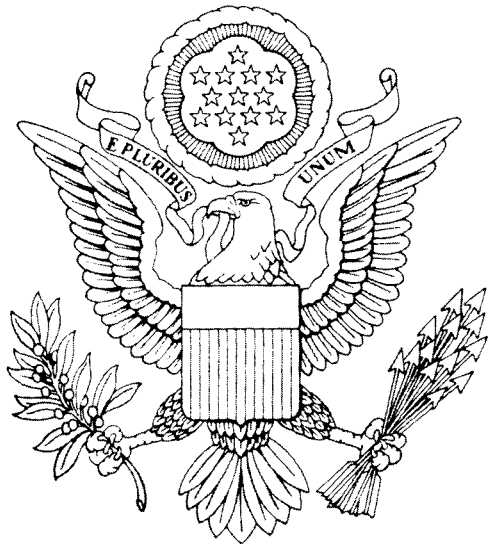
97th Congress, 1st Session ---------- House Document No. 97–1



BUDGET

OF THE UNITED STATES GOVERNMENT

FISCAL YEAR 1982

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

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THE BUDGET DOCUMENTS

Data and analyses relating to the budget for 1982 are published in four documents:

Budget of the United States Government, 1982 contains the Budget Message of the President and presents an overview of the President's budget proposals. It includes explanations of spending programs in terms of national needs, agency missions, and basic programs, and an analysis of estimated receipts, including a discussion of the President's tax program. This document also contains a description of the budget system and various summary tables on the budget as a whole.

United States Budget in Brief, 1982 is designed for use by the general public. It provides a more concise, less technical overview of the 1982 budget than the above volume. Summary and historical tables on the Federal budget and debt are also provided, together with graphic displays.

Budget of the United States Government, 1982—Appendix contains detailed information on the various appropriations and funds that comprise the budget. The *Appendix* contains more detailed information than any of the other budget documents. It includes for each agency: the proposed text of appropriation language, budget schedules for each account, new legislative proposals, explanations of the work to be performed and the funds needed, proposed general provisions applicable to the appropriations of entire agencies or groups of agencies, and schedules of permanent positions. Supplementals and rescission proposals for the current year are presented separately. It also includes the President's recommendations for executive, legislative, and judicial salaries, as well as information on certain activities whose outlays are not part of the budget totals.

Special Analyses, Budget of the United States Government, 1982 contains analyses that are designed to highlight specified program areas or provide other significant presentations of Federal budget data. This document includes information about: alternative views of the budget, i.e., current services and national income accounts; economic and financial analyses of the budget covering Government finances and operations as a whole; and Government-wide program and financial information for Federal civil rights and research and development programs.

Instructions for purchasing copies of any of these documents are on the last two pages of this volume.

GENERAL NOTES

1. All years referred to are fiscal years, unless otherwise noted.
2. Detail in the tables, text, and charts of this volume may not add to the totals because of rounding.

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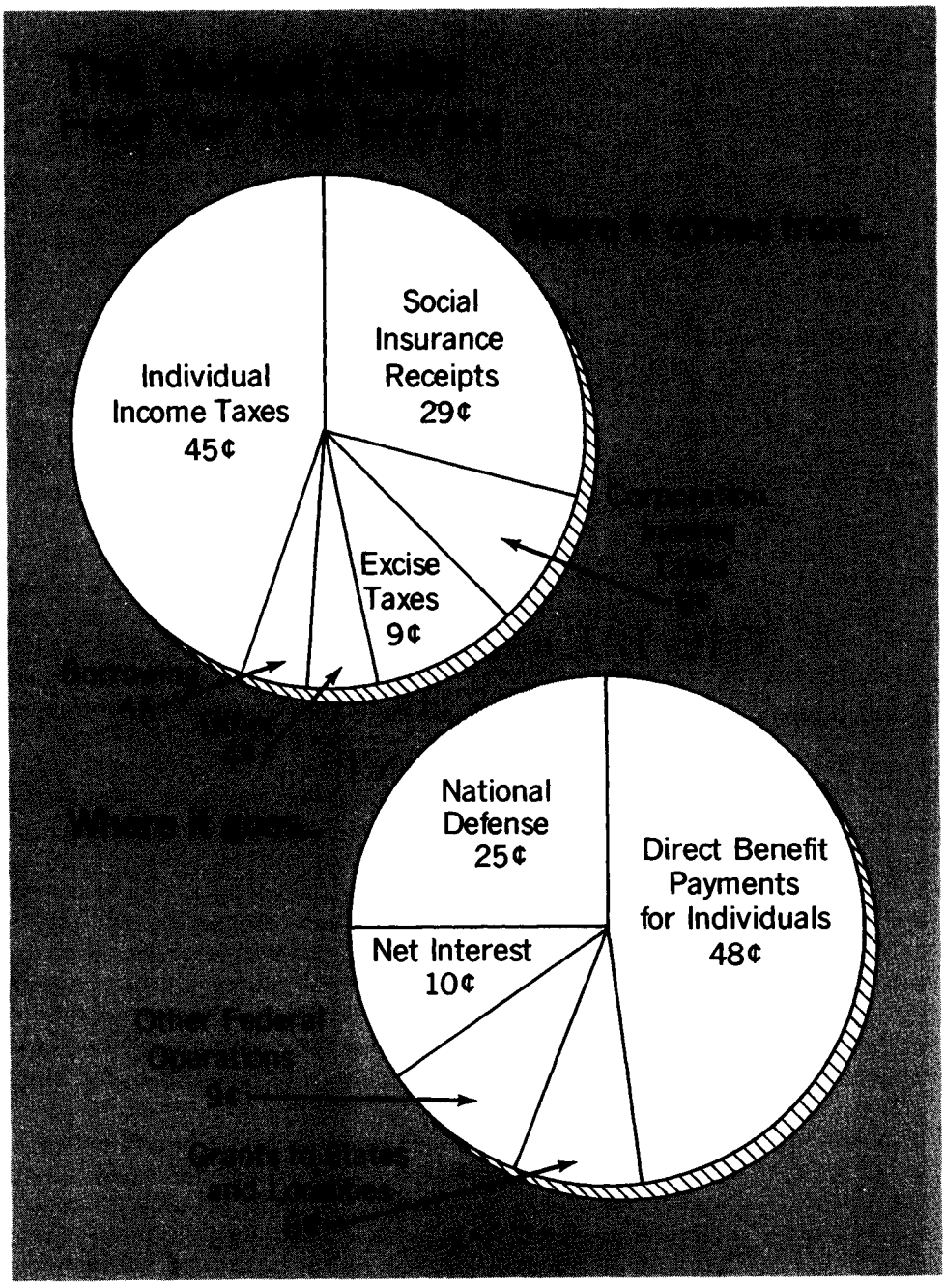
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PART 1

THE BUDGET MESSAGE OF THE PRESIDENT

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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

My administration has faced a wide range of challenges at home and abroad, challenges stemming from our strengths, not our weaknesses: our strengths as a world leader, as a developed industrial nation, and as a heterogeneous democracy with high goals and great ambitions. Meeting these challenges satisfactorily requires that we establish priorities, recognizing the limits to even our Nation's enormous resources. We cannot do all that we wish at the same time. But we must provide for our security, establish the basis for a strong economy, protect the disadvantaged, build human and physical capital for the future, and safeguard this Nation's magnificent natural environment.

This budget provides for meeting these needs, while continuing a 4-year policy of prudence and restraint. While our budget deficits have been higher than I would have liked, their size has been determined for the most part by economic conditions. Even so, the trend has been downward. In 1976, the budget deficit equalled 4.0% of gross national product. This was reduced to 2.3% in the budget year that ended 3 months ago. The 1982 budget deficit is estimated to equal only 0.9% of gross national product.

The rate of growth in budget outlays has been held to a minimum. In spite of significant increases in indexed programs, outlays for nondefense programs—after adjusting for inflation—decrease slightly.

The 1982 budget calls for outlays of $739 billion, an increase of 1.0% when adjusted for inflation. Nondefense spending is projected to decline by 0.2% in real terms. The tax reductions I proposed as part of the economic revitalization program have been retained,

THE BUDGET TOTALS

(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays	579.6	662.7	739.3	817.3	890.3
Receipts	520.0	607.5	711.8	809.2	922.3
Surplus or deficit (−)	−59.6	−55.2	−27.5	−8.0	32.0
Budget authority	658.8	726.5	809.8	892.0	962.7
Credit budget	131.2	165.4	152.6	.....	.....

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but some have been delayed or phased in over a longer period in recognition of the continued high inflation rate. The budget deficit—which is now projected at $55.2 billion in 1981—is estimated to decline to $27.5 billion in 1982.

In planning this budget, I have considered four major issues:

- What is the economic policy that will ensure prosperity for all while minimizing inflation?
- How much of our Nation's wealth should be used by the Federal Government?
- What are desirable spending proposals and strategies for defense, human resources, and investment?
- How can the management of Government be improved?

THE ECONOMY

During the last decade we withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these were the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages, and major challenges to world peace and security. Our ability to deal with these shocks has been impaired by slower productivity growth and persistent, underlying inflationary forces built up over the past 15 years.

Nevertheless, the economy has proved remarkably resilient. Real output has grown at an average annual rate of 3% since I took office, and employment has grown by 2½%. Nearly 8 million productive private sector jobs have been added to the economy. However, unacceptably high inflation remains our most difficult economic problem. This inflation requires that we hold down the growth of the budget to the maximum extent, while still meeting the demands of national security and human compassion. I have done so, as I did in my earlier budgets.

While budget restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to Government spending. The growth in budget outlays has been more the result of economic factors than the cause of them. For fiscal year 1981 alone, budget outlays must be increased by $9 billion over last year's estimate as a result of higher interest rates. Yet this increase results not only from inflation but from the monetary policies undertaken to combat it. Nearly $18 billion for 1981 reflects higher defense costs and higher automatic inflation adjustments than were anticipated a year ago.

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We are now in the early stages of economic recovery following a short recession. Typically, post-recessionary periods have been marked by vigorous economic growth abetted by stimulative policies such as large tax cuts or spending programs. I am not recommending such actions, because persistent inflationary pressures dictate a restrained fiscal policy. However, I continue to recommend specific tax reductions that contribute directly to increased productivity and long-term growth.

THE SIZE AND ROLE OF GOVERNMENT

We allocate about 23% of our Nation's output through the Federal budget. (Including all levels of government, the total government share of our gross national product is about one-third.) We must come close to matching Federal outlays with tax receipts if we are to avoid excessive and inflationary Federal borrowing. This means either controlling our appetite for spending or accepting the burden of higher taxes.

The growth of budget outlays is puzzling to many Americans, but it arises from valid social and national security concerns. Other developed countries face similar pressures. We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population; as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We must meet other important domestic needs: to assist the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; and to revitalize American industry.

I have been concerned with the proper role of the Federal Government in designing and providing such assistance. The Federal Government must not usurp functions that are best left to the private sector or to State and local governments. My administration has sought to make the proper assignments of responsibility, to resolve problems in the most efficient manner.

We have also recognized the need to simplify the system of Federal grants to State and local governments. Once again, I am proposing several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs. Previous consolidation proposals of my administration have been in the areas of youth training and employment, environment, energy conservation, airport development, and rehabilitation services. These consolidations are essential to improving our intergovernmental system. However, the Congress has so far agreed to consolidate only rehabilitation services grants. Therefore, I am proposing again the consolidations recommended earlier.

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MAJOR BUDGET PRIORITIES

Spending growth can be constrained; not easily, not quickly, but it is possible. My budget priorities have been established, once again, to achieve this goal in a responsible manner.

Three years ago, in my 1979 budget message, I outlined the following principles:

- The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.
- An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.
- The essential human needs of our citizens must be given high priority.
- The Federal Government must lead the way in investment in the Nation's technological future.
- The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget is again based on these principles.

Tax policy and economic revitalization.—I continue to believe that large inflationary individual income tax cuts are neither appropriate nor possible today, however popular they might appear in the short run. My economic revitalization program stresses tax reductions on a timetable that we can afford, and that will fight inflation by encouraging capital formation and increasing industrial productivity. This program stresses:

- simplification and liberalization of depreciation allowances;
- modification of the investment tax credit to encourage investment by temporarily depressed firms and by growing new firms;
- an income tax credit to offset increases in social security taxes;
- a liberalized earned income credit to also offset social security taxes and to encourage low-income earners to work;
- a working-spouse deduction to make more equitable the way working husbands and wives are taxed; and
- more favorable tax treatment for Americans in certain areas overseas to help American exports and strengthen the dollar.

Defense.—Maintaining a strong defense has been a primary objective of this administration. In order to meet the security needs of the Nation, real spending for defense increased in 1979 and 1980 by more than the 3% target I set at the NATO ministerial meeting

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in 1977. This real growth rate in defense spending has been maintained despite the adverse effects of higher than anticipated inflation, and restrained budgets.

To meet critical remaining needs, this budget includes a $6.3 billion supplemental request for 1981, largely for military pay increases and combat readiness. Together with congressional add-ons to my earlier 1981 request, this supplemental will increase defense programs almost 8% in real terms over 1980. For 1982 and beyond, the budget charts a course of sustained and balanced improvements in defense programs that will require real annual increases in funding of about 5% per year.

The budget request reflects a careful balance between the need to meet all critical defense needs, while maintaining fiscal restraint. There will be advocates for higher defense levels, but after careful review I do not believe that higher spending would add significantly to our national security. My budget already provides for the three major defense requirements:

- *Personnel recruitment and retention.*—Our armed forces can be no better than the quality of the people who serve in them. Accordingly, I recently approved the largest pay and benefits increase in history—a $4.5 billion compensation package that provides for an average compensation increase of 16%. This increase in base pay, plus better housing allowances, expanded enlistment and reenlistment bonuses, and special pay enhancements for submariners and other specialists, will help attract and retain highly qualified men and women.
- *Improving combat readiness.*—Increased compensation will be a key factor in overcoming key personnel shortages, which are the major source of readiness problems. In addition, there have been shortages in critical spare parts and, in a few cases, inadequate funds for training. The funds recommended by this budget should alleviate these problems.
- *Modernizing our forces.*—I also propose major investments to enhance substantially the capabilities of our forces. Strategic forces are being upgraded through continued procurement of Trident submarines and missiles, procurement of cruise missiles, modification of the B-52 bomber, and development of the MX missile. Army equipment, including tanks, armored vehicles, helicopters, and air defense and other missile systems, is being modernized. Fighter and attack planes are being added to Navy and Marine forces, and a continuing major shipbuilding program will add over 80 ships to our growing fleet between 1982 and 1986. The rapid deployment of our forces is being improved through the acquisition of more cargo ships and modification of airlift aircraft.

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Foreign aid.—Foreign assistance remains crucial in achieving our country's international political and economic goals. From the start of my administration, I have stressed the need for substantial increases in assistance to friendly nations, many of whom are drastically harmed by constantly increasing oil prices and other external economic and security pressures. At the same time, I have insisted upon improved management of both our security and development assistance programs.

In the first 2 years of this administration, the Congress reduced my foreign aid requests but permitted some program growth. For the past 2 years, however, the Congress has failed to pass regular foreign aid appropriations. Assistance programs in 1981 are being funded under a continuing resolution that provides amounts slightly above the 1979 levels in nominal terms, and substantially below them in real terms.

I believe in the need for higher levels of aid to achieve foreign policy objectives, promote economic growth, and help needy people abroad. Foreign aid is not politically popular and represents an easy target for budget reduction. But it is not a wise one. For 1982, therefore, I am requesting a foreign assistance program level that is higher by 14% in real terms than the amount currently available for 1981. This request would reverse the recent real decline in aid and demonstrate that the United States retains its commitment to a world of politically stable and economically secure nations.

The bilateral development aid budget includes a U.S. response to the 1980 Venice Summit agreement that the major industrial countries should increase bilateral aid for food production, energy production and conservation, and family planning in the developing countries. Such an effort to increase the availability of resources on which the industrial countries depend will serve U.S. national security, and will stimulate additional actions by the private sector in the recipient countries. This U.S. effort is planned in the expectation that the other Summit countries will also increase aid in these sectors, in response to the Venice Summit agreement. We hope this initiative will lead to agreement on arrangements for increased consultation and cooperation among the major industrial countries providing increased bilateral aid to these three vital sectors.

Energy.—My administration, working with the Congress, has established fundamental new policies that will profoundly change the way the Nation produces and uses energy. They have already led to more domestic exploration and to substantial energy conservation. This energy program represents a major long-range national commitment to meeting one of our most pressing problems. It includes:

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- Deregulation and decontrol of oil prices to be completed by October of this year.
- Establishment of the Synthetic Fuels Corporation, which will share with the private sector the risk in producing oil and natural gas substitutes that directly reduce U.S. oil imports.
- Support for energy research and development in technologies, such as solar and fusion energy, that the private sector would not finance.
- Development of the strategic petroleum reserve to reduce the impact of disruptions in world oil supplies.
- Energy conservation in public and nonprofit enterprises.
- Research on the environmental effects of energy production and use to assure that adverse effects on environmental quality are minimized.

Continuation of a sound energy policy is essential to the Nation's well-being in the coming decades. Such a policy must include the pricing of energy at its true cost, mechanisms to stimulate conservation, incentives for the continued development of our own domestic sources of energy, encouragement for longer-run renewable forms of energy, and equity for all our citizens as we adjust to this new reality.

Basic science and space technology.—Basic research is essential to the long-term vitality of the Nation's economy. Because the benefits of such investments cannot be fully realized by individual companies, the Federal Government plays a key role in supporting such research.

My budgets have reversed a long period of decline in Federal support for basic research. The 1982 budget continues that policy by providing for 4% real growth in support for the conduct of basic research across all Federal agencies. The budget also provides for greater efforts to foster cooperation among government, business, and universities in research.

In addition, we have recognized the growing importance of improving scientific technology in the Nation's universities as critical to the advancement of science and to the training of scientific and engineering manpower.

My administration's comprehensive space policy encourages the practical, effective use of information obtained from orbiting satellites and the coordinated use of the Space Shuttle, now nearing completion. Successful resolution of development problems is expected to lead to the first manned orbital flight of the Shuttle in 1981.

With these increases, Federal support for basic research will have increased by almost 58% over 1978.

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Social programs.—This budget supports my deep commitment to programs that help our citizens develop their full potential, and to programs assisting the poor, the unemployed, the elderly, and the sick.

The most extensive such programs are *social security* and *medicare.* Parts of this system are expected to experience short-run financing problems because higher than expected unemployment has decreased payroll taxes below previous forecasts, and high inflation has increased benefit payments. Therefore, the administration continues to urge the passage of legislation that would permit the three major social security trust funds to borrow from each other. In addition, it is essential that the Congress and the American people give early consideration to medium-term financing concerns.

The reports of the Commission on Pension Policy, which I established 2 years ago, and the National Commission on Social Security should stimulate constructive debate on these issues. These Commissions will complete their final reports during the coming months.

My administration has consistently maintained a strong commitment to remedying *youth unemployment* and the problems it causes. This budget includes an increase of $1.2 billion in 1982 and an additional increase of $0.8 billion in 1983 for the youth initiative I proposed last year. This initiative emphasizes the mastery of basic arithmetic and literacy skills, as well as the link between the classroom and the workplace.

The Job Corps would be continued at this year's level, serving twice as many youth as when my administration took office. In addition, my budget provides 240,000 public service jobs for low-income, long-term unemployed persons in 1982. This program is designed for the hard-core structurally unemployed, and includes substantial training in order to place men and women in permanent jobs. At the same time, the budget continues the countercyclical public service employment program through 1982 at the 100,000 level set by the Congress for 1981. The budget also provides a slight increase for the administration's private sector jobs initiative and essentially maintains the 1980 level of summer youth employment.

I am again proposing to augment medicaid with a *child health assurance* program effective by the end of 1982. This proposal, which the House of Representatives passed last year, would extend medicaid coverage to an additional 2 million children and pregnant women.

I am also proposing a number of changes in existing programs. For example, I am again proposing that retirement benefits for government employees be adjusted for inflation once, rather than twice, a year. This change would make these adjustments comparable to those for social security and most private sector automatic

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adjustment practices. The Congress approved a similar administration initiative last year for the food stamp program. This proposal would save $1.1 billion in 1982.

Benefits that are adjusted by statute for inflation will comprise nearly one-third of total Federal spending in 1981. During the last year, my administration has been assessing whether these adjustments are fair and equitable. We have concluded that the Consumer Price Index has several deficiencies as a measure of the true cost of living, particularly because of the manner in which it represents housing costs. I am therefore proposing, in this budget, that future benefits be based on an alternative, more representative index. The alternative index is already calculated and published by the Bureau of Labor Statistics. This proposal is designed to improve the technique of indexing these programs, not to reduce benefits. Therefore, no cost savings are assumed in the budget.

The budget also includes legislation to make unemployment benefits more nearly uniform among the States and to coordinate benefits more precisely with unemployment rates. Although this proposal would save about $2 billion in 1982 under the unemployment rates being projected for this budget, a slightly higher rate of unemployment would trigger extended benefits nationally. In such a case, unemployment benefits would be very close to those under current law. Even with the projected change, under current economic projections $1.5 billion would be paid in 1982 for extended benefits in States where the program is triggered.

I remain committed to a national health plan that would assure basic and catastrophic medical coverage for all Americans, as well as for prenatal and infant care. An estimated 22 million Americans lack any private or public health insurance coverage. Another 60 million people lack adequate basic coverage or protection against catastrophic medical expenses. Given the fact that adequate cost containment does not exist and the need for overall budgetary constraints, the budget does not include specific amounts for this plan. However, it is important that our Nation attempt to meet these needs and that the incentives in our health care system be restructured. A clear demonstration of success in restraining medical care costs is an essential prerequisite to the enactment of a national health plan.

My proposals to reform our welfare system should also be enacted as soon as possible. Such a program is essential to ensuring that no American goes hungry or lacks a reasonable income, and to provide needed fiscal relief to States, counties, and cities.

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IMPROVING GOVERNMENT MANAGEMENT

This budget reinforces my commitment to use resources not only wisely, but efficiently. During my administration we have:

- installed new Offices of Inspectors General in 15 major agencies to combat waste, fraud, and abuse;
- carried out a major Government-wide reform of the civil service system;
- reorganized important areas of the Federal Government, particularly those concerned with education and energy;
- reduced permanent Federal civilian employment by 45,000;
- achieved budgetary savings directly through improved cash management; and
- reduced paperwork and established a paperwork budget.

Such efforts to streamline the way the Government conducts its business are rarely dramatic. Improved efficiency is not the product of a simple sweeping reform but, rather, of diligent, persistent attention to many aspects of Federal program management.

One important aspect of improved management has been in the budget process itself. *Zero-base budgeting* is now an integral part of the decisionmaking system, providing a more systematic basis for making decisions. We have also instituted a 3-year budget planning horizon so that the longer range consequences of short-term budget decisions are fully considered and understood.

In 1978 I made a major commitment to establish a system of controlling *Federal credit* since, in the past, the very large Federal loan guarantee programs had largely escaped the discipline of the budget process. This system is now in place.

I am gratified that the Congress has supported these efforts to improve budget control. Appropriations bills now include limits on many credit programs. The congressional budget resolutions place significantly greater emphasis on longer range budget trends and set overall credit targets.

While the credit control system provides a means of assessing and limiting Federal credit programs, I believe Federal credit programs have become unduly complex and pose an increasing threat to the effective and efficient operation of private capital markets. In particular, the Federal Financing Bank has become a major and rapidly growing source of off-budget funds for direct loans to a wide range of borrowers.

Therefore, I am recommending that a panel of outstanding financial and budget experts should be established to examine these issues. Such a panel should consider the treatment of credit activities in the budget, the adequacy of program administration, uniform rules and procedures for Federal credit programs, the role of

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the Federal Financing Bank, and the relationship of tax-exempt financing to overall credit and tax policies.

CONCLUSION

My budget recommendations reflect the major changes that have taken place in our country over recent decades. In 1950, social security and railroad retirement benefits accounted for less than 3% of budget outlays. Last year they accounted for more than one-fifth of the total. Mandatory outlays for entitlement programs, the levels of which are fixed by law, for interest on the public debt, and for payments under binding contracts account for three-fourths of total budget outlays. Because so much of the budget is committed under current law before either the President or the Congress begins the annual budget formulation process, controlling budget growth has been difficult, and the results uneven. It has been difficult because benefit payments and other legal obligations have too often been spared from annual budget scrutiny. The results have been uneven because budget restraint has fallen disproportionately on programs subject to the annual appropriations process.

My administration and the Congress began to redress this imbalance in the 1981 budget. The Congress passed, and I signed into law, a reconciliation bill that for the first time was used as a mechanism for changing a variety of entitlement and tax programs. I do not propose that we break faith with the American people by arbitrarily or unfairly reducing entitlement programs. However, these programs developed independently, and they should be made less duplicative, more consistent, and more equitable. The size of these programs, and our need for budget restraint, requires that we address these problems. I urge the Congress to build upon last year's experience and review all aspects of the budget with equal care.

The allocation of one-fifth of our Nation's resources through the Federal budget is a complex, difficult, and contentious process. Restraint on any program, small or large, is usually subject to heated debate. At a time when there is broad consensus that the size of the Federal budget is too large, we can no longer—as individuals or groups—make special pleas for exceptions to budget discipline. Too often we have taken the attitude that individual benefits or particular programs or specific tax measures are not large enough to require restraint. Too often we have taken the attitude that there must be alternative sources for reductions in programs that benefit our particular group. This attitude is in part responsible for the rapid budget growth we have experienced—and can no longer afford.

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Given our Nation's needs and our economic constraints, my recommendations meet the fundamental demands of our society: a strong defense, adequate protection for the poor and the disadvantaged, support for our free enterprise economy, and investment in the Nation's future.

JIMMY CARTER.

JANUARY 15, 1981.

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PART 2

ECONOMIC ASSUMPTIONS AND THE BUDGET OUTLOOK

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ECONOMIC ASSUMPTIONS AND THE BUDGET OUTLOOK

This part of the budget discusses the budget outlook and the economic assumptions that underlie it. The first section presents economic assumptions for calendar years 1980 through 1986. The second section discusses several aspects of the short-range budget outlook. The final section examines the budget's multiyear planning base for fiscal years 1982–84 and the projections for 1985 and 1986.

Economic Assumptions

The economy and the budget are interrelated. Economic conditions significantly affect the budget, and the budget, in turn, influences economic conditions.

Both budget outlays and the tax structure have substantial effects on national output, employment, and inflation. Budget receipts vary with individual and corporate incomes, which respond to both real economic growth and inflation. Variations in receipts, as well as in some benefit payments, such as unemployment compensation, normally serve as "automatic stabilizers" for the economy by restraining growth during boom periods and cushioning economic downturns. Other activities of Government that are not reflected in the budget totals, such as loan guarantees, off-budget outlays, and regulations also affect the economy, although their effect is generally less direct and less easily measured.

Conversely, most receipts, and outlays for many Federal programs, are directly linked to developments in the economy. For example, most retirement and other social insurance benefit payments are now tied by law to price indexes. Medicare and medicaid outlays are affected directly by the price of medical services. Interest on the debt is linked to market interest rates and the size of the budget surplus or deficit, both of which in turn are influenced by economic conditions. Loan asset sales, which reduce budget outlays, are also affected by interest rates. Outlays for certain benefits, such as unemployment compensation and food stamps, vary with the rate of unemployment and income levels and are thereby linked to the state of the economy.

Because of the complex interrelationships between the budget and the economy, budget estimates depend to a very significant extent upon economic assumptions. Thus, budget estimates can change substantially if economic conditions differ greatly from

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those assumed. In 1980, for example, actual Federal spending was $48 billion higher than the original budget estimate in January 1979, with over half the increase directly attributable to economic conditions different from those originally assumed.

The economic assumptions used for developing the budget estimates are presented in the following tables to assist in understanding the budget estimates and projections and the administration's fiscal strategy. These economic assumptions are on a calendar year basis, as is customary for economic statistics, whereas the budget estimates are for fiscal years.

SHORT-RANGE ECONOMIC FORECAST

(Calendar years; dollar amounts in billions)

Item	Actual 1979	Forecast		
		1980 [1]	1981	1982
Major economic indicators:				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars	9.9	9.6	12.3	12.6
Constant (1972) dollars	1.7	—.3	1.7	3.5
GNP deflator (percent change, fourth quarter over fourth quarter)	8.1	10.0	10.4	8.8
Consumer Price Index (percent change, fourth quarter over fourth quarter) [2]	12.8	12.8	12.6	9.6
Unemployment rate (percent, fourth quarter)	5.9	7.5	7.7	7.4
Annual economic assumptions:				
Gross national product:				
Current dollars:				
Amount	2,414	2,627	2,928	3,312
Percent change, year over year	12.0	8.8	11.4	13.1
Constant (1972) dollars:				
Amount	1,483	1,481	1,493	1,545
Percent change, year over year	3.2	—.1	.9	3.5
Incomes:				
Personal income	1,944	2,160	2,420	2,700
Wages and salaries	1,236	1,344	1,486	1,656
Corporate profits	255	241	233	269
Price level:				
GNP deflator:				
Level (1972=100), annual average	162.8	177.4	196.0	214.3
Percent change, year over year	8.5	9.0	10.5	9.3
Consumer Price Index: [2]				
Level (1967=100), annual average	217.7	247.1	278.1	306.8
Percent change, year over year	11.4	13.5	12.5	10.3
Unemployment rates:				
Total, annual average	5.8	7.2	7.8	7.5
Insured, annual average [3]	3.0	3.9	4.4	4.1
Federal pay raise, October (percent): [4]				
Civilian	7.0	9.1	5.5	9.0
Military	7.0	11.7	9.1	9.0
Interest rate, 91-day Treasury bills (percent) [5]	10.0	11.5	13.5	11.0

[1] Actual data for the 1980 unemployment rate, Federal pay raise, and 91-day Treasury bill rate.

[2] CPI for urban wage earners and clerical workers. Two versions of the CPI are now published. The index shown here is that currently used, as required by law, in calculating automatic cost-of-living increases for indexed Federal programs.

[3] This indicator measures unemployment under State regular unemployment insurance as a percentage of covered employment under that program. It does not include recipients of extended benefits under that program.

[4] General schedule pay raises become effective in October—the first month of the fiscal year. Thus, the October 1981 pay raise will set new pay scales that will be in effect during fiscal year 1982.

[5] Average rate on new issues within period. These projections assume, by convention, that interest rates decline with the rate of inflation. They do not represent a forecast of interest rates.

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During the early months of calendar year 1980, the inflationary outlook worsened significantly and the economy headed into a recession. During the second quarter, economic activity declined at a record rate. This decline, though sharp, proved to be brief as economic activity began to pick up in the summer. Inflation, while it has abated somewhat from the temporarily high level of the first quarter, remains unacceptably high.

The short-range economic assumptions for calendar years 1980 (for which only three-quarters of actual data were available when the forecast was made), 1981, and 1982 are forecasts of probable economic conditions consistent with the administration's budget proposals.

As the table indicates, it now appears that the economy has embarked on what is likely to be a relatively slow recovery, with real growth of 1½ to 2% during calendar year 1981 and 3 to 4% in 1982. Consistent with this pattern of growth, the unemployment rate is projected to remain at about its current level during the forecast period. The overall inflation rate, as measured by the GNP deflator, is expected to be about 10½% in 1981, slightly above the 1980 rate. A decline in this measure of inflation, to just under 9%, is projected in 1982. The consumer price index, which is more sensitive to food prices, mortgage interest rates, and oil prices, is forecast to increase by 12½% during 1981 and 9½% during 1982. These figures compare with an increase in the consumer price index of almost 13% during 1980.

The forecasts for 1981 and 1982 are subject to substantial margins of error. For periods further in the future, economic projections are subject to even greater uncertainty. Hence, in contrast to the short-range economic forecast, *the longer range assumptions for the period 1983 to 1986 are not forecasts of probable economic conditions.* Instead, they are projections that *assume* steady progress in reducing unemployment and inflation.

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LONG-RANGE ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

	Assumptions			
	1983	1984	1985	1986
Major economic indicators:				
Gross national product (percent change, fourth quarter over fourth quarter)				
Current dollars	12.2	11.5	10.7	9.9
Constant (1972) dollars	3.7	3.7	3.7	3.7
GNP deflator (percent change, fourth quarter over fourth quarter)	8.2	7.5	6.7	6.0
Consumer Price Index (percent change, fourth quarter over fourth quarter) [1]	8.2	7.5	6.7	6.0
Unemployment rate (percent, fourth quarter)	7.0	6.6	6.2	5.9
Annual economic assumptions:				
Gross national product:				
Current dollars:				
Amount	3,718	4,156	4,611	5,081
Percent change, year over year	12.3	11.8	11.0	10.2
Constant (1972) dollars:				
Amount	1,600	1,659	1,720	1,784
Percent change, year over year	3.5	3.7	3.7	3.7
Incomes:				
Personal income	3,021	3,360	3,709	4,067
Wages and salaries	1,850	2,051	2,257	2,466
Corporate profits	311	355	404	455
Price level:				
GNP deflator:				
Level (1972=100), annual average	232.4	250.5	268.0	284.8
Percent change, year over year	8.5	7.8	7.0	6.3
Consumer Price Index: [1]				
Level (1967=100), annual average	333.6	359.5	384.6	408.6
Percent change, year over year	8.7	7.7	7.0	6.3
Unemployment rates:				
Total, annual average	7.1	6.7	6.3	6.0
Insured, annual average [2]	3.8	3.5	3.2	3.0
Federal pay raise, October (percent) [3]	8.5	8.0	7.5	7.0
Interest rate, 91-day Treasury bills (percent) [4]	9.4	8.5	7.7	6.8

[1] CPI for urban wage earners and clerical workers. Two versions of the CPI are now published. The index shown here is that currently used, as required by law, in calculating automatic cost-of-living increases for indexed Federal programs.

[2] This indicator measures unemployment under State regular unemployment insurance as a percentage of covered employment under that program. It does not include recipients of extended benefits under that program.

[3] General schedule pay raises become effective in October—the first month of the fiscal year. Thus, the October 1983 pay raise will set new pay scales that will be in effect during fiscal year 1984. These rates apply to both civilian and military pay.

[4] Average rate on new issues within period. These projections assume, by convention, that interest rates decline with the rate of inflation. They do not represent a forecast of interest rates.

The Short-Range Budget Outlook

Overview.—Under the President's proposals, total outlays are projected to rise by $76.6 billion between 1981 and 1982. Virtually all of this increase stems from three sources: the relatively uncontrollable programs in the budget, such as interest on the debt and benefit payments for individuals, and essential increases in spending for energy and defense.

Benefit payments under retirement, disability, health care, and similar programs rise because of automatic cost-of-living adjust-

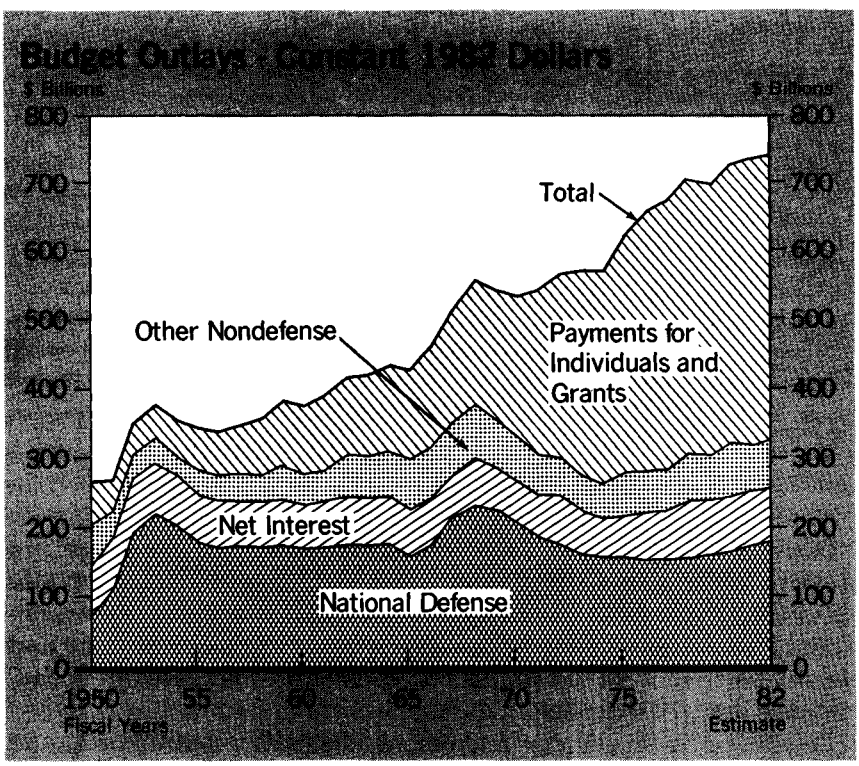
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ments and other built in price increases and because of the normal increase in the number of eligible beneficiaries. Interest on the public debt increases because of the effect of high interest rates and because of increases in debt. In total, outlays for relatively uncontrollable nondefense programs increase by $55.2 billion from 1981 to 1982.[1]

Expenditures to improve the combat readiness of our military force are proposed to continue to increase in real terms. This includes essential defense modernization—primarily to strengthen NATO-related and strategic capabilities and to increase our flexibility to meet crises in other areas. National defense outlays increase by $23.3 billion from 1981 to 1982.

Necessary increases are provided for programs that will protect this Nation against supply disruptions in imported oil and reduce our long-term reliance on such oil through increased domestic energy production and conservation. These outlays increase by $3.2 billion from 1981 to 1982.

The remainder of the budget shows selective increases for critical areas, such as for the administration's youth initiative and for the outlay effects of the economic revitalization program, principally refundable tax credits to encourage investment.

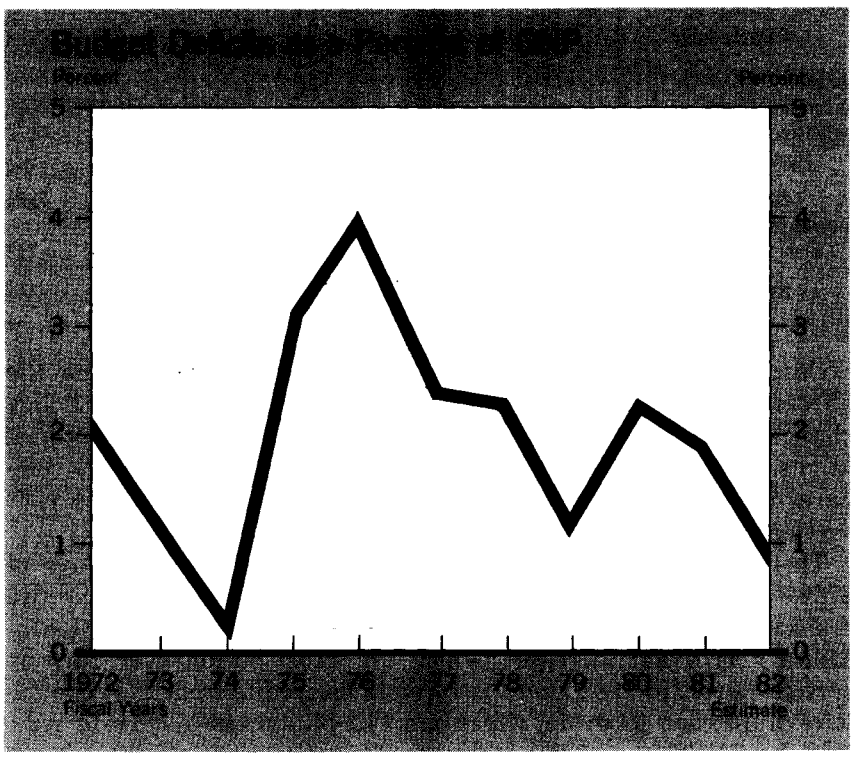


[1] Long-term issues related to relatively uncontrollable programs are discussed in Part 3.

