

**Amendment 2160 - Require DOD to publish online their unclassified unobligated balances by account and an explanation of why they are unobligated.**

Nearly every federal department ends each year with billions of dollars in unobligated funding and the Department of Defense is no different. Unlike obligated funding that has not yet been spent, unobligated funds are not set aside for a specific purpose to be funded in the near future.

As far back as 1978, the Government Accountability Office has raised concern about unobligated balances and the questions they raise about the “validity and credibility of funding requests” and the “ability of Federal agencies to carry out planned programs in a timely manner.”<sup>1</sup>

According to the Office of Management and Budget the **Department of Defense ended the 2012 fiscal year with \$105 billion in unobligated funds.**

This amount was 26 percent higher than OMB’s forecast of \$83.5 billion. An analysis by *InsideDefense.com* showed that \$72 billion -- 68 percent -- remained in procurement and research, development, test and evaluation, or modernization accounts.<sup>2</sup> These are precisely the programs that DOD says are most vulnerable to budget cuts, yet DOD is not even spending the money it has requested and budgeted for these programs.

DOD was allowed to apply sequestration cuts to unobligated balances and did so for 16 percent of its FY13 sequestration cuts.<sup>3</sup> Some of the unobligated funds are related to Afghanistan and Iraq, and will inevitably be spent.

This amendment would require a report from the Secretary of Defense to tell Congress about any discretionary, unexpired federal funding that has been available for more than two consecutive years.

While it is laudable that government bureaucrats are not spending every dollar that they are entrusted, this staggering amount of unspent money

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<sup>1</sup> <http://www.gao.gov/products/PAD-78-48>

<sup>2</sup> <http://insidedefense.com/201211202417038/Inside-Defense-General/Public-Articles/dod-ends-year-with-1057-billion-unobligated-26-percent-above-forecast/menu-id-926.html>

<sup>3</sup> <http://www.csbaonline.org/publications/2013/10/chaos-and-uncertainty-the-fy-14-defense-budget-and-beyond/>

exposes the mismanagement of our defense finances – which currently cannot pass a financial audit.

Every year, Congress borrows hundreds of billions of dollars to pay for increases for programs that end each year with billions of dollars in unobligated money.

This simple reporting requirement just says that the Department of Defense must post online the unobligated balances by account and not just the overall number. This basic move to transparency will help Congress and the public see how our unclassified Defense dollars are being spent, or in this case, not spent.

This should also be a sobering reminder about the massive concern over sequestration. **The reported balance of FY12 unobligated and unspent defense dollars is twice the amount that is required to be cut under sequestration in FY13.**

The American people deserve to see this information.