

September 10, 2013

Mrs. Sylvia Burwell
Director
White House Office of Management and Budget
Executive Office Building
725 17th Street, NW
Washington, DC 20503

Dear Director Burwell,

With the end of fiscal year 2013 just around the corner, I want to bring your attention to the risks of the annual end-of-the-year closeout spending spree by government agencies. Many departments rush to spend what remains in their respective coffers in a “use it or lose it” Washington race to bigger budgetary deficits.

Many in Washington and across the country are preparing for another year of deficit reduction, as sequestration will be in place again for fiscal year 2014. Some agencies and certain government officials are already bemoaning the upcoming reductions. In light of continued budgetary prudence, government entities must remain fiscally vigilant in the final weeks of the current fiscal year. I am writing to urge OMB to ardently discourage this year-end spending binge, which some have described as “Christmas in July.”^[1]

Unfortunately, this has long been the pattern of many in Washington. In 1998, the General Accounting Office (now the Government Accountability Office) found “Wasteful year-end spending can occur when agencies rush to use funds at the end of the fiscal year. This is often an attempt to spend funds that would otherwise expire, meaning they would no longer be available for new obligations after the fiscal year ends.”^[2] The potential for this year’s spending boom seems as likely. A recent report estimated the value of fourth quarter federal contracting opportunities could reach as much as \$53 billion, the highest since fiscal year 2010.^[3] The government and those employed by it will face significant fiscal challenges next year, and now is not the time for a federal spending extravaganza.

Several agencies have made smart reductions and eliminated unnecessary spending in order to find the savings needed to comply with sequestration. For example, despite warnings of

^[1] “Christmas in July,” Wall Street Journal, July 19, 2006; Page

A12. http://online.wsj.com/article/SB115326360618410390.html?mod=opinion_main_review_and_outlooks

^[2] “YEAR-END SPENDING: Reforms Underway But Better Reporting and Oversight Needed,” U.S. General Accounting Office, July 1998; Page 2.

^[3] Federal Regional Snapshot: Q4FY13 Regional Opportunities, August 2013, GovWinIQ, Federal Regional Report.

mass government furloughs and layoffs, many agencies reduced the number of required furlough days or even eliminated them altogether. The Education, Justice, Agriculture, and Homeland Security Departments managed to avoid furloughs by asking for the ability to transfer funds from lower-priority accounts.^[4] Executive and congressional branch offices should continue wise budgeting path forward through the end of fiscal year 2013, and resist the urge to blow what is left in their bank accounts in just a few weeks.

As Washington is poised to increase our nearly \$17 trillion debt limit, it is more important than ever we keep the commitments made in the Budget Control Act, and avoid an unnecessary last minute spending spree. Instead, agencies should make smart choices as they prepare for next year's budgets. Any office, department or program scurrying to spend last minute funds, while earlier in the year furloughing employees to produce savings, should be exposed for poorly managing its sequestered budget, and be subject to judicious oversight of their spending priorities.

Please provide the following, for each federal executive department agency (listed here), by November 1, 2013.

- All contract actions obligating funds during Q4 FY13, including solicitation date, award date, contract recipient, service or item purchased, contract amount, contract type, and extent competed;
- The obligation rates by quarter for all appropriations types for FY11, FY12 and FY13;
- The Department-wide obligations, expenditures, and transfers by Program Element (PE) level and date and at the Budget Object level and date for all of FY12 and FY13, as well as the names of the system(s) of record from which the information was reported;
- The total FY13 unobligated balances as of October 1, 2013; and
- The total FY13 unspent funds as of October 1, 2013.

I request your attention to this matter and trust you will work with Congress and the agencies to ensure fiscal restraint remains a priority as the fiscal year comes to an end.

Sincerely,

A handwritten signature in black ink that reads "Tom Coburn". The signature is written in a cursive, flowing style with a large, sweeping initial "T".

Tom A. Coburn, M.D.
United States Senate

^[4] Katz, Eric, "Nearly Every Major Agency Has Reduced Furloughs," Government Executive, August 13, 2013