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Overall, total outlays adjusted for inflation increase by about 1% in 1982. All of this increase is due to growth in defense spending, which rises by about 4½% in real terms. Nondefense spending is virtually unchanged from 1981 to 1982.

The budget deficit is projected to be cut in half in 1982, from $55.2 billion to $27.5 billion. As a percent of GNP, the 1982 budget deficit is only 0.9%, as compared to 4.0% in 1976 and 2.3% in 1980.



Current services estimates.—The major policy changes in the budget can be highlighted by comparing the administration's recommendations with current services estimates. Current services estimates are projections of the costs of existing programs under current law. They include outlay changes that result from increased numbers of beneficiaries entitled to receive payments, higher benefit levels due to increases in the cost of living, and added outlays necessary to maintain program levels in the face of rising costs. They do not include increases or decreases in program levels due to proposed policy changes.

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EFFECTS OF BUDGET PROPOSALS

(In billions of dollars)

	1980 actual	Estimates	
		1981	1982
Receipts:			
Current services	520.0	605.0	706.5
Proposed reductions (−)		−3.1	−18.3
Proposed increases		5.6	23.6
Budget receipts	**520.0**	**607.5**	**711.8**
Outlays:			
Current services	579.6	660.5	736.2
Proposed reductions (−)		−1.4	−15.9
Proposed increases		3.7	19.1
Budget outlays	**579.6**	**662.7**	**739.3**
Surplus or deficit (−):			
Current services	−59.6	−55.4	−29.7
Budget surplus or deficit (−)	**−59.6**	**−55.2**	**−27.5**

Current services estimates are thus a basis for identifying the effects of all the policy changes recommended in the budget. Policy changes include both proposed legislation and changes in appropriations. Special Analysis A, which accompanies this budget, compares in detail the 1981 and 1982 budget estimates and the current services estimates.

The budget recommendations would result in 1982 outlays of $739.3 billion, $3.1 billion above the current services level. The two areas where major increases over current services occur are Defense-Military program increases, which are $10.0 billion over current services levels in 1982, and the refundable credits from the economic revitalization program, which are $4.2 billion above current services levels. The major reductions from current services levels include: −$4.8 billion for pay reform and restraint and −$2.2 billion for unemployment compensation proposals. The following table identifies major program increases and reductions, relative to current services levels, in the 1981 program. Major legislative reduction proposals are discussed in a separate section below.

Receipts under the tax proposals in this budget are expected to be $711.8 billion in 1982, $5.3 billion higher than the current services level. The major reductions from current services estimates result from tax reductions associated with the administration's proposed economic revitalization program. These reductions are more than offset by increases resulting from the proposed increase in motor fuels and highway use taxes, the withholding of taxes on interest and dividends, and other revenue raising proposals. Additional detail on these proposals is provided in Part 4.

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DIFFERENCES BETWEEN ADMINISTRATION 1982 BUDGET REQUEST AND CURRENT SERVICES LEVELS

(In billions of dollars)

	Budget authority	Outlays
Current services estimates for 1982	**806.7**	**736.2**
Decreases:		
Defense, pay raise allowance	−3.4	−3.5
Defense, retired pay proposals	−0.5	−0.5
Defense, stockpile sales proposal	−0.2	−0.2
Export-Import Bank	−0.9	−0.1
Employment and training assistance	−0.2	−0.1
Payment to the Postal Service	−0.4	−0.4
Rail assistance	−0.4	−0.4
Federal impact aid to education	−0.5	−0.4
Loan guarantees to students and parents	−0.8	−0.6
Medicare and medicaid proposals	−0.1	−0.5
Civil service retirement indexation proposal	−0.7	−0.7
Unemployment compensation proposals	−2.0	−2.2
Housing assistance	−5.4	0.1
Food and nutrition assistance	−0.6	−0.5
Public assistance program reform	−0.5	−0.5
Civilian agencies, pay raise allowance	−2.4	−2.3
Other	−3.3	−2.9
Subtotal decreases	−22.3	−15.9
Increases:		
Defense—Military, program increases	11.8	10.0
Atomic energy defense activities	0.9	0.8
Foreign economic and financial assistance	1.1	0.3
Science and space programs	0.4	0.3
Federal Crop Insurance Corporation	0.5	0.1
Highway programs	0.6	0.1
Rural development business assistance proposals	0.6	*
Student financial assistance	0.1	0.4
Youth education and training proposal	1.2	0.1
Economic revitalization—refundable tax credit proposals	4.2	4.2
Allowance for contingencies	2.0	1.0
Other	2.0	1.7
Subtotal, increases	25.4	19.1
President's request for 1982	**809.8**	**739.3**

*$50 million or less.

Proposed Legislation to Reduce Federal Spending

The budget restraint required to counter the current severe inflation has made it essential to propose a number of reductions in Federal programs. Zero-base budgeting is well suited to this task. With this process, it has been possible to compare programs and to judge where the largest savings could be achieved with the least sacrifice in service to the public.

This budget includes a number of legislative proposals that would reduce Federal spending. Savings would be achieved through several proposals relating to health programs, modification of entitlement programs to relate benefits more closely to need or to earned rights, increased administrative efficiencies, and further

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reduction of waste, fraud, and abuse. In addition, this budget contains proposals to reform Federal compensation practices and procedures, place the railroad retirement system on a solid financial footing, and sell excess materials in the national stockpile of strategic materials. Together, the legislative proposals reduce estimated Federal spending by $9.4 billion in 1982, $8.9 billion in 1983, and $9.6 billion in 1984.

Savings under legislative proposals are not the only savings proposed in this budget. Some are planned under existing administrative authority or take the form of lower appropriation requests. The largest legislative savings result from proposed reductions in three areas: unemployment benefit programs, Federal employee compensation, and certain programs whose benefits are linked to inflation.

Unemployment benefit programs would be revised in two ways. First, the insured unemployment rate that is used for triggering extended benefits (an additional 13 weeks of eligibility in most States) would be revised to exclude extended benefit claimants from the calculation. Under current law, the payment of extended benefits in a state can be delayed in a period of rising unemployment. Moreover, a State that is not paying extended benefits may have an unemployment situation that is identical to that of a State in which extended benefits are being paid. In addition, during economic recovery extended benefits continue to be paid when overall unemployment is less than when the extra payments started. The proposal would eliminate these anomalies. It would also have the effect of raising the unemployment rate required to trigger extended benefits nationally. Although this proposal would save about $2 billion in 1982 under the unemployment rates being projected for this budget, a slightly higher rate of unemployment would trigger extended benefits. In such a case, unemployment benefits would be very close to those under current law. Second, legislation is recommended to complete a change made by the Omnibus Reconciliation Act of 1980 and make unemployment compensation coverage of federally funded public service employment workers optional rather than mandatory and to prohibit the use of Federal public service employment funds to pay such benefits. These two proposals reduce estimated 1982 outlays by $2.2 billion.

The administration continues to support comprehensive legislation to reform Federal compensation systems and procedures. The proposal would broaden the principle of comparability and relate Federal compensation more closely to compensation in the non-Federal sector. Comparability as currently defined would require an October 1981 pay increase estimated at 13.5%. Under the proposed changes the comparability increases would be an estimated 9.1% for military employees and 8.6% for civilian employees. This

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proposal reduces estimated 1982 outlays by $3.5 billion. As part of an overall effort to restrain inflation, the budget estimates reflect a further reduction in the civilian employee pay raise, to 5.5%. The outlay effect of this further reduction, $1.3 billion in 1982, is not shown in the accompanying table because these savings can be accomplished by administrative action.

The administration proposes a shift to annual cost-of-living increases for all Federal programs that are currently indexed more than once a year. Federal employee retirement programs are currently indexed twice a year, in March and September. Under the administration's proposal, the September increase would be eliminated, beginning in 1981. This proposal reduces estimated 1982 outlays by $1.1 billion, of which $0.5 billion is for military retired pay and $0.7 billion is for civilian retirement programs.

Child nutrition programs will receive only one automatic benefit increase in 1981 as a result of congressional action last year, but in 1982 and subsequent years current law provides for two increases, in January and July. The administration is seeking a permanent change to eliminate the January increase beginning in 1982. Dairy price supports are also currently indexed twice a year, in April and October. The administration proposes eliminating the April increase, effective this year. A change is also proposed in the way food stamp benefits are adjusted for inflation. As a result of legislation enacted last year, food stamp allotments are now adjusted annually. However, the scheduled January 1982 increase would be based on actual price increases over a 12 month period plus *projected* increases for an additional 3 months. The administration proposes to retain the current annual adjustment based on actual price changes over 12 months. The 1982 outlay savings associated with these changes in the indexing of Department of Agriculture programs is $0.6 billion in 1982.

In addition to these major reforms and proposals, a number of other legislative proposals would reduce spending. In the agriculture area, two additional legislative changes are proposed. One would increase the interest rate on water and sewer loans from 5% to the interest rate on municipal bonds for comparable communities. The second proposal would impose user charges in lieu of direct appropriation for grading and standardization services for cotton, tobacco, and naval stores, and for warehouse examination. These two reforms would save $25 million in 1982 and $35 million by 1984.

There are several legislative proposals in the health area. The largest savings proposal would make the Federal Government a more efficient purchaser of medicare services by eliminating the bonus that hospitals currently receive for providing routine nursing services to medicare beneficiaries. Savings from the proposed

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repeal of low priority benefit expansions that were included in the Omnibus Reconciliation Act of 1980 would also be sizable. These two proposals account for over three-fourths of the total outlay savings of $0.7 billion in 1982 that would result from the health-related legislative proposals.

In the income security area, several changes are sought in addition to those already discussed. For food stamps, liberalizations of deductions for determining eligibility and benefits, which are currently scheduled to occur in 1982, would be eliminated. The child nutrition programs would be better targeted to the most needy. Aid to families with dependent children (AFDC) would be reformed to simplify program administration, promote greater accuracy in determining benefits, reduce waste, and tighten eligibility, and the child support enforcement program would be improved. Reforms in the industry pension component of railroad retirement benefits are sought to assure the long-term solvency of this retirement system. Simplifications and technical changes are proposed to improve the equity of old age survivors and disability insurance benefits. Those proposals reducing outlays include: rounding benefits to the nearer ten cents; and changing the benefit computation rules for those receiving both social security and workers' compensation. Together, these income security proposals would reduce 1982 outlays by $1.0 billion.

Three proposals in veterans programs would reduce 1982 spending by $79 million. These proposals would end payments for general flight training and correspondence courses under the GI bill program; terminate certain dental benefits for veterans; and eliminate travel reimbursements for veterans being treated for non-service connected disabilities.

Existing law entitles Federal employees to receive both civil service pay and military pay while on active duty for training with the Guard or Reserve in a military leave status. The budget proposes eliminating such dual compensation by limiting Federal employees to the higher of their active duty or civilian pay for the period.

The following table summarizes the legislative cost-savings proposals included in the budget. Additional detail is given in Part 5. Many of the proposals relate to health and income security programs. Since most spending in these programs is for entitlements, reductions can be made only through the enactment of legislation. In contrast, reductions in most other Federal programs may be accomplished by reducing appropriations.

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OUTLAY SAVINGS FROM LEGISLATIVE PROPOSALS

(In millions of dollars)

	1981	1982	1983	1984
Unemployment benefit programs:				
Change unemployment insurance extended benefit trigger rate calculation		−2,088	−405	−424
Eliminate mandatory unemployment benefit coverage for public service employment workers		−122	−225	−210
Subtotal, unemployment		**−2,210**	**−630**	**−634**
Changes in indexing formulas:				
Shift to annual indexing of Federal personnel retirement:				
Military retired pay	−85	−477	−364	−331
Civilian retired pay	−12	−655	−615	−679
Permanently shift to annual indexing of child nutrition programs		−102	−87	−74
Shift to annual indexing for dairy price supports	−138	−86	−86	−86
Keep food stamps indexed to actual, not projected, costs		−419	−647	−497
Subtotal, indexing	**−235**	**−1,739**	**−1,799**	**−1,667**
Federal compensation reform:				
Department of Defense		−2,275	−2,950	−3,267
Civilian agencies		−1,219	−1,386	−1,529
Subtotal, Federal compensation reform		**−3,494**	**−4,336**	**−4,796**
Other agriculture programs:				
Increase water and sewer loan interest rate			−2	−10
Impose user fees for services provided by the Agricultural Marketing Service to grade and classify tobacco and cotton		−25	−25	−25
Subtotal, other agriculture programs		**−25**	**−27**	**−35**
Health programs:				
Eliminate bonus to hospitals for provision of routine nursing services to medicare beneficiaries	−35	−250	−285	−350
Repeal low priority medicare/medicaid expansions that were recently enacted	−55	−228	−254	−286
Expedite recovery of disallowed State medicaid claims	−25	−100	−25	
Establish financial penalties to deter abuse of medicare and medicaid programs		−24	−24	−24
Adopt competitive bidding for medicare contractors		−23	−47	−78
Adopt competitive bid purchasing for selected medicare and medicaid equipment and services		−15	−24	−38
Impact on medicaid of welfare program changes		−18	−18	−18
Repeal increment in bonuses for years of obligated service by PHS Commissioned Corps physicians		−5	−5	−5
Other health care cost control proposals		−20	−19	−20
Subtotal, health programs	**−115**	**−683**	**−701**	**−819**
Other income security programs:				
Retain current food stamp deductions		−63	−68	−74
Target child nutrition subsidies to the most needy		−327	−358	−382
Reform and simplify the aid to families with dependent children (AFDC) program and improve the child support enforcement program		−531	−543	−557
Reform the railroad retirement program to help restore the solvency of the railroad industry pension fund		−36	−71	−104
Social security simplifications and technical reforms		−23	−26	−57
Subtotal, other income security programs		**−980**	**−1,066**	**−1,174**

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OUTLAY SAVINGS FROM LEGISLATIVE PROPOSALS—Continued

(In millions of dollars)

	1981	1982	1983	1984
Veterans benefits and services:				
Eliminate GI bill benefits for correspondence courses and general flight training		−32	−28	−24
Eliminate certain dental benefits		−32	−30	−28
Limit reimbursement for beneficiary travel for certain nonservice disabled veterans		−15	−15	−15
Subtotal, veterans programs		**−79**	**−73**	**−67**
Defense: Eliminate dual leave pay	−15	−30	−30	−30
General Services Administration: Increase stockpile sales	−210	−210	−217	−430
Total, cost savings proposals	**−575**	**−9,450**	**−8,879**	**−9,652**
MEMORANDUM				
Outlay savings by function:				
National defense	−310	−2,992	−3,561	−4,058
Agriculture	−138	−111	−111	−111
Community and Regional Development			−2	−10
Health	−115	−683	−701	−819
Income security	−12	−4,366	−3,045	−3,058
Veterans benefits and services		−79	−73	−67
Allowances		−1,219	−1,386	−1,529

Budget Authority

All budget outlays depend on the legal authority to spend money provided by the Congress. Such "budget authority"—usually in the form of appropriations—results in outlays, some of which occur during the fiscal year for which the budget authority is granted and the rest of which occur later. For 1982 the President is requesting new budget authority of $809.8 billion, which is $3.1 billion above the current services level of $806.7 billion.

In 1982, outlays are estimated at 91% of budget authority for that year. This percentage is in line with historical experience.

BUDGET AUTHORITY

(In billions of dollars)

	1980 actual	Estimate	
		1981	1982
Available through current action by the Congress	411.7	449.9	491.2
Available without current action by the Congress	325.2	371.8	427.4
Deductions for offsetting receipts	−78.2	−95.2	−109.0
Total, budget authority	**658.8**	**726.5**	**809.8**
MEMORANDUM			
Budget authority, current services basis	658.8	722.9	806.7

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Federal Civilian Employment and Pay

The 1982 budget meets the President's objective of holding Federal civilian employment to the minimum necessary for the efficient and effective operation of the Government. Full-time permanent employment in the executive branch (excluding the Postal Service) is estimated to be 1,879,500 by the end of 1982, which is a small increase from 1981 but remains below the level that existed when the administration took office.

As noted earlier, the administration has proposed comprehensive legislation to reform and improve Federal pay-setting systems and procedures. The legislative proposal would broaden the principle of comparability to (1) take into account both pay and benefits instead of only pay; and (2) include data from State and local governments as well as data from private industry. The Federal wage system for the blue collar work force would be changed, and a number of other modifications would be made to improve comparability with non-Federal wage rates. These reforms would improve the comparability system.

As part of an overall effort to hold down inflationary trends, the budget estimates assume an October 1981 pay increase of 5.5%, about 3 percentage points below the estimate consistent with compensation comparability under the reform proposals.

Federal Debt

During 1982, Federal debt held by the public is estimated to increase from $787 billion to $832 billion, a rise of $45 billion. The corresponding growth during 1981 is expected to be $72 billion. About three-fifths of the 1981 debt increase is due to the anticipated budget deficit and two-fifths is due to the outlays of the off-budget Federal entities (discussed in Part 6 of this document). Other factors, such as changes in cash balances held by the Treasury, also affect borrowing. Gross Federal debt, which also includes debt held in Federal Government accounts (primarily trust funds), is projected to rise by $78 billion in 1981 and $65 billion in 1982. Part 6 provides a more detailed discussion of Federal debt.

FEDERAL DEBT

(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate
Debt outstanding, end of year:			
Gross Federal debt	914.3	992.4	1,057.7
Debt held by the public	715.1	787.1	832.1

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Control of Federal credit

The administration made a major commitment in 1978 to establish and maintain a regular, systematic review of Federal credit activity. The credit control system and credit budget was announced in the 1980 budget and was carried out in the 1981 budget. The new system is an important step in restraining the growth of Federal credit activity.

In the past, Federal credit programs were only partially controlled through the normal budget process. Budget authority and outlays for some direct loans of the Federal Government were included in the budget, and limitations of various kinds were placed on some guarantee programs. However, there is increasing concern about control over Federal guarantees of private loans, which do not generally result in budget outlays except in cases of default. Guarantees can often substitute for on-budget direct lending or other outlays in order to escape budget controls. In fact, many agencies convert their federally guaranteed loans to off-budget direct loans by financing them through the Federal Financing Bank (FFB), the activities of which are excluded from the budget by law. The FFB, a financial intermediary for the efficient financing of Federal credit activities, is discussed in more detail in Part 6.

The credit budget works in tandem with the conventional budget system, and includes both on- and off-budget accounts. It measures total new Federal credit activity in terms of new obligations for direct loans and new commitments for loan guarantees. The table below shows the totals of the credit budget.

THE CREDIT BUDGET TOTALS

(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate
New direct loan obligations:			
On-budget	37.8	42.1	34.1
Off-budget	23.6	32.2	26.1
Total new direct loan obligations	**61.4**	**74.2**	**60.2**
New loan guarantee commitments [1]	69.8	91.1	92.4
Total	**131.2**	**165.4**	**152.6**

[1] To avoid double counting, excludes commitments for guarantees of loans previously guaranteed and for guarantees by one Government account of direct loans made by another Government account.

The credit control system is the mechanism for controlling the size of the credit budget, and it operates through the appropriations process. Wherever appropriate, the administration is requesting that annual appropriations bills include limitations on credit programs. The limitations, which were developed as part of

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the normal budget review process, are placed on new obligations for direct loans and new commitments for loan guarantees.

The credit budget totals rise sharply between 1980 and 1981 but decrease in 1982. For direct loans, the increase between 1980 and 1981 is due primarily to a rise in Federal Financing Bank lending. Between 1981 and 1982 new direct loan obligations are expected to decrease by $14.1 billion. Decreases occur primarily in the Farmers Home Administration and the disaster loan program in the Small Business Administration. Total loan guarantee commitments are estimated to increase substantially between 1980 and 1981 resulting from large increases in education and housing programs. Guarantees remain relatively stable between 1981 and 1982.

FEDERAL CREDIT LIMITATIONS

(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate
New direct loan obligations	61.4	74.3	60.2
Limitations on obligations		25.3	23.6
New loan guarantee commitments	69.8	91.1	92.4
Limitations on commitments		42.9	73.8
Credit budget total	131.2	165.4	152.6
Total limitations		68.2	97.4
Percent of credit budget total limited		41.2	67.5

For 1982, the administration is recommending appropriation bill limitations on $23.6 billion of new direct loan obligations, about 45% of all the new obligations and it is recommending appropriation bill limitations on $73.8 billion in new loan guarantee commitments, about 80% of all new commitments. Of the total credit budget, 67.5% is recommended for limitation in 1982.

Exemptions from the credit control system.—A number of programs are included in the credit budget but are not subject to specific proposed appropriations limitations in this year's budget. In such instances, estimates of expected activity are made, displayed in the *Budget Appendix*, and included in the credit budget totals, but appropriations bill limitations are not requested. There are two general reasons why the administration requests that programs be exempted from credit control:

- Emergency assistance programs and some insurance programs, such as those of the Federal Deposit Insurance Corporation, may use loans as one means of carrying out their responsibilities. Specific annual limitations could hamper their ability to respond quickly and adequately to emergencies.

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- Entitlement programs, under which any qualified recipient has a legal right to loans or loan guarantees, are essentially uncontrollable through the appropriations process. Although they are included in the credit budget, such programs are best controlled through changes in the basic authorization laws that establish legal entitlements. The credit entitlements are analogous to direct expenditure entitlements, such as social security.

One of the important goals of the credit control system is to encourage more careful consideration of the impact of total Federal credit activity on the economy as a whole. The credit budget does this by monitoring new transactions. For analytical purposes, the Federal Government's large portfolio of loans outstanding is also important. This portfolio has been growing because new credit assistance transactions have exceeded repayments of previous loans. As shown in the following table, the total size of Federal credit outstanding is large.

DIRECT LOANS AND LOAN GUARANTEES OUTSTANDING END OF YEAR

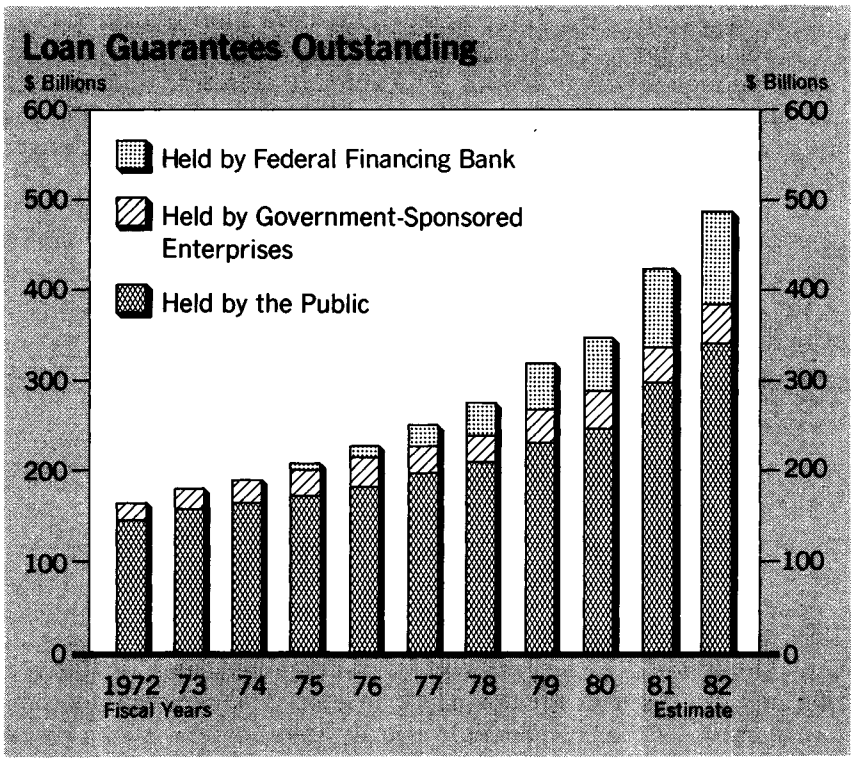
(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate
Direct loans outstanding:			
On-budget	88.1	91.5	97.5
Off-budget	72.3	95.5	114.0
Loan guarantees outstanding [1]	222.2	263.5	302.4
Total Federal credit outstanding	**382.6**	**450.6**	**513.9**

[1] To avoid double counting, excludes loans previously guaranteed and guaranteed loans held as direct loans by Government accounts.

On-budget direct loans outstanding are expected to rise by 10½% between 1980 and 1982. Off-budget direct loans outstanding increased by $41.7 billion between 1980 and 1982 due primarily to increases in the holdings of the FFB. Loan guarantees outstanding increase sharply from 1980—by $41.4 billion in 1981 and $38.8 billion in 1982—and are estimated to reach $302.4 billion, continuing the rise shown in the chart below.

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Net direct loan outlays are equal to the change in direct loans outstanding, and net loan guarantees are equal to the change in loan guarantees outstanding. Net loan outlays and net loan guarantees measure new credit advanced by the Federal Government less repayments on existing loans or guarantees. They are conceptually analogous to budget outlays. As the table below shows, total net loan outlays increase in 1981 but are estimated to decrease in 1982. This is due in part to fluctuations in repayments and the changes in the credit budget totals discussed above.

NET DIRECT LOAN OUTLAYS AND NET LOAN GUARANTEES

(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate
Net loan outlays:			
On-budget	8.8	3.4	6.0
Off-budget	14.7	23.2	18.5
Net loan guarantees [1]	25.1	41.4	38.8
Total	**48.6**	**68.0**	**63.3**

[1] To avoid double counting, excludes loans previously guaranteed and guaranteed loans made as direct loans by Government accounts.

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Debt collection.—The Government has more than $175 billion in accounts and loans receivable outstanding, of which over $25 billion is delinquent or in default. The amount of overdue debts owed the Government prompted OMB to establish a Debt Collection Project in August 1979, under the sponsorship of the President's Management Improvement Council.

An extensive review of credit management and debt collection practices in the major agencies was conducted. The review activities included: (1) analyzing the Government's receivables in terms of age, delinquency rates, write-offs, and expected losses; (2) evaluating the effectiveness of each agency in the management of receivables; and (3) identifying solutions to both agency and Government-wide problems.

OMB and the agencies are working together to find improved ways to prevent delinquencies and to recover overdue debt owed to the Government.

The 5-Year Budget Outlook

Control of budget growth is very difficult in the short run. In 1982, about three-fourths of budget outlays are relatively uncontrollable under existing law, a concept explained later in this section and discussed in greater depth in Part 3. The remaining one-fourth includes many very high priority items. About 64% of relatively controllable outlays, for example, are for national defense and at least another 10% of these outlays are for employees in Veterans hospitals and other essential nondefense activities. In short, a large portion of expenditures for 1982 flows from decisions made in previous years or is associated with high priority programs.

Limits to budget growth, therefore, can best be discussed and acted upon in a longer-range context. Effective limits on future outlays require proposals now to restrain growth, even though substantial savings may not be realized for many years.

This section discusses the 5-year budget outlook. Outlay estimates for the first 2 years beyond the budget year (1983 and 1984) have received explicit policy review. Projections for 1985 and 1986 are extrapolations of the 1982–84 multi-year planning estimates.

Part 5 of the budget shows estimates of outlays and budget authority by function for the 3-year planning period, 1982–84.

Basic assumptions.—The receipts projections presented in this section are consistent with the foregoing economic assumptions, and with continuation of current tax laws as modified by the proposals in this budget. The budget authority and outlay estimates indicate the degree to which resources would be committed

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by program levels recommended for 1981 and 1982, planned for 1983 and 1984 and continued at planned levels in 1985 and 1986. These estimates are not precise forecasts of future budget authority or outlays. Nor are they intended as detailed recommendations of future budget levels. They are, however, consistent with the objective of restraining growth in Federal spending and holding Federal outlays as a percentage of gross national product (GNP) to the lowest level consistent with national needs.

These planning base estimates, and the projections to 1986, allow for future cost-of-living adjustments to most benefit programs (a major exception being aid to families with dependent children, the benefits for which are set by States), anticipated changes in numbers of eligible beneficiaries, Federal pay raises, and other built-in cost changes (such as interest) consistent with the economic assumptions outlined above. They allow for real growth of outlays in certain areas, such as defense, basic research, and payments for individuals, and a net real decline in all other areas combined.

The budget outlook.—The following table summarizes the budget outlook from 1980 to 1986 based on the proposals in this budget. Receipts are projected to increase by an average of 13.7% per year from 1982 to 1986, rising from $711.8 billion to $1,188.5 billion. Over the same period, outlays are projected to rise by an average of 9.2% a year, from $739.3 billion to $1,050.3 billion. Under these assumptions, the budget is projected to move into surplus in 1984.

It should be emphasized that the projections do not imply that budget surpluses of this magnitude will in fact occur or that resources will in fact be available for additional spending or for debt reduction. It is unrealistic to assume that Federal receipts will be permitted in the future to rise continually as a percentage of GNP, with an attendant rise in individual tax burdens. Income tax reductions were enacted in the 1960's and 1970's partially to offset such increases. Future tax reductions will be required to lower tax burdens and as incentives to business investment and innovation that would help raise productivity and reduce inflation.

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THE BUDGET OUTLOOK, 1980–86

(Dollars in billions)

	1980 actual	Estimate				Projection	
		1981	1982	1983	1984	1985	1986
Budget outlays	579.6	662.7	739.3	817.3	890.3	967.9	1,050.3
Budget receipts	520.0	607.5	711.8	809.2	922.3	1,052.6	1,188.5
Budget surplus or deficit (−)	−59.6	−55.2	−27.5	−8.0	32.0	84.7	138.2
As a percent of GNP:							
Budget outlays	22.6	23.3	23.0	22.6	22.0	21.5	21.2
Budget receipts	20.3	21.4	22.1	22.4	22.8	23.4	24.0
ADDENDUM							
Receipt reductions necessary to reduce burdens to the 1982 level (22.1% of GNP)				−9.4	−26.9	−57.2	−89.9
Budget surplus or deficit (−) with burdens at the 1982 level				−17.4	5.1	27.5	48.3

Holding future burdens to levels consistent with recent experience will require stringent control of budget outlays if the budget is to be kept near balance in these years. The timing and structure of future reductions, however, cannot be projected in detail far in advance of events; they depend critically on economic developments, especially on progress in reducing inflation, and on the appropriate level of aggregate public sector saving.

The table also shows the budget estimates as a percent of GNP. Budget outlays are estimated to reach a peak of 23.3% of GNP in 1981 and decline to 21.2% by 1986. Under existing tax law, modified by the proposed changes in this budget, receipts would reach peak proportions of GNP each year, rising to 24.0% by 1986. (The previous peak was 21.9% in 1944.)

Because such increases are undesirable and unlikely, it may be more realistic to assume that receipts will remain at their 1982 share of GNP—22.1%. This implies substantial cuts in later years. It also means that, without substantial reductions in outlays, there could be larger deficits or smaller surpluses through 1986, even with the relatively favorable economic assumptions used for these projections. These projections highlight the need for budget restraint now and in the long run.

They also raise the issue of whether the current role of the Federal Government is appropriate for the 1980's. Given pressures on resources, a fundamental review is required of the appropriate Federal activities and roles both with respect to the private sector and other levels of government. This issue deserves serious consideration and is discussed in Part 3.

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Receipts.—The estimates of receipts shown in this section are extrapolations (based on the assumed economic trends) of the receipts that would result under existing tax law and the tax proposals in this budget. Projected increases in receipts from 1982 to 1986 are attributable largely to rising nominal incomes, due to both inflation and real growth, and to increases in social security taxes scheduled under current law. The table shows projected receipts by source and the effect on receipts of administration tax proposals.

BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

	1980 actual	Estimate				Projection	
		1981	1982	1983	1984	1985	1986
Individual income taxes	244.1	284.0	331.7	384.6	451.2	525.6	607.6
Corporation income taxes	64.6	66.0	64.6	77.6	91.0	106.5	123.8
Social insurance taxes and contributions	160.7	184.8	214.7	239.5	264.2	298.8	331.0
Excise taxes	24.3	44.4	69.6	73.4	77.1	81.1	83.6
Other	26.3	28.3	31.2	34.1	38.9	40.5	42.5
Total	**520.0**	**607.5**	**711.8**	**809.2**	**922.3**	**1,052.6**	**1,188.5**
MEMORANDUM:							
Effect of receipts proposals in comparison to current services: [1]							
Individual income taxes		−.5	−2.8	−12.9	−18.9	−22.4	−25.4
Corporation income taxes		−.8	−8.6	−13.2	−16.1	−18.9	−21.1
Social insurance taxes			.5	.5	.5	.6	.6
Excise taxes		3.8	16.1	17.8	19.5	21.6	23.9
Other		*	.1	.1	.1	.1	.1
Total		**2.5**	**5.3**	**−7.9**	**−15.0**	**−19.0**	**−21.9**

* $50 million or less.

[1] These estimates do not reflect the renewal of the highway trust fund taxes, which are scheduled to expire September 30, 1984; renewal is assumed in the current services receipts estimates.

Individual income taxes are projected to rise from $331.7 billion in 1982 to $607.6 billion in 1986, an increase of 16.3% per year. Corporation income taxes rise by 17.6% per year over the same period, from $64.6 billion to $123.8 billion. The provisions of the proposed economic revitalization program reduce income taxes by amounts rising from $18.3 billion in 1982 to $56.2 billion by 1986. These reductions are partially offset by the proposed withholding of taxes on interest and dividend income and other proposals, which add $6.9 billion to income taxes in 1982 and $9.7 billion by 1986. For a more detailed discussion of the economic revitalization program and other tax proposals, see Part 4 of this *Budget*.

Social insurance taxes and contributions, which increased from only 2.5% of GNP in 1958 to 5.9% two decades later, are projected to increase to 6.7% of GNP by 1986. As shown in the accompanying

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table, the social security tax rate, which increased from 12.26% to 13.3% of the taxable earnings base on January 1, 1981, is scheduled under current law to increase in three steps to 14.3% by 1986. The taxable earnings base is scheduled to increase annually, rising from its current level of $29,700 to a projected $45,900 by 1986.

SOCIAL SECURITY TAX RATE AND TAXABLE EARNINGS BASE

(Calendar years)

	1980	1981	1982	1983	1984	1985	1986
Tax rate (FICA, percent)	12.26	13.3	13.4	13.4	13.4	14.1	14.3
Taxable earnings base (dollars) [1]	25,900	29,700	32,100	35,400	38,700	42,300	45,900

[1] The taxable earnings base figures for 1982–86 are estimates based on an automatic adjustment mechanism. The figures for earlier years are scheduled under current law.

Excise taxes are projected to rise from $69.6 billion in 1982 to $83.6 billion in 1986. These estimates include the proposed increases in the motor fuels and other highway use taxes; excise tax receipts from these increases are projected to rise from $3.5 billion in 1981 and $14.6 billion in 1982 to $21.6 billion in 1986. Excise tax receipts from the windfall profit tax, which was enacted in 1980, are estimated at $22.2 billion in 1981, $34.7 billion in 1982, and $40.0 billion by 1986. The 1985 and 1986 estimates include $3.9 billion and $4.0 billion, respectively, from the proposed extension of the highway trust fund taxes that expire under existing law on September 30, 1984.

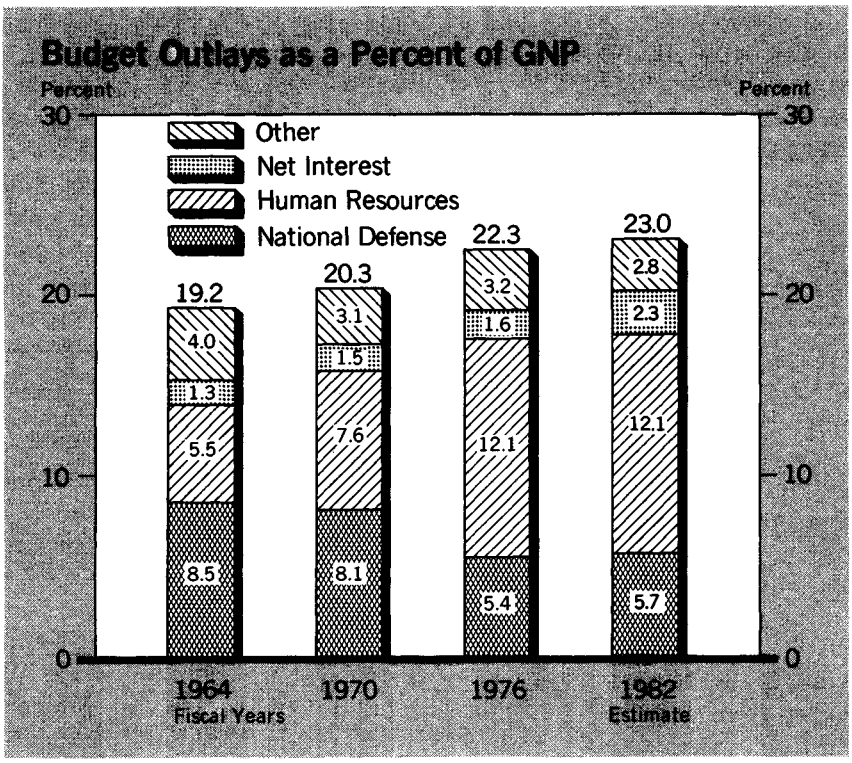
Estate and gift taxes, customs duties, and miscellaneous receipts are projected to be $42.5 billion in 1986, an increase of $11.3 billion from 1982.

Budget authority and outlays.—The estimates and projections of budget authority and outlays shown in this section are extrapolations (based on the assumed economic trends) of program costs reflecting current administration policy—including the 1982 budget proposals and the multiyear budget plans for 1983 and 1984. They are estimates of future resources and of the degree to which those resources are already committed by current policy.

Total budget outlays are projected to increase at an average annual rate of 9.2% from $739.3 billion in 1982 to $1,050.3 billion in 1986. As a percentage of GNP, outlays fall from 23.3% in 1981 to 21.2% in 1986.

