
law other than appropriations acts. Direct spending may be temporary or permanent, definite or indefinite (as to amount) but it is an appropriation or other budget authority made available to agencies in an act other than an appropriation act. Under expired Budget Enforcement Act (BEA) provisions, new direct spending was subject to pay-as-you-go (PAYGO) requirements. (*See also* Balanced Budget and Emergency Deficit Control Act of 1985; Entitlement Authority; Mandatory; Pay-as-You-Go. For a distinction, *see* Discretionary.)

Disbursements

Amounts paid by federal agencies, by cash or cash equivalent, during the fiscal year to liquidate government obligations. “Disbursement” is used interchangeably with the term “outlay.” In budgetary usage, gross disbursements represent the amount of checks issued and cash or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriation or fund account, such as amounts received for goods and services provided. (*See also* Outlay; Expenditure.)

Discount Rate (Economics Term)

One of the following:

(1) The interest rate used to determine the present value of a future stream of receipts and outlays, or in cost-benefit analysis, of benefits and costs. This use of the term is completely distinct from that in monetary policy, and the interest rates involved are generally not those charged by Federal Reserve Banks.

Discount rate policies of the three major oversight and budget agencies—the Government Accountability Office (GAO), the Office of Management and Budget (OMB), and the Congressional Budget Office (CBO)—are consistent with basic economic principles but vary significantly in their formulations for different analyses. GAO’s *Discount Rate Policy* ([GAO/OCE-17.1.1](#)), May 1991, describes different approaches and their applications.

In estimating net present values under credit reform, discount rate represents the average interest rate on marketable Treasury securities of similar maturity to the cash flows of the direct loan or loan guarantee for which the estimate is being made. (*See* Credit Subsidy Cost *under* Federal Credit.)