that a focus on financial systems and underlying problems standing in the way of reliable financial data must take

precedence. Additionally, I believe that the complex interdependency between department-wide, service-level and other financial systems means that a “big bang” type approach to auditability is unlikely to succeed.

What steps need to be taken in the Air Force to achieve the goal stated by the Comptroller General?

In general, compliance with the FIAR and ETP programs (as they relate to the Air Force) are going to be significant contributors to achieve the goals the Comptroller General is proposing.

Leasing Major Weapon Systems

What is your opinion of leasing versus buying major capital equipment?

In both the private sector and the federal government both options have value, but the best choice is strictly contingent upon the financial and operational variables involved, and each situation is unique. The federal government's lower cost of capital will often tip the balance against leasing major capital equipment in cases where the government anticipates an enduring need for the items in question. However, decisions have to be made on a case-by-case basis. If confirmed, I will ensure that the Air Force adheres to OMB guidance and pursues the option that most benefits the taxpayer.

Is leasing a viable and cost-effective option for procuring Department of the Air Force equipment, and if so, in what situations?

If I am confirmed, I would intend to investigate the specifics of any major leasing proposal before consulting with the functional experts and this Committee to arrive at a financial management recommendation on the option which is the highest, best and most proper use of the taxpayer's dollars.

Incremental Funding

Both the executive and legislative branches have traditionally followed a policy of full funding for major capital purchases such as aircraft.

What is your view of the incremental funding of major capital investments?

As I understand it, the Office of Management and Budget has long had a policy that programs be fully funded upfront. I believe that the full funding principle is appropriate as a matter of policy. It protects the taxpayer and helps to ensure the government does not waste resources on projects that cannot be supported in future years. There may, however, be limited circumstances in which it is appropriate to waive that policy or find workarounds such as phasing of projects in order to best serve the interests of the Air Force and the taxpayer.

Supplemental Funding and Annual Budgeting

Since September 11, 2001, the Department of Defense has paid for much of the cost of ongoing military operations through supplemental appropriations. The FY 2010 budget includes a full-year request for overseas contingency operations.

What are your views regarding the use of supplemental appropriations to fund the cost of ongoing military operations?

As a congressional staffer, I was active in efforts to reduce the Department of Defense's reliance on supplemental appropriations for expenses that could reasonably be anticipated. My personal view is that the Department should include predictable costs in the base budget request to the maximum extent possible. At times, the dynamic nature of these operations will surely require short notice requests for funding, but this should be the exception, not the norm. Where supplementals are needed, their negative aspects can be minimized by subjecting them to a level of scrutiny similar to that applied to regular budgets, within the time constraints imposed by operational needs.

Choices about how to request the funding for overseas contingency operations will be made by the President through OMB. Ultimately the decision about how to provide this funding will be made by the Congress. If confirmed, I will work with the Air Force, Department leadership and Congress to support the presentation of the budget in which ever fashion is chosen.

Authorization for National Defense Programs

Do you believe that an authorization pursuant to section 114 of Title 10, U.S. Code, is necessary before funds for operations and maintenance, procurement, research and development, and military construction may be made available for obligation by the Department of Defense?

Yes. I recognize situations do occur where funds have been appropriated but not authorized in the Department, and it is my understanding it is the Department's practice to work with all the oversight committees to communicate and resolve these situations. If confirmed, I will work closely with the oversight committees to achieve a resolution of the situation, if it arises, and will respect the views and rights of the committees.

Congressional Oversight

In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.

Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?

Yes.

Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Assistant Secretary of the Air Force (Financial Management)?

Yes.

Do you agree to ensure that testimony, briefings and other communications of information are provided to this Committee and its staff and other appropriate Committees?

Yes.

Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted Committee of Congress, or to consult with the Committee regarding the basis for any good faith delay or denial in providing such documents?

Yes.