Historical trends in budget outlays.—The budget seeks to focus attention on longer term planning, and from this perspective it is important to keep in mind the underlying historical trends. The chart disaggregates budget outlays as a percentage of GNP by four major categories at 6-year intervals for the period 1964 to 1982. It reveals several underlying trends:

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- Budget outlays for national defense are now about 5½% of GNP. Under present plans, that share will increase. It is substantially below the share reached in the early 1960's, but is slightly higher than that in the late 1970's.
- Human resources programs[2] have expanded steadily. In 1964, prior to the establishment of medicare, medicaid, and many other social programs initiated in the latter 1960's, human resources outlays were 5.5% of GNP. By 1982 they are estimated to be 12.1%. Much of this growth is due to social security and medicare, which grew rapidly from 2.6% of GNP in 1964 to an estimated 6.4% in 1982.
- Between 1976 and 1980 debt held by the public increased at a somewhat slower rate than that of GNP. However, interest rates have increased so greatly that net interest outlays rose from 1.6% of GNP in 1976 to 2.0% in 1980 and are projected to be 2.3% of GNP by 1982.
- All other budget outlays have fluctuated relative to GNP, with the 1982 estimate slightly below the 1970 and 1976 levels.

[2] Human resources programs consist of those in the following functions: education, training, employment, and social services; health; income security; and veterans benefits and services.

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In sum, the 0.9 percentage point increase in social security and medicare outlays relative to GNP from 1976 to 1982, the 0.7 percentage point increase for net interest, and the 0.3 percentage point increase for defense far more than offset a combined 1.2 percentage point decline in all of the other categories put together.

Outlay projections.—Budget outlays are projected to increase by $311 billion between 1982 and 1986, an average annual increase of 9.2% per year. This is 1.8% per year faster than inflation. National defense and payments for individuals—including those that go through States and localities—account for $275 billion of this increase. The major planned initiative included in the projections is for growth in national defense, which accounts for $115 billion or more than one-third of the total 1982–86 outlay increase. Payments for individuals increase $160 billion from 1982–86, more than one-half of the total increase. These increases result primarily from demographic changes (e.g., increases in the number of persons 65 or over) and inflation, rather than the creation of new programs or liberalization of existing ones.

The table projects the composition of budget outlays as a percent of the total through 1986. National defense and payments for individuals increase as a percent of the budget for 1982–86, while all other areas combined decline. National defense outlays are projected to increase from 24.9% in 1982 to 28.5% in 1986, and payments for individuals increase slightly from 47.8% to 48.9%. All other areas put together decline from 27.2% in 1982 to 22.5% in 1986.

PERCENTAGE COMPOSITION OF BUDGET OUTLAYS

Description	Actual			Estimate			Projection	
	1970	1975	1980	1982	1983	1984	1985	1986
NATIONAL DEFENSE:								
Direct Federal payments for individuals	1.4	1.9	2.1	2.1	2.2	2.3	2.3	2.3
Other	38.5	24.3	21.4	22.8	23.5	24.4	25.4	26.2
Subtotal, national defense	40.0	26.2	23.4	24.9	25.7	26.7	27.7	28.5
NON–DEFENSE:								
Direct Federal payments for individuals	27.5	40.8	40.9	42.0	42.3	42.5	42.9	42.8
Payments for individuals through States and localities	4.6	5.3	5.9	5.8	5.9	5.9	6.0	6.1
All other grants to States and localities	7.6	9.9	9.9	7.7	7.6	7.4	7.0	6.7
Net interest	7.3	7.1	9.1	10.1	9.1	8.2	7.4	6.8
Other	13.0	10.6	10.9	9.4	9.4	9.3	9.1	9.0
Subtotal, nondefense	60.0	73.8	76.6	75.1	74.3	73.3	72.3	71.5
Total budget outlays	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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Part 3 of the budget has several essays analyzing the issues that are influencing both the changes in the composition of outlays as well as their growth.

Projections of budget authority and outlays are shown by function and by agency at the end of this part of the budget.

Needs for the Future.—In previous budgets, projections of budget plans have included specific amounts for two high priority needs, a national health plan and welfare reform. Current and outyear projections in this budget do not include such amounts because such specific plans do not appear appropriate for an administration that is leaving office.

This administration continues to believe that a national health plan and welfare reform are essential and that work should continue on their development. They should be put into effect when adequate cost containment exists and when budgetary conditions permit. A *national health plan* is needed because many Americans are not served well by the existing health care system. About 22 million people do not have health insurance coverage of any kind. Nearly three times that number lack adequate protection from the cost of catastrophic illness. More prenatal and infant care services are needed. Effective measures must be devised and implemented to restrain the rising burden of health care costs. This administration remains committed to a national health plan that will meet these needs.

The administration's *welfare reform* proposals have been before the last Congress, which did not complete action on them. Those and related proposals would (1) establish a national basic minimum level of assistance to families, (2) extend eligibility for cash assistance to two-parent families in all States, (3) alleviate part of the onerous fiscal burden on States and localities for public assistance and medicaid costs, and (4) provide work incentives and training opportunities, including public service jobs, for the principal earner in families receiving public assistance when a private sector job cannot be found.

Such a program is needed to insure a reasonable income and to encourage productive work for all Americans. This administration remains committed to those goals.

Finally, no account of future budget needs would be complete without recognition of the need to resolve the problem of *social security financing.* The administration has proposed that the major social security funds be permitted to borrow from each other. The estimates contained in the budget assume that enactment of that legislation will overcome any shortfalls in the budget planning period 1982–84.

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However, additional action will have to be taken to insure uninterrupted payments beyond the planning period. Because the anticipated financing problems in the mid-1980's are expected to be of relatively short duration, this administration believes that they should be overcome by providing more funds, not by cutting back basic benefits.

High employment budget.—The high-employment budget is an analytical concept that estimates the budget aggregates that would result if the economy were continuously operating at a high level of employment. The unemployment rate at high employment is estimated to be 5.1% currently and to decline to 4.8% by the end of 1986. These rates are comparable to a rate of about 4.0% in 1955, adjusted for changes in the composition of the labor force.

High-employment outlays exclude that portion of outlays for unemployment insurance benefits and certain other programs that occurs because the economy is not continuously operating at high employment. They thus eliminate the fluctuations in actual outlays for these programs due to year-to-year changes in the unemployment rate and in the degree of utilization of capital and other resources. High-employment receipts are similarly computed on the basis of the estimated yield of the existing (or proposed) Federal tax system if the economy were continuously at high employment. This eliminates year-to-year fluctuations in actual receipts due to deviations in real gross national product from its long-term trend. The difference between the adjusted receipts and outlay estimates is the high-employment budget margin. Changes in this margin from one year to the next are a rough measure of the combined effects of (1) discretionary fiscal policy actions and (2) the automatic increase in tax rates caused by inflation and real growth moving taxpayers into higher tax brackets (sometimes called "fiscal drag").

HIGH-EMPLOYMENT RECEIPTS AND OUTLAYS

(In billions of dollars)

	Estimates					Projections	
	1980	1981	1982	1983	1984	1985	1986
High-employment receipts	546	660	774	873	986	1,115	1,248
High-employment outlays	572	647	726	805	878	957	1,041
High-employment budget margin	−26	13	48	68	108	158	207

High-employment outlays are estimated at $726 billion in 1982 and rise to $1,041 billion in 1986. High-employment receipts are projected to increase from $774 billion in 1982 to $1,248 billion in 1986. The high-employment margin increases from $48 billion in 1982 to $207 billion in 1986.

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Relative controllability.—Efforts at budget control have resulted in a classification system that distinguishes between outlays that are the most difficult to limit in the short run, called relatively uncontrollable outlays, and those relatively controllable outlays that are in principle easier to limit. In practice, however, relatively controllable outlays often include high priority items. For example, more than 60% of relatively controllable 1982 outlays are for national defense and at least another 10% of these outlays are for the Federal civilian workforce in Veterans hospitals, the FBI, the Internal Revenue Service, the Customs Service, the Immigration and Naturalization Service, the Coast Guard, and other essential activities.

Outlays in any one year are considered to be relatively uncontrollable when the program level for that year is determined by existing statute or by contract or other obligations. Relatively uncontrollable outlays are grouped into two major categories: outlays for open-ended programs and fixed costs, which are generally mandated by law; and payments from prior-year contracts and obligations, which are required because of previous actions. The table shows the relative controllability of budget outlays for 1982–86.

Last year the Congress enacted the Omnibus Reconciliation Act of 1980 as a result of a reconciliation directive in the first budget resolution for 1981. The resolution directed several committees to recommend changes to reduce spending or increase receipts. These recommendations were in the Act and included several changes that result in lower outlays for relatively uncontrollable programs. The reconciliation procedure may prove an effective tool in controlling the growth of the budget. These issues are discussed more fully in Part 3.

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CONTROLLABILITY OF BUDGET OUTLAYS

(In billions of dollars)

	Estimates			Projections	
	1982	1983	1984	1985	1986
Relatively uncontrollable under present law: [1]					
Open-ended programs and fixed costs:					
Social security and railroad retirement	165.4	187.2	208.0	228.8	249.5
Medical care	65.3	74.4	84.7	96.1	108.5
Other payments for individuals	124.4	132.6	139.5	149.1	157.3
Net interest	75.2	76.0	74.2	73.8	74.3
General revenue sharing	4.6	4.6	4.6	4.6	4.6
Other open-ended programs and fixed costs	12.7	12.2	12.8	13.3	13.6
Subtotal, open-ended programs and fixed costs, current law	447.6	487.0	523.8	565.5	607.8
Proposed changes in open-ended programs and fixed costs:					
Annual indexation of Federal retirement	−1.1	−1.0	−1.0	−1.1	−1.1
Nutrition programs	−.9	−1.2	−1.0	−.9	−.8
Assistance payments (AFDC)	−.5	−.5	−.6	−.6	−.6
Unemployment compensation	−2.2	−.6	−.6	−.3	−.2
Refundable tax credits	4.2	6.4	7.2	8.0	8.7
Veterans compensation	1.0	2.0	3.0	4.0	4.9
Medicare and medicaid	−.5	−.2	.1	.2	.2
Other	−.7	−1.1	−1.0	−2.1	−2.3
Subtotal, proposed changes	−.9	3.8	6.1	7.2	8.9
Outlays from prior-year contracts and obligations [1]	118.8				
Relatively controllable outlays	180.7	333.4	367.6	402.7	441.3
Undistributed employer share, employee retirement	−6.8	−7.0	−7.2	−7.5	−7.7
Total budget outlays	**739.3**	**817.3**	**890.3**	**967.9**	**1,050.3**

[1] Outlays from prior-year contracts and obligations are relatively uncontrollable in the budget year. In the longer run, most of them can be controlled (e.g., by not entering into contracts); therefore, they are not projected beyond the budget year. Historical data for this category, and estimates for 1981 and 1982, are shown separately in table 17, Part 9.

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BUDGET AUTHORITY BY FUNCTION

(In billions of dollars)

	Estimates			Projections	
	1982	1983	1984	1985	1986
National defense	200.3	228.6	258.0	289.7	324.1
Military personnel	38.4	38.9	39.5	40.1	40.7
Retired pay	15.6	18.4	20.4	22.4	24.3
Operation and maintenance	61.5	67.8	74.4	81.5	89.0
Procurement	49.1	58.8	70.0	82.6	96.9
Other [1]	35.8	44.7	53.6	63.1	73.1
International affairs	19.6	18.4	20.1	21.3	22.4
General science, space, and technology	8.1	8.8	8.4	8.0	7.7
Energy	12.1	12.7	10.8	11.5	15.7
Natural resources and environment	13.6	15.3	16.2	16.4	16.4
Agriculture	5.6	5.6	4.9	5.3	5.6
Commerce and housing credit	10.7	12.3	13.4	14.1	15.1
Transportation	25.5	27.2	28.3	29.4	30.5
Community and regional development	9.2	9.3	9.4	9.7	10.0
Education, training, employment, and social services	36.3	38.0	39.7	41.3	42.7
Education	17.2	17.5	18.3	19.1	19.7
Training, employment and other labor	12.0	13.0	13.5	14.0	14.6
Social services	7.2	7.6	7.9	8.2	8.4
Health	86.1	96.1	107.5	121.7	139.0
Medicare	56.9	63.5	71.3	81.6	94.6
Medicaid	18.9	21.8	25.0	28.5	32.4
Other	10.3	10.8	11.2	11.6	12.0
Income security	279.6	310.4	332.4	362.8	389.8
Social security	150.4	166.4	182.7	208.3	231.3
Other general retirement	7.4	7.7	8.1	8.8	9.2
Federal employee retirement	30.3	32.7	34.9	36.9	38.7
Unemployment compensation	24.0	24.0	22.9	22.9	21.4
Housing assistance	31.4	37.7	40.9	40.2	41.3
Food and nutrition assistance	18.0	19.7	21.3	22.6	23.9
Other income security	18.0	22.2	21.6	23.1	24.0
Veterans benefits and services	25.0	27.0	29.2	30.7	31.7
Administration of justice	4.8	4.9	5.1	5.3	5.5
General government	5.4	5.6	5.5	5.6	5.6
General purpose fiscal assistance	6.9	7.4	7.6	7.8	8.0
Interest	89.9	91.7	89.0	87.5	88.2
Allowances:					
Civilian agency pay raises	1.0	3.8	6.3	8.8	11.4
Contingencies and other	2.0	3.0	4.0	4.0	4.0
Undistributed offsetting receipts:					
Employer share, employee retirement	−6.8	−7.0	−7.2	−7.5	−7.7
Interest received by trust funds	−15.2	−17.2	−16.1	−16.1	−16.5
Rents and royalties on the Outer Continental Shelf	−9.9	−9.9	−9.9	−9.9	−9.9
Total budget authority	**809.8**	**892.0**	**962.7**	**1,047.2**	**1,139.1**
MEMORANDUM					
Budget authority, off-budget Federal entities	31.1	30.2	34.5	34.5	36.4
Budget authority, including off-budget Federal entities	840.9	922.1	997.2	1,081.7	1,175.5

[1] Includes allowances for civilian and military pay raises for Department of Defense.

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BUDGET OUTLAYS BY FUNCTION

(In billions of dollars)

	Estimates			Projections	
	1982	1983	1984	1985	1986
National defense	184.4	210.4	237.8	267.8	299.5
Military personnel	38.3	38.9	39.4	40.0	40.6
Retired pay	15.6	18.4	20.4	22.3	24.2
Operation and maintenance	59.7	66.3	72.8	79.5	86.8
Procurement	40.1	47.3	56.1	67.8	80.0
Other [1]	30.8	39.6	49.1	58.1	67.8
International affairs	12.2	12.9	13.6	14.5	15.3
General science, space, and technology	7.6	8.3	8.3	8.0	7.8
Energy	12.0	12.4	11.1	10.9	13.0
Natural resources and environment	14.0	15.0	15.5	15.4	15.3
Agriculture	4.8	4.5	4.8	5.2	5.5
Commerce and housing credit	8.1	7.9	9.2	9.8	10.5
Transportation	21.5	24.9	26.6	27.7	29.1
Community and regional development	9.1	8.9	9.2	9.5	9.6
Education, training, employment, and social services	34.5	36.5	38.6	40.3	41.7
Education	15.8	16.7	17.6	18.4	19.1
Training and employment and other labor	11.7	12.3	13.3	13.8	14.3
Social services	7.1	7.5	7.8	8.1	8.3
Health	74.6	84.5	95.4	107.1	119.9
Medicare	46.6	53.1	60.6	68.7	77.4
Medicaid	18.2	21.1	24.3	27.7	31.4
Other	9.8	10.3	10.6	10.8	11.1
Income security	255.0	284.0	309.1	337.5	364.8
Social security	159.6	180.9	201.3	221.6	242.0
Other general retirement	7.7	8.1	8.5	9.0	9.4
Federal employee retirement	19.9	22.5	25.2	27.8	30.3
Unemployment compensation	21.9	20.9	20.0	20.1	20.4
Housing assistance	8.5	10.0	11.8	13.7	15.4
Food and nutrition assistance	17.5	19.2	20.7	22.0	23.2
Other income security	20.0	22.3	21.6	23.2	24.0
Veterans benefits and services	24.5	26.2	28.0	30.3	31.2
Administration of justice	4.9	4.9	5.1	5.2	5.4
General government	5.2	5.2	5.4	5.3	5.2
General purpose fiscal assistance	6.9	7.5	7.6	7.8	8.0
Interest	89.9	91.7	89.1	87.5	88.2
Allowances:					
Civilian agency pay raises	.9	3.7	6.2	8.7	11.3
Contingencies and other	1.0	2.0	3.0	3.0	3.0
Undistributed offsetting receipts:					
Employer share, employee retirement	−6.8	−7.0	−7.2	−7.5	−7.7
Interest received by trust funds	−15.2	−17.2	−16.1	−16.1	−16.5
Rents and royalties on the Outer Continental Shelf	−9.9	−9.9	−9.9	−9.9	−9.9
Total budget outlays	**739.3**	**817.3**	**890.3**	**967.9**	**1,050.3**
MEMORANDUM					
Outlays, off-budget Federal entities	18.3	15.3	14.7	15.3	16.9
Outlays, including off-budget Federal entities	757.6	832.6	905.0	983.2	1,067.2

[1] Includes allowances for civilian and military pay raises for Department of Defense.

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BUDGET AUTHORITY BY AGENCY

(In billions of dollars)

Department or other unit	Estimates			Projections	
	1982	1983	1984	1985	1986
Legislative and judicial branches	2.2	2.4	2.2	2.3	2.4
Funds appropriated to the President	10.9	9.7	10.3	10.6	10.9
Agriculture	30.1	31.4	32.8	34.8	36.4
Commerce	3.1	3.4	3.6	3.7	3.9
Defense—Military [1]	195.7	223.3	252.4	283.6	317.6
Defense—Civil	3.4	4.4	4.5	4.5	4.5
Education [1]	17.0	17.4	18.3	19.0	19.7
Energy	14.6	15.8	14.3	15.5	20.3
Health and Human Services	258.4	288.2	315.5	357.0	398.2
Housing and Urban Development	38.2	45.5	48.9	48.1	49.5
Interior	4.5	5.0	5.4	5.7	5.7
Justice	2.6	2.6	2.7	2.8	2.9
Labor	37.0	37.1	36.6	37.3	36.4
State	3.0	2.9	3.1	3.3	3.4
Transportation	24.0	25.6	26.6	27.5	28.7
Treasury	104.7	108.7	106.8	106.0	107.4
Environmental Protection Agency	5.3	5.8	6.3	6.5	6.5
National Aeronautics and Space Administration	6.7	7.3	6.8	6.2	5.8
Office of Personnel Management	30.5	33.1	35.3	37.3	39.2
Veterans Administration	24.9	26.9	29.2	30.7	31.6
Other agencies	21.9	22.0	23.2	24.6	25.9
Allowances	3.0	7.6	11.1	13.6	16.2
Undistributed offsetting receipts	−31.9	−34.1	−33.2	−33.5	−34.1
Total budget authority	**809.8**	**892.0**	**962.7**	**1,047.2**	**1,139.1**

[1] Does not reflect shift of about $0.5 billion per year from Department of Defense—Military to Department of Education starting in 1983, when current law transfers the responsibility for dependent schools to the Department of Education.

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BUDGET OUTLAYS BY AGENCY

(In billions of dollars)

Department or other unit	Estimates			Projections	
	1982	1983	1984	1985	1986
Legislative and judicial branches	2.2	2.2	2.2	2.3	2.3
Funds appropriated to the President	6.3	6.8	7.4	7.9	8.2
Agriculture	28.0	29.7	31.9	33.8	35.3
Commerce	3.2	3.4	3.5	3.5	3.7
Defense—Military [1]	180.0	205.3	232.3	261.8	293.3
Defense—Civil	3.4	3.9	4.1	4.1	4.4
Education [1]	15.7	16.6	17.6	18.4	19.1
Energy	14.1	15.2	14.5	14.8	17.3
Health and Human Services	258.2	291.3	322.1	356.0	390.0
Housing and Urban Development	15.5	15.5	18.0	19.9	21.8
Interior	4.1	4.5	5.1	5.2	5.3
Justice	2.7	2.6	2.7	2.8	2.9
Labor	34.5	33.9	33.4	34.3	35.2
State	2.6	2.7	2.9	3.0	3.2
Transportation	20.0	23.2	25.0	26.0	27.4
Treasury	104.3	108.3	106.5	105.5	107.0
Environmental Protection Agency	5.8	6.1	6.2	6.2	5.9
National Aeronautics and Space Administration	6.4	7.0	6.8	6.4	6.0
Office of Personnel Management	20.2	22.9	25.6	28.2	30.7
Veterans Administration	24.4	26.2	28.0	30.2	31.2
Other agencies	17.6	18.1	17.9	18.6	19.3
Allowances	1.9	5.9	9.9	12.5	15.1
Undistributed offsetting receipts	−31.9	−34.1	−33.2	−33.5	−34.1
Total budget outlays	**739.3**	**817.3**	**890.3**	**967.9**	**1,050.3**

[1] Does not reflect shift of about $0.5 billion per year from Department of Defense—Military to Department of Education starting in 1983, when current law transfers the responsibility for dependent schools to the Department of Education.

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PART 3

LONGER RANGE TRENDS AND ISSUES

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LONGER RANGE TRENDS AND ISSUES

With Federal, State, and local spending having grown from one-quarter to one-third of gross national product (GNP) in the last 25 years, fundamental questions about the role of government in our society need to be raised. Despite substantial efforts by the administration and the Congress to restrain the growth of Federal spending in the last several years, it has not been possible to bring the Federal budget into balance. While budget deficits as a percentage of GNP have been reduced, the relative size of the budget has not been decreased. The reasons for this are not accurately described by simplistic criticisms of big government or by accusations of wholesale waste, fraud, or abuse. Rather, there are strong pressures in our society that increase the tendency of Federal activity to grow.

The momentum of the budget is the product of all past Presidential and congressional budgetary decisions. These decisions are modified each year to reflect changes that the President believes to be necessary to meet the Nation's future needs. His proposals are, in turn, modified by the Congress. Each year, therefore, the budget summarizes the results of thousands of past and current decisions about all aspects of Federal activity.

These decisions both allocate resources to meet specific needs and help to determine the relative role of the private and public sectors in our society. Such decisions, however, are influenced by forces that usually have developed over time and that rarely fade quickly. For example, the long-term health of the economy, our Nation's changing role in the world, and the slowly shifting age distribution of the population are all factors that strongly affect the composition of the budget. Multi-year budgeting and analyses of demographic and other factors have been used by the administration to improve our understanding of basic factors that influence the budget in important ways. The sections that follow discuss some of the issues that form the context within which budget decisions must be made.

The section on budget controllability is concerned with the effects that indexing, the growth of non-cash benefits, and demographic change have had on programs that make payments to individuals; the section on roles of government discusses the appropriate size and scope of government activity within the Federal system; the section on Federal credit programs discusses the growth and effects of those programs; and the final section dis-

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cusses the sensitivity of the budget to economic conditions. They are intended to promote wider understanding of the obstacles that must be overcome to achieve better control over Federal spending.

Budget Controllability

Federal budget planners face a serious dilemma: despite increasing concerns about the growth of Federal spending, the Federal budget has, particularly in the short run, become more difficult to control. This is so even though there have been notable successes in both executive and legislative branch efforts to improve the budget process. The purpose of this section is to discuss some of the factors that have made controllability of spending so serious a problem.

Budget controllability is a relative concept. Technically, outlays are relatively uncontrollable when they are determined by existing statute or by contract or other obligations. Over time, however, all Federal spending must be considered controllable, since all Federal spending is authorized in law, and the President and the Congress may change the laws. But spending programs that are beyond the immediate discretionary control of the President and the Congress have increased from slightly less than 60% of total budget outlays in 1967 to more than 75% in the 1982 estimates.

There are two major categories of uncontrollable spending: outlays from prior-year contracts and obligations, and open-ended programs and fixed costs under which payments are made according to fixed provisions of law.

Outlays from prior-year contracts and obligations arise because some Federal spending, such as that for construction and hardware procurement, takes place over time. Outlays from prior-year contracts and obligations have been about 16%–17% of budget outlays in recent years.

Open-ended programs and fixed costs that make payments according to fixed provisions of law include benefit programs, grants, and subsidies for which eligibility is automatic or fixed by law; interest payments; and farm price supports. These programs have been about 58%–59% of total budget outlays in recent years.

The largest subcategory of open-ended uncontrollable spending is that of payments for individuals. These grew from $42 billion in the 1967 budget to an estimated $355 billion in the 1982 budget, an average rate of growth of more than 14% per year. These payments increased from about 27% of the total budget in 1967 to an estimated 48% of the total in 1982, and will have doubled as a percentage of the gross national product (GNP), from 5.5% to 11.0%. The programs included in this category include social security, railroad retirement, Federal employees retirement, unemploy-

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ment compensation, medicare and medicaid, housing assistance, food stamps, public assistance, and supplemental security income.

Social security, the largest of these programs, increased from 1.2% of GNP in 1955 to 5.9% in 1980, and is estimated to reach 6.4% of GNP in 1985. Programs that provide assistance to individuals and families based on an assessment of need grew from 0.6% of GNP in 1955 to 1.9% in 1980, but are estimated to decline to 1.7% in 1985.

Although growth in the programs from which spending is relatively uncontrollable may have been desirable during the last three decades, we have reached a point where uncontrollable spending threatens the effectiveness of the budget as an instrument of discretionary national economic policy. It is extremely difficult to balance the budget, for example, when more than three quarters of all spending is determined by factors that are normally beyond the control of the President and the Congress in any given year. The factors that have led to the growth of the major component, uncontrollable payments for individuals, are discussed below.

OUTLAYS AS A PERCENTAGE OF GNP AT FIVE YEAR INTERVALS

	1955	1960	1965	1970	1975	1980	1985
National defense	10.4	9.0	7.2	8.1	5.8	5.3	6.0
Nondefense payments for individuals	3.7	4.7	4.9	6.5	10.2	10.6	10.5
All other	3.9	4.7	5.9	5.7	6.1	6.7	5.1
Total budget	**17.9**	**18.5**	**17.9**	**20.3**	**22.0**	**22.6**	**21.5**

Program evolution.—National concern for the poor, the sick, and the elderly resulted in the development of programs to address their problems. Social security, aid to families with dependent children, medicare and medicaid, food stamps, and other programs are designed to provide beneficiaries with cash or in-kind benefits from the Federal Government. These programs may be based on formulas intended to represent an assessment of need or they may be non-needs-tested.

Social security is a good example of growth in payments for individuals. In 1955, social security consisted of a single program—old age and survivors insurance (OASI). Total social security outlays were equal to 1.2% of GNP. By 1960, OASI had grown to 2.1% of GNP and disability insurance (DI), which had begun in 1958, was equal to 0.1% of GNP. The two programs combined were equal to 2.6% of GNP in 1965 and 3.1% of GNP in 1970. By 1970, OASI and DI had been joined by a third program—medicare—which was equal to an additional 0.7% of GNP that year.

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Social security thus grew from a single program equal to 1.2% of GNP in 1955 to three programs that were equal to 3.8% of GNP 15 years later. Although no new social security programs have been added since 1970, liberalizations of benefits, rising medical costs, and a growing retired population have increased social security and medicare outlays to 5.3% of GNP in 1975 and 5.9% in 1980. With no significant changes to existing social security programs, they are projected to increase to 6.4% of GNP in 1985. Social security has grown from about 6% of total budget outlays in 1955 to a projected 30% of total budget outlays in 1985.

The problems of controlling the growth in programs that make payments to individuals are manifold. Because these programs grew up separately, they provide a largely uncoordinated set of benefits. There is no standard definition of an adequate income, no commonly accepted indices of need, no accepted method for converting noncash benefits (such as housing assistance) into cash income, and no consistent way of insuring that the interactions among benefit programs provide adequate financial incentives for people to seek employment. It is, therefore, difficult to establish common criteria for program eligibility or to assess precisely how the combination of Federal programs helps people in need, with the result that it is difficult to determine whether Federal programs are doing too much or too little. Moreover, since these programs tend to be politically popular, it is very difficult to reduce existing benefits.

In the past several years, the administration has made a number of proposals to reduce spending by eliminating or reducing the rate of growth in programs that make payments for individuals. Savings were proposed through initiatives to reduce the rate of growth of medical care costs, reduce duplication in some benefit programs, and eliminate waste, fraud, and abuse. Most of those proposals were rejected by the Congress.

Last year, for the first time, the Congress used a process known as reconciliation to reduce spending of some relatively uncontrollable programs. Reconciliation, which is part of the congressional budget process, directs congressional committees that authorize spending and the collection of taxes to recommend changes that reduce spending or increase receipts by amounts specified in the congressional budget resolutions.

The reconciliation process thus enables the entire Congress to vote on instructions to individual committees that have jurisdictions over spending and taxation legislation. Because reconciliation is part of the congressional budget process, it can cause programs that would ordinarily escape such annual scrutiny to be evaluated along with other Federal programs. The Omnibus Reconciliation Act of 1980 made changes in a number of laws that resulted in

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both increased receipts and reduced outlays in 1981. This unprecedented action demonstrates that the Congress can act to restrain the growth of uncontrollable spending when it is necessary for fiscal restraint.

Indexing.—Before 1962, benefit levels in Federal programs were not adjusted for inflation in any systematic manner. Many of the benefit liberalizations that were adopted for social security in the 1960's and early 1970's were made in response to perceptions that social security benefits were inadequate. The Congress increased benefits on an ad hoc basis, often providing increases that went beyond the increase in the cost of living as measured by the Consumer Price Index (CPI).

In 1962, legislation was enacted to link civil service retirement benefits to the CPI so benefits would increase automatically. The following year, legislation indexed military retirement benefits to the CPI. Black lung compensation for coal miners was indexed in 1969. In 1970, outlays for these indexed programs were 3% of total budget outlays.

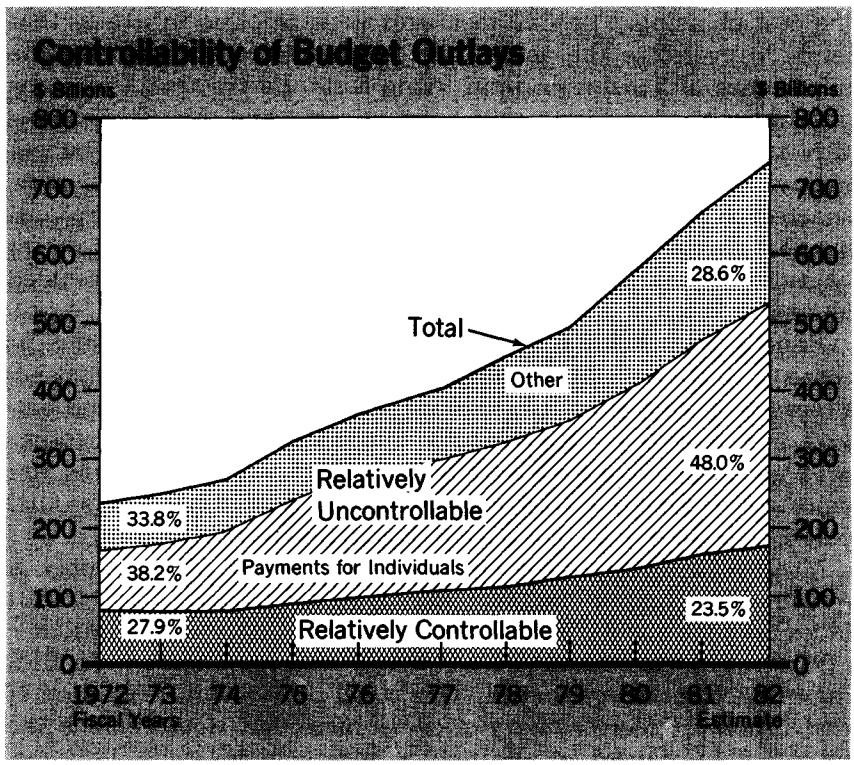
Indexing expanded significantly when food stamps, social security, supplemental security income, railroad retirement, and various nutrition programs were indexed between 1971 and 1975. By 1975, outlays for indexed programs were 25% of total budget outlays. After the indexing of veterans pensions in 1979, the only major Federal cash transfer programs that are not automatically indexed are veterans' compensation, unemployment compensation, and aid to families with dependent children (AFDC). Fully indexed programs today account for around 30% of all Federal budget outlays.

Recent large automatic inflation adjustments to benefit levels in indexed programs, both actual and projected, have attracted attention to the rapid growth and importance of indexed programs in the budget. Indexing is not the only important source of growth in these programs. Demographic changes increasing the number of beneficiaries and legislation increasing program coverage have also been important sources of program growth. In addition, some programs that are not indexed, such as medicare and medicaid, have added to the growth of uncontrollable spending. While not tied to a specific index, they are implicitly indexed since they pay claims for services without regard to inflation. Since prices of health care services have increased more rapidly than prices in general, outlays for these programs have increased faster than the overall inflation rate.

Given the rapid growth in indexed spending and the high rate of inflation in the past several years, there is a concern that these trends will continue and that indexed programs will consume even

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larger portions of the budget. This concern is heightened by the realization that other major elements of the budget are also difficult to control or are projected to grow rapidly. Some nonindexed outlays, such as those for interest and most Federal housing expenditures, are fixed by contract and not susceptible to direct control by either the Congress or the President, and defense and basic research programs are projected to grow at 3% to 6% above the rate of inflation annually as a matter of deliberate policy



The indexing of major portions of the budget creates significant problems for budgetary and economic policy. For example, relatively uncontrollable programs that are indexed have an advantage over relatively controllable programs in the competition for budgetary funds, since many of them continue without requiring specific annual appropriations action by the President or the Congress. As a result, greater budgetary pressure is placed upon discretionary programs. This has important implications for programs that require investments over time; these can be postponed in the short run, but the costs of doing so may be significant in the long run. An additional problem is that indexing creates substantial problems for economic stabilization policy; inflation tends to produce large increases in indexed outlays at the very time that fiscal restraint is most important.

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In re-examining indexing in light of its growing budgetary significance and of conflicts between indexing and other policy goals, several levels of issues need to be distinguished. Indexing is one solution to the problem of protecting real program benefits against inflation, but there is a more fundamental policy question as to whether current indexing methods provide the most fair and effective method for protecting real benefit levels against inflation.

The index currently used in most Federal entitlement programs is the CPI, which has a number of shortcomings as a measure of the cost of living. The CPI measures housing costs in a way that tends to overstate the actual rise in the cost of shelter and the importance of housing in total living costs. Its treatment of mortgage interest rates also makes housing costs, and the entire index, very volatile, with the effect of increasing the volatility of budget outlays. The administration is recommending that legislation be enacted to substitute an alternative index for adjusting Federal benefits now tied to the CPI that uses actual market data on rental transactions to approximate the cost of shelter in owner-occupied houses.

Besides the issue of what index should be used to adjust benefits, there is an issue of how frequently benefits should be adjusted. Programs accounting for more than three-quarters of indexed outlays, including social security, are adjusted once a year, while other programs, including Federal civilian and military retirement, are adjusted twice a year. The administration is recommending annual cost-of-living adjustments for all programs in this budget.

Modification of current indexing practice need not imply a return to the system of ad hoc adjustments. One alternative to full indexing that should be given the fullest possible consideration—regardless of what index is used—would be a combination of indexing and discretionary control. This could provide full protection of real benefits under ordinary circumstances, but would enable the President to propose an alternative adjustment in some instances. The Congress would have the option of restoring the full adjustment, but the choice between the full protection of real benefit levels and other budgetary and economic goals would then be made explicitly rather than by default.

In-kind benefits.—When the Government provides a service to beneficiaries or pays the provider of the service instead of providing a cash income transfer to the beneficiary, the benefit is known as an in-kind benefit. Two decades ago, there were few benefits-in-kind; most arose from veterans medical care connected with service-related ailments. Medical care for the elderly (medicare) and for the poor (medicaid) are today more than eight times as costly to the Federal Government as are veterans medical care programs.

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Twenty years ago, in-kind benefit outlays for housing assistance and food and nutrition assistance combined made up less than 2% of all payments to individuals; in 1980 they made up nearly 7% of that total. Ten years ago, Federal interest subsidies for student loans amounted to about $2 million; in 1980 they were $1,408 million. Taken together, in-kind benefits increased from 1.4% of total budget outlays in 1960 to about 7% in 1970 and to nearly 14% in 1980.

The increased use of in-kind benefits causes several major budgetary problems:

- In-kind benefits are much more difficult to administer than cash benefits. Establishing and policing appropriate eligibility standards and monitoring levels of service are major administrative burdens. In 1980, social security paid $77.31 in cash benefits for every dollar of administrative expenses. In contrast, medicare provided only $30.95 worth of benefits for each dollar of administrative expense, and medicaid provided only $18.26.
- In-kind benefits are not measured in income statistics. Because it is difficult to develop standards that would allow the calculation of cash equivalents for in-kind benefits, they are not counted as income. In-kind benefits have grown from 4% of needs-tested (i.e., exclusively for the poor) payments for individuals in 1960 to over 58% in 1980. Since they are not included in calculations of income, it is difficult to gauge the effectiveness of Federal programs in alleviating poverty, to maintain meaningful eligibility criteria, and to develop coordinated approaches to aiding individuals. In-kind benefits directed toward the poor have increased substantially, and there has been no corresponding decrease in programs that provide cash payments. The cost of these programs has increased without any adequate measure of their benefits.
- The combination of indexed cash benefits and in-kind benefits may over-compensate for inflation. When the Government pays a disproportionate share of some rapidly rising living cost (notably medical care, food, and housing) through in-kind benefits, a substantial part of the recipient's increased living costs is already provided for by the Government. If, in addition, the recipient receives cash benefits that are indexed according to a price index that includes measures for medical care, food, and housing, the recipient's cash payments can be over-adjusted for inflation.

Demographic factors.—In addition to the liberalization of existing programs and the initiation of new ones, shifts in the age distribution of the population have had an important effect on the growth

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of payments for individuals. Between 1935, when social security was authorized, and 1955, there were relatively few individuals who had been covered by social security during their entire work history. This tended to reduce total social security spending. Between 1955 and 1978, however, the number of social security beneficiaries as a percentage of the total U.S. population more than tripled from 4.8% to 15.8%, and those covered by social security were entitled to higher benefits because they were covered for longer periods at higher wages. This has been referred to as a "maturation" of social security; the program now has been in existence long enough that most of the elderly population is receiving benefits. Among the reasons for this growth in beneficiaries and benefits for social security and similar programs are:

- The population aged 62 and over has been rising steeply relative to the working age population.
- An increasing proportion of the 62 and over population is eligible to retire as insured workers under social security and similar programs. Insured workers receive higher retirement benefit levels than do their surviving spouses who were not insured workers, so the increase in the number of women retiring as insured workers rather than as surviving spouses raises the total benefits.
- An increasing proportion of eligible workers over age 62 is actually retired. There has been a significant increase in early retirement (including disability retirements), thereby placing people on the retirement rolls sooner and removing them from the tax base at earlier stages.
- The life expectancy of the elderly is continuing to increase.
- Real average cash benefit awards (i.e., benefit levels at time of retirement in constant dollars) have increased significantly over time as a result of longer work histories and more liberal benefits.

