

I call this hearing of the Federal Spending Oversight Subcommittee to order.

Today we're looking at the phenomena known as "use it or lose it"; the practice of going on a spending binge at the end of the fiscal year before funds expire and go back to the treasury.

We had a hearing on this same subject two years ago and what we heard there was shocking.

Our witness then, Dr. Fitchner, who is back to testify today told us that September spending nearly doubles as compared to August, which is already higher than average.

Another study showed, on average, spending jumps nearly 500 percent in the last week of the fiscal year as compared to the preceding 51-weeks average. Not only that, but the last day of the fiscal year, money moves west using time differences to gain a few more hours of fiscal binging.

That is the data, but the stories we have heard may be more telling. We have been told of the military hovering aircrafts at the end of runways just to burn off fuel and soldiers sent to the shooting range sometimes for an entire day just to expend ammunition.

Of course I cannot forget when we took over this subcommittee and found toner cartridges for an obsolete printer stacked to the ceiling of the subcommittee's office; the result of a previous chairman's end of year spending binge.

So there is no question this happens. Some argue it is solely caused by continuing resolutions and the purchases are not bad, just delayed. I don't like CRs and have never voted for one, and I agree they play a part in end of year spending, but the data does not support that this is "good" spending that is just simply delayed.

Studies have shown the quality of contracts written at the end of the year are of almost 5 time lower quality than those written during the rest of the fiscal year.

We discovered that while the State Department and USAID spend roughly 25% of its budget in September, more than a third of the waste we find in these agencies was obligated in September. This includes funding for such things as Ultimate Frisbee in China, a bird watching strategy for Honduras, and something called Skateistan.

None of this can be simply chalked up to delays caused by late appropriations.

How do we fix this problem? A part of the solution could be the Bonuses for Cost-Cutters Act. It is a simple idea to give bonuses to federal employees that find wasteful spending that can be eliminated.

In the last Congress this bill passed out of Committee with bipartisan support. The House version passed out of the Government Oversight Committee on a voice vote.

It would seem like a simple, noncontroversial bill that should sail through Congress and save the taxpayers money.

Reigning in and controlling end of year spending binges should be a bipartisan priority. Hopefully our hearing today will renew interest on both sides of the aisle to address accelerated wasteful spending at the end of the fiscal year.

With that, I'll recognize the Ranking Member Peters for his opening statement.