As a result of these factors the ratio of the active labor force to retirees has fallen substantially compared to what it was 20 or even 10 years ago. The ratio of social security covered workers to beneficiaries dropped from 5.1 in 1960 to 3.7 in 1978. For disability insurance, the ratio dropped from 106 to 22 covered workers per beneficiary. Both the military and civil service retirement systems have far less favorable ratios than social security. They are now approaching a ratio of 1½ active duty members to each retired beneficiary.

There is nothing that the Federal Government can do about the age distribution of the population. It might be possible, however, to reduce the pressure on Federal spending caused by demographic factors. The burden of financing Federal retirement programs could be eased by gradually extending the minimum retirement

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age, which would simultaneously expand the tax base and reduce program costs. A number of alternative retirement policy options are being considered by the President's Commission on Pension Policy, which is to submit its final report in February.

Many factors have increased the uncontrollable spending in the Federal budget. Some pose new analytical challenges, such as constructing accurate price indices and determining the cash value of in-kind benefits, while others are a test of the Nation's political will to change the eligibility requirements and formulas for benefit programs, even when the changes are both justifiable and equitable as a means of reducing Federal spending. The problems posed by uncontrollable Federal spending will continue until these fundamental issues are resolved.

The Roles of Government

Consistent with his promise to streamline government, the President, during his administration, has directed concerted efforts to define the appropriate allocation of functions among Federal, State, local governments, and the private sector. This issue of the proper roles of government has become more pressing because political concerns and economic scarcity today demand the most efficient allocation and use of governmental resources. The growth of the Federal Government in size, complexity, and power, as well as the perceived uncontrollability of the system, have brought cries to "rediscover the principles of federalism" and "redefine the principles of government" by State and local officials, business leaders, public interest groups, and individuals.

The debate over the roles of government centers around the influence of the Federal Government in domestic affairs. Of course, there is no doubt that today's patterns of intergovernmental and public-private relations are astonishingly different from those that existed when our Founding Fathers formulated the doctrine of federalism. Indeed, they differ significantly from even those patterns that prevailed just several decades ago.

After more than 150 years of moderate increase, Federal revenues and expenditures accelerated rapidly in the 1930's. Federal spending as a percentage of gross national product (GNP) increased from 9.8% in 1939 to 22.6% in 1980. Concurrent with this rapid growth in revenues and expenditures, there has been a marked shift in their character. This shift is most obvious in the enormous increase in Federal aid to and demands on State and local governments, and in the Federal Government undertaking burdens that previously had been exclusively the responsibilities of State and local governments or of the private sector.

For example, between 1950 and 1980, the Federal grant system shifted aid into new and expanded areas. In the 1950's, 80% of

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Federal grants were for transportation and income security programs. Only in the latter category did expenditures exceed $1 billion. By 1975, the Federal Government was spending more than $1 billion annually in each of a dozen areas that included categorical grants and general purpose fiscal assistance.

With this expansion came a proliferation of programs in each area. Between 1962 and 1967, the number of categorical grant programs increasd from 160 to 379. In 1965 alone, 109 such programs were enacted. Major new and expanded programs included medicaid and housing planning grants. The Federal role in education was significantly expanded through enactment of the Elementary and Secondary Education Act in 1965, in health care with the Social Security Amendments of 1965, and in law enforcement with the Omnibus Crime Control and Safe Street Act of 1968. Prior to this legislation, all these areas were considered primarily State and local responsibilities. In all, Federal aid to State and local governments rose from $2 billion in 1950 to $25 billion in 1970. By 1980 it had grown to $91.5 billion.

As Federal expenditures expanded, the relationship between the Federal Government and State and local governments changed markedly. In the 1950's, most grant-in-aid programs were designed to help State and local governments achieve their objectives. Federal administrative requirements were fairly unrestrictive and Federal agencies saw their role as one of technical assistance rather than control. Policymaking for the established functions remained with State and local governments. By the 1960's, however, Federal grants-in-aid were used increasingly to encourage State and local action on behalf of expressly stated national purposes. The State and local matching share of jointly funded programs decreased from 50% to 20% or less for most programs, but commensurate with the increase in the Federal financial share there was an increase in Federal regulations and supervision. Moreover, the conditions and mandates attached to Federal aid multiplied, particularly in such areas as civil rights, the environment, and health and safety in the workplace. State and local governments often considered jointly funded programs to be Federal because control and direction remained with the Federal Government.

It should be noted, however, that even though the Federal Government has expanded into a broad range of activities, primary administrative and financial responsibility frequently has remained with State and local entities or with the private sector. For example, the Advisory Commission on Intergovernmental Relations conducted a comparison of private, Federal, State, and local expenditures in several broad functional areas: education, health, social welfare, transportation, housing and urban renewal, and

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income maintenance. It found that only in three areas—health, income maintenance, and housing and urban renewal—did the Federal Government play the predominant financial role, with Federal expenditures exceeding those of State and local government. Other activities, such as education, continue to be dominated by the State-local sector. Also in education, although Federal expenditures are growing, they are still less than private expenditures. Health and medical care expenditures are still predominantly private, although Federal expenditures have been growing and are now much larger than those of State and local governments. Federal expenditures for highways, airports and natural resources programs are comparatively small, still about 20–30% of State-local expenditures for these functions. However, as a practical matter, the Federal Government has taken over policy leadership in virtually every field in which it offers aid, despite the fact that its funding is not predominant.

The confusing and ill-defined nature of intergovernmental roles, and the shift in responsibilities toward national government and away from State and local governments, has resulted in a complex array of problems including:

—excessive cost as a result of duplication of effort and lack of coordination;

—divided and uncertain responsibility and lack of adequate control and responsiveness through the political process; and

—increased tension among the levels of government as State and local officials attempt to carry out a wide variety of programs often directed toward the same objective, but each mandating different approaches and requirements.

It is apparent from the foregoing review of the growth of the Federal Government that the evolution of the modern intergovernmental system and the allocation of roles and responsibilities among Federal, State, and local government has not resulted from an adherence to any guiding philosophical framework or consistent doctrine. Rather, the modern system is the outcome of a series of political debates and compromises over the years. It represents the cumulative results of the ideological and philosophical preferences of past and present Presidents and Members of Congress. Special interest groups and the committee system within the Congress have further contributed to the current chaotic system. Well-organized special interest lobbies have pushed strongly for narrow categorical programs and, because the committee system in Congress is primarily specialized and decentralized, the issue of the effects that legislative proposals have on the intergovernmental system as a whole has rarely been considered.

In our democratic society it is appropriate that the President propose and the Congress enact laws and programs based on their

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respective views of the appropriate level of Federal involvement in particular activities. However, history suggests that in the legislative process, attention generally focuses narrowly on the specific programs and issues under consideration with little attention given to the overall emerging pattern of Federal, State, local, and private sector relations. In part, this is because there is no institutional mechanism or process that routinely examines proposed or enacted legislation to determine whether a new or continuing activity represents an appropriate Federal function.

The absence of any consensus on what the appropriate role of the Federal Government should be, and the lack of any institutional mechanism to enforce a review of the Federal role, has complicated efforts to restrain the growth of Federal spending. However, the administration has taken a number of steps to make governmental activities more efficient and to ameliorate the concerns of State, local, and private sector critics of the current Federal role. First, as noted above, the issue of the appropriate Federal role has received careful attention in legislative and budget reviews over the past few years. These reviews have helped clarify the limits of appropriate Federal activities. Zero-base budgeting has facilitated an examination of whether specific government activities were appropriate and whether alternative ways of carrying out the required activities would be more efficient.

In response to the concern that Federal aid programs have excessively detailed qualification requirements, overlapping and confusing layers of administration, and insufficient breadth to help solve the problems of State and local governments, the administration devoted substantial attention to grant consolidation and simplification. For example, the 1982 budget will recommend major transportation grant consolidations. These include consolidating numerous highway programs for interstate, primary, rural, and urban roads, and bridge and safety programs. Added to the consolidation proposals made in the fiscal 1980 and 1981 budgets for youth education, training, and employment; environment; energy conservation; health care; airport development; rehabilitation services; and alcohol, drug abuse, and mental health programs, these proposed consolidations represent another important step to ameliorate some of the fundamental grievances against the present Federal grants-in-aid system.

In addition, the administration has worked diligently to reduce the many burdens that government regulations impose on the private sector. Most recently, the administration was successful in securing enactment of several significant deregulation bills, including airline, banking, trucking, and railroad deregulation. In 1978, President Carter issued an Executive Order instructing agencies to consider less burdensome regulations to meet legislative require-

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ments and to conduct periodic reviews of existing rules in order to eliminate obsolescence or overlap. The administration has also created the Regulatory Analysis Review Group to evaluate and comment on the quality and quantity of regulatory analysis performed by agencies. A recent example of the effort to consider less burdensome alternatives is the decision by the Department of Health and Human Services to adopt a less costly alternative to its originally-proposed requirement for providing information with prescription drugs. The savings from this modification alone are estimated to be $80 million.

Similarly, the administration has worked to simplify intergovernmental grant management requirements, and accomplishments so far have been substantial. They include:

—Clarification, simplification, and reissuance of guidance on administrative requirements and cost principles.

—The establishment of new audit principles and the development of a standard audit guide to replace the almost 100 guides previously in use. (Under the new procedures substantially greater use is made of audits conducted by or for State and local governments.)

—Continued reform of government regulations and reduction in paperwork requirements.

These actions can provide a solid base for further progress. In particular, they can establish a momentum for Federal grant-in-aid simplification that continues for years. However, the momentum will fade when confronted by forces aggressively pursuing their more narrow and specific self interest unless individual constituencies supporting the "good government" reforms can be forged into a strong and durable coalition. Continued success can be assured only by a strong commitment to a continuing focus on the roles issues raised by nearly all legislative proposals, by open discussion of the thoughtful recommendations advanced by State and local government groups, and ultimately, by the exercise of balanced and good judgment by both the Congress and the President. In addition, the cooperative working relationship between the President, the Congress, and State and local officials and their representatives must continue and grow stronger. With the help of officials at all levels of government, a tighter, leaner and more accountable government can be achieved. The steps taken represent an excellent start. We must build on this progress.

Federal Credit Programs

In 1967 the President's Commission on Budget Concepts established basic ground rules for the presentation of Federal credit programs in the budget. But over the next decade there was a dramatic increase in the use of Federal credit, and a decline in its

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clear and meaningful presentation. This budget continues the administration's efforts to develop a credit control policy, and institute more discipline in the analysis and use of Federal credit.

Accounting and budget techniques for Federal credit are often technical and complex. Forms of credit can often substitute for each other—loan guarantees, for example, can be used as replacements for direct loans and vice versa, especially since the establishment of the Federal Financing Bank (FFB). Sales of loan assets often have helped to mask the total volume of new credit. In some cases, the likelihood of default has been so great that the credit extended is akin to an outright grant. The lending programs of the Rural Electrification Administration have been excluded from the budget by law. Sales in the financial markets of certificates of beneficial ownership financed by loan repayments of the Farmers Home Administration have been, by law, treated as offsets to budget outlays, while in fact they are a form of borrowing like Treasury securities.

The Federal Financing Bank, created in 1974, routinely makes direct loans if Federal agencies guarantee them. Yet its loans avoid the regular budget and appropriations process and are excluded from the budget totals. Government-sponsored enterprises have been chartered by the Federal Government. These large credit institutions are privately owned, supposedly independent, and excluded from the budget. Yet some of them at least seem to have the attributes of public, rather than private, institutions.

These and other inconsistent and confusing practices led to a situation where many Federal credit programs were largely excluded from normal budget scrutiny and discipline.

In the 1980 budget, the administration introduced the first comprehensive effort to restrain the growth of federally assisted credit. The new credit control system has three essential features:

- The points of control are annual limitations on new obligations (for direct loans) and new commitments (for guarantees). These points of control have the advantage that the budgeted amounts are unaffected by loan repayments, asset sales, or various systems of accounting.
- The controls are set through specific annual limitations in appropriations acts, thus subjecting credit programs to the same review process as the budget.
- The system encompasses credit programs whether presently included in the budget totals or not. Thus, no privileged status is obtained by measures that exclude a credit program from the regular budget. A loan guarantee is subject to the same review process as a direct loan.

It is too early to pass judgment on the ultimate success of the credit control system. However, it does provide a disciplined framework that permits the Congress and future administrations to im-

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prove their understanding of credit programs and to determine appropriate levels of credit activity. The credit budget also makes Federal credit programs visible to the public and allows better general understanding of the way this type of Federal resource is used.

To strengthen the credit control system further and to allow consideration of possible modifications, the President, in his budget message, is recommending the establishment of a Blue Ribbon Commission of financial and budget experts. This section discusses further the issues that led to this recommendation.

History of credit programs.—Most of the loan and loan guarantee programs now operated by the Federal Government had their origins in efforts to revive the economy during the depression of the 1930's. The Reconstruction Finance Corporation (RFC), charged in 1932 with reviving economic activity, was the forerunner of what are now the Commodity Credit Corporation, the Federal National Mortgage Association, the Export-Import Bank, and the Small Business Administration.

The Nation's single largest credit program today, the Federal Housing Administration's home mortgage insurance program, began in 1934 with the purpose of stimulating housing construction. In the late 1930's, additional credit assistance was provided to financial institutions, businesses, and agriculture. During World War II, most new Federal lending programs supported defense production. After the war and into the 1960's, the provision of housing credit dominated all other Federal credit activities. In recent years, business and agriculture have reemerged as two of the more important recipients of Federal credit assistance, and loan programs have been established in numerous additional areas. However, housing continues to be relatively dominant in Federal credit activity.

Size and scope of Federal credit activity.—Federal credit programs are influential in allocating capital in domestic credit markets. Of $348 billion advanced in U.S. credit markets in 1980, $56.7 billion, or 16.3%, was advanced under Federal auspices. This means that close to one-sixth of the total amount of capital available in 1980 was allocated to a particular use, such as housing or education, with Federal credit assistance. In addition, the activities of the privately owned Government-sponsored enterprises are related to Federal credit programs. (See Part 6 of this document for a discussion of this relationship.) If the activities of these institutions are taken into account, 23.2%, or almost a fourth of credit advanced, was allocated under Federal auspices.

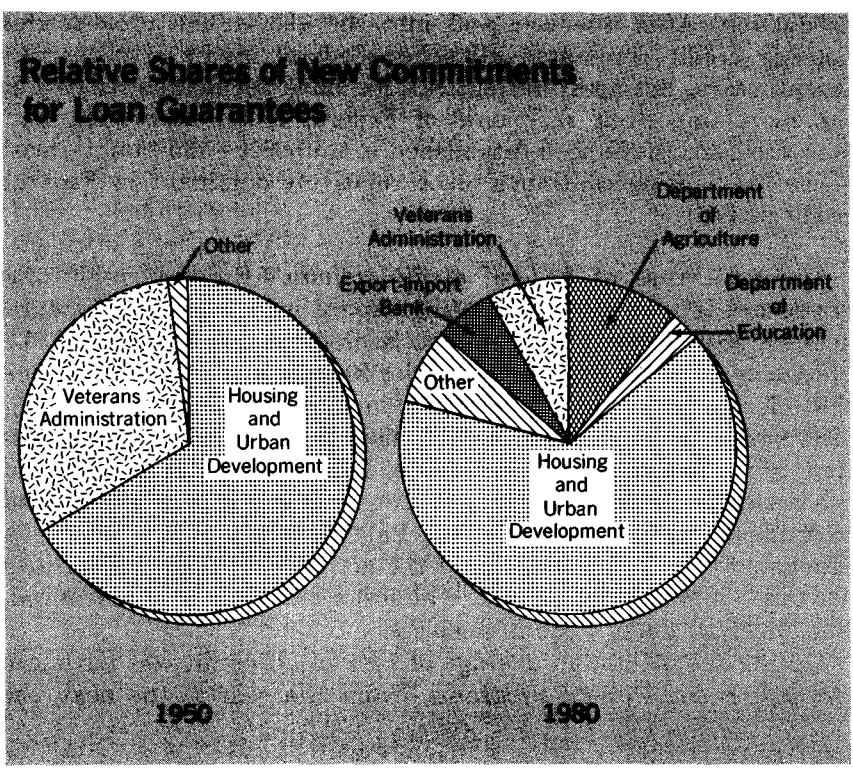
During the 1970's, an average of 14% of all credit was advanced through Federal credit programs. From one year to the next, the

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proportion of all U.S. credit that is Government controlled fluctuates from 10 to 18% of the market, though there has been no marked trend in recent years toward a proportionally greater role for Federal credit.

Although the share of Federal credit in relationship to total credit has been relatively stable, there has been rapid growth in all credit—both private and public. New net direct Federal loans and loan guarantees totalled $11 billion in 1970; in 1980 they reached $56.7 billion. This is a rise of about 400%, without adjusting for inflation, compared with an increase in unified budget outlays over the same period of 300%. Although no means of accurately adjusting credit for inflation exists, it is clear that the increase in credit extended has substantially exceeded the rate of inflation. This occurs because new extensions of credit have exceeded repayments of previous loans. The 1982 estimates for Federal credit outstanding in the credit budget are $513.9 billion.

The chart below shows how the range of economic activities supported by federally guaranteed loans has widened. In 1950, the home mortgage guarantee programs of the Federal Housing Administration and the Veterans Administration accounted for 90% of the total volume of guaranteed and insured loan activity. Now, loan guarantees have expanded into such new areas such as energy, education, and economic development.



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Economic effects.—Analysis of the economic effects of Federal credit is limited because the complex interactions within credit markets and their intricate linkages to other sectors of the economy are extremely difficult to analyze. Generally, two major concerns have been associated with the economic effects of Federal credit.

First, it has been suggested that Federal credit activity can "crowd out" private credit activity, and thereby transfer command over resources from the private to the public sector. The degree to which this occurs depends upon the level of economic activity, conditions in the credit markets, and the actions of the Federal Reserve Board. During recessions, credit assistance programs may encourage the use of idle resources and an expansion in the level of economic activity and entail minimal adverse effects. On the other hand, when little excess capacity exists in the economy, credit extended under Federal auspices may serve to raise interest rates and add to inflationary pressures. In these respects, the effects of credit activity are analogous to those of Federal expenditures.

Second, it is often difficult to determine the net effect of Federal lending and loan guarantees; that is, whether Federal credit augments or substitutes for private lending. It is often unclear whether the beneficiaries of credit programs would have been able to secure the funds privately, without Government support. For example, Government-guaranteed mortgage credit might be used to finance at a lower cost a house that someone would have purchased anyway.

These concerns reinforce the importance of providing greater oversight over Federal credit programs, and the credit budget has provided a sound mechanism for exercising that oversight.

Credit budget.—Before the new credit control system was created, Federal credit activity was controlled in some cases through limitations on budget authority and on annual activity in the normal budget process. However, loan guarantees, which do not generally affect budget outlays except in cases of default and can be substituted for on-budget lending or other outlays to escape budget controls, were subjected to less control.

By limiting new loan guarantee commitments and new direct loan obligations, the credit budget controls gross lending. This is the point in the budget process where there is little possibility of disguising the true volume of credit an agency plans to extend. In the past, loan repayments and loan asset sales have caused the

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total amount of Federal credit assistance to be disguised. The new system controls credit activity at the origin and requests appropriations bill limits for most programs. The activity levels for the credit control system for 1982 are discussed in Part 2 and Part 5 of the Budget.

Congressional action.—The initial congressional response to the credit control system has been positive. The Congress incorporated the system and accompanying limitations requests into the regular budget and appropriations process. In the second budget resolution, the Congress set targets for new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments.

Management of Federal credit programs.—The non-credit programs of the Federal Government are largely administered on a decentralized basis, with each agency taking responsibility for the efficient conduct of its responsibilities. For credit programs there has been a concern as to whether they should be managed centrally or by the departments concerned with the policy goals involved. Under the RFC, the Federal Loan Administration oversaw the management of the various credit programs. When the RFC was disbanded in 1954, however, its functions were dispersed among several departments. For the next 20 years, each department controlled its own management practices, such as criteria for loans, loan terms and debt collection methods.

The Federal Financing Bank, created in 1974, consolidated the financing of credit programs. It did not, nor was it intended to, take over the management of agency credit programs. The administration has initiated other efforts to improve program management. During the past year, a special Debt Collection Project has reviewed the collection practices of most of the major Federal institutions responsible for collection of debts owed to the Federal Government. For the most part, these are lending agencies, although such significant exceptions as the Internal Revenue Service were included. The Project found that agencies were often under considerably greater pressure to extend credit than to collect it. It appeared that agencies often devote insufficient resources to the recovery of debt owed the Federal Government, and that program controls and records are often inadequate.

Remaining problems.—Despite the progress that has been made in improving credit budgeting, a number of serious problems remain. For example, some of the costs of credit programs, such as implicit interest subsidies, are not accurately reflected in the Federal budget.

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Most Federal credit assistance directly or indirectly provides credit to recipients at or near the Federal borrowing rate. For most borrowers, this represents a substantial subsidy. However, this type of subsidy is never explicitly dealt with in the budgetary process. In contrast, if the Federal Government were to make payments to a private lender to induce it to lend at comparably low rates, the expenditure would be explicitly recognized and closely examined. Some have argued that the effect of a large portion of Federal credit assistance is to provide a subsidy with little control or review rather than to provide credit to those lacking access to it at a reasonable cost. Explicit subsidies result from programs lending at interest rates below the Treasury's cost of funds. These are also not adequately reflected in the budget. It is estimated in Special Analysis F that $20.2 billion in interest subsidies assistance will be provided by Federal credit programs in 1982.

Another problem arises when Federal credit assistance is provided in cases where there is little prospect for repayment. One example is railroad assistance loans, which provided assistance to Amtrak, the bankrupt Milwaukee, Delaware and Hudson, and Rock Island Railroads. Although it may not be clear ahead of time the degree to which repayment prospects are as dim as they later appear, Federal assistance would be more appropriately budgeted as grants in cases where repayment prospects are clearly low or nil.

The appropriate role of the Federal Financing Bank (FFB) in financing Federal credit programs has raised some difficult questions. Although direct loans on-budget have remained fairly stable in the last decade, off-budget direct loans financed by the FFB have grown substantially. The FFB, an off-budget Federal entity within the Treasury Department, began operations in 1974 as a financial intermediary for efficient financing of Federal agency obligations. The FFB performs three functions. First, it lends to Federal agencies that in the past borrowed from the public. Second, it buys direct loan assets from agencies that in the past had sold these financial assets to the public. Loan asset sales shift title of the loan (or a certificate representing a group of flows) from the agency to the FFB. For an on-budget agency, this shift reduces the recorded budget outlays by the amount of the sale, but raises the off-budget outlays of the FFB by an equal amount. Third, the FFB purchases guaranteed loans. Rather than purchasing the guaranteed loan from private lenders, the FFB makes the guaranteed loan directly, effectively converting these guaranteed loans into direct loans off-budget.

The lack of a mechanism to integrate fully credit assistance with other resource allocation decisions creates perverse incentives. For many credit programs, the only costs included in the budget totals

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at the time assistance is extended are minor administrative expenditures. The costs to the Government associated with interest subsidies, defaults, and administration may be hidden or not recognized for many years. Even with the credit control system in place, Federal credit assistance may appear preferable to other forms of Federal assistance, since it largely escapes the review associated with activities that contribute to the current budget deficit.

It has been well over a decade since a thorough review of Federal credit assistance was last conducted by a Presidential commission, and even longer since guidelines for the conduct of Federal credit assistance were adopted. During that period, the volume of direct and federally guaranteed loans has grown tremendously. There have been major changes in financial institutions, in financial markets, and in financial instruments. Programs such as assistance for the development of synthetic fuels, nuclear fuel and satellite finance, and aid to Lockheed, to New York City, and to Chrysler have been enacted. During this period, the Federal Financing Bank was created. The Federal National Mortgage Association was established as a private corporation. The creation and enormous growth of the Government National Mortgage Association's pass-through mortgage pool instruments may have revolutionized housing finance. In short, the present Federal credit environment was barely conceivable when the last major guidelines were established.

As a consequence, those guidelines should be reviewed and revised as appropriate during the coming year and periodically thereafter to address many of the problems discussed above. These problems include the growth of Federal credit assistance, the threat to budgetary control from the growth of off-budget programs (which avoid the regular budget process) the provision of hidden or implicit subsidies to borrowers under Federal credit programs, the use of Federal credit assistance to provide assistance more akin to direct grants or subsidies, and problems in the management of Federal loans and guarantee programs, especially regarding the collection of debt.

However, the periodic review of Federal credit assistance by itself cannot provide the proper longer-term perspective to address the problems raised by the fundamental changes that have occurred. In his budget message, the President has proposed that a special commission be formed to examine the state of Federal credit policy. It would conduct a thorough review of the present institutional structure and consider basic changes to the system. It would be concerned with the major changes that have occurred in our financial system, and would address the problem of prior Federal credit programs with a necessary flexibility to adapt further to changing financial conditions.

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The deliberations and recommendations of such a commission, in concert with the recently established Federal credit control system, should result in a more effective and rational approach to Federal credit.

Sensitivity of the Budget to Economic Assumptions

In recent years the sensitivity of the budget to economic conditions has become increasingly apparent. For example, actual Federal spending in 1980 was $48 billion higher than the original budget estimate in January 1979, with over half the increase directly attributable to economic conditions different from those originally assumed. Similarly, estimated 1981 outlays have been revised upward by $47 billion since only a year ago and the deficit has been revised upward by $39 billion, with assumptions about economic conditions again accounting for a large part of the increases.

The sensitivity of the budget aggregates to economic conditions seriously complicates budget planning. Recently, for example, the sharp rise in interest rates that has accompanied high inflation, stronger economic conditions, and the Federal Reserve System's restrained monetary policy has added substantially to interest costs. Estimated outlays for net interest are $12 billion higher than estimated only six months ago when the administration prepared its Mid-Session Review of the 1981 Budget. The faster-than-anticipated rise in consumer prices experienced in the last half of calendar year 1980 and the rise expected in the early months of 1981 will also add substantially to spending for indexed programs such as social security in 1981 and beyond. The administration's earlier budget projections have had to be modified substantially to reflect these and other developments. Similarly, the congressional budget targets established in the second budget resolution last fall, which were based on an earlier assessment of the economic outlook, are likely to be amended in the spring to reflect these economic developments.

Summary estimates.—An understanding of changes in budget estimates requires an understanding of the general magnitudes of the sensitivity of the budget to the economy. This section gives such estimates.

Inflation.—Inflation has a direct impact on both Federal tax collections and Federal spending. Tax collections increase automatically as inflation swells various tax bases—corporate profits, personal incomes, payrolls, and sales. The increase in total receipts is generally proportionally larger than the growth in incomes because of the progressive individual income tax. At the same time, Federal spending in a variety of areas—such as social security,

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interest, Federal pay and medicare—likewise increases as a result of inflation. Outlay increases may also occur in other areas, such as defense, as a result of congressional or executive action to maintain real program or benefit levels.

The automatic increases in response to inflation differ in timing and magnitude between receipts and outlays. Tax collections begin to rise almost immediately when inflation occurs, in large part due to our system of withholding and estimated payments. For outlays, however, longer lags generally exist. Statutory cost-of-living benefit increases occur at fixed intervals and are not paid until several months after the price increases that triggered them. Similarly, higher interest rates that may accompany higher inflation are only reflected in new debt issues and do not affect existing debt until it must be refinanced.

The table below shows, for 1981 and 1982, the automatic effect of a one percentage point rise in the inflation rate on outlays and receipts in 1981 and 1982. The increases in outlays are for indexed programs, for interest costs, and for medicare and medicaid, which respond automatically to price changes. If inflation is one percentage point higher than projected, beginning in January 1981, the outlays in 1982 would be roughly $6 billion higher and receipts would be $11 billion higher, thus reducing the deficit by $5 billion. Since automatic increases in receipts exceed automatic increases in outlays, the automatic budget response to inflation acts to restrain the economy. To the extent that discretionary programs are also adjusted for inflation, however, the outlay increase would be higher and the reduction in the deficit would accordingly be smaller. In program areas where spending targets are set in real terms, such as for defense and for basic research, such discretionary actions could be expected.

Two important caveats should be noted. First, these estimates assume that real growth, productivity, and unemployment are unchanged. If the higher inflation reduces real growth, as might be expected under unchanged policies, the outlay increase would be higher and the receipt increase would be less. Second, these estimates reflect an increase in domestic prices that is accompanied by a corresponding increase in domestic incomes. To the extent that the higher inflation is due to import price increases (such as oil imports from OPEC), for which there are no corresponding increases in domestic incomes, the increase in receipts would be less than is shown.

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SENSITIVITY OF THE BUDGET TO ECONOMIC ASSUMPTIONS

(Fiscal years; in billions of dollars)

	1981			1982		
	Outlays	Receipts	Deficit	Outlays	Receipts	Deficit
Effect of one percentage point higher annual rate of inflation beginning: [1]						
January 1981	2	3	−1	6	11	−5
January 1982				2	3	−1
Effect of one percentage point lower annual rate of real growth beginning:						
January 1981	1	−3	4	6	−13	19
January 1982				1	−3	4

[1] Includes the effect of higher inflation on indexed programs, interest outlays, and medicare/medicaid; excludes effects on discretionary programs.

Note.—If the rate of inflation were lower by one percentage point, the changes in outlays and receipts would be of the opposite sign but of similar magnitude to the figures shown above. If the rate of real growth were one percentage point higher rather than lower, the outlay effect would be of opposite sign but smaller in magnitude. This is because the increase in unemployment from the levels forecast in this budget does not only raise spending for regular unemployment benefits and other programs but also is sufficient to trigger an additional 13 weeks of extended unemployment benefits for the entire Nation. In contrast, a reduction in unemployment from currently projected levels would not affect the national trigger.

Real GNP growth.—Differences from the anticipated levels of real GNP can also substantially affect the budget. Lower real GNP growth would reduce personal and corporate incomes and therefore lower receipts. Since lower real GNP growth is usually accompanied by higher unemployment, outlays for unemployment-sensitive programs would be increased. A one percentage point lower real growth rate beginning in January 1981 would raise outlays in fiscal year 1982 by $6 billion, reduce receipts by $13 billion, and increase the deficit by $19 billion. This rise in outlays is unusually large for a slowdown in real growth of this magnitude. This is because the estimated increase in unemployment from the levels forecast in this budget does not only raise spending for regular unemployment benefits and other programs but also is sufficient to trigger an additional 13 weeks of extended unemployment benefits for the entire Nation.

The acute sensitivity of the budget to the economy means that when the economy is volatile the budget will be volatile also. The budget should thus be understood as an uncertain "best estimate" based in part on the most likely economic forecast. The accuracy of the budget estimates cannot be improved without acknowledging the inevitable underlying uncertainty of all economic projections.

Outlay sensitivity: additional detail.—The above discussion describes generally how outlays and receipts respond to changes in economic conditions. The discussion below gives more detail on the responsiveness of outlays.

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Prices.—Because of the program-by-program variation in the timing and frequency of automatic cost-of-living increases, the outlay effect of increases in the Consumer Price Index (CPI) on indexed programs will differ depending upon their timing. The most important projected CPI increases for fiscal year 1982 outlays are those for the year between the first quarter of calendar year 1980 and the first quarter of calendar year 1981. The rise in the CPI during this period will determine the July 1981 cost-of-living increases for social security, supplemental security income, railroad retirement, and veterans pensions. Subsequent CPI increases will not increase outlays for these programs until July 1982, 3 months before the end of that fiscal year. Certain other indexed programs, such as Federal employee retirement programs, are sensitive to price changes later in the year.

Each percentage point increase in the CPI by the first quarter of calendar year 1981 increases fiscal year 1982 outlays for indexed programs by $1.9 billion. The fiscal year 1982 outlay effect resulting from CPI increases subsequent to the first quarter of calendar year 1981 would be substantially smaller.

These estimated outlay effects for higher prices are conservative because they do not include additional spending for other price-sensitive programs such as medicare and medicaid. Nor do they include increases that may result from congressional or executive action to maintain real program or benefit levels for discretionary programs.

Interest rates.—Additional outlays resulting from higher interest rates are reflected only for new borrowing and do not affect existing debt until it is refinanced. Thus, the outlay effect of an interest rate change increases over time as more and more securities are issued at the higher rates. A one percentage point increase in rates by January 1, 1981, would increase fiscal year 1982 outlays for interest on the public debt by $4.2 billion. A one percentage increase by October 1, 1981—the beginning of the fiscal year—would increase outlays by $2.6 billion.

Changed economic conditions also affect the deficit and therefore the amount the Treasury needs to borrow. Based on the interest rate assumptions used in this budget, a $10 billion increase in the 1982 deficit would increase 1982 interest outlays by roughly $550 million. The 1983 (full-year) outlay effect of this larger 1982 deficit would be about double this magnitude, or $1.1 billion.

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SENSITIVITY OF 1982 BUDGET OUTLAYS TO ECONOMIC ASSUMPTIONS

(In thousands of dollars)

	1982 Outlays
Prices (effect on indexed programs only)	
One percent increase in CPI level by:	
First quarter, CY 1981	1.9
Third quarter, CY 1981	0.7
First quarter, CY 1982	0.4
Interest Rates	
One percentage point increase in interest rates by:	
January 1, 1981	4.2
July 1, 1981	3.3
October 1, 1981	2.6
January 1, 1982	1.6
July 1, 1982	0.3
Unemployment Rate	
One percentage point increase in average rate for FY 1982:	
Unemployment benefits	7.5
Other	1.5
Civilian and Military October 1981 Pay Raises	
One percentage point increase	0.7

Note.—For changes in economic assumptions in the opposite direction, outlay decreases would generally be of similar magnitude with the opposite sign. For unemployment benefits, however, a one percentage point decline in the unemployment rate from levels forecast in this budget would reduce outlays by an estimated $5.5 billion.

Unemployment.—Higher unemployment leads directly to higher unemployment benefits with almost no lag. It also results in higher outlays for certain other programs, such as social security, food stamps, and public assistance, which have more beneficiaries as unemployment rises. The outlay increases for the latter programs generally occur with some lag. A one percentage point rise in the unemployment rate would add an estimated $9 billion to 1982 outlays with about four-fifths of the increase being for unemployment benefits. A one percentage point decline in the unemployment rate would reduce spending by only about $5.5 billion because, as noted earlier, a decline in unemployment from currently projected levels would not affect the national trigger for extended benefits. To the extent that the unemployment increase is attributed to increased imports—as in the case of increased unemployment in the auto industry in 1981—increased unemployment benefits under the trade adjustment assistance program would add to the above figures. In 1981, for example, estimated outlays for this program are $2.7 billion, which is $1.1 billion higher than in 1980 and $2.5 billion higher than in 1979.

Federal pay raises.—Each additional percentage point increase in Federal pay adds about $0.7 billion to outlays, with about two-thirds going for military and civilian pay in the Department of Defense and one-third for civilian agencies.

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PART 4

BUDGET RECEIPTS

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BUDGET RECEIPTS

This section of the budget discusses budget receipts for 1980 to 1984 and the President's proposed tax program.[1] The economic assumptions on which the receipts estimates are based are presented in Part 2 together with estimates of receipts for 1985–86 and estimates of what receipts would be under conditions of high employment. Part 6 contains an analysis of the difference between actual receipts for 1980 and the budget estimates for 1980 made 2 years ago. Part 7 explains the conceptual basis for classifying certain amounts collected by the Federal Government as budget receipts and other amounts as offsetting collections.

SUMMARY

Total budget receipts in 1982 are estimated to be $711.8 billion, an increase of $104.3 billion from the $607.5 billion estimated for 1981. Receipts in 1983 and 1984 are estimated to be $809.2 billion and $922.3 billion, respectively. These estimates include the effects of:

- increases in the social security tax rate and taxable earnings base scheduled under current law;
- the proposed economic revitalization program, as modified in this budget;
- the proposed motor fuels tax; and
- other receipts measures that are included in the President's budget proposals.

The estimates of receipts for 1983 and 1984 are based on current tax law as modified by the proposals in this budget. They do not include provision for reductions beyond those proposed as part of the economic revitalization program. The higher burdens associated with these longer-range estimates are undesirable and should be reduced through further periodic reductions; however, the timing, size and structure of reductions in these years should be decided later in accordance with the state of the economy, especially progress in reducing inflation. Because the reduction in inflation is a critical goal, cuts in these years should be designed in ways that directly moderate wage and price increases. The amount of reductions that would be required to hold the ratio of receipts to GNP at the 1982 level, and the effect of such an adjustment on the current estimates, are shown in the addendum to the following table.

[1]Detailed estimates of budget receipts by source are shown in tables 10 and 18 of Part 9.

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BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

Source	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Individual income taxes	244.1	284.0	331.7	384.6	451.2
Corporation income taxes	64.6	66.0	64.6	77.6	91.0
Social insurance taxes and contributions	160.7	184.8	214.7	239.5	264.2
Excise taxes	24.3	44.4	69.6	73.4	77.1
Estate and gift taxes	6.4	6.9	7.7	8.6	9.6
Customs duties	7.2	7.4	7.8	8.2	8.7
Miscellaneous receipts	12.7	13.9	15.7	17.3	20.6
Total, budget receipts	**520.0**	**607.5**	**711.8**	**809.2**	**922.3**
ADDENDUM					
Reductions required to hold burdens to the 1982 level (22.1% of GNP)				−9.4	−26.9
Receipts with burdens at the 1982 level	520.0	607.5	711.8	799.8	895.4

Composition of budget receipts.—The Federal tax system relies predominantly on income and payroll taxes. In 1982:

- Income taxes paid by individuals and corporations are estimated at $331.7 billion and $64.6 billion, respectively. These sources combined account for 56% of estimated budget receipts.
- Social insurance taxes and contributions—composed largely of payroll taxes levied on wages and salaries, most of which are paid in equal amounts by employers and employees—will yield an estimated $214.7 billion, 30% of the total.
- Excise taxes imposed on selected products, services, and activities are expected to provide $69.6 billion, 10% of the total.
- Estate and gift taxes, customs duties, and miscellaneous receipts are estimated at $31.2 billion, the remaining 4% of the total.

Under the tax policy assumptions presented in this budget, the income tax share of total receipts is projected to rise to 59% by 1984, 3 percentage points more than projected for 1982. Social insurance taxes and contributions are projected to fall as a share of total receipts from 30% in 1982 to 29% in 1984. The projected share of all other receipts declines by 2 percentage points between 1982 and 1984.

ENACTED LEGISLATION AND ADMINISTRATIVE ACTION

Three major tax laws were passed last year that affect receipts in 1981 and subsequent years: the Crude Oil Windfall Profit Tax Act of 1980, the Omnibus Reconciliation Act of 1980, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. In addition, the administration published regula-

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tions that accelerate employer payments to the Treasury of withheld income and payroll taxes.

The Crude Oil Windfall Profit Tax Act of 1980

Under this Act (Public Law 96-223), which was enacted on April 2, 1980, a windfall profit tax is levied on domestic producers of crude oil and several income tax credits are provided to encourage the production and conservation of energy. The Act also provides a partial exclusion of interest and dividend income from income tax, retains the basis under existing law for determining the gain or loss on the sale of inherited property, and changes the tax treatment of the gains realized on the sale or transfer of certain inventories.

Windfall profit tax.—This tax is a temporary excise tax levied on domestic producers of crude oil. There are three tiers of taxable oil: the first generally includes oil that has been subject to price controls; the second consists of stripper oil; and the third consists of newly discovered, incremental tertiary, and heavy oil. The tax base is equal to the amount a producer receives for domestically produced crude oil in excess of his base price and any State excise taxes attributed to the excess. Each tier has a different base price, which is adjusted quarterly for inflation. For most producers the tax rates are 70%, 60%, and 30%, for the first, second, and third tiers, respectively. For independent producers the rates are lower for tiers one and two. Exemptions from the tax are provided for State and local governments, Indian tribes, certain charitable organizations, and oil produced in certain areas of Alaska.

The gross windfall profit tax is estimated to increase excise tax receipts by $22.2 billion in 1981, $34.7 billion in 1982, $36.8 billion in 1983, and $38.6 billion in 1984. Since excise taxes are deductible when calculating income taxes, the net increase in receipts—taking into account the reduction in individual and corporation income taxes—is $13.5 billion in 1981, $20.9 billion in 1982, $21.0 billion in 1983, and $22.1 billion in 1984.

The windfall profit tax is scheduled to phase out during the 33 months after aggregate net receipts exceed $227.3 billion. However, in no event is the phase-out to begin before December 1987 or after December 1990.

Energy tax credits.—A number of income tax credits and incentives to stimulate the production and conservation of energy are included in the Act. These are estimated to reduce receipts by $0.2 billion in 1981, $0.3 billion in 1982, $0.7 billion in 1983, and $1.1 billion in 1984. The major credits are described briefly below:

- *Residential tax credit for renewable energy source equipment.*—The tax credit for the cost of installing solar, wind, or geother-

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mal energy equipment in a principal residence is increased to 40% of the first $10,000 of total expenditures, effective January 1, 1980. Under prior law the credit was equal to 30% of the first $2,000 and 20% of the next $8,000 in qualifying expenditures, for a maximum total credit of $2,200.

- *Business tax credit for solar and wind energy property.*—The investment tax credit for equipment that uses solar or wind power to generate or save energy for a structure is increased from 10% to 15% effective January 1, 1980. The credit also is extended to equipment that uses solar power for industrial, agricultural and commercial applications.
- *Tax credit for small-scale hydroelectric facilities.*—An 11% business energy credit is provided for investments in equipment and structures used in the production of hydroelectric power made between January 1, 1980 and December 31, 1985.
- *Tax credit for biomass property.*—The 10% credit provided for expenditures for equipment that primarily use organic substances other than oil, natural gas, or coal (waste, sewage, wood, crops) as a fuel or to produce a synthetic fuel is extended through December 31, 1985. The credit has been scheduled to expire December 31, 1982.

Repeal of carryover of basis provisions.—In general, the gain or loss on the sale or exchange of property is measured by the difference between the cost (basis) and the selling price. Before 1977 the basis of inherited property was the value on the date of the decedent's death (or 6 months later). The Tax Reform Act of 1976 changed the basis for property inherited after December 31, 1976. For assets purchased after December 31, 1976, the basis of property was to be "carried over" from the decedent. Assets acquired before this date were subject to a transition rule. The Revenue Act of 1978 postponed the effective date of the carryover provision for 3 years. Current tax law (Public Law 96-223) repeals the 1976 provision; therefore, the basis of inherited property generally will be its market value at the date of the decedent's death. This provision is estimated to reduce receipts by a small amount in 1982, $0.1 billion in 1983, and $0.2 billion in 1984.

Partial exclusion of interest and dividend income.—Under prior law, a single taxpayer was allowed to exclude up to $100 in annual dividend income from tax. For a married couple filing a joint return the exclusion was $200, provided each spouse had at least $100 in dividends. This Act increases the exclusion to $200 for a single taxpayer and $400 for a married couple filing a joint return and extends the exclusion to most interest income. This provision,

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which only applies to interest and dividend income received after December 31, 1980 and before January 1, 1983, is estimated to reduce receipts by $0.3 billion in 1981, $2.3 billion in 1982, and $1.7 billion in 1983.

Omnibus Reconciliation Act of 1980

This Act (Public Law 96-499) provides for spending reductions and revenue increases pursuant to section 3 of the First Concurrent Resolution on the Budget for fiscal year 1981. The revenue provisions of this Act, which are described below, are estimated to increase receipts by $3.4 billion in 1981, $3.2 billion in 1982, $5.1 billion in 1983 and $8.3 billion in 1984.

Restrictions on tax-exempt mortgage subsidy bonds.—State and local governments use the proceeds from some tax-exempt borrowings to provide mortgage funds for private housing. The tax exemption of interest on State and local securities makes it possible to lend these funds at interest rates well below the rates for private mortgages. This Act imposes a number of restrictions on the use of mortgage subsidy bonds, the most important of which are:

- A ceiling in each State on the annual volume of mortgage subsidy bonds for single family housing equal to 9% of the average of all mortgages originated in the State during the preceding three years or $200 million, whichever is greater.
- A total ban on mortgage subsidy bonds for single family housing effective January 1, 1984.
- A restriction on the use of tax-exempt bonds for multi-family rental housing to projects that include a substantial number of units for low and moderate income individuals. These restrictions apply to bonds issued after April 25, 1979, with exceptions allowed for bonds in process as of that date.

Corporation payments of estimated tax.—Corporations are generally required to pay 80% of their income tax liability in estimated payments during the taxable year. For corporations that keep accounts on a calendar year basis, the estimated payments are due on the fifteenth of April, June, September and December. The remainder of the liability is due in two equal installments after the close of the year, payable on March 15 and June 15. The required level of estimated tax payments has several exceptions, including one that allows corporations to make estimated payments on the basis of the previous year's tax liability. Under this exception, a corporation with a loss in the preceding year need not pay any estimated tax. This Act requires corporations with taxable income exceeding $1 million in any of the three preceding taxable years to

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make estimated payments equal to at least 60% of their current year's liability.

Taxation of foreign investment in U.S. real estate.—A tax is imposed on all capital gains realized by foreign investors in U.S. real estate effective June 19, 1980. In the past, most non-resident foreign investors in U.S. real estate could avoid capital gains taxation on their investments.

Windfall profit tax royalty credit (or refund).—Royalty owners are provided a credit (or refund) of up to $1,000 against the windfall profit tax imposed on royalty oil removed during calendar year 1980.

Inclusion in wages of payroll taxes paid by employers.—Under prior law, an employer's payment of an employee's social security taxes or State unemployment compensation taxes was excluded from wages when determining an employee's liability for social security and Federal unemployment taxes and the employee's social security benefits. Under this Act, such employer payments generally are defined as wages for these purposes effective January 1, 1981.

Extension of telephone excise tax.—This Act delays for one year the scheduled reduction and expiration of the excise tax on telephone and teletypewriter services. Under the new law, the tax rate will be 2% in calendar year 1981, 1% in calendar year 1982, and will expire December 31, 1982.

Increased duties on imported alcohol.—To encourage domestic alcohol production for use in gasohol, the duty on imported ethyl alcohol used in or as a fuel is increased by 10 cents per gallon in 1981, 20 cents in 1982, and 40 cents in 1983. This increase in effect denies such imported alcohol the benefits of the exemption from the 4 cents per gallon Federal excise tax on gasoline allowed for gasohol.

Comprehensive Environmental Response, Compensation, and Liability Act of 1980

This Act (Public Law 96-510) establishes a fund to assure adequate and timely cleanup of hazardous substances spills and uncontrolled hazardous waste dumps that significantly threaten public health and the environment. The fund will be financed primarily by excise taxes paid by industry. This Act is estimated to increase receipts by $0.1 billion in 1981, $0.3 billion in 1982 and 1983, and $0.4 billion in 1984.

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Employer Deposits of Taxes (Cash Management)

The times at which withheld income and payroll taxes and the employer's share of payroll taxes must be remitted to the Treasury depend on the amount of such taxes held by the employer. The larger the employer and hence the accumulated taxes, the sooner they must be paid. Last year the administration published regulations to accelerate the deposits by large employers and to reduce the frequency of deposits by employers with quarterly withheld taxes of $13,000 or less. These changes are estimated to increase receipts by $2.5 billion in 1981, $2.0 billion in 1982, $0.7 billion in 1983, and $0.7 billion in 1984.

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EFFECT OF MAJOR TAX LEGISLATION AND ADMINISTRATIVE ACTION[1]

(In billions of dollars)

	Calendar year liabilities					Fiscal year receipts				
	1980	1981	1982	1983	1984	1980	1981	1982	1983	1984
Crude Oil Windfall Profit Tax Act of 1980:										
Windfall profit tax:										
Individual income taxes	−1.0	−2.5	−3.1	−3.2	−3.4	−0.4	−1.6	−2.7	−3.1	−3.3
Corporation income taxes	−3.7	−10.1	−12.3	−12.9	−13.6	−1.7	−7.1	−11.0	−12.6	−13.3
Excise taxes	10.7	29.1	35.6	37.4	39.3	6.0	22.2	34.7	36.8	38.6
Subtotal, windfall profit tax	6.0	16.5	20.2	21.2	22.3	3.9	13.5	20.9	21.0	22.1
Energy tax credits:										
Individual income taxes	−*	−0.1	−0.2	−0.2	−0.4	−*	−0.1	−0.1	−0.2	−0.3
Corporation income taxes	−0.1	−0.2	−0.2	−0.8	−0.8	−*	−0.2	−0.2	−0.5	−0.8
Excise taxes					−0.1					
Subtotal, energy tax credits	−0.2	−0.3	−0.4	−1.0	−1.4	−*	−0.2	−0.3	−0.7	−1.1
Repeal of carryover basis (individual income taxes)		−*	−0.1	−0.2	−0.2			−*	−0.1	−0.2
Interest and dividend exclusion (individual income taxes)		−2.1	−2.2				−0.3	−2.3	−1.7	
Inventory accounting changes (corporation income taxes)			0.2	0.2	0.2			0.1	0.2	0.2
Total, Crude Oil Windfall Profit Tax Act of 1980	**5.9**	**14.1**	**17.7**	**20.3**	**20.9**	**3.9**	**13.0**	**18.4**	**18.8**	**21.0**
Omnibus Reconciliation Act of 1980:										
Individual income taxes:										
Tax-exempt mortgage bonds		0.3	1.2	2.5	4.3		0.1	0.6	1.7	3.2
Other	−0.2						−0.2			
Subtotal, individual income taxes	−0.2	0.3	1.2	2.5	4.3		−0.1	0.6	1.7	3.2
Corporation income taxes:										
Tax-exempt mortgage bonds		0.4	1.3	2.8	4.9		0.2	0.8	2.1	3.8
Payment of estimated tax							2.8	0.8	0.7	0.7

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EFFECT OF MAJOR TAX LEGISLATION AND ADMINISTRATIVE ACTION[1]—Continued

(In billions of dollars)

	Calendar year liabilities					Fiscal year receipts				
	1980	1981	1982	1983	1984	1980	1981	1982	1983	1984
Other	*	0.1	0.1	0.1	0.1		*	0.1	0.1	0.1
Subtotal, corporation income taxes	*	0.4	1.4	2.9	5.0		3.0	1.7	2.8	4.6
Social insurance taxes and contributions		0.1	0.3	0.4	0.6		0.1	0.3	0.3	0.5
Excise taxes		0.5	0.6				0.3	0.6	0.2	
Other		*	*	*	*		*	*	*	*
Total, Omnibus Reconciliation Act of 1980	**−0.1**	**1.4**	**3.5**	**5.8**	**9.8**		**3.4**	**3.2**	**5.1**	**8.3**
Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (excise taxes)		**0.2**	**0.3**	**0.3**	**0.4**		**0.1**	**0.3**	**0.3**	**0.4**
Acceleration of employer deposits of withheld income and FICA taxes:										
Individual income taxes							1.6	1.3	0.5	0.5
Social insurance taxes and contributions							0.8	0.6	0.2	0.2
Total, Acceleration of employer deposits							2.5	2.0	0.7	0.7
ADDENDUM										
Effect of major legislation and administrative action on receipts by source:										
Individual income taxes	−1.2	−4.4	−4.4	−1.1	0.3	−0.4	−0.4	−3.2	−3.0	−*
Corporation income taxes	−3.8	−9.8	−10.9	−10.5	−9.2	−1.7	−4.2	−9.4	−10.0	−9.3
Social insurance taxes and contributions		0.1	0.3	0.4	0.6		0.9	0.9	0.6	0.7
Excise taxes	10.7	29.9	36.5	37.7	39.6	6.0	22.7	35.6	37.3	39.0
Other		*	*	*	*		*	*	*	*
Total	5.7	15.7	21.5	26.4	31.2	3.9	19.0	23.9	24.9	30.5

*$50 million or less.

[1] These estimates are based on the direct effect only of legislative changes at a given level of economic activity. Induced effects are taken into account for forecasting incomes, however, and in this way affect the receipts estimates by major source and in total.

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RECEIPTS PROPOSALS

Economic revitalization program.—On August 28, 1980, President Carter announced his economic revitalization program. Through a series of tax and spending initiatives, this program is designed to increase employment and restore growth without increasing inflation. In light of recent strength in the economy and persistent inflationary pressures, some of the tax measures included in this program are to be delayed and phased in over a longer period than announced in August. The tax program is designed to increase productivity, lower unemployment, and reduce inflation. These tax proposals, which are described below, are estimated to reduce receipts by $3.1 billion in 1981, $18.3 billion in 1982, $32.0 billion in 1983 and $42.1 billion in 1984.

Several of the provisions of this program are refundable to taxpayers with no tax liability. Since payments in excess of liability are treated as outlays, these tax provisions are estimated to increase outlays by $0.2 billion in 1981, $4.2 billion in 1982, $6.4 billion in 1983 and $7.2 billion in 1984.

Constant rate depreciation.—Under present law depreciation is computed either under the asset depreciation range system (ADR) or according to facts and circumstances established by each taxpayer. A new system of depreciation allowances is proposed to encourage business to expand investment, modernize capacity, and provide new jobs. This program provides for a constant annual rate of depreciation (CRD) for each asset class, reduces the number of asset classes, simplifies depreciation procedures, and increases allowable depreciation rates by approximately 40%. It also makes the full 10% investment tax credit available for all eligible machinery and equipment lasting more than 1 year. The CRD system, which is proposed to be fully effective and required for all assets placed in service after December 31, 1980, is estimated to reduce receipts by $2.9 billion in 1981 and $9.0 billion in 1982.

Refundable investment tax credit.—The 10% investment tax credit that is permitted under current law is of limited value to firms that have little or no earnings, yet make substantial investments. To provide investment incentives for such firms equivalent to those provided for other firms, and to assist new firms and those experiencing structural adjustment problems, the President has proposed a refundable investment tax credit. Under the administration's proposal, up to 30% of the earned but unused credit for investments placed in service after December 31, 1980, would be refundable. The portion of the credit not made refundable would be available for carryback or carryforward as under present law. This proposal is estimated to reduce receipts by $66 million in 1981 and

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$4 million in 1982. Most of the budget effect of this proposal is reflected in outlays, which are increased by an estimated $0.2 billion in 1981 and $2.3 billion in 1982.

Tax credit for social security taxes paid.—An income tax credit equal to 8% of social security taxes paid is proposed. The credit would be nonrefundable to individuals, but refundable to State and local governments, nonprofit organizations and businesses.[1] This provision, proposed to become effective January 1, 1982, is estimated to reduce receipts by $8.5 billion in 1982 and to increase outlays due to the refundability of the credit by $1.9 billion in that year.

Expanded earned income tax credit.—Under present law, low-income taxpayers with dependent children are eligible for the earned income tax credit, which is 10% of the first $5,000 of earnings and phases out at the rate of 12.5% for earned income above $6,000. Under this proposal the credit is increased to 12% of the first $5,000 of earnings and phases out at the rate of 15% for earned income above $7,000. This increase in the earned income tax credit, proposed to become effective January 1, 1982, is estimated to reduce receipts by $8 million in 1982. Although the credit is refundable, outlays will not be affected until 1983.

Working spouse deduction.—Under present law married couples with two earners often pay higher taxes than if they were single. As a result, two-earner families are subject to a work disincentive—or marriage disincentive—created by the tax law. To reduce this "marriage penalty," a tax deduction equal to 5% of the first $30,000 of earnings of the spouse with the lower earnings, with a maximum deduction of $1,500, is proposed for calendar year 1982. This deduction would increase to 10% in 1983 and subsequent years, with a maximum deduction of $3,000. This provision is estimated to reduce receipts in 1982 by $0.4 billion.

Exclusion for Americans working abroad.—Americans working abroad in certain areas would be exempt from tax on the first $25,000 of foreign earned income plus 60% of the next $60,000, for a maximum exemption of $61,000. The exemption would be allowed for areas where the State Department authorizes a hardship allowance of 10% or more for U.S. Government employees. The special deductions under present law would continue for Americans working abroad in other areas of the world. More generous and less complex tax treatment for Americans working in foreign countries is designed to assist the competitiveness of American exports. This

[1] Low-income individuals with dependent children would be eligible for the proposed expanded earned income tax credit, which would be refundable.

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proposal is estimated to reduce receipts by $0.1 billion in 1981 and $0.3 billion in each of the next three years.

Motor fuels and highway use taxes.—The administration's proposal would replace the current 4 cents per gallon excise tax on gasoline and diesel fuels with a 14 cents per gallon tax effective June 1, 1981. The tax rate would be adjusted quarterly thereafter in accordance with changes in producers' prices. This proposal is estimated to increase receipts by $3.5 billion in 1981 and $13.1 billion in 1982. Since motor fuel tax receipts now go to the Highway Trust Fund, receipts equivalent to 4 cents a gallon would continue to be transferred to this Fund. Effective October 1, 1981, it is proposed that this transfer increase to the equivalent of about 6 cents per gallon.

The administration proposes to increase certain other excise taxes that support the Highway Trust Fund. These increases are estimated to add $1.4 billion to receipts in 1982.

The additional revenues to the trust fund from the motor fuels and other excise tax increases are designed to provide the receipts necessary to support the administration's proposed Federal highway program. These changes would retain the current relative tax burden imposed on the users of the Nation's highway system.

Withholding of taxes on interest and dividend income.—No tax is currently withheld on payments of interest and dividends to domestic taxpayers, although taxes are withheld from wages. To remedy this inequity, the administration proposes withholding on dividend and interest payments at a rate of 15%. Individuals who reasonably believe they would owe no tax and tax exempt organizations would not be subject to withholding if they file exemption certificates. For this reason, and because the lowest tax rate bracket is 14%, few individuals would be deprived of the use of over-withheld funds. This change, which is proposed to become effective January 1, 1982, is estimated to add $3.9 billion to receipts in 1982, $2.8 billion in 1983, and $3.1 billion in 1984. These revenue increases result in large part from an expected increase in compliance, except in the first year, when much of the increase reflects the acceleration of payments.

Other receipts proposals.—The budget estimates reflect a number of other proposed actions to improve resource allocation and the overall efficiency and equity of the tax structure.

Foreign tax credit on oil and gas extraction.—Under present law, foreign income taxes may be offset dollar for dollar against U.S. income taxes. In general, foreign income taxes may be used to offset U.S. income taxes only on foreign source income. The admin-

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istration's proposal would assure that foreign taxes on income from oil and gas extraction in a particular country be used to offset U.S. taxes on only that income, rather than U.S. taxes on any foreign source income. This change, proposed to be effective for income earned beginning January 1, 1979, is estimated to increase receipts by $1.4 billion in 1981 and $0.5 billion in 1982.

Tax distinction between employees and independent contractors.—Under current law, a worker classified as an "independent contractor" rather than as an "employee" receives favorable withholding and employment tax treatment:

- An employer is required to withhold income and social security taxes on wages paid to an employee, but not on payments made to an independent contractor. Thus, tax compliance by independent contractors is extremely poor.
- The combined employer-employee social security tax rate (13.3% in 1981) is higher than the self-employed rate paid by independent contractors (9.3% in 1981).

There is no clear method to distinguish between employees and independent contractors under present law. As a result, this distinction has become a frequent source of controversy between taxpayers and the Internal Revenue Service and has resulted in substantial revenue losses to the Treasury each year. To prevent tax evasion by independent contractors, the administration recommends that effective January 1, 1982, 10% be withheld from compensation for services paid to certain independent contractors. Enactment of this proposal is expected to increase receipts by $0.7 billion in 1982.

Railroad retirement taxes.—The budget estimates reflect a proposal to increase railroad retirement payroll taxes to alleviate funding problems of the Railroad Retirement trust fund. The largest part of the increase in receipts results from the elimination of the taxable earnings maximum (currently $2,000 per month) on the employer portion of the tax. This increase in payroll taxes is proposed to become effective October 1, 1981, and is estimated to add $0.3 billion to receipts in each of the years 1982 through 1984.

Unemployment insurance coverage of CETA public service employees.—The Omnibus Reconciliation Act of 1980 phased out Federal reimbursement to States for unemployment benefits paid to former public service employees funded under the Comprehensive Employment and Training Act. The administration proposes to complete this action by making unemployment compensation coverage of these workers optional rather than mandatory and by prohibiting the use of Federal public service employment funds to pay such

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benefits. This proposal is estimated to reduce State deposits to the unemployment insurance trust fund by $57 million in 1982.

Airport and airway trust fund taxes.—The airport and airway trust fund expired on September 30, 1980. The administration's proposal would reinstate the freight waybill and passenger ticket taxes, and certain other taxes, at their former rates. It would also change the 7 cents per gallon tax on aviation fuel to an *ad valorem* tax of 10% and would impose a 6% tax on new aircraft and avionics. These taxes, proposed to become effective July 1, 1981, are estimated to increase receipts by $0.2 billion in 1981 and $1.4 billion in 1982.

Employer social security tax on tips.—Under current law, employers pay social security taxes on a limited part of the cash tips received by their employees, whereas employees are required to pay social security taxes on all cash tips. The administration's proposal would require employer social security tax payments on all tips now subject to employee social security taxes, effective January 1, 1982. Enactment of the proposal would increase receipts by a small amount beginning in 1982.

Withholding tax on interest paid to foreigners.—Current law requires a withholding tax of 30% on interest (and other periodic payments, such as dividends, rents, royalties, etc.) paid to foreign corporations and nonresident foreign persons. However, because of numerous statutory and treaty exemptions, collections are very small. The administration recommends eliminating withholding on all portfolio interest paid to nonresident foreigners. This is expected to encourage foreign investment in the United States, help the balance of payments and the value of the dollar, and spur domestic capital formation. This proposal is expected to reduce receipts by relatively small amounts.

Increase in passport and visa fees.—The administration recommends an increase in passport fees from $14 to $30 effective October 1, 1981. An increase in visa fees from $25 to $100, effective April 1, 1981, is also proposed. While the increase in passport fees requires legislation, the change in visa fees can be accomplished by administrative action. Together, these proposals are estimated to increase receipts by a relatively small amount in 1981 and $0.1 billion in 1982–84.

Restrictions on tax-exempt bonds for private purposes.—The use of tax-exempt bonds to finance private projects has grown rapidly in recent years. Tax-exempt financing adversely affects the efficient allocation of scarce capital resources and the control of the Federal budget. The administration supports a proposal to restrict

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the use of tax-exempt financing for certain private purpose activities. The following changes are proposed:

- Eliminate the exemption allowing tax-exempt bonds to finance student loans.
- Eliminate the exemption allowing non-governmental tax-exempt organizations the use of tax-exempt financing. The largest use of such financing is for hospital construction.
- Restrict the use of the "small-issue" exemption to small industrial businesses or to targeted areas, and require a State or local government matching payment to the issuer and a report to the Treasury on the volume of bonds issued.

These proposed changes are estimated to increase receipts by $0.1 billion in 1981 and $0.5 billion in 1982.

Tax status of the U.S. Territories.—The U.S. Internal Revenue Code is in effect in the Virgin Islands, Guam, American Samoa, and the Northern Marianas but the Code is administered by the territories. These territorial tax systems contain major ambiguities, inconsistencies, and inequities, and have generally suffered from a decline in the level of compliance and enforcement. The administration recommends that the IRS administer the Code in the four territories but that the revenues be returned to the territories through quarterly payments. The repeal of the tax exemption for income earned by U.S. citizens in Johnston, Midway, and other nonself-governing U.S. territories is also being proposed. The repeal of this exemption is expected to increase receipts by $1 million annually.

Taxation of commodity straddles and futures contracts.—Many taxpayers currently are engaged in financial schemes to defer taxation on income already earned and to convert short-term capital gains and ordinary income (taxable at a maximum 70% rate) into long-term capital gains (taxable at a maximum 28% rate). Many of these schemes involve commodity futures contracts held in balanced positions; that is, each contract to buy is matched with a contract to sell (the commodity straddle). Related schemes involve the direct purchase of commodities with borrowed dollars ("cash and carry transactions") and the use of Treasury bill futures, which, as capital assets, are accorded different tax treatment than are Treasury bills, which are treated as assets producing ordinary income.

The administration's proposal would disallow losses incurred in commodity straddles and spread transactions where the taxpayer remains in a balanced position. Rules with respect to futures contracts in financial markets are also proposed. Together, these changes are estimated to increase receipts by $0.1 billion in 1981 and $1.3 billion in 1982.

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Charitable contributions of tangible personal property.—Under current law a taxpayer can deduct charitable contributions subject to certain restrictions. A taxpayer making a contribution of tangible personal property held for more than one year may claim the fair market value of the property, instead of being limited to deducting its cost. However, charitable deductions in any given taxable year may not exceed 30% of the taxpayer's adjusted gross income. The unused portion of the deduction may be carried over to the 5 succeeding taxable years.

To prevent taxpayers from claiming excessive valuation for contributions of tangible personal property, the administration recommends that the deduction be limited to the taxpayer's adjusted basis (that is, cost plus improvements) in the property on the date of the contribution. No change would be made in the case of intangible property such as stocks and bonds. This proposal is estimated to increase receipts by a small amount in 1981 and by $0.2 billion in 1982.

Extension of "at risk" to the investment tax credit.—Individuals, electing small business corporations, and certain other closely held corporations are limited in the amount of losses they may take from business activities to their amounts "at risk" in the activity at the close of the taxable year. In general, a taxpayer's amount "at risk" in an activity is the aggregate of the amount contributed to the activity by the taxpayer and loans to the activity for which the taxpayer is personally liable. Losses that are disallowed because of the "at risk" limitation may be carried over to future years. However, a taxpayer is able to claim investment tax credits for property for which losses are disallowed by this limit.

The administration recommends that only amounts "at risk" be included in the basis of property for purposes of computing the investment tax credit; amounts not "at risk" will be excluded from the basis. This would reduce the investment tax credit available to a taxpayer who has used nonrecourse loans (loans for which the taxpayer is not personally liable) to finance property that would otherwise qualify for the credit. This proposal is estimated to increase receipts by a small amount in 1981 and $0.1 billion in 1982.

Audit of partnerships.—Partnerships are not subject to Federal income taxation. Although the items of income, gain, loss, deduction and credit are computed at the partnership level, they are included on the tax returns of each of the member partners, where they are combined with the income and other items from any other sources. The partners are liable for any Federal income tax shown on their own returns. Partnerships are required only to file an annual information return, which sets forth the items of income, deduction, and credit and includes the names, addresses, and dis-

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tributive shares of the partners, as well as any other required information.

Since the partnership is not a taxable entity, there is no administrative mechanism for making adjustments at the partnership level. The Internal Revenue Service must audit each partner separately with respect to that partner's share of partnership items, even though each such audit may involve the same substantive partnership determinations. A settlement arrived at by one partner with the IRS is not binding on any other partner or on the agent who deals with another partner. Similarly, a judicial determination of a partnership issue may be conclusive only as to those partners who are parties to the proceeding.

The administration recommends that all partnerships be treated as entities for purposes of audit, including administrative settlement and judicial review. The revenue impact of this proposal is negligible.

Electronic fund transfer for alcohol and tobacco taxes.—The administration has proposed regulations to require alcohol and tobacco products taxpayers to transmit excise tax payments by use of electronic fund transfer. This is estimated to increase receipts by $0.2 billion in 1981 and $0.1 billion in 1982.

EFFECT OF PROPOSALS ON RECEIPTS

The summary table shows the effect of the President's proposals on receipts. These are estimates of the direct effects of the proposals on gross receipts, based on levels of corporate and individual income that reflect enactment of the proposals. The total of these effects on receipts are $2.5 billion in 1981, $5.3 billion in 1982, −$7.9 billion in 1983, and −$15.0 billion in 1984.

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EFFECT OF ADMINISTRATIVE ACTION AND PROPOSED LEGISLATION[1]

(In billions of dollars)

	1981	1982	1983	1984
Economic revitalization program:				
Constant rate depreciation	−2.9	−9.0	−14.2	−18.4
Refundable investment tax credit	−.1	−*	.2	.3
Social security tax credit		−8.5	−13.1	−14.5
Earned income tax credit		−*	−.2	−.1
Marriage penalty relief		−.4	−4.4	−9.1
Exclusion for Americans working abroad	−.1	−.3	−.3	−.3
Other	*	*	*	*
Subtotal, economic revitalization program	−3.1	−18.3	−32.0	−42.1
Motor fuels and highway use taxes	3.5	14.6	16.1	17.7
Withholding on interest and dividends		3.9	2.8	3.1
Foreign tax credit	1.4	.5	.6	.6
Independent contractors		.7	.7	.9
Railroad retirement taxes		.3	.3	.3
Airport and airway trust fund	.2	1.4	1.6	1.8
Commodity straddles	.1	1.3	.8	1.0
Tax exempt bonds	.1	.5	1.0	1.6
Other	.2	.4	.2	.2
Total	**2.5**	**5.3**	**−7.9**	**−15.0**
ADDENDUM				
Effect of proposals on receipts by source:				
Individual income taxes	−.5	−2.8	−12.9	−18.9
Corporation income taxes	−.8	−8.6	−13.2	−16.1
Social insurance taxes and contributions		.5	.5	.5
Excise taxes	3.8	16.1	17.8	19.5
Other	*	.1	.1	.1
Total	**2.5**	**5.3**	**−7.9**	**−15.0**
Effect of proposals on outlays:[2]				
Refundable investment tax credit	.2	2.3	2.9	3.3
Social security tax credit		1.9	2.9	3.3
Earned income tax credit			.6	.5
Total	**.2**	**4.2**	**6.4**	**7.2**

* 50 million or less.

[1] These estimates are based on the direct effect only of legislative changes at a given level of economic activity. Induced effects are taken into account for forecasting incomes, however, and in this way affect the receipts estimates by major source and in total.

[2] These estimates reflect payments in excess of tax liabilities, which are recorded as outlays in the budget.

The estimated indirect, or "feedback," effects on receipts resulting from induced changes in income are not included in the above estimates because they are already included in gross receipts. These indirect effects are shown in the following table. This table compares total receipts without the administration's proposals with total receipts under those proposals. The estimates shown for receipts without the administration's proposals are based on levels of economic activity that would prevail if no policy changes were made. These amounts are $605.9 billion in 1981, $708.8 billion in 1982, $817.1 billion in 1983 and $932.4 billion in 1984. The direct effect of administrative actions and proposed legislation is the same as shown in the previous table. The indirect effect on receipts is the change in receipts due only to the effects of the administra-

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tion's proposals on income levels. The net change in receipts combines the direct and indirect effects of the proposals and is equal to the difference between total receipts under the administration's proposals and total receipts without those proposals. These net changes are $1.6 billion in 1981, $3.0 billion in 1982, −$7.9 billion in 1983 and −$10.1 billion in 1984.

DIRECT AND INDIRECT EFFECTS OF ADMINISTRATIVE ACTION AND PROPOSED LEGISLATION ON RECEIPTS

(In billions of dollars)

	1981	1982	1983	1984
Receipts without administrative action and proposed legislation	605.9	708.8	817.1	932.4
Direct effect on receipts of administrative action and proposed legislation	2.5	5.3	−7.9	−15.0
Indirect effect on receipts from induced changes in income	−0.9	−2.3	*	4.9
Net effect on receipts	1.6	3.0	−7.9	−10.1
Receipts under existing and proposed legislation	607.5	711.8	809.2	922.3

*$50 million or less.

CHANGES IN BUDGET RECEIPTS

Budget receipts are estimated to rise by $87.5 billion in 1981 and $104.3 billion in 1982. The year-to-year changes can be divided between changes due to growth in the tax base and changes due to revisions in the tax structure. Under the tax rates and structure in effect on January 1, 1979, receipts would have risen by $58.7 billion in 1981 and $85.7 billion in 1982. Thus, the combined effect of administrative actions and enacted and proposed tax law changes, which is shown in the accompanying table, increases the growth in receipts by $28.8 billion in 1981, $18.5 billion in 1982, and $8.1 billion in 1984. The corresponding decrease for 1983 is $4.4 billion.

	1981	1982	1983	1984
Growth in receipts (in billions of dollars):				
Under existing law and administrative actions and proposed legislation	87.5	104.3	97.4	113.1
Under tax rates and structure in effect Jan. 1, 1979	58.7	85.7	101.8	104.9
Difference	28.8	18.5	−4.4	8.1

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CHANGES IN BUDGET RECEIPTS

(In billions of dollars)

	1980	1981	1982	1983	1984
Receipts under tax rates and structure in effect January 1, 1979 [1]	514.5	573.2	658.9	760.7	865.7
Administrative actions:					
Acceleration of State and local deposits of social security taxes effective July 1, 1980	2.0	0.4	0.3	0.3	0.3
Acceleration of employer deposits of withheld income and FICA taxes effective January 1, 1981		2.5	2.0	0.7	0.7
Waiver of import duties and fees on crude oil and petroleum products	−0.7	−0.4	−0.4	−0.4	−0.5
Other	−0.1	−0.2	−0.2	−0.2	−0.2
Enacted legislative changes:					
Crude Oil Windfall Profit Tax Act of 1980	3.9	13.0	18.4	18.8	21.0
Omnibus Reconciliation Act of 1980		3.4	3.2	5.1	8.3
Comprehensive Environmental Response, Compensation, and Liability Act of 1980		0.1	0.3	0.3	0.4
Social security taxable earnings base increases: [2] [4]					
$22,900 to $25,900 effective Jan. 1, 1980	1.3	4.4	5.7	7.2	8.7
$25,900 to $29,700 effective Jan. 1, 1981		1.5	5.1	6.6	8.4
$29,700 to $32,100 effective Jan. 1, 1982			1.0	3.2	4.2
$32,100 to $35,400 effective Jan. 1, 1983				1.5	4.7
$35,400 to $38,700 effective Jan. 1, 1984					1.4
Social security tax rate increases: [4]					
12.26% to 13.3% effective Jan. 1, 1981		9.3	14.7	16.3	17.9
13.3% to 13.4% effective Jan. 1, 1982			1.0	1.5	1.7
Other	−0.8	−2.1	−3.4	−4.5	−5.5
Total, receipts under existing legislation	520.0	605.0	706.5	817.1	937.3
Proposed changes:					
Economic revitalization program		−3.1	−18.3	−32.0	−42.1
Motor fuels and highway use taxes		3.5	14.6	16.1	17.7
Withholding on interest and dividends			3.9	2.8	3.1
Other		2.1	5.2	5.2	6.3
Total, receipts under existing and proposed legislation [3]	**520.0**	**607.5**	**711.8**	**809.2**	**922.3**

[1] These figures assume a social security taxable earnings base of $22,900.

[2] If the taxable earnings base were not changed to reflect increased earnings, the effective social security tax rate on earnings would fall. The amounts included in legislative changes that can be attributed to keeping taxes and average earnings in the same relationship that existed in 1979 are: $0.8 billion in 1980, $3.9 billion in 1981, $8.5 billion in 1982, $14.7 billion in 1983, and $23.0 billion in 1984.

[3] These estimates include both the direct and indirect effects of administrative action and legislative changes.

[4] Technical note: When the tax rate and the taxable earnings base increase at the same time, dividing up the total effect on receipts is arbitrary to some small extent because of an interaction effect. The increase in receipts due to this interaction effect is attributed to the rate and base changes in proportion to the increases in receipts than would occur if the rate and base were each changed separately.

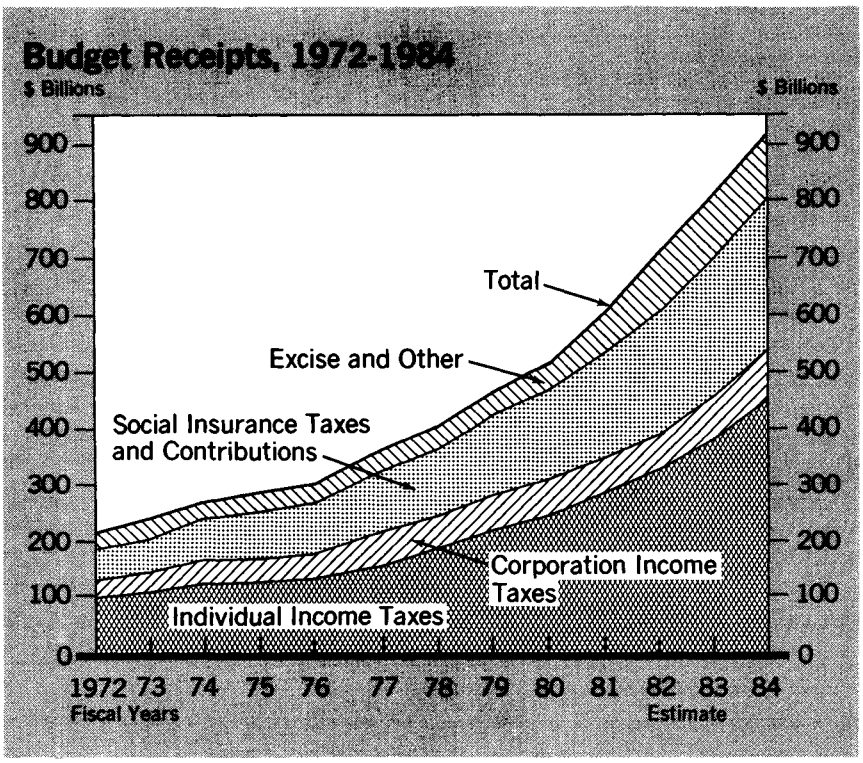
RECEIPTS BY SOURCE

Individual income taxes.—Individual income tax receipts are estimated at $284.0 billion in 1981 and $331.7 billion in 1982. These estimates reflect the proposed economic revitalization program, which is estimated to reduce individual income taxes in 1981 and 1982 by $0.7 billion and $8.6 billion, respectively. The proposed

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withholding of taxes on interest and dividend income increases individual income taxes by an estimated $3.9 billion in 1982.

Individual income taxes in 1983 and 1984 are projected at $384.6 billion and $451.2 billion, respectively. These figures reflect a rise in the average tax rate on personal income as inflation and real growth push taxpayers into higher tax brackets. These rising tax burdens should be offset by judicious tax cuts in future years. However, the timing, size, and structure of any future legislated tax reductions should depend on the future performance of the economy, especially progress in reducing inflation.



Corporation income taxes.—Corporation income tax receipts are estimated at $66.0 billion in 1981 and $64.6 billion in 1982. These estimates reflect the deductibility of the windfall profit tax, which is estimated to reduce corporation income tax receipts in 1981 and 1982 by $7.1 billion and $11.0 billion, respectively. The proposed economic revitalization program, primarily the constant rate depreciation provision and the 8% tax credit for social security taxes paid, reduces estimated corporation income tax receipts by $2.4 billion in 1981 and $9.7 billion in 1982. Other proposed changes add $1.5 billion to receipts in 1981 and $1.1 billion in 1982.

Corporation income tax receipts in 1983 and 1984 are estimated at $77.6 billion and $91.0 billion, respectively. These estimates re-

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flect reductions of $14.7 billion in 1983 and $18.0 billion in 1984 due to the proposed economic revitalization program. Other proposed changes, primarily the limitation on the foreign tax credit for oil and gas extractions, are estimated to increase corporation income taxes by $1.4 billion in 1983 and $1.9 billion in 1984.

Social insurance taxes and contributions.—This category includes social security and railroad retirement taxes, unemployment insurance taxes and deposits, Federal employee retirement contributions, and premium payments for supplementary medical insurance.

Receipts from this source are expected to be $184.8 billion in 1981 and $214.7 billion in 1982. These figures reflect the scheduled increase in the combined employer-employee social security tax rate from 12.26% to 13.3% on January 1, 1981 and to 13.4% on January 1, 1982, and annual increases in the social security taxable earnings base from $25,900 in 1980 to $29,700 in 1981 and to $32,100 in 1982. These estimates also reflect $0.8 billion in 1981 and $0.6 billion in 1982 from an administrative action to accelerate deposits of withheld FICA taxes effective January 1, 1981.

The estimates for 1983 and 1984 are $239.5 billion and $264.2 billion, respectively. These estimates reflect annual increases in the taxable earnings base to $38,700 in 1984.

Excise taxes.—Excise taxes are levied on a variety of products, services, and activities. Receipts from these taxes are estimated at $44.4 billion in 1981 and $69.6 billion in 1982. These estimates include the windfall profit tax, which is estimated at $22.2 billion in 1981 and $34.7 billion in 1982. An additional $30 million in 1981 and $58 million in 1982 is attributable to enactment of the Inland Waterways Revenue Act of 1978, which levied a tax on liquid fuel used in vessels engaged in commercial waterway transportation, effective October 1, 1980. The proposed increase in the motor fuels tax and other highway use taxes raises receipts in 1981 and 1982 by an additional $3.5 billion and $14.6 billion, respectively. These estimates also reflect proposed legislation to restore in a modified form the airport and airway taxes that expired September 30, 1980.

The estimates for 1983 and 1984 are $73.4 billion and $77.1 billion, respectively. These estimates include $36.8 billion from the windfall profit tax in 1983 and $38.6 billion in 1984. The proposed increase in the motor fuels tax and other highway use taxes adds an additional $16.1 billion to receipts in 1983 and $17.7 billion in 1984.

Other receipts.—Estate and gift taxes, customs duties, and miscellaneous receipts (the largest of which are deposits of earnings by the Federal Reserve System) are estimated to total $28.3 billion in

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1981, $31.2 billion in 1982, $34.1 billion in 1983, and $38.9 billion in 1984.

Proprietary receipts.—In addition to budget receipts, the Government receives significant proprietary income from the public. This income is derived from various market-oriented activities and takes the form of interest, rents, royalties, and the sale of Government property, products, and services. Because this income arises from business-type transactions rather than from taxation, it is treated as an offset to related outlays and budget authority rather than as budget receipts. Proprietary receipts from the public are shown in table 11 of Part 9.

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PART 5

MEETING NATIONAL NEEDS: THE FEDERAL PROGRAM BY FUNCTION

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INTRODUCTION

National needs and the functional classification.—This section of the budget discusses budget authority, outlays, and related measures of Federal spending, focusing on the end purposes served by the spending. The presentation is in terms of two closely related analytical structures: the national needs structure and the functional structure.[1]

The functional structure is divided into 17 broad areas (functions) that provide a coherent and comprehensive basis for analyzing the budget. It has two additional categories—allowances and undistributed offsetting receipts—that are not functions but are required in order to cover the entire budget. In the functional structure, budget authority and outlays are classified according to the primary purpose of the activity; to the extent feasible this classification is made without regard to agency or organizational distinctions. The process of classifying each activity in the function that defines its most important purpose—even though many activities serve more than one purpose—permits adding the functional totals of budget authority and outlays to obtain the budget totals.

The national needs structure uses the same broad categories as the functional structure except that there are no national needs categories for interest, allowances, and undistributed offsetting receipts. In the national needs presentation, programs or activities are counted more than once in those cases where the activities make a significant contribution to more than one national need. For example, budget outlays for medical care for military personnel and dependents are primarily designed to strengthen our nation's defense capability. Hence, they are counted in the national defense function and are not counted in the health function. However, this spending does have a major impact on our nation's health care for a significant segment of the population, so the spending is included in the national needs presentation for health as well as in that for national defense.

Structure of the Part 5 sections.—For each major function (except the interest function), there is a common structure to the presentation. Each section starts with a statement of national needs. Each section has a table that shows budget authority and another that shows outlays for that function for a 5-year span (1980 through

[1] See the sections entitled "Functional classification" and "National needs presentation" in Part 7 of this volume for additional background information.

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1984). These tables display each subfunction and provide programmatic detail below the subfunction level. In many cases, additional tables are presented showing related programs in other functions that support these national needs. Off-budget activity for each function is shown as addendum entries.

Credit budget.—As part of the new credit control system that began last year, there is a credit table for direct loans and for loan guarantees in each national needs section. These tables show, by major program, new loans; loan repayments, sales and adjustments; and net loan outlays. In order to make these tables comprehensive, off-budget lending is also included. For loan guarantees the tables show new loan guarantees and net loan guarantees (i.e., net change in loan guarantees outstanding). Because of the way loan programs are financed, there is frequently double-counting of new loans (but not net loan outlays). All loans by the Federal Financing Bank are guaranteed by other Federal agencies, so all FFB loans are also included under agency loan guarantees.[2] A more thorough discussion of the credit control system, and nonduplicative totals for Federal credit can be found in Special Analysis F (Federal credit programs) in the Special Analyses volume issued in conjunction with this budget.

Allowances.—Two categories of activities are treated differently in the estimated years from the treatment in the actual years.

- Future increases in Federal pay are not distributed by budget account, program, or agency. They are reflected in two allowances for pay increases—one for the Department of Defense and one for the rest of the Government. Hence, the functional total for national defense includes the pay allowance for the Department of Defense, military functions; the nondefense total includes the nondefense pay allowance, but the latter allowance is not distributed among the nondefense functions.
- The budget contains an allowance for contingencies to cover unanticipated requirements. The allowance does not represent a specific budget request and the Congress is not asked to provide an appropriation for this purpose. Therefore, no actual outlays are made from the contingency allowance; any contingencies for which appropriations are made later are financed and fully reported in the appropriate function, so the contingency allowance for all past periods is always zero.

[2] For example, an agency may make a new direct loan, guarantee it, and sell it to the FFB. In such a case, the same loan shows up twice as new direct loans—once by the originating agency and once by the FFB when it purchases the loan—and the agency guarantee of the loan is included under loan guarantees.

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Changes in the functional structure.—Two major modifications have been made in the functional classification for the 1982 budget. In conformity with law, the administration consulted with the relevant committees of the Congress prior to making these changes. The changes are as follows:

First, in recent budgets the income security function included a subfunction that covered a wide range of spending programs, such as food stamps, housing assistance, and supplemental security income. This subfunction was not only diverse, but was larger than 13 of the *major* functions. Therefore, it has been divided into three new subfunctions—housing assistance, food and nutrition assistance, and other income security. This change did not affect the other subfunctions within the function or the coverage of the major function.

Second, all lending by the Federal Financing Bank is now shown in the subfunction of the parent account being serviced by the FFB; the FFB subfunction used in previous budgets has been abolished. The FFB is a central financing institution maintained by the Department of the Treasury to service Federal agencies and programs. It is, by far, the largest off-budget entity in terms of budget authority and outlays. It performs three services:

(1) It lends to agencies (such as the Tennessee Valley Authority) that are authorized to borrow from the public. (Such interagency borrowing is not counted as FFB outlays; the use of the money by the borrowing agency is counted as outlays by that agency.)

(2) It purchases title to loan assets from agencies that have made the loans. (When agencies sell loan assets to the FFB, they guarantee to repurchase the loans in the event of default by the borrower. When these sales occur, the FFB records loan outlays off-budget and the selling agency records an offset to its outlays.)

(3) It makes or purchases new loans that are guaranteed by Federal agencies. All such loans are recorded as off-budget outlays of the FFB. They are contingent liabilities (loan guarantees) of the guaranteeing agencies.

The latter two categories result in loan outlays by the FFB; these loans are recorded as off-budget outlays in the subfunction of the account being serviced by the FFB. In carrying out these lending operations, the FFB has other transactions—mainly interest payments and collections. These transactions net out to a relatively small portion of the total FFB outlays and are now recorded in the central fiscal operations subfunction.

The published historical data have been revised to make them comparable to the current usage.

Relationship to other budget tables.—The budget includes a number of tables that supplement the tables shown in Part 5,

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including (1) outlays over a longer period of past years; (2) estimates and projections further into the future; (3) budget authority and outlays by agency rather than by function; and (4) more detailed data than those reflected in the Part 5 tables.

- Budget outlays by function and subfunction for the years 1972 through 1982 are shown in Table 19 in Part 9 of this document. (Earlier data can be obtained upon request from the Office of Management and Budget.)
- Estimates and projections of budget authority and outlays by agency, major function, and major program for the years 1982 to 1986 are published in Part 2 of this document.
- Summary budget authority and outlay data by agency for the years 1980 to 1982 are contained in Table 3 of Part 9. Detailed data are published in Part 8 (The Federal Program by Agency and Account).
- Part 8 contains a detailed set of budget authority and outlay figures for all budget and off-budget transactions. Each item in that listing has a 3-digit code indicating the function and subfunction in which it is classified.

The Full Employment and Balanced Growth Act.—Section 4(a) of the Full Employment and Balanced Growth Act of 1978 provides that the President's budget shall incorporate the programs and policies that the President deems necessary to achieve the goals specified in the Act. These goals are discussed in the President's *Economic Report.* Programs and policies to help achieve these goals, as well as a broad range of other goals mentioned in the Act, are discussed throughout this section.

As the national needs sections that follow demonstrate, the goals listed in the Act were among those weighed in the process of developing the President's budget recommendations.

Tax expenditures.—Tax expenditures are features of the tax law that provide special benefits or incentives. They are revenue losses under the individual and corporate income tax laws that are attributed to special exclusions, exemptions, or deductions from gross income, or to special credits, preferential rates of tax, or deferrals of tax liabilities. They are one of several means by which the Federal Government can carry out policy objectives. In most cases, tax expenditures can be viewed as alternatives to other instruments of Government policy such as outlays, loan guarantees, regulations, and other tax law provisions. The functional classification of several tax expenditures was changed this year in order to reflect more accurately the national needs they meet.

The most important tax expenditures are discussed in the national needs sections that follow so that they may be compared with the outlays and loan guarantees that serve the same broad pur-

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poses. Tax expenditures are discussed further in Part 6 and in Special Analysis G, "Tax Expenditures." The latter includes a listing by function and an analysis of all tax expenditures, along with a discussion of their definition and measurement. It also provides information about this year's changes in tax expenditure functional classifications.

Other Federal fiscal activities.—The Federal Government allocates resources by means other than those reflected in budget outlays, tax expenditures, and loan guarantees. Outlays of the off-budget Federal entities, which are federally owned and controlled but excluded from the budget under provisions of laws, are similar in nature to budget outlays. The regulation of economic activity also has a major impact on the economy in many sectors. Finally, provisions of the tax law affect the allocation of resources among private uses and the distribution of income among individuals in many important ways not covered by tax expenditures, which include only special provisions of income taxes. Federal taxes other than income taxes have economic effects, as do tax rates, personal exemptions, and other features of the income tax structure that are not treated as tax expenditures.

The national needs sections that follow include information on off-budget Federal entities and discuss major issues regarding economic regulation. Off-budget Federal entities and privately owned, Government-sponsored enterprises are discussed in Part 6 of the Budget.

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NATIONAL DEFENSE

National Needs Statement:

- Protect America's people, its institutions, and its lands from foreign aggression.
- Improve the current overall military balance between the United States and its allies, and the Soviet Union and its allies.
- Deter a nuclear attack on the United States, or its forces, or on other nations whose security is important to us, and assure that should deterrence fail, the U.S. can inflict devastating damage in retaliation.
- Maintain, with our allies, sufficient military power to counter aggression against U.S. interests anywhere in the world.
- Seek equitable and verifiable international agreements to limit and reduce all armaments, to prevent proliferation of nuclear weapons technology, to restrict arms trade, to settle disputes by peaceful means, and to strengthen international stability.

To meet these national needs, the 1982 budget proposes $200.3 billion in budget authority for national defense. Outlays are estimated at $184.4 billion in 1982, increasing to $210.4 billion in 1983, and $237.8 billion by 1984.

The predominant spending for national defense occurs in the Department of Defense. The largest discretionary increase proposed in the budget is the $22.4 billion increase in outlays for the Department of Defense. An average annual outlay increase of over 5% in real terms for 1981 and 1982 continues the administration's policy to provide substantial real increases in our Nation's defenses.

Department of Defense.—The basic national security objectives of the United States are to provide for its physical security as a free Nation, to maintain its fundamental institutions and values, and to advance and protect U.S. interests in the world. To achieve these objectives the United States must be able to deter attacks on itself and on its allies and friends; to prevent others from imposing their political will on it by military means; to influence international affairs from a position of recognized strength; and, when necessary to fight, to do so successfully. The United States seeks to deter armed conflict, to establish and maintain international stability, to

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promote international security through arms control and other international agreements, and to prevent the proliferation of nuclear weapons.

The Nation's security does not depend solely on the strength of our military forces; it is also affected by the strength of hostile forces that may confront them. U.S. forces are adequate to protect us against today's threats, but Soviet military capability continues to grow. Our forces must be capable and ready if they are to contain Soviet aggression and continue to assure our security in the future. This will require a sustained commitment over a period of years. The United States and its NATO (North Atlantic Treaty Organization) allies have made that commitment, each seeking to increase its defense spending by 3% or more per year in real terms. If we are to maintain a credible capability to oppose the Soviets and their Warsaw Pact allies in the future, such increases will continue to be required. Every effort must be made by the United States and its allies to maintain that commitment, even in the face of economic difficulties.

The United States has exceeded its real growth commitment in 1979–1980 and in 1980–1981. The 1982 budget continues this trend. It reflects a real increase in total obligational authority (TOA) of more than 5%. From 1982 through 1986, real growth of 5% per year is projected. This represents a major—but clearly necessary—commitment to strengthening our defenses.

NATIONAL NEED: DEFENSE, MILITARY

(Functional code 051; in billions of dollars)

Major missions and programs	Budget authority				
	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Strategic forces [1]	11.1	12.6	15.0	18.9	22.8
General purpose forces	52.2	65.4	73.5	85.1	95.4
Intelligence and communications	9.1	10.9	13.0	15.5	16.8
Airlift and sealift	2.1	2.8	3.5	4.0	5.3
Guard and reserve	7.9	9.4	10.3	11.2	12.8
Research and development [2]	11.9	13.8	17.3	18.2	21.0
Central supply and maintenance	16.0	16.6	18.8	21.2	24.1
Training, medical, and other general personnel activities	29.2	34.6	39.2	44.1	48.8
Administration and associated activities	2.5	3.3	4.0	4.1	4.5
Support of other nations	.6	.9	1.0	.9	.9
Total, budget authority	**142.6**	**170.3**	**195.7**	**223.3**	**252.4**
Prior-year funds and other financial adjustments	−.4	.9	.7	.7	.7
Total obligational authority	**142.2**	**171.2**	**196.4**	**224.0**	**253.1**

[1] Excludes $0.7 billion in 1980, $1.5 billion in 1981, and $2.4 billion in 1982 for MX missile, included under research and development.
[2] Excludes research and development in other program areas on systems approved for production.

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The increased level of defense resources proposed for 1982 would help preserve strategic deterrence, improve the combat effectiveness and readiness of our NATO forces, and increase our ability to deter or respond to conflict worldwide through the rapid deployment of forces. The capability of the Rapid Deployment Force has been enhanced in the past year by prepositioning 7 combat equipment and supply ships to the Indian Ocean, by improving readiness of designated units, by joint exercises, and by successful base rights negotiations in the Persian Gulf region. The budget includes funds for other Rapid Deployment Force improvements such as acquisition of a new cargo aircraft, acquisition and conversion of more cargo ships, and procurement of additional spare parts and other support equipment.

The budget includes measures that would improve the readiness and abilities of our conventional forces. These include increased pay and benefit levels to attract and retain high quality personnel; increased training; and additional spare parts for aircraft and other equipment. A high level of deployment and other exercises is scheduled to keep our units fully prepared to move rapidly to potential trouble spots.

It is essential that we continue to build and maintain our conventional and strategic forces to the levels required to assure our future security. The increase proposed for 1982 would:

- upgrade our strategic forces so that initiation of nuclear war continues to be clearly disadvantageous for the Soviet Union;
- improve, in cooperation with our NATO allies, the ability of our forces to mobilize quickly and fight effectively in defense of Europe in order to make initiation of a conventional war there clearly disadvantageous for the Soviet Union and its Warsaw Pact allies;
- enhance our ability to deter, and when necessary, respond to, crises outside Europe, especially in such critical and potentially unstable areas as Northeast Asia, the Middle East, and the Persian Gulf;
- continue to modernize our naval forces to assure freedom of the seas, to maintain maritime and naval lines of communication, and to improve our ability to conduct military operations wherever we are challenged; and
- maintain our ability to monitor foreign military developments and activities and to verify arms control agreements, with a high degree of reliability.

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The principal objective of strategic forces is to act as an effective deterrent to both nuclear and conventional warfare. The 1982 program for strategic forces supports all operational weapons systems and provides budget authority of $2.8 billion for the new intercontinental ballistic missile program, the MX, which is now in full-scale development. The MX is scheduled to become operational in 1986. The 1982 program provides for continued procurement of the Trident missile and submarine. Funds are also provided for the long-range air-launched cruise missile (ALCM), as well as for improvements to our existing bomber fleet.

As part of our 1977 commitment to the long-term NATO defense program that was reaffirmed in 1979, the budget supports programs to improve the ability of our conventional forces to deter or respond to military threats in Western Europe and elsewhere. These include the continuation of cooperative NATO programs for the joint purchase and operation of a fleet of airborne warning and control (AWACS) aircraft; joint production of the new F-16 fighter aircraft; and the development of a standard 120 mm. gun for use on new tanks of various NATO countries. The budget also provides funds for storing additional U.S. Army equipment in Europe to shorten the time required to build up forces there. The budget requests funds to upgrade artillery, anti-tank weapons, combat medical support, and the combat capability of land forces in Europe. Continued modifications to the C-5A cargo aircraft, acquisition of ships for cargo transport and prepositioned storage of combat equipment, and the development of a new wide-body transport aircraft will improve our ability to deploy forces rapidly anywhere in the world.

Strategic forces.—The most serious threat to our security is a nuclear war. The probability of such a war has been kept very low by the deterrent effect of our triad (bombers and land- and submarine-based missiles) of strategic nuclear forces. These forces must be able to retaliate with devastating effect, even after suffering a first strike. They must also be capable of varying degrees of response appropriate to different levels of attack and flexible enough to defeat whatever objectives the Soviets might have in initiating nuclear war. This should assure that Soviet leaders are discouraged from initiating a nuclear attack against the United States, and are unable to gain any advantage in a conventional conflict by threatening a nuclear attack.

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The budget continues modernization of each component of the strategic triad. The strength and reliability of our land-based intercontinental ballistic missile force will be substantially increased by the larger, more accurate, and less vulnerable MX. These missiles and their mobile launchers are to be housed in shelters linked by special road circuits to be constructed in the western part of the United States. This basing system minimizes vulnerability to attack and meets arms control objectives.

The budget also supports programs to deploy cruise missiles on modernized B–52 bombers as well as continued procurement of Trident submarines and of Trident I missiles for the new Trident submarines and the replacement of older types of missiles in Poseidon submarines.

Important improvements to reduce the vulnerability and increase the endurance of strategic command, control, and warning systems are also underway. These radar and satellite systems ensure reliable warning of an attack and help direct appropriate retaliation.

Our intermediate-range nuclear weapons, based in Europe, act as a deterrent against potential Soviet military aggression, either nuclear or conventional. To assure continued deterrence, the Soviet deployment of new SS–20 nuclear missiles and Backfire bombers against Western Europe must be offset by stronger NATO forces. In cooperation with our NATO allies, we are beginning to modernize NATO's intermediate-range nuclear forces through deployment of ground-launched cruise missiles and new Pershing II ballistic missiles.

General purpose forces.—The largest funding in the defense function is for conventional military forces, which help deter or counter non-nuclear military aggression. The budget proposes 1982 budget authority of $73.5 billion for general purpose forces, a 12% increase over 1981. Active general purpose forces include 16 army divisions, 3 marine divisions, 3 marine air wings, 26 wings of air force tactical aircraft, and 309 general purpose naval warships, including 13 aircraft carriers and 12 carrier air wings.

A number of important initiatives for modernizing existing forces and improving their readiness for combat are proposed. These initiatives would strengthen the ability of our general purpose forces to maintain the balance of conventional military power, particularly in Western Europe, and to deter aggression elsewhere in the world.

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SUMMARY OF ACTIVE MILITARY PERSONNEL AND FORCES

(Year end—i.e., as of September 30)

	1980 actual	1981 estimate	1982 estimate
Military personnel (in thousands):			
End strength:			
Army	777	775	786
Navy	527	538	550
Marine Corps	189	188	188
Air Force	558	565	570
Total, Department of Defense	2,050	2,065	2,094
Average strength:			
Army	766	771	774
Navy	525	531	542
Marine Corps	184	187	187
Air Force	558	562	569
Total, Department of Defense	2,033	2,052	2,072
Strategic forces:			
Intercontinental ballistic missiles:			
Minuteman	1,000	1,000	1,000
Titan II	54	54	54
Polaris-Poseidon-Trident	576	544	568
Strategic bomber squadrons	28	28	28
General purpose forces:			
Land forces:			
Army divisions	16	16	16
Marine Corps divisions	3	3	3
Tactical air forces:			
Air Force wings	26	26	26
Navy attack wings	12	12	12
Marine Corps wings	3	3	3
Naval Forces:			
Attack and multipurpose carriers	13	12	13
Nuclear attack submarines	74	[1] 83	[1] 92
Other warships	183	194	204
Amphibious assault ships	63	59	60
Airlift and sealift forces:			
C–5A airlift squadrons	4	4	4
Other airlift squadrons	13	13	13
Sealift fleet	52	59	[2] 57

[1] Includes ex-Polaris ships operating as attack submarines.
[2] Excludes 2 SL–7 logistics ships undergoing modification.

Army forces are designed primarily to meet the largest of all general purpose force challenges—a land conflict between NATO and the Warsaw Pact countries—while retaining the flexibility to meet threats to U.S. interests elsewhere. Improvements proposed in 1982 include:

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- modernization of armored fighting vehicles, helicopters, air defense systems, and other equipment;
- prepositioning of additional equipment in Europe to facilitate rapid U.S. reinforcement of NATO in an emergency;
- greater readiness of combat units in the United States and overseas;
- better living and working conditions for our soldiers; and
- improved ability of our forces to withstand nuclear, biological and chemical warfare.

The XM-1 main battle tank provides a major increase in the Army's ability to survive and maneuver under conditions of modern land warfare. A new type of armor enables it to withstand direct hits and continue fighting. A more powerful engine and an improved track system enable it to move faster over rougher terrain than other tanks. The budget provides for continued procurement of the XM-1 in 1982. The Army's new Infantry Fighting Vehicle, also included in the 1982 program, will provide infantry forces with the speed, protection, and firepower needed to fight alongside the XM-1 tank. Initial production of the Advanced Attack Helicopter armed with the Hellfire missile will begin in 1982. This helicopter can engage heavily armored vehicles in combat at longer ranges than could previous attack helicopters.

The Patriot air defense missile system will provide more effective protection of vital targets, such as depots, bridges, and airbases, and more freedom of movement for combat support forces. The Patriot system is able to counter mass air attacks at longer ranges and higher altitudes than previous systems.

The ability of combat and support forces to respond effectively depends on the condition of equipment and the ability of well-trained combat units to act with confidence, skill, and coordination. To maintain our military forces in a high state of readiness, the budget provides for increases for unit training and for operation of a national training center for ground forces. Inventories of spare parts are being increased and maintenance backlogs are to be reduced to bolster the combat readiness and endurance of our forces.

Air force tactical fighter forces have the mission of gaining superiority in the air, providing close support to ground forces, attacking enemy forces behind the lines, and limiting enemy air attacks on allied forces and facilities.

The budget begins procurement of the Maverick missile with advanced guidance for attacking tanks, and provides for continued procurement of the following tactical aircraft and equipment:

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- F-15 fighter aircraft for maintaining air superiority;
- F-16 multimission aircraft for maintaining air superiority and attacking ground targets;
- improved versions of the Sidewinder and Sparrow air-to-air missiles for Air Force and Navy fighter aircraft; and
- EF-111A aircraft with electronic equipment for jamming enemy air defense radars.

For the Air Force, the budget supports continued expansion toward a full 26 tactical fighter wings, including the deployment of A-10 and F-16 aircraft to Korea, F-16's to NATO, and A-10 and F-15 aircraft to Alaska. Improvements to Air Force readiness are to be made through increased procurement of spare parts as well as reduction of maintenance backlogs. Flying hours are to be increased over the 1981 level as a result of additional aircraft entering the inventory and initiatives to increase pilot readiness. A high level of deployments and other exercises is scheduled to keep our units fully prepared to move rapidly to potential trouble spots. Special emphasis is being placed on the readiness of rapid deployment forces.

Naval general purpose forces serve our national security needs in several ways. The presence of U.S. warships and aircraft in an area provides a visible symbol of support to our allies and a deterrent to military aggression both in peacetime and during crises. Should deterrence fail, our naval forces will protect vital sea lanes and deny their use to the enemy. Our naval forces can also attack land targets and support amphibious assaults by the U.S. Marine Corps.

Commissioning of 28 new ships and the retirement of 12 older vessels will increase the total fleet size from 549 ships in 1981 to 565 in 1982. Significant among these increases will be the strengthening of surface warship forces by the delivery of 1 aircraft carrier, 2 destroyers, 9 frigates, and 5 hydrofoil patrol craft. Delivery of 6 Los Angeles class submarines and conversion of 3 Polaris submarines to attack submarines will add 9 to the nuclear attack submarine force.

Maintenance of our naval superiority requires that we continually modernize our naval weapons systems. Toward that goal, the $48 billion 5-year shipbuilding plan calls for acquiring 85 ships between 1982 and 1986, including 6 ballistic missile (Trident) submarines. The budget supports procurement of the following new general purpose force ships in 1982:

- 2 large warships (cruisers) equipped with the AEGIS system, which helps protect the fleet from aircraft and missile attack;
- 1 small warship (frigate) to protect the fleet and military convoys;

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- 1 nuclear powered attack submarine and 4 surveillance ships to counter enemy submarine threats;
- 1 mine countermeasures ship as the start of a new program to improve the fleet's ability to operate in the presence of enemy mine threats; and
- 2 salvage ships for recovering damaged ships or aircraft.

The budget request also includes funds to design new ships of moderate cost that can be bought in quantity to maintain U.S. naval superiority. These include a new attack submarine and a new anti-submarine frigate for use by the naval reserve.

Naval aviation forces include 15 tactical air wings (12 Navy and 3 Marine Corps), 24 land-based patrol squadrons, and various support aircraft. To maintain and modernize these forces the budget provides funding for additional F/A-18 fighter and attack aircraft for the tactical airwings and initial production of the SH-60B anti-submarine helicopter.

Airlift and sealift forces.—These forces must be able to move military personnel and equipment rapidly to trouble spots worldwide and then sustain their activities with resupply.

Existing transport aircraft are being modified and additional war reserve spare parts are being procured. The budget provides for replacement of the wings on C-5A aircraft to extend its service life beyond the year 2000. Fuselages on the C-141 aircraft are being lengthened to enable it to carry more cargo, and in-flight refueling capabilities are being added to extend its range. The development and eventual procurement of the C-X, a new wide-body, long-range, cargo aircraft, will allow a more rapid military response. The Civil Reserve Air Fleet conversion program will increase the number of civilian aircraft capable of carrying military cargo in an emergency.

During 1980, 7 supply ships loaded with equipment and supplies for prepositioning were deployed to Diego Garcia, an island in the Indian Ocean. The budget provides for increased sealift capacity through the acquisition and modification of SL-7 logistics ships and acquisition of additional supply ships for prepositioning of equipment and supplies.

Guard and reserve forces.—Guard and reserve forces need to be fully trained and equipped and, in an emergency, be able to mobilize and deploy rapidly as an integral part of the active forces. Units scheduled for early deployment in the event of mobilization receive the highest priority for training and equipment.

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The budget proposes substantial increases in unit strength for the Army National Guard, Army Reserve and Marine Corps Reserve, as well as an increased emphasis on programs for individuals who have already received their military training. Various incentive programs are provided to improve recruitment and retention. These programs would increase strength and improve personnel quality. More intensive and effective unit training is provided to improve readiness and increase participation of guard and reserve personnel in service-wide training exercises. To enhance overall unit readiness and training, full-time military support is increased for Army Reserve components.

Increased funding is requested for logistical support, equipment maintenance, and base operations. Modernization of Air National Guard and Air Force Reserve forces will continue with the outfitting of units with more modern F-4 fighters and new A-10 attack aircraft.

Research and development.—Defense research and development is directed toward the development of new and more capable weapons systems to meet changing military requirements, as well as toward maintaining our current lead in most areas of military technology. The budget requests a $3.5 billion increase over the 1981 budget authority level to improve our technology and continue to modernize our strategic and conventional forces. Principal research and development initiatives, some of which have been noted above, include:

- Technology.—Substantial real growth is proposed for basic research and for continued research into such promising technologies as high-energy lasers, and very-high-speed integrated circuits.
- Strategic systems.—Major emphasis is placed on continued full-scale development of the new MX land-based intercontinental ballistic missile system, as well as increased effort on the new Trident II submarine-launched ballistic missile.
- Tactical systems.—Air Force intiatives include a new long-range transport aircraft and improved guided missiles and precision-guided munitions for fighter aircraft. The Navy budget request emphasizes development of a light-weight anti-submarine torpedo and continues development of the AV-8B, a vertical or short takeoff and landing (V/STOL) attack aircraft for the Marines. The Army is beginning development of a light-weight tank, as well as continuing development on new air defense missiles and armored vehicles.

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- Other defense research and development.—Programs under development that should benefit both the military and civilian communities include an upper stage for use with the space shuttle and NAVSTAR satellites to provide accurate worldwide navigational assistance.

Active duty military personnel.—Since 1973, our armed forces have been manned exclusively by volunteers. In 1980 the military services again achieved their personnel objectives, reaching 99.9% of the congressionally authorized strength levels. The military services will continue to be confronted with manpower challenges in 1982 and beyond as increased personnel levels are needed to support deployments of additional weapons systems. To retain greater numbers of experienced personnel in the armed services, over $4.5 billion in pay and reimbursement increases for 1981 were enacted. These initiatives receive continued support in this budget as do increased efforts to improve the quality of recruits entering the services. The budget includes a pay raise of 9.1% for military personnel, effective in October 1981.

Military retirement reform.—The administration continues to support legislation to reform the military retirement system. This legislation would correct inefficiencies and inequities in the retirement program that were highlighted in the April 1978 *Report of the President's Commission on Military Compensation.*

The key feature of the proposed retirement reform, drawn from the Commission's plan, would provide new career incentives by giving active duty personnel special cash payments after 10 years of service. These payments would be charged against their future pension rights. Members completing 20 years of service would still be entitled to immediate pensions although benefits would be reduced from current levels until age 60. Personnel leaving active duty after completing 10, but before completing 20 years of service would be entitled to deferred pensions beginning at age 60. Annuities would be calculated on high 2 years' average basic pay, rather than final basic pay, and would be offset by benefits available under the social security system.

Although more costly in the near term, these proposals would eventually result in substantial cost reductions after a transition period that would protect the interests of members of the current active-duty force. At the same time, this legislation would provide major improvements over the current system in achieving more management flexibility, fairness, and cost effectiveness.

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The administration proposes two modifications to current indexing procedures in the military retirement and other income support programs. Currently, retired military personnel receive cost-of-living adjustments semi-annually. It is proposed that the frequency of such automatic benefit increases be limited to once a year for all Federal retirement and income security programs. For military retired pay, outlay savings are estimated at $477 million in 1982. In addition, for retired pay and other programs currently linked to the Consumer Price Index (CPI), the administration is proposing that, beginning in 1982, benefit increases be based on an alternative—"rental equivalency"—measure of the CPI. This proposal is discussed more fully in the income security section.

Financing military retirement costs on an accrual basis.—The administration also supports legislation to change the way the budget accounts for military retired pay. The budget now reflects only the benefits paid to military personnel who have already retired. Under the proposal, the defense budget would reflect the cost of retirement benefits being earned by military personnel on active or reserve duty at the time they are being earned. This change would improve personnel management by focusing attention on those retirement costs that can be controlled. Because the proposal involves complex changes in many parts of the budget, the changes will not be reflected in the budget schedules until the legislation is enacted.

Tax expenditures.—The exclusion from taxable income of housing and meals for military personnel, provided either in-cash or in-kind, results in a tax expenditure estimated to total $1.7 billion in 1982. In addition, disability pensions received by current military retirees are largely excluded from taxable income, resulting in a tax expenditure estimated at $200 million for 1982.

National defense summary.—The accompanying table shows budget authority and outlays by appropriation categories for the 3 major national defense missions: military functions of the Department of Defense, atomic energy defense activities and the defense-related activities of other agencies.

Atomic energy defense activities.—The Department of Energy is responsible for research, development, testing and production of nuclear weapons and special nuclear materials, storage of nuclear wastes from defense programs, and design of reactors for navy vessels. The accompanying table shows the distribution of funding levels for these programs. Budget authority of $4.7 billion is requested for 1982 compared to $3.7 billion for 1981.

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NATIONAL DEFENSE

(Functional code 050; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Department of Defense—Military:					
Military personnel	31,014	36,709	38,363	38,938	39,522
Retired military personnel:					
Existing law	11,965	13,917	16,077	18,093	20,046
Proposed legislation	.....	−85	−477	297	346
Operation and maintenance	46,365	54,074	61,492	67,762	74,438
Procurement	35,283	44,951	49,065	58,843	70,015
Research, development, test and evaluation	13,561	16,054	19,841	21,763	23,747
Military construction	2,293	3,327	5,554	6,726	8,019
Family housing	1,526	2,014	2,156	2,375	2,595
Revolving funds and other	615	−657	−402	−381	−354
Allowance for civilian and military pay raises	.....	.....	3,771	8,569	13,656
Other legislation	.....	.....	220	310	336
Subtotal, Department of Defense—Military [1]	142,621	170,305	195,660	223,295	252,366
Atomic energy defense activities	2,991	3,658	4,704	5,230	5,569
Defense-related activities:					
Existing law	156	119	186	292	462
Proposed legislation	.....	−210	−210	−217	−430
Subtotal, defense, related activities	156	−91	−24	75	32
Deductions for offsetting receipts	−4	−3	−3	−3	−3
Total, budget authority	**145,764**	**173,869**	**200,337**	**228,596**	**257,965**
OUTLAYS					
Department of Defense—Military:					
Military personnel	30,842	36,711	38,291	38,865	39,448
Retired military personnel:					
Existing law	11,920	13,880	16,049	18,061	20,011
Proposed legislation	.....	−85	−477	297	346
Operation and maintenance	44,770	52,117	59,659	66,334	72,784
Procurement	29,021	35,422	40,120	47,251	56,109
Research, development, test and evaluation	13,127	15,441	18,485	20,858	22,879
Military construction	2,450	2,526	2,919	3,880	5,660
Family housing	1,680	1,861	1,959	2,257	2,512
Revolving funds and other	−969	−273	−932	−1,301	−1,354
Allowance for civilian and military pay raises	.....	.....	3,707	8,488	13,569
Other legislation	.....	.....	220	310	336
Subtotal, Department of Defense—Military [1]	132,840	157,600	180,000	205,300	232,300
Atomic energy defense activities	2,878	3,587	4,478	4,998	5,457
Defense-related activities:					
Existing law	142	114	134	308	441
Proposed legislation	.....	−210	−210	−217	−430
Subtotal, defense related activities	142	−96	−76	91	11
Deductions for offsetting receipts	−4	−3	−3	−3	−3
Total, outlays	**135,856**	**161,088**	**184,399**	**210,387**	**237,766**

[1] Current law requires that, beginning in 1983, the overseas schools operated by the Department of Defense be transferred to the Department of Education. This change—about $0.5 billion per year—is not reflected in this table but will be made in the 1983 budget.

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ATOMIC ENERGY DEFENSE ACTIVITIES

(Functional code 053; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Weapons research, development, test, and production	1,847	2,320	3,049	3,331	3,580
Weapons materials production and waste management	784	948	1,187	1,343	1,417
Naval reactor development	278	303	346	416	423
Other research programs	82	87	122	140	149
Total, budget authority	**2,991**	**3,658**	**4,704**	**5,230**	**5,569**
OUTLAYS					
Weapons research, development, test, and production	1,814	2,218	2,815	3,195	3,513
Weapons materials production and waste management	745	975	1,214	1,260	1,385
Naval reactor development	241	312	328	402	415
Other research programs	78	82	121	141	144
Total, outlays	**2,878**	**3,587**	**4,478**	**4,998**	**5,457**

The nuclear weapons program involves the design, research, development, testing and production of nuclear warheads for the nuclear weapons stockpile, including quality control and periodic inspection of the finished devices. Funding levels proposed for 1981 and 1982 provide for increased missile warhead production for current and new weapons systems.

Nuclear materials production entails the production of special nuclear materials for use in nuclear warheads. The budget provides for increased production of special nuclear materials corresponding with increased missile warhead production.

The defense nuclear waste management program currently provides interim storage for all defense nuclear wastes. The program also supports research to develop permanent storage and isolation of these wastes. Funding proposed for 1982 continues the transfer of old defense wastes to new interim storage tanks, provides increased support for interim storage operations, and supports continued research and development on waste storage and disposal.

The naval reactor development program includes the research and development, design, procurement, and testing of prototype reactors for current and future naval vessels.

Other Department of Energy defense research and development programs involve work in inertial confinement fusion; improved physical security at Department of Energy nuclear facilities; and arms control and verification technology.

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CREDIT PROGRAMS—NATIONAL DEFENSE

(In millions of dollars)

	1980 actual	1981 estimate	1982 estimate
Direct loans:			
New loans			
Repayments, sales and adjustments (−)	−10	−10	−11
Net loan outlays	−10	−10	−11
Loan guarantees:			
New loans		30	30
Net loan guarantees		5	

Defense-related activities.—Activities of the civilian departments and agencies that support national defense include emergency management, maintenance of strategic stockpiles, and the Selective Service System. In 1982, offsetting receipts are expected to exceed other outlays by $76 million.

Estimated outlays for the emergency planning, preparedness, and mobilization functions of the Federal Emergency Management Agency of $169 million in 1982 would support planning for limited relocation during crises and would aid State and local planning to deal with possible future nuclear power plant emergencies.

To meet our needs for critical raw materials that might be unavailable during wartime, the General Services Administration stockpiles strategic and critical materials. Sales and purchases are proposed in 1982 to adjust the inventory of the stockpile to current requirements. Outlays for purchases are estimated to be $108 million in 1982. Receipts from sales are estimated at $477 million in 1982.

The Selective Service System is responsible for maintaining standby capability to meet defense personnel requirements during an emergency national mobilization. The budget includes outlays of $24 million in 1982 to improve the Selective Service System's mobilization capability, including a national registration program, and to provide increased data processing and other support.

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INTERNATIONAL AFFAIRS

National Needs Statement:

- Promote a stable international environment that will reduce conflicts, encourage worldwide economic progress, and bring greater respect for human rights.
- Support the security and the economic and political stability of allies and friendly governments.
- Support the long-term development of poor countries, with particular emphasis on reducing widespread poverty.
- Assist our domestic economy by strengthening international economic institutions and promoting trade.
- Advance American foreign policy through diplomacy and improved communication between the United States and other nations.

The well-being of the United States and its people depends, in no small measure, upon events beyond our borders. The United States must therefore maintain a leadership role in the world.

International affairs programs do not constitute the whole of this country's international role. That role depends upon the strength of our economy, our free institutions, and the moral values and actions of our people. Moreover, the governmental actions required to meet most of our national needs in international affairs are diplomatic and policy initiatives that require relatively few budget resources.

This budget allows the United States to continue its long-term leadership in world affairs. For 1982, the budget requests $19.6 billion in budget authority and $12.2 billion in outlays for international affairs, compared to 1981 estimates of $25.2 billion in budget authority and $11.3 billion in outlays. The decline in budget authority is largely the result of an increase in the United States' quota in the International Monetary Fund, which added $5.5 billion to 1981 budget authority.

The largest budget items in international affairs are foreign assistance programs. The budget includes $9.2 billion in budget authority and $7.0 billion in outlays for economic assistance, and $0.6 billion in budget authority and outlays for military assistance in 1982. A total of $2.7 billion in budget authority and $2.4 billion in outlays are requested for the conduct of foreign affairs and for foreign information and exchange activities. International financial programs are estimated at $7.1 billion in budget authority and $2.1 billion in outlays.

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Foreign aid:					
Foreign economic and financial assistance:					
International Development Cooperation Agency	1,856	1,974	2,726	3,034	3,387
Multilateral development banks	2,308	1,584	2,414	1,515	2,057
Public Law 480 food aid	886	1,305	1,263	1,273	1,435
Peace Corps	100	109	122	130	142
Economic support fund/peacekeeping operations	1,972	2,153	2,450	2,405	2,370
Refugee assistance	483	491	611	529	509
Offsetting receipts and other	−296	−310	−364	−376	−397
Subtotal, foreign economic and financial assistance	7,310	7,306	9,222	8,510	9,503
Military assistance:					
Grant military assistance	110	110	34	29	27
Foreign military training	25	28	36	36	36
Foreign military sales credit	645	500	850	850	850
Relocation of facilities (Israel)	236				
Offsetting receipts and other	−333	−276	−286	−286	−287
Subtotal, military assistance	682	363	633	628	626
Total, foreign aid	**7,992**	**7,669**	**9,855**	**9,138**	**10,129**
Conduct of foreign affairs:					
Administration of foreign affairs	821	989	1,281	1,290	1,425
International organizations and conferences	486	517	724	698	755
Other	36	38	43	45	47
Subtotal, conduct of foreign affairs	1,343	1,553	2,048	2,033	2,227
Foreign information and exchange activities	518	577	687	670	727
International financial programs:					
Export-Import Bank	1,842	7,021	4,594	4,648	5,315
Foreign military sales trust fund (net)	3,997	2,889	2,376	2,049	1,842
International monetary programs		5,516			
International commodity agreements		88	239		
Other	−77	−79	−80	−82	−84
Subtotal, international financial programs	5,761	15,435	7,129	6,615	7,073
Deductions for offsetting receipts	−96	−81	−79	−79	−80
Total, budget authority	**15,519**	**25,153**	**19,639**	**18,377**	**20,077**

Foreign economic and financial assistance.—The missions of foreign economic and financial assistance are to promote economic development in Third World countries, to provide humanitarian aid to needy people abroad, and to support the foreign policy interests of the United States.

Continued large increases in world petroleum prices have placed heavy burdens on most developing countries over the past year, increasing their present and future needs for financial assistance from the United States and other developed nations. However,

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Foreign aid:					
Foreign economic and financial assistance:					
International Development Cooperation Agency	1,609	1,828	1,898	2,267	2,645
Multilateral development banks	784	988	1,219	1,314	1,405
Public Law 480 food aid	1,073	1,471	1,263	1,273	1,435
Peace Corps	101	107	121	128	139
Economic support fund/peacekeeping operations	1,904	2,104	2,314	2,359	2,419
Refugee assistance	446	486	585	543	513
Offsetting receipts and other	−311	−319	−363	−380	−399
Subtotal, foreign economic and financial assistance	5,607	6,664	7,038	7,504	8,157
Military assistance:					
Grant military assistance	219	151	148	90	72
Foreign military training	26	26	34	34	34
Foreign military sales credit	644	595	660	805	940
Relocation of facilities (Israel)	341	360	68	.....	.....
Offsetting receipts and other	−335	−278	−288	−288	−287
Subtotal, military assistance	894	854	622	640	758
Total, foreign aid	**6,501**	**7,518**	**7,660**	**8,144**	**8,915**
Conduct of foreign affairs:					
Administration of foreign affairs	842	916	1,122	1,248	1,366
International organizations and conferences	492	539	668	685	742
Other	33	39	42	43	41
Subtotal, conduct of foreign affairs	1,367	1,494	1,831	1,976	2,149
Foreign information and exchange activities	534	588	610	687	747
International financial programs:					
Export-Import Bank	1,836	2,350	2,657	2,702	2,366
Foreign military sales trust fund (net)	1,137	.....	.....	.....	.....
International monetary programs	12	.....	.....	.....	.....
International commodity agreements	.....	5	30	.....	.....
Other	−559	−562	−556	−534	−529
Subtotal, international financial programs	2,427	1,793	2,131	2,168	1,837
Deductions for offsetting receipts	−96	−81	−79	−79	−80
Total, outlays	**10,733**	**11,314**	**12,152**	**12,897**	**13,568**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Overseas Private Investment Corporation:					
Outlays	−4	−5	−5	−5	−6
Foreign military sales credit:					
Budget authority	2,380	2,600	3,000	2,800	2,689
Outlays	1,932	2,010	2,220	1,800	1,439

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funding for most of this mission, except for Public Law 480 food aid, has remained at or near the level of two years ago. These programs operated throughout 1980 under a continuing resolution due to congressional inaction on the foreign aid appropriation. The programs in this mission are now operating under another continuing resolution that expires June 5, 1981.

The 1982 proposal of $9.2 billion in budget authority and $7.0 billion in outlays provides a substantial increase over the 1981 levels available under the continuing resolution. Though a modest response to the growing needs of developing countries, the requested increase in bilateral assistance provides the basis for the United States to urge other donors and recipients to join in meeting these needs, particularly needs related to food production, energy production and conservation, and family planning. Also, the proposed subscription to the general capital increase of the World Bank supports vital efforts of the international community to help developing countries deal with increasingly severe financial strains.

International Development Cooperation Agency (IDCA).—Substantially increased funding in 1982 is requested to provide strong U.S. support for development in the poorest developing countries. The effectiveness of economic assistance programs has increased under the coordination of the International Development Cooperation Agency. The Director of IDCA is directly responsible for the poli-

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

(In millions of dollars)

	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Budget Authority				
IDCA/AID, operating expenses	304	351	369	399
Agency for International Development	1,408	2,035	2,310	2,611
International organizations and programs	262	248	257	277
International Fund for Agricultural Development	.....	85	90	90
Trade and development program	.....	7	8	9
Total, budget authority	**1,974**	**2,726**	**3,034**	**3,387**
Outlays				
IDCA/AID, operating expenses	303	334	361	389
Agency for International Development	1,307	1,340	1,667	1,983
International organizations and programs	259	254	253	268
Overseas Private Investment Corporation	−66	−72	−78	−82
International Fund for Agricultural Development	25	40	60	80
Trade and development program	.....	2	6	8
Total, outlays	**1,828**	**1,898**	**2,267**	**2,645**

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cies and budgets of the Agency for International Development (AID), the Overseas Private Investment Corporation, voluntary contributions to international organizations and programs, the trade and development program, and U.S. contributions to the International Fund for Agricultural Development, which is a multilateral lending institution. In addition, the Director shares responsibility with the Secretary of the Treasury for developmental aspects of U.S. participation in the multilateral development banks, and with the Secretary of Agriculture and other officials for the Public Law 480 food aid program.

The bilateral *AID program* promotes economic growth in developing countries while stressing the distribution of the benefits of this development to the poorest people. The 1982 budget authority request of $2.0 billion will finance larger programs in food production, family planning, health, energy, and scientific cooperation than the $1.4 billion level estimated for 1981. Outlays are projected to rise from $1,307 million in 1981 to $1,340 million in 1982.

AID programs consist of innovative projects addressing basic human needs, which complement and serve as models for larger-scale undertakings financed by multilateral development banks and by recipient country governments. Allocations of AID funds are made on the basis of countries' need, past and present economic policies and performance, and human rights practices.

The United States makes voluntary contributions to 14 *international organizations and programs* that carry out important developmental, humanitarian, and scientific activities. This voluntary funding is concentrated in those areas where bilateral assistance or domestic research cannot fully or appropriately meet the needs of this mission. Of the requested budget authority of $248 million in 1982, the largest planned contribution is $145 million for the United Nations development program, the primary multilateral source of technical assistance for developing countries. Also included in the 1982 request is a $45 million contribution to the United Nations Children's Fund (UNICEF), and smaller contributions to the Organization of American States, the International Atomic Energy Agency, and several other developmental and scientific programs.

The *Overseas Private Investment Corporation (OPIC)* provides political risk insurance and financial assistance to support the participation of private American business in the development of Third World countries. In accordance with its legislative mandate, OPIC gives preferential consideration to investment in the poorest countries, particularly by smaller U.S. businesses, and cooperatives. It

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also encourages projects involving energy and minerals production. OPIC is a self-sustaining agency and does not require appropriated funds. In 1982, receipts (largely interest and insurance premiums) are expected to exceed outlays by $72 million.

The *International Fund for Agricultural Development (IFAD)* finances development projects in Third World countries that improve the productivity and well-being of small farmers. IFAD is unique in its sole concentration on the small farmer and in the level of participation by members of the Organization of Petroleum Exporting Countries (OPEC). OPEC pledged to provide 43% of the initial funding of IFAD. Because the fund is expected to exhaust its authority to make financial commitments during calendar year 1981, the United States has agreed to help replenish the fund's resources. While negotiations have not been concluded, the United States expects to contribute $265 million over 3 years as its share of a $1.3 billion increase to finance the 1982–84 lending program. Budget authority of $85 million is requested for 1982 for the first of three installments of the replenishment.

The *trade and development program* was made a separate entity within IDCA in 1980 to increase attention to issues of trade with developing countries. The program assists in the economic development of certain developing countries, principally those not participating in regular AID programs, by promoting sales of U.S. technological goods and services. Budget authority of $7 million is proposed for 1982.

Multilateral development banks.—Financing of capital projects and related technical assistance is provided by the multilateral development banks. The World Bank group and the Inter-American, Asian, and African Development Banks lent $16 billion during their last completed fiscal years. United States support for these institutions is based on the quality of bank operations and on the premise that U.S. participation can encourage a greater sharing of the cost both by other wealthy countries and, to a lesser extent, by advanced developing countries.

Because of the long repayment periods for the banks' loans, funds for new lending must be provided periodically by new infusions of capital. The total size and donor country shares of these capital replenishments are negotiated among member countries. Replenishment agreements normally provide for annual installments over 3- to 5-year periods.

The contributions are of two types:

- Paid-in capital, a direct contribution requiring budget authority and resulting in budget outlays; and

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- Callable capital, by means of which members guarantee repayment of the banks' borrowing on world capital markets to finance their nonconcessional lending.

Because the banks have nearly perfect records of repayment by their borrowers and have also accumulated large reserves against losses, it is highly unlikely that funds will be called upon to make good on guarantees. Because of this and because of large past appropriations for callable capital, no budget authority is now sought for callable capital. Instead, a limitation is set in appropriations acts on the amount of callable capital to be provided for a given replenishment.

The 1982 proposal of $2.4 billion in budget authority for paid-in capital and the associated $9.5 billion in program limitations on callable capital is in three parts:

- Planned annual installments for ongoing replenishments, authorized in prior years for most of the banks, totalling $1.5 billion in budget authority, along with $690 million in callable capital.
- A one-time subscription to the general capital increase of the World Bank of $658 million to be paid in, plus $8.1 billion in callable capital. (This represents a 22% U.S. share of a total capital increase of $40 billion designed to meet the growing capital needs of developing nations through the mid-1980's. Paid-in capital will be drawn down by the Bank over 7 years and the outlays in 1982 will be only $66 million).
- Overdue installment payments to ongoing replenishments totaling $279 million, and $692 million in callable capital.

Public Law 480 food aid.—This program meets needs abroad for economic development, humanitarian and emergency feeding, and urgent disaster relief. Third World requirements for food import financing have not diminished, and rising prices have increased costs. Price increases have also reduced the quantity of food aid that can be shipped in 1981 and 1982 from the amounts originally planned. The budget request of $1.3 billion in budget authority would shift aid toward the neediest recipient countries, and toward countries of key importance to the United States. A significant portion of direct food donations would be devoted to meeting refugee relief needs. Starting in 1981, the Food Security Reserve Act authorizes up to 4 million metric tons of grain to be set aside for food aid during periods of serious shortage, 300,000 metric tons of which may be used to meet urgent humanitarian needs in a country that suffers a major disaster.

Peace Corps.—The Peace Corps will continue to help meet the skilled manpower needs of developing countries, to support social and economic development, and to promote mutual understanding

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between the peoples of the United States and of the Third World. Budget authority of $122 million is proposed for 1982, $14 million above the 1981 level. This would provide a small increase in volunteers, improved selection and training, and increased readjustment allowances to help volunteers during their transition back into American society after their service.

Economic support fund and peacekeeping operations.—The Economic Support Fund provides economic assistance to promote political and economic stability. This aid is provided in a variety of forms, including general budget and balance-of-payments support, and development project financing. Peacekeeping operations include the costs of the Sinai Support Mission and payment of a share of the costs of U.N. forces on Cyprus. Total budget authority proposed for the economic support fund and peacekeeping operations is $2.2 billion in 1981 and $2.4 billion in 1982.

In recent years most of these funds have been committed to Egypt and Israel in support of U.S. efforts toward a peaceful Middle East political settlement. This budget would continue that support in 1982. Economic support fund financing is also being provided to assist our NATO ally, Turkey, in a time of economic difficulties.

Recent events have demonstrated the need for a rapid U.S. response to security-related requirements that cannot be anticipated. Situations have arisen in Africa, the Middle East, and Latin America where relatively small but critical U.S. funding was delayed and the beneficial foreign policy impact thereby diminished because of delay in the legislative process. To provide for a timely U.S. response in such situations, the 1982 budget includes $100 million that is not allocated to any specific country program. These funds are requested to be appropriated to the President and would be held in reserve to meet unanticipated requirements.

Refugee assistance.—The number and needs of refugees continue to rise because of war, famine, and social and political disorder in many areas of the world. Major refugee movements into countries of first asylum—that is, nearby countries that provide temporary refuge prior to repatriation or resettlement—are expected to continue in Africa and Southwest Asia, and from Indochina and Eastern Europe. The need to care for these refugees abroad and provide for the transportation and resettlement of some of them in the United States will continue in 1982. The budget proposes $611 million in budget authority for 1982 to allow the United States to continue to play a leading and responsible role in the international efforts to meet these needs. All United States assistance will be provided through the United Nations, the International Committee

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of the Red Cross, other international organizations, and numerous American voluntary agencies.

The United Nations High Commissioner for Refugees has large care and maintenance responsibilities in Southeast Asia and Africa, especially in Somalia, Pakistan, Thailand, and Kampuchea. The United States provides substantial support to the UN Relief and Works Agency to aid in the care of Palestinian refugees, and will urge other nations to increase contributions for that important activity. The number of refugees to be admitted to the United States in 1982 will not be determined until next summer. This budget proposes $297 million for the transportation to and initial resettlement in the United States of 144,000 Indochinese and 43,000 other refugees, most of whom are expected to come from the Soviet Union and Eastern Europe.

Military assistance.—International security assistance programs are an essential instrument for achieving our foreign policy objectives. They consist of military assistance, security-related economic assistance (economic support fund), and peacekeeping operations. Through these programs the United States assists allies and other friendly nations in maintaining their defense forces, and promotes economic stability in areas where the United States has special security interests. They enable the United States to promote peace in the Middle East, demonstrate timely support of countries in Southeast and Southwest Asia, strengthen the NATO southern flank, help maintain a stable balance of forces on the Korean Peninsula, and assist Latin American and African nations in resisting threats to their independence and democratic institutions. Military and security-related economic assistance are also provided in connection with access to military bases and facilities overseas. Security assistance programs are under the policy direction of the Secretary of State and are administered by the Department of Defense and the Agency for International Development.

Grant military assistance.—The emphasis of military assistance programs continues to shift from grants to credit assistance for military exports. No new grant military assistance programs are being requested in this budget. Outlays will continue to occur for several years from prior-year programs and for administrative costs.

Foreign military training.—This program trains members of foreign military establishments and acquaints them with the social, economic, and political institutions of the United States. Grants have been planned for 71 countries in 1982.

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Foreign military sales credit.—The estimate for 1982 includes $3.8 billion in new commitments for loans to 41 countries, roughly $700 million above the 1981 level. Proposed loans of $2,931 million would be made off-budget by the Federal Financing Bank and under guarantees of the Department of Defense. In addition, $850 million would be in the form of direct loans, of which $500 million would be for Israel. Since Israel's loan repayments would be forgiven, this loan is in fact a grant. The remaining $350 million is to be provided at concessional interest rates, which enable recipient countries to meet essential defense needs while reducing their long-term debt burden. Budget outlays from the foreign military sales credit program result only from direct loans and from payments of claims for late payments on prior-year guarantees.

Conduct of foreign affairs.—The Foreign Service Act of 1980 is the first comprehensive revision of the enabling legislation for the Foreign Service since 1946. The budget carries out the major personnel policies contained in the new Foreign Service Act. Funding is requested for the revised pay structure designed to link Foreign Service grades and salaries more appropriately to grade and salary levels of positions with comparable responsibility in the civil service. This budget also proposes several new allowances that take into account the hardships and recognize the risks of service in an increasing number of posts abroad. Financing for a new program of professional training and development is requested in 1982. In addition to improving junior officer training, the program would provide mandatory, intensive training in management and foreign affairs specialty skills to all officers entering the mid-level grades.

More officers and support staff are requested in 1982 to improve the reporting and analysis of political and economic events and trends from selected areas of the world. The 1982 request builds upon a similar request for additional reporting officers in 1981, both of which are designed to strengthen this critical element of foreign policy formulation and conduct. Increases in consular workload abroad require further staff increases in 1982.

The acquisition, development, and construction of only the most urgently needed office buildings and staff housing abroad is proposed. The proposed 1982 projects, including the large office building and staff housing in Riyadh, Saudi Arabia, would improve living and working conditions and increase security in many countries where adequate facilities are not available otherwise.

International organizations and conferences.—Through membership in the United Nations and other international organizations, the United States participates in solving many multinational political, economic, social, and peacekeeping problems. Operating costs of these organizations are assessed annually and are in addition to

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the voluntary contributions to international organizations and programs discussed above. The United States share of the budgets of these organizations, including United Nations peacekeeping activities, is estimated to require $716 million in budget authority for 1982. The 1982 estimate includes $74 million of shortfalls from prior-year assessments that the United States is bound to pay under international treaties and conventions. For most organizations, the administration supports only those budget increases needed to maintain the prior year's level of operations during the 1982-83 period, and encourages organizations to meet new and expanded needs from reductions in lower priority activities. The United States overall effort to promote international peace and security accords high priority to the United Nations peacekeeping activities in the Middle East and elsewhere.

Foreign information and exchange activities.—To promote understanding and build long-term relationships between the American people and people of other nations, the International Communication Agency (ICA) conducts academic and leader exchanges, produces and disseminates media materials, holds seminars, and operates libraries and cultural centers in 126 countries. The agency's Voice of America provides accurate news reports, portrays American society, and explains official U.S. policies in radio broadcasts in 40 languages. ICA also advises the President and other foreign policy leaders on the impact of foreign policy issues on foreign public opinion.

This budget proposes $590 million to maintain most ICA activities at their current levels. The request includes an $8 million increase for academic exchanges and $79 million for added radio transmitters to improve the quality of Voice of America reception in Asia and Africa.

The Board for International Broadcasting provides grants to Radio Free Europe/Radio Liberty, Inc., which broadcasts in 21 languages to Eastern Europe and the Soviet Union. Budget authority of $94 million would maintain 1982 operations at the current level.

International financial programs.—International financial programs advance U.S. interests by improving the functioning of the international financial system, facilitating U.S. participation in world trade, and stabilizing world commodity markets. The international financial system has been strengthened substantially in recent years through the economic stabilization programs of the International Monetary Fund and increased cooperation among central banks of various countries. The programs of the U.S. Export-Import Bank and the foreign military sales trust fund facilitate U.S. commercial exports and military sales. In addition, U.S.

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participation in international commodity agreements should help moderate price fluctuations in raw materials.

The *Export-Import Bank* provides direct loans, loan guarantees, and insurance to facilitate the export of U.S. goods and services. These programs support exports by:

- assuming commercial and political risks that exporters or private financial institutions are unwilling or unable to undertake;
- overcoming limitations in private sector U.S. export financing;
- assisting U.S. exporters to meet foreign officially supported export credit competition; and
- providing guidance in export financing.

Since the Bank concentrates on areas where private financing is not available and on meeting foreign competition, its programs are generally intended to supplement private credit markets. Terms and conditions on the use of its funds are more favorable than those available in the private sector in order to match the special terms that foreign governments provide to subsidize their exporters.

EXPORT-IMPORT BANK AUTHORIZATIONS

(In millions of dollars)

	1980 actual	1981 estimate	1982 estimate
Direct loan commitments, net	4,365	5,900	5,000
Loan guarantee commitments	7,914	8,560	9,420
Total commitments	**12,279**	**14,460**	**14,420**
Total outlays (net)	**1,836**	**2,350**	**2,657**

While the 1982 budget would continue support for long-term export financing on a large scale (nearly six times the level achieved in 1977), the budget would require the Bank to take a more selective approach toward meeting foreign credit competition. Also, the 1982 budget would end the medium-term discount loan program.

The administration has long recognized the growing problem of international export credit competition and has actively sought an improved international export credit agreement, both to avoid the potential for "credit wars" and to reduce the high subsidy in these programs. While some progress has been achieved, continued strong efforts will be necessary to obtain a satisfactory agreement.

Foreign military sales trust fund.—U.S. law requires that certain types of military equipment and services may be sold only by the Federal Government. This trust fund does not finance U.S. Govern-

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ment programs but rather is a financial mechanism for carrying out this policy. Foreign governments make payments to the fund for their purchases, and the fund is drawn down when deliveries are made. The fund is expected to be roughly in balance in 1982 and beyond.

Through contributions to *international commodity agreements* the United States helps to finance buffer stocks that are intended to reduce price swings in certain raw materials and encourage production. For the International Natural Rubber Agreement, $88 million is available in 1981. The 1982 request includes $165 million for the Sixth International Tin Agreement and $74 million for the Common Fund for Commodities, both subject to ratification by the Congress. The Exchange Stabilization Fund's interest income on holdings of U.S. securities is estimated to result in negative outlays of $0.5 billion in both 1981 and 1982.

Tax expenditures.—A tax expenditure results from the deferral of taxes on one-half of the profits derived from the incremental sales of domestic international sales corporations (DISCs). The DISC provision, estimated to cost $1.8 billion in 1982, was established to provide an incentive for domestic firms to increase their exports and to offset partially the perceived export advantages of other countries' tax systems.

Americans living and working abroad may deduct living expenses in excess of the cost of living in the United States, with an extra $5,000 of deductions available for hardship areas. Tax expenditures for these benefits, estimated to be $665 million in 1982, are intended to correct for the perceived inequity resulting from high living costs abroad. This provision also encourages firms to maintain U.S. nationals abroad and deepens our involvement in international economic activities. The administration proposes exempting Americans working in certain hardship areas abroad from tax on the first $25,000 in income plus 60% of the next $60,000 for a maximum exemption of $61,000. This would result in a further tax expenditure of $320 million in 1982.

Except for certain tax-haven provisions, the income of foreign corporations controlled by U.S. shareholders is exempt from U.S. taxation until that income is distributed to shareholders. This deferral of taxes results in an estimated tax expenditure of $520 million for 1982.

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CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Security assistance:			
Direct loans:			
New loans	1,617	1,595	1,655
Repayments, sales and adjustments (—)	—731	—732	—784
Net loan outlays	886	863	871
Loan guarantees:			
New loans	2,380	2,600	3,000
Net loan guarantees	1,880	1,960	2,180
Economic development credit:			
Direct loans:			
New loans	374	369	363
Repayments, sales and adjustments (—)	—262	—306	—335
Net loan outlays	112	64	28
Loan guarantees:			
New loans	80	186	366
Net loan guarantees	42	145	323
Public Law 480 food aid: Direct loans:			
New loans	846	916	878
Repayments, sales and adjustments (—)	—195	—181	—195
Net loan outlays	651	735	682
Export-Import Bank:			
Direct loans:			
New loans	3,288	3,949	4,316
Repayments, sales and adjustments (—)	—1,382	—1,605	—1,788
Net loan outlays	1,906	2,344	2,528
Loan guarantees:			
New loans	5,127	5,640	6,203
Net loan guarantees	1,323	1,249	1,105
Other international assistance: Direct loans:			
New loans	11	11	1
Repayments, sales and adjustments (—)	—131	—115	—110
Net loan outlays	—120	—104	—109
Off-budget Federal entity—Federal Financing Bank: [1]			
Direct loans:			
Overseas Private Investment Corporation:			
New loans			
Repayments, sales and adjustments (—)	—4	—5	—5
Net loan outlays	—4	—5	—5
Foreign military sales credit:			
New loans	2,380	2,600	3,000
Repayments, sales and adjustments (—)	—448	—590	—780
Net loan outlays	1,932	2,010	2,220

[1] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the Introduction to Part 5 for further explanation.

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GENERAL SCIENCE, SPACE, AND TECHNOLOGY

National Needs Statement:

- Expand scientific knowledge through support of basic research in all fields of science.
- Encourage technological advancement and innovation through collaborative research among universities, industry, and government.
- Develop a greater understanding of the Earth, the solar system, and the universe through space exploration.
- Develop and demonstrate practical, economic, and productive applications of space technology.

Advances in science and technology, built on a strong foundation of basic research, are essential to the security of our Nation; to the health, welfare, and safety of our citizens; and to the long-term growth and vitality of our economy.

All sectors of society and the economy benefit from basic research. Many institutions outside the Federal Government invest in such research, including major corporations, universities, and private foundations. But as a whole, these institutions do not conduct enough basic research to meet the Nation's needs. Thus, for many years, the Federal Government has accepted responsibility not only for the support of basic research related to specific goals, such as improved agricultural productivity, but also for the support of basic research that is in the broad interest of the Nation. This is exemplified by the creation and growth of the National Science Foundation, which seeks to assure the advancement of science across all disciplines. The Federal Government now funds some 70% of the basic research conducted in the United States.

For similar reasons, the Federal Government has, over the past 20 years, made substantial investments in space programs under the auspices of the National Aeronautics and Space Administration (NASA). These programs, including the development of the Space Shuttle, also serve the Nation as a whole. They have provided new means of acquiring knowledge about the Earth, the planetary system, and the universe. They also provide new technologies for the improvement of national security, human welfare, and industrial growth.

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NATIONAL NEED: INCREASING BASIC SCIENTIFIC KNOWLEDGE AND USE OF SPACE

(Functional code 250; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
General science and basic research:					
National Science Foundation programs	991	1,083	1,359	1,471	1,584
Department of Energy general science programs	470	504	607	653	708
Smithsonian scientific information exchange activities	*	*	*	*	*
Subtotal, general science and basic research	1,461	1,588	1,966	2,124	2,292
Space research and technology:					
Space flight	2,820	3,143	3,802	3,751	3,121
Space science, applications, and technology	1,425	1,416	1,782	2,136	2,279
Supporting space activities	439	451	558	762	752
Subtotal, space research and technology	4,684	5,010	6,142	6,649	6,152
Deductions for offsetting receipts	−3	−4	−4	−4	−4
Total, budget authority	**6,141**	**6,593**	**8,104**	**8,769**	**8,439**
OUTLAYS					
General science and basic research:					
National Science Foundation programs	912	1,007	1,190	1,324	1,442
Department of Energy general science programs	469	510	597	651	708
Smithsonian scientific information exchange activities	*	*	*	*	*
Subtotal, general science and basic research	1,381	1,518	1,787	1,975	2,149
Space research and technology:					
Space flight	2,594	2,984	3,679	3,663	3,230
Space science, applications, and technology	1,346	1,330	1,635	1,979	2,215
Supporting space activities	405	431	494	734	755
Subtotal, space research and technology					
Deductions for offsetting receipts	−3	−4	−4	−4	−4
Total, outlays	**5,722**	**6,258**	**7,590**	**8,347**	**8,345**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Supporting space activities:					
Budget authority	107	102	144		
Outlays	107	102	144		

*$500 thousand or less.

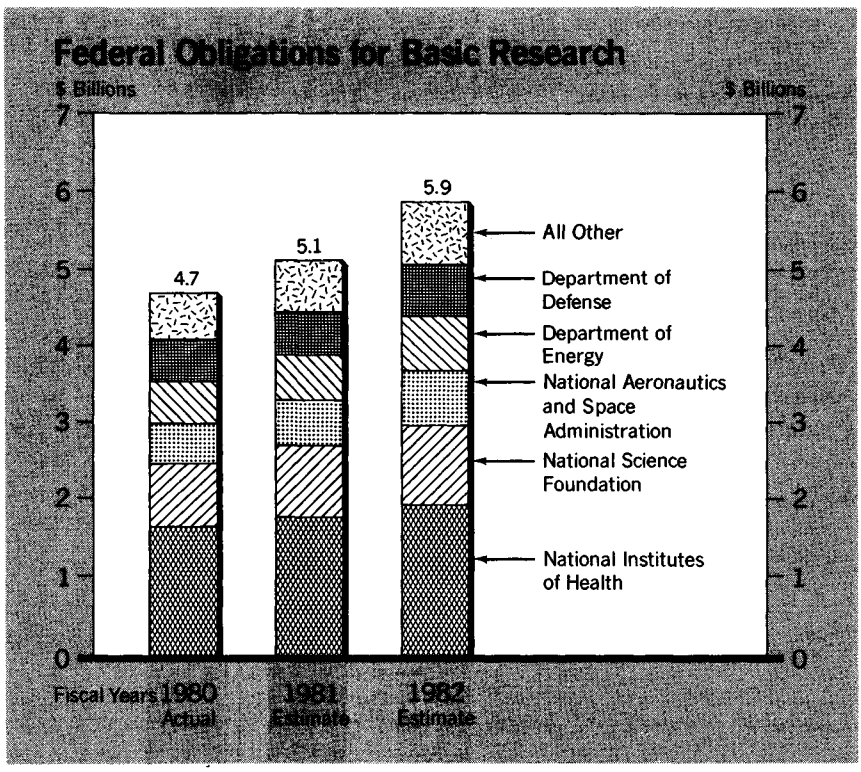
General science and basic research.—When the administration took office 4 years ago, it made a commitment to continue to strengthen the national investment in basic research, recognizing the importance of such research to economic growth in an era of increasing international competition and rising resource costs.

Federal support for basic research has been an important aspect of this commitment and funding for such research increased 38% from 1978 to 1981 or about 6% in real terms. Special programs to enhance the contribution of science and technology to the long-

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term health of the economy were also proposed 2 years ago as part of the President's special message on industrial innovation and last year as part of the President's proposed program for economic revitalization. Of particular significance in these proposals were new measures to spur cooperation between Government and industry and between universities and industry as a means to increase the return on Federal investments in basic research and to encourage private support.

These initiatives extend beyond the traditional role of Federal support to scientists in universities and national laboratories. They will help link more closely the established centers of excellence in scientific research and the industrial sector, and help assure that new knowledge and improved understanding of basic physical phenomena will enable industry, over time, to make better use of the Nation's scientific resources in developing new technologies.



This budget provides for 4% real growth in obligations for the conduct of basic research across all Federal agencies, from $5.1 billion in 1981 to $5.9 billion in 1982. Even during a period of fiscal restraint, growth in support for basic research is an essential investment in the future of the Nation. Funding is increased in real terms not only for basic research undertaken in individual Government, university, and industrial laboratories, but also for administration initiatives to foster greater cooperation among Government,

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business, and universities in research. In addition, special efforts are proposed in two areas that would improve the productivity of U.S. research efforts: research equipment for universities, and engineering manpower.

Federal support for basic research is provided by a large number of departments and agencies, but chiefly by the Departments of Health and Human Services, Energy, Defense, Agriculture, and Interior, and by NASA and the National Science Foundation. The programs included in this function are those of NASA (except its aeronautics activities, which are included in the transportation function), the National Science Foundation, and the high energy physics and nuclear science programs supported by the Department of Energy. Obligations for basic research programs in this function are expected to be $2,065 million in 1982, an increase of $309 million, or 18%, over 1981. These programs collectively account for about 35% of total Federal obligations for the conduct of basic research. Total Federal funding for basic research across all functions is shown in the following table.

FEDERAL OBLIGATIONS FOR THE CONDUCT OF BASIC RESEARCH

(In millions of dollars)

AGENCY	1980 actual	1981 estimate	1982 estimate
Programs in the general science, space, and technology function (by agency):			
National Science Foundation	812	923	1,057
Energy	322	364	423
National Aeronautics and Space Administration	482	469	585
Subtotal	1,616	1,756	2,065
Programs in other functions (by agency):			
Health and Human Services	1,758	1,887	2,053
Defense	539	605	704
Agriculture	275	322	367
Energy	201	227	287
Interior	79	85	99
National Aeronautics and Space Administration	77	86	96
Smithsonian	40	44	53
Commerce	29	33	41
Education	18	18	24
Veterans Administration	14	16	18
Transportation	.....	12	17
Environmental Protection Agency	14	15	13
Other agencies	21	16	25
Subtotal	3,065	3,366	3,797
Total	**4,682**	**5,121**	**5,861**

Further information on Federal support of basic research and other research and development is published in Special Analysis K, "Research and Development," in the *Special Analyses* volume accompanying the budget.

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National Science Foundation programs.—The primary mission of the National Science Foundation (NSF) is support of basic research, which accounts for about 78% of its budget in 1982. The Foundation also funds selected programs in applied research and science education at all levels. Outlays for the NSF are estimated to increase from $1.0 billion in 1981 to $1.2 billion in 1982. Budget authority is proposed to increase from $1.1 billion in 1981 to $1.4 billion in 1982.

Particular emphasis in 1982 is placed on:

- significant growth in funding for engineering research, because of the particular importance of such research to growth in industrial productivity;
- increased support for basic research in the mathematical and physical sciences, because these disciplines have not shared as fully in previous increases for Federal basic research support as their importance would warrant; and
- initiation of a project to construct a new radio telescope capable of providing fundamental information about intense energy sources in outer space not now observable from Earth.

The following additional measures are proposed to augment the efforts of the administration to support long-term economic revitalization through science:

- A program to upgrade scientific equipment and instrumentation in universities that will supply the modern tools that researchers need to conduct high quality basic research in the sciences and engineering. This program will also help to assure that engineering and computer science students are trained adequately with the latest technologies as they prepare to enter industry or academic work. Funding for this program is proposed at $100 million in budget authority for 1982.
- Expansion of the small business innovation research program that assists small, high-technology firms engaged in "proof-of-concept" research. These Federal funds provide the seed money for developing innovative research concepts to the stage at which they can attract private venture capital for commercial development. This program will increase from $8 million in 1981 to $15 million in 1982.
- Strengthening of the industry-university cooperative research program to encourage industry and university scientists to collaborate on research problems of mutual interest. This program will increase from $14 million in 1981 to $27 million in 1982.

Department of Energy general science programs.—An increase in outlays from $510 million in 1981 to $597 million in 1982 is esti-

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mated for research supported by the Department of Energy in high energy physics, nuclear physics, life sciences, and nuclear medicine.

The goal of the high energy and nuclear physics programs is to achieve a comprehensive understanding of the fundamental constituents of matter and energy, the basic forces that govern their interactions, and their role in determining the basic properties and dynamics of nuclear particles.

In high energy physics, large atomic particle accelerators are being used to develop more knowledge based on recent major theoretical and experimental discoveries. Considerable progress is now being made in understanding the fundamental constituents of matter called "quarks," the study of nuclear forces, and the properties of nuclear matter under extreme conditions. Funds are proposed in 1982 to continue these investigations and to use existing accelerators more efficiently.

Increased operating funds are proposed for nuclear physics research in 1982, which would permit greater use of the experimental facilities and increase the emphasis on nuclear theory.

Tax expenditures.—In addition to direct Federal funding for basic research, the Federal tax code encourages private sector research and development, including basic research, by allowing expenditures for such purposes to be deducted as a current expense. The resulting tax expenditures are estimated to be $2.3 billion in 1982.

Space research and technology.—In 1978, two Presidential directives stated overall administration policies to guide U.S. space activities. The basic principles set forth in these directives were that the United States should pursue space activities to increase scientific knowledge, develop useful commercial and government applications of space technology, and maintain U.S. leadership in space. It was recognized, however, that the funding demands of the Space Shuttle and the necessity for fiscal restraint would inhibit, in the near term, our ability to pursue major new engineering challenges in the development of space technology.

The 1982 budget continues a strong and balanced effort in space applications, science, and technology through the programs of the National Aeronautics and Space Administration (NASA). A key element is the completion of the Space Shuttle and the commencement of Space Shuttle operations.

The budget also provides for initiating the Venus orbiting imaging radar mission (VOIR) to explore the planet Venus in 1986; maintaining the continuity of land resources data obtained through the Landsat series of spacecraft; and expanding basic research and technology to strengthen the technical foundation supporting space missions.

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Space flight.—The space flight programs of NASA sustain and improve our ability to supply space transportation services to government, industry, universities and foreign users. Space flight includes development, production, and operation of the Space Shuttle; procurement and operation of the European-developed Spacelab for research in near-Earth orbit; development and procurement of the space vehicles needed to carry satellites into high Earth orbit and to launch interplanetary missions; and related activities and procurement of support equipment necessary for a national space flight system. The budget estimates outlays of $3.7 billion for these programs in 1982 compared to $2.9 billion in 1981.

The Space Shuttle is essential to exploit space effectively and maintain U.S. leadership in space throughout this century. It will be the world's first manned space transportation system capable of being reused routinely, and will allow retrieval, repair and service of satellites in space. Because it is reusable, it can greatly reduce the costs of space missions. The Shuttle will be useful to a variety of domestic and foreign users, who have already made significant investments based upon its availability in the early 1980's. It will also be important in meeting national security needs. The funding proposed to complete the development and testing of the Space Shuttle and to prepare for regular operations is necessary to meet civilian and national security commitments in a timely manner at the lowest total cost to the Nation.

To meet existing and projected needs for space transportation, the budget includes funding that will permit the expansion of the proposed Shuttle fleet from four to five vehicles, if necessary. While the Shuttle is expected to replace most expendable launch vehicles when it is operating at full capacity, the budget continues efforts to assure the availability of expendable vehicles until the Shuttle is able to replace them.

The Space Shuttle is now approaching the critical final phase of development, with the first flight scheduled for early 1981 and regular operations planned to begin in late 1982 or early 1983. This budget provides the funds needed to make possible a fully operational Shuttle system in the early 1980's. Outlays of $2.5 billion are estimated for the Space Shuttle program in 1982 compared to outlays of $2.3 billion in 1981.

In related space flight projects, the budget proposes that procurement of the first U.S. Spacelab be continued, with initial flight planned for mid-1983, and that development and procurement of an upper stage for use with the Shuttle for high-Earth orbit and for interplanetary missions also be continued.

Funds are also included for continued development of the solar electric propulsion system, which will provide a low thrust, long

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duration propulsion capability for potential future deep space missions.

Space science, applications and technology.—Programs in this category include space science activities to study the solar system and the universe; the development, launch and demonstration of satellite systems for agricultural, geological, weather, and communications uses; and longer-range basic space research and technology programs.

Space science outlays are estimated at $817 million, an increase of 25% over 1981. The program consists of space-based observations of the environment around the Earth, the sun, the planets, the stars, and other objects in the universe. These observations cannot be made from the ground because of the obscuring effects of the atmosphere. As part of such scientific investigations, the administration proposes to initiate development of the Venus orbiting imaging radar (VOIR) mission in 1982, to continue the planetary exploration program. This project is planned for launch by the Shuttle in 1986. VOIR will use an advanced microwave radar instrument to look through the heavy clouds around Venus and photograph and map the surface features of the planet. Venus is the sister planet of the Earth and scientists believe that understanding Venus will contribute to understanding the Earth's evolution, atmosphere, climate, and cloud behavior.

Ongoing major flight projects started since 1978 for which continued funding is proposed in 1982 include the solar polar mission and the gamma ray observatory. The solar polar mission, to be launched in 1985, will orbit the sun and will, for the first time, study solar activity and radiation near the sun's polar regions. Better understanding of solar radiation should improve knowledge about how the sun affects the Earth's atmosphere and climate. The gamma ray observatory, to be launched in 1986, will yield knowledge about objects in deep space by studying them in the gamma ray spectral region. The budget request also provides for the continued development of other spacecraft, such as the space telescope and the Galileo mission to Jupiter, both to be launched in 1985.

Estimated outlays for *space applications* are $559 million in 1982, an increase of 25% over 1981. The administration is proposing to initiate studies and instrument design activities for a possible future upper atmospheric research satellite program (UARS) to study the interaction between radiation and the chemistry of the upper atmosphere.

The budget requests continued funding for ongoing programs such as the investigation of advanced technologies that use new radio-frequencies for advanced satellite communications, the national oceanic satellite system (NOSS)—funded jointly by NASA

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and the Departments of Commerce and Defense—and the global agriculture production forecasting program using the Landsat series of satellites. Development of Landsat-D, the fourth in the series of land remote sensing satellites, is continuing, with launch scheduled for 1982. Landsat-D will substantially improve the quality of remotely sensed Earth-resources data for a variety of applications.

The administration's plan for remote sensing of land resources for civilian purposes includes a commitment to maintain continuity of Earth-resources remote-sensing capability through the 1980's and to accomplish research needed to maintain technological leadership in remote land sensing. To carry out this plan, funds are requested for the National Oceanic and Atmospheric Administration (NOAA), in the natural resources and environment function, for ground system enhancements to improve user service and for an operational satellite system based on the Landsat-D series of satellites. The NASA budget includes funding for development of advanced solid state sensors that could be part of a more advanced Earth-resources remote-sensing system for the 1990's.

For basic space research and technology programs, outlays are estimated at $259 million in 1982, an increase of 13% over 1981, providing increased support for research in materials, structures, electronics, propulsion, and the relationships between aerodynamics and thermodynamics. This increased support will strengthen the technical foundation for ongoing projects and provide a sound basis for the definition of new space capabilities and missions.

Supporting space activities.—The administration estimates outlays of $494 million in 1982, an increase of 15% over 1981, for satellite and space flight tracking and data support for the entire NASA space program. This includes funding for consolidation and upgrading of the ground based satellite tracking systems to improve their capabilities and reduce operating costs.

Credit programs.—Long-term lease commitments to finance the construction and acquisition of tracking and data relay satellites for NASA were made in 1976. No additional commitments for new systems are expected under this program. Use of the existing commitments results in loan guarantees and off-budget outlays by the Federal Financing Bank. Lease payments by NASA are expected to commence in 1983, when the system becomes operational.

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CREDIT PROGRAMS—GENERAL SCIENCE, SPACE AND TECHNOLOGY

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
NASA satellite leases:			
Loan guarantees:			
New loans	107	102	144
Net loan guarantees	107	102	144
Off-budget Federal entity—Federal Financing Bank:[1]			
Direct loans:			
New loans	107	102	144
Repayments, sales and adjustments (—)	.....	.....	.....
Net loan outlays (off-budget)	107	102	144

[1] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the Introduction to Part 5 for further explanation.

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ENERGY

National Needs Statement:

- Mobilize our resources to protect the Nation's energy security and independence.
- Promote energy production and conservation through pricing policies that reflect the real cost of energy.
- Protect the Nation against disruptions in energy supplies.
- Develop renewable sources of energy to sustain long-term economic growth.
- Increase the safety of nuclear power production and assure the safe, long-term disposal of nuclear waste, while limiting the potential for international proliferation of nuclear weapons.
- Protect the environment while achieving the Nation's energy goals.

The Nation entered the 1970's with fundamental energy problems. Pricing policies for oil and natural gas perpetuated the illusion that energy would remain cheap and discouraged energy production and conservation. There was widespread doubt and misunderstanding about the gravity of the Nation's energy problems.

In the last 4 years, energy policies have been redirected on a new course toward energy security.

- *Natural gas pricing policy.* The Natural Gas Policy Act of 1978 resolved a 25-year debate over natural gas price controls, unified the inter- and intra-state markets, and established the principle that energy prices must increase to replacement cost levels in order to encourage production and conservation.
- *Crude oil pricing policy.* In 1979, the President initiated the phased decontrol of domestic crude oil prices, allowing them to rise to world market levels by October 1981. This has increased crude oil exploration activities and reduced U.S. consumption of oil.
- *The windfall profit tax.* The administration proposed, and the Congress adopted, the crude oil windfall profit tax, which is designed to produce additional Government revenues of $227 billion between 1980 and 1990.
- *Energy conservation policy.* The administration's pricing policy reforms provide incentives to minimize waste and reward efficient energy use. The administration also initiated programs to accelerate energy conservation in residences and

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commercial buildings, in transportation, and in schools and hospitals.

- *International energy policy.* Energy sufficiency in the United States is inextricably linked to the prosperity and energy policies of other free world nations. With our partners in the International Energy Agency, we have developed agreements to encourage joint reductions in oil demand and established procedures for concerted action in the event of a major disruption in oil supplies.
- *The Synthetic Fuels Corporation.* The administration proposed, and the Congress approved, the establishment of a new corporation to assist the private sector in developing crude oil substitutes that will directly reduce oil imports. The Synthetic Fuels Corporation will share the substantial technical and economic risks associated with the development of synthetic fuels, while leaving management decisions to the private sector.

These changes illustrate what the Federal Government's role in energy policies should be.

The budget proposes $12.1 billion in budget authority in 1982 for the energy programs included in this function, which is a 46% increase over the $8.3 billion enacted in 1981, and $12.0 billion in outlays, which is a 37% increase over the $8.7 billion in outlays estimated for 1981. The programs covered in these estimates include the energy programs of the Department of Energy, the Synthetic Fuels Corporation, the Nuclear Regulatory Commission, and the Tennessee Valley Authority. There are also approximately $7.3 billion in energy tax expenditures, and $2.2 billion in energy loan guarantees.

A number of the Federal spending programs included elsewhere in the budget meet national energy needs:

- Department of Health and Human Services programs that provide special energy allowances and energy crisis assistance to those families least able to pay the escalating costs of essential energy needs (included in the income security function).;
- Department of the Interior programs for oil, gas, coal, oil shale, tar sands and geothermal leasing; coal mining research and development; surface mining reclamation; and environmental assessments of energy minerals (included in the natural resources and environment function);
- Department of Agriculture programs stimulating gasohol production and energy conservation for rural communities (included in the agriculture function);
- Department of Commerce programs that reduce the adverse impacts of energy development on coastal communities and

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NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Energy supply:					
Promotion of domestic production:					
Energy security reserve (payment to the Synthetic Fuels Corporation)	12,212				
Department of Energy alternative fuels production	5,518				
Biomass energy development	1,270				
Research, development, demonstration, and applications:					
Solar	581	585	583	664	623
Other renewable resources	521	615	607	670	756
Fossil	873	1,131	1,572	1,952	1,305
Nuclear fission:					
Existing law	1,064	951	961	1,218	1,330
Proposed legislation		300			
Other technology	673	735	857	910	1,024
Direct production (net):					
Uranium enrichment	127	1,207	423	135	101
Petroleum reserves	−950	−665	−988	−980	−1,076
Power marketing	14,924	−90	2,133	2,233	2,187
Subtotal	36,813	4,770	6,147	6,802	6,250
Energy conservation:					
Technology development	222	213	229	219	189
State and local grants	442	453	537	516	370
Standards, technical assistance and information	72	87	106	78	76
Solar Energy and Energy Conservation Bank		121	127	127	127
Subtotal	736	874	999	940	762
Emergency energy preparedness:					
Strategic petroleum reserve	−2,000	1,486	3,650	3,645	2,517
Energy information, policy, and regulation:					
Energy information and policy	117	138	168	178	189
Regulation:					
Federal Energy Regulatory Commission	68	76	86	89	91
Economic Regulatory Administration	151	255	184	159	147
Nuclear Regulatory Commission	400	454	501	530	550
Alaska gas pipeline inspector	8	22	37	46	47
Administrative expenses (Department of Energy)	207	272	360	343	353
Subtotal	951	1,217	1,336	1,345	1,377
Deductions for offsetting receipts	−53	−58	−58	−58	−58
Total, budget authority	**36,447**	**8,289**	**12,075**	**12,675**	**10,848**

regions, and a similar inland energy program funded through the Department of Energy and administered by the Department of Agriculture (included in the community and regional development function);

- Department of Labor mine health and safety programs (included in the health function); and
- assistance to developing countries and multilateral lending institutions to promote energy production overseas (included in the international affairs function).

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NATIONAL NEED: ENERGY—Continued

(Functional code 270; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Energy supply:					
Promotion of domestic production:					
Energy security reserve (payment to the Synthetic Fuels Corporation)	.....	28	52	57	52
Department of Energy alternative fuels production	26	200	225	.....	.....
Biomass energy development	*	163	132	.....	.....
Research, development, demonstration, and applications:					
Solar	529	588	589	650	657
Other renewable resources	542	615	664	677	754
Fossil	823	975	1,438	1,627	1,636
Nuclear fission:					
Existing law	1,144	1,002	1,108	1,237	1,348
Proposed legislation	.....	−100	200	.....	.....
Other technology	719	717	819	931	1,036
Direct production (net):					
Uranium enrichment	128	76	127	−107	−134
Petroleum reserves	−889	−459	−906	−979	−1,064
Power marketing	1,552	1,922	1,786	1,985	1,895
Subtotal	4,574	5,727	6,234	6,078	6,180
Energy conservation:					
Technology development	131	200	215	256	236
State and local grants	372	441	625	606	485
Standards, technical assistance and information	65	64	91	97	89
Solar Energy and Energy Conservation Bank	.....	47	136	127	127
Subtotal	568	752	1,067	1,086	937
Emergency energy preparedness:					
Strategic petroleum reserve	342	1,173	3,412	4,050	2,703
Energy information, policy, and regulation:					
Energy information and policy	101	135	167	177	189
Regulation:					
Federal Energy Regulatory Commission	67	79	85	88	91
Economic Regulatory Administration	132	212	216	161	149
Nuclear Regulatory Commission	378	437	484	498	528
Alaska gas pipeline inspector	5	21	36	45	47
Administrative expenses (Department of Energy)	199	261	329	312	347
Subtotal	882	1,145	1,317	1,281	1,351
Deductions for offsetting receipts	−53	−58	−58	−58	−58
Total, outlays	**6,313**	**8,739**	**11,973**	**12,438**	**11,113**
ADDENDUM					
Off-budget Federal entities:					
Rural electrification and telephone revolving fund:					
Budget authority	.....	34	.....	.....	.....
Outlays	−30	.....	.....	.....	.....
Synthetic Fuels Corporation:					
Budget authority	.....	2,036	6,062	57	52
Federal Financing Bank:					
Rural electrification and telephone revolving fund:					
Budget authority	3,188	4,774	5,752	7,387	7,571
Outlays	3,188	4,774	5,752	7,379	7,550
Tennessee Valley Authority (power program):					
Budget authority	2,436	3,437	4,502	5,464	6,281
Outlays	685	277	257	231	195

*$500 thousand or less.

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Energy supply.—Supplying energy to meet the Nation's needs requires tens of billions of dollars of private investment each year. Government spending for energy supply programs is designed to complement that investment. Budget authority of $6.1 billion is proposed for energy supply in 1982, a 29% increase over the 1981 budget. Net outlays, which are reduced by offsetting receipts received from direct production activities, are expected to be $6.2 billion in 1982, a 9% increase over 1981.

In addition to these spending programs, the budget provides approximately $5 billion in tax expenditures for energy supply. Federal Government credit programs provide direct loans and loan guarantees totaling $2.2 billion in 1982 to promote energy supply. The spending programs that support the energy supply mission fall into three main categories, as described below.

Promotion of domestic production.—Programs to encourage production and use of domestic energy supplies include the synthetic fuel programs of the Department of Energy and the Synthetic Fuels Corporation, the biomass and alcohol fuels programs of the Departments of Agriculture and Energy, and tax credits.

In 1980, the Congress appropriated $19.0 billion to encourage the production of oil and natural gas substitutes. This amount was divided between the Synthetic Fuels Corporation, the interim *alternative fuels production* programs of the Department of Energy, and the *biomass energy development* programs appropriated to the Department of Treasury for allocation to the Departments of Agriculture and Energy. The Corporation, which is the primary vehicle for the promotion of synthetic fuels in the United States, will enter into price, purchase and loan guarantee agreements to encourage the production of synthetic fuels by the private sector. The Corporation will replace the similar, but much smaller, price, purchase and loan guarantee programs of the Department of Energy, and any funds not used by those programs will be transferred to the Corporation.

Although the Synthetic Fuels Corporation itself is outside of the budget, its system of financing was devised so that all costs of the Corporation appear within the budget. The funds for carrying out

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the Corporation's activities come from appropriations to the Secretary of the Treasury in the *energy security reserve,* and the payments from this account are included in the budget totals.

For the biomass program of the Departments of Agriculture and Energy, the Congress appropriated $1.3 billion in 1980 for loans and loan guarantees that encourage the production of alcohol fuels, biomass energy, and energy from municipal waste. This amount, along with tax credits, will assure that alcohol fuels production meets the goals established by the President.

Market acceptance of solar energy will be accelerated by tax credits, including a 40% residential tax credit enacted this year, that help consumers and businesses defray the cost of solar equipment. Department of Energy rules stimulate solar energy use by requiring utilities to purchase electricity at favorable rates from small power producers using renewable resources such as windmills.

Research, development, demonstration, and applications.—Advances in technology can reduce the cost and risk of looking for oil and gas, allow cleaner burning of coal, make solar energy more attractive economically, prove the viability of fusion power and, in general, provide the Nation with better ways to meet its energy needs. Many new energy technologies are characterized by such high risks and long development times that the private sector alone would be unlikely to undertake enough research and development to meet the Nation's energy needs. This is particularly true for basic research or work on generic technologies that could have wide commercial application. It is therefore appropriate for the Government to support research and technology development.

As technologies develop, they may eventually demonstrate potential for commercial application. At that point, Government support of technology development should be diminished, and the private sector should become actively involved in setting R. & D. priorities and in managing and financing R. & D. activities. The 1982 budget reflects the belief that cost sharing by the private sector in federally sponsored research is an effective way to promote the development of new technologies. Federal programs that encourage the development of solar, geothermal, fossil, nuclear fission, and nuclear fusion involve cost sharing where appropriate.

Significant growth is proposed for the Federal *solar* energy program in 1982, reflecting the administration's belief that solar energy can, over time, make a valuable contribution to the Nation's energy supply. The solar program includes research and development on longer-term solar technologies and tax credits and subsidies that encourage consumer acceptance of commercially available solar systems. The Department of Energy and other Fed-

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eral agencies also encourage the direct application of solar technologies in their own operations.

Department of Energy outlays for solar energy are expected to be $589 million in 1982. Efforts continue in the areas of solar heating and cooling, direct conversion of sunlight into electricity using photovoltaic devices, and solar thermal systems. Further efforts will also be undertaken to develop improved processes and raw materials for energy from biomass, including technologies to utilize cellulose for alcohol fuel production, and to convert the energy of the wind and oceans into fuel energy.

Total budget outlays for solar energy, including programs outside this function, are estimated to exceed $1 billion in 1982, an increase of $45 million over 1981. This increase occurs despite a $64 million reduction in outlays for biomass and alcohol fuels financial assistance. This reduction reflects the phasing down of outlays from 1980 programs intended to provide initial stimulus to biomass energy development. In addition, the revenue loss associated with tax expenditures for solar energy is estimated to be $474 million in 1982, and the Federal gasoline excise tax exemption for gasohol is expected to be $189 million. Thus, total Federal support for solar energy is expected to exceed the 1981 level by nearly 20%.

FEDERAL OUTLAYS AND TAX EXPENDITURES FOR SOLAR ENERGY DEVELOPMENT

(In millions of dollars)

	1981 estimate	1982 estimate
Outlays for solar energy:		
In the energy function:		
Research, development, demonstrations, and applications	588	589
Solar Energy and Energy Conservation Bank*	19	54
Biomass and alcohol fuels financial assistance	185	121
Other solar related	64	65
Subtotal	856	829
In other functions	122	194
Total outlays for solar energy	**978**	**1,023**
Tax expenditures for solar energy	**310**	474
Excise tax exemption for gasohol	**121**	**189**

*Excludes outlays of $28 million in 1981 and $82 million in 1982 for the energy conservation portion of the Bank.

Other renewable resources includes programs of the Department of Energy in magnetic fusion, geothermal, and hydroelectric energy from small dams.

The magnetic *fusion* program has grown rapidly since 1977, reflecting the administration's belief that fusion has the potential of providing a relatively clean and limitless source of power in the

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next century. Recent experiments have established that the conditions necessary to initiate and maintain a fusion reaction can be achieved. The program is directed at determining the best technical and economic means of producing energy through a controlled thermonuclear reaction. Outlays for the fusion program are estimated to be $563 million in 1982, an increase of $120 million over 1981. The additional funds will complete commitments to existing construction projects and provide operating funds necessary to establish the engineering feasibility of this technology.

The *geothermal* program encourages the development of hot underground brines and deep deposits of hot brines mixed with natural gas as useful energy sources. A longer-term goal is to develop the Nation's large reserves of thermal energy stored in hot underground rock formations. The program also helps identify and reduce environmental and regulatory barriers to the use of domestic geothermal resources. Outlays of $85 million are estimated for 1982.

For the development of *hydroelectric power* from small dams, the primary Federal role of granting permits and licensing is supplemented through Department of Energy programs that finance feasibility studies and support commercial demonstrations on a cost-shared basis.

The *fossil* fuels program has been changed in this budget to emphasize longer-term, high-risk research and development. This change was made in response to rising energy prices and the creation of the Synthetic Fuels Corporation.

Outlays for coal research are estimated to be $1.4 billion in 1982, an increase of almost $400 million over 1981. Most of this increase will continue support for the buildup of previously committed major fossil energy demonstration projects in coal liquefaction and gasification. No new construction starts have been proposed in coal research. The budget also maintains support for longer-term research activities.

Outlays in the oil and gas R. & D. areas are projected to be $74 million in 1982, a 28% decrease from 1981 estimates. For gas research, emphasis will continue on enhanced recovery techniques for natural gas. For petroleum research, reductions have been made where large financial incentives exist for increased private investment as oil and gas prices are deregulated.

Nuclear fission programs include a wide range of activities, including R. & D. on breeder reactors, conventional reactors, advanced nuclear systems and associated fuel cycle support programs such as uranium resource evaluation, advanced isotope separation, and waste management.

For breeder reactor R. & D., the budget proposes $458 million in budget authority for 1982, including $400 million for the liquid

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metal breeder reactor program and $58 million for the light water breeder reactor. No funds are requested for the Clinch River breeder reactor project.

The request for conventional nuclear power reactors continues to emphasize safety and technological development in the nuclear industry. Included in the program are $28 million for light water reactor research and $10 million for research related to the accident at the Three Mile Island nuclear plant. The administration's commercial nuclear waste management program would continue to develop a strong technical foundation for commercial waste disposal, leading to an operating, licensed repository.

The *other technology* programs of the Department of Energy include research on the environmental effects of energy production and use, with emphasis on determining the health and ecological effects of developing technologies such as coal liquefaction and other synthetic fuels technologies. Additional funding is proposed for research to determine whether increasing amounts of carbon dioxide in the atmosphere cause changes in the Earth's climate.

Direct production programs.—The Federal Government directly produces and sells enriched uranium for nuclear power plants, oil from Government-owned fields in California and Wyoming, and electricity from five power marketing administrations and the Tennessee Valley Authority.

In the *uranium enrichment* program, the Department of Energy plans to continue operating three gaseous diffusion uranium enrichment plants. Estimated outlays of $1.8 billion in 1982 are for continuing work to increase enrichment capacity and improve efficiency in existing plants and to continue construction and procurement of machinery for a new centrifuge enrichment plant. These outlays will be largely offset by receipts from the sale of enriched uranium estimated to be $1.7 billion.

Crude oil production at Government-owned naval *petroleum reserves* in California and Wyoming is expected to continue in 1982, adding about 150,000 barrels per day to domestic energy supplies. Estimated outlays for this program in 1982 are $294 million, which are more than offset by receipts from the sale of oil that are estimated to be over $1.2 billion.

Power marketing activities include power plant construction, power generation and transmission, rehabilitation of existing facilities, and conservation. These activities include those of the Tennessee Valley Authority (TVA), the power marketing administrations of the Department of Energy, and the Rural Electrification Administration of the Department of Agriculture. The five power marketing administrations—the Alaska Power Administration, the Bonneville Power Administration, the Southeastern Power Administra-

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tion, the Southwestern Power Administration, and the Western Area Power Administration—are responsible primarily for the marketing and transmission of energy produced by Federal hydroelectric dams. The Tennessee Valley Authority nuclear plant construction program is expected to result in $2.0 billion in outlays in 1982, with revenues from the power marketing administrations offsetting this amount by $300 million. TVA now operates two nuclear plants in its system and has five plants under construction.

The Bonneville Power Administration is to begin carrying out the provisions of the recently-enacted Pacific Northwest Electric Power Planning and Conservation Act in 1981. The Act is intended to help the region establish an adequate power supply and a long-term electric energy plan. It places maximum reliance on energy conservation and renewable energy sources in response to growing demand for electricity. TVA also encourages energy conservation through commercial and residential weatherization and ride sharing. The TVA is constructing an atmospheric fluidized bed boiler to improve coal combustion, and conducts research into economic and technical improvements in converting biomass to alcohol.

The Rural Electric and Telephone Revolving Fund is administered by the Rural Electrification Administration (REA). New insured loans to rural borrowers during 1982 are estimated to be $900 million for electric service and $266 million to furnish and improve telephone service to rural areas.

The REA finances the construction and operation of generating plants and electric transmission and distribution systems in rural areas. The REA made new loan guarantees of $2.6 billion in 1980, and requests an additional $4.4 billion in 1981 and $5.2 billion in 1982. These guaranteed loans are converted to direct loans when they are purchased by the Federal Financing Bank, the outlays of which are excluded from the budget totals by law. Under the Federal credit control program, limitations upon the gross obligations for new REA loans approved and new loan guarantee commitments for 1982 are proposed for inclusion in the appropriation bills approved by the Congress.

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CREDIT PROGRAMS—ENERGY

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Synthetic fuels promotion:			
Loan guarantees:			
New loans		6,000	2,000
Net loan guarantees		6,000	2,000
Biomass energy development:			
Direct loans:			
New loans			15
Repayments, sales, and adjustments (—)			
Net loan outlays			15
Loan guarantees:			
New loans		1,761	35
Net loan guarantees		1,761	35
Geothermal development and other energy:			
Direct loans:			
New loans	5	12	16
Repayments, sales, and adjustments (—)			
Net loan outlays	5	12	16
Loan guarantees:			
New loans	78	226	213
Net loan guarantees	77	216	212
Off-budget Federal entities:			
Rural Electrification Administration:			
Direct loans:			
New loans	1,207	1,100	1,166
Repayments, sales, and adjustments (—) [1]	—1,038	—890	—1,010
Net loan outlays	169	210	156
Loan guarantees: [2]			
New loans	3,305	4,874	5,852
Net loan guarantees	3,305	4,874	5,849
Federal Financing Bank: [3]			
Direct loans:			
Rural electrification and telephone revolving funds:			
New loans	3,188	4,774	5,752
Repayments, sales, and adjustments (—)			
Net loan outlays	3,188	4,774	5,752
Tennessee Valley Authority (power program):			
New loans	2,436	3,437	4,502
Repayments, sales, and adjustments (—)		—3,160	4,245
Net loan outlays	685	277	257

*$500 thousand or less.
[1] Includes sales of direct loans.
[2] Includes guarantees of direct loans.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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Energy conservation.—An effective conservation strategy includes much more than direct Federal spending programs. Oil and natural gas prices that reflect market realities and accurate public information are essential to promote conservation in the public and private sectors. Conservation is also achieved through tax incentives and sound regulatory policies such as efficiency standards for automobiles, buildings, and appliances. Direct Federal spending programs for conservation include technology development; State and local conservation grants; financial and technical assistance to public agencies, industries, and individuals; and energy efficiency improvements in Federal buildings.

Outlays for conservation programs in the energy function are estimated at $1,013 million for 1982, up 38% from $733 million in 1981. Other Federal programs, such as conservation investments in Federal facilities, public transportation improvements, rehabilitation of public housing, and the purchase of fuel-efficient vehicles for Federal use also contribute to meeting the Nation's conservation needs; and funds for them are included in other functions. In 1982, tax credits for conservation improvements in the residential, business, and transportation sectors are estimated at approximately $0.8 billion.

OUTLAYS AND TAX CREDITS FOR ENERGY CONSERVATION

(In millions of dollars)

	1981 estimate	1982 estimate
Outlays for energy conservation:		
In the energy function:		
Technology development	200	215
State and local grants	441	625
Standards, technical assistance and information	64	91
Solar Energy and Energy Conservation Bank*	28	82
Subtotal, energy function	733	1,013
In other functions:		
Conservation investments in Federal facilities	283	412
Total, outlays	**1,016**	**1,425**
Tax credits for energy conservation (revenue loss)	**735**	**800**
Excise tax exemptions relating to buses	**50**	**50**

*Excludes outlays of $19 million in 1981 and $54 million in 1982 for the Solar Energy portion of the Bank.

Technology development.—Federal programs to accelerate the development of high-risk energy-saving technologies that have significant potential to reduce the Nation's use of energy are conducted in four program areas. The buildings and community systems program focuses on research to improve the energy efficiency of buildings, consumer products and community services such as recover-

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ing energy from urban waste. The industrial program stresses energy waste reduction, cogeneration and industrial process efficiency. The transportation program continues support for development of more fuel-efficient automotive engines and electric vehicles. Finally, the multi-sector program supports development of small-scale energy-saving technologies, exploration of innovative conservation concepts and research on multiple-use energy conversion. Total outlays for conservation technology in 1982 are estimated to be $215 million, an increase of $15 million over 1981.

State and local grants.—Department of Energy conservation grants are of two major types. First, weatherization assistance is provided to low-income persons and to public or nonprofit schools and hospitals—groups unlikely to make conservation investments without Federal aid. Proposed budget authority for grants to each of these groups is $200 million in 1982, up 10% from 1981.

Second, grants also are given to States for conservation programs. Budget authority of $102 million is proposed for an energy management partnership program to consolidate these grants. Budget authority of $24 million also is proposed to help States develop plans for dealing with energy emergencies. Total outlays for conservation grants are estimated to increase 42%, from $441 million in 1981 to $625 million in 1982.

Standards, technical assistance, and information.—The many Department of Energy programs in this area are directed to improve energy efficiency in each energy-consuming sector. They involve developing efficiency standards for new buildings and consumer products, assisting community self-help projects such as district heating, and informing consumers and producers about new energy-saving products, processes, and other conservation measures. The budget also supports a residential and commercial buildings conservation program that provides energy auditor training and certification, provides demonstrations of innovative conservation delivery services, and requires large utilities to offer conservation services to their customers. Outlays for these Department of Energy programs are estimated at $64 million in 1981, increasing to $91 million in 1982.

Solar Energy and Energy Conservation Bank.—The recently established *Solar Energy and Energy Conservation Bank* in the Department of Housing and Urban Development (HUD) is governed by a board of directors composed of representatives of the Departments of HUD, Energy, Treasury, Agriculture, and Commerce. Budget authority of $127 million is requested in 1982, a slight increase above the adjusted 1981 appropriation of $121 million. Of the total 1980 appropriation, 60% is expected to be used for energy conservation subsidies, and 40% is planned for subsidies for the use of solar technology. The solar program promotes the use of passive

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solar design features in newly constructed residences and active solar systems for new and existing homes and buildings. The energy conservation subsidies are primarily for low- to moderate-income households.

Conservation investments in Federal facilities.—The administration has placed major emphasis on modifying Federal buildings for energy conservation. In 1982, $379 million in outlays is estimated for such investments in the nine agencies that consume 97% of the energy used in Federal buildings. In addition, $33 million in outlays are estimated to convert major petroleum and natural gas-burning facilities to coal. Most of the funds for these purposes are classified in functions other than the energy function. The accompanying table shows the outlays for both conservation and fuel conversion investments by major agency.

MAJOR AGENCY OUTLAYS FOR ENERGY MANAGEMENT IN FEDERAL FACILITIES

(In millions of dollars)

	1981 estimate	1982 estimate
Energy conservation retrofits (department or agency):		
Defense	133	206
Energy [1]	22	44
General Services Administration	33	37
Postal Service [2]	18	21
Veterans Administration	18	21
National Aeronautics and Space Administration	17	11
Interior	5	19
Agriculture	12	12
Transportation	4	8
Total, outlays [3]	262	379
Major fuel conversions:		
Defense	16	25
Energy [1]	5	8
Total, outlays [4]	21	33

[1] Except for the Department of Energy, funds are classified in functions other than the energy function.
[2] Off-budget outlays.
[3] The listed agencies account for an estimated 97 percent of total energy consumed in Federal buildings.
[4] The listed agencies account for virtually all Federal agency fuel conversions in the years given.

Emergency energy preparedness.—The free world uses about 50 million barrels of oil every day. About 40% of this oil comes from the Middle East. The United States and other petroleum-consuming countries have taken steps to prepare themselves to deal with disruptions in world oil markets. The strategic petroleum reserve and contingency plans, including gasoline rationing, are designed to deal with this problem.

The Department of Energy recently resumed oil acquisition for the strategic petroleum reserve (SPR) at an average rate of 100,000 barrels per day. Purchases had ceased in March of 1979. The

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budget assumes that all funds available in 1981 will be used to maintain a fill rate of 200,000 barrels per day in 1981, resulting in an end of year total of 171 million barrels in storage. The budget proposes sufficient new funding in 1982 to fill the reserve to its estimated capacity of 252 million barrels at the end of 1982, requiring an average fill rate of 230,000 barrels per day.

The budget also provides for expansion of storage facilities to 750 million barrels. Under the current schedule, the expanded storage will be complete by the late 1980's. The administration believes that the level of protection afforded by a billion-barrel reserve is needed. However, no decisions have been made about whether the final 250 million barrels of storage capacity will be owned by the United States Government, or whether it should be some form of privately-owned storage. Additional budget authority of $15 million is proposed to begin work on regional strategic petroleum storage.

In addition to strategic petroleum reserves, the Department of Energy is developing contingency plans to deal with supply disruptions. These include standby regulatory conservation measures, which would be carried out in cooperation with State governments under the authority of the Emergency Energy Conservation Act, and the standby gasoline rationing plan approved by the Congress in 1980. The budget proposes a $72 million supplemental request for 1981 to allow prompt completion of preparatory work for the rationing programs. Outlays for these contingency plans are estimated to be $120 million in 1982. Budget estimates for them are included in the energy conservation and the energy information, policy, and regulation subfunctions.

Energy information, policy, and regulation.—Programs in this mission are intended to provide accurate and timely energy statistics, establish sound energy policies, and develop and enforce energy regulations. Outlays are expected to rise from $1.1 billion in 1981 to $1.3 billion in 1982.

Energy information and policy.—Three offices within the Department of Energy have primary responsibility for energy information and energy policy. The Energy Information Administration collects data needed for policy decisions. The Office of Policy and Evaluation is responsible for overall policy development and coordination. The Office of International Affairs helps formulate and carry out international energy policy. Outlays for these three offices are estimated to increase from $135 million in 1981 to $167 million in 1982 in order to improve data collection programs.

Regulation.—Energy regulations assure that national needs are satisfied safely, efficiently, and equitably. Regulations are appropri-

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ately phased out when private markets alone become capable of achieving national objectives more effectively.

The *Federal Energy Regulatory Commission*, an independent agency in the Department of Energy, regulates natural gas pricing, gas and oil pipelines, hydropower, and electric power transmission. In carrying out its functions, the Commission tries to ensure adequate energy supplies at reasonable prices while allowing sufficient rates of return on investment to provide incentives for increased production. Phased decontrol of new natural gas, as provided by the Natural Gas Policy Act, will continue during 1982. Slight funding increases are provided in 1982, particularly to reduce the backlog of unresolved regulatory cases.

The *Economic Regulatory Administration* in the Department of Energy administers petroleum price and allocation regulations. It also promotes reduction in the use of petroleum products by utilities and others, and develops regulatory programs for dealing with energy emergencies.

The budget proposes reductions in funding for petroleum regulatory activities, which phase down following the decontrol of crude oil prices upon expiration of the Emergency Petroleum Allocation Act on September 30, 1981. An increase is provided for the Fuel Use Act program mandating shifts to fuels other than oil and natural gas for selected major fuel-burning installations.

The *Nuclear Regulatory Commission (NRC)* regulates the siting, construction, and operation of all civilian nuclear reactors; nuclear fuel storage; and disposal of radioactive waste. It also conducts a nuclear safeguards program to prevent the loss or diversion of nuclear materials, and a research program to support the formulation of nuclear licensing standards and regulations.

In 1982, the Commission will place primary emphasis on enforcing the new requirements for safety, operator training, and emergency planning based on lessons learned from the nuclear accident at Three Mile Island. Those lessons have resulted in increased research on risk assessment, plant safety, and accidents involving small losses of coolants. A small prototype data link system will be initiated to improve the information available to NRC headquarters during nuclear plant incidents.

The *Alaska gas pipeline inspector* oversees the construction of the portions of the Alaskan natural gas pipeline that run through the United States and coordinates actions of Federal agencies regulating the project.

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NATURAL RESOURCES AND ENVIRONMENT

National Needs Statement:

- Protect the public health and welfare by ensuring a clean environment, with special emphasis on abating pollution of the land, air, and water through control of hazardous wastes, injurious pesticides, and toxic substances.
- Conserve, manage and develop public lands, water, timber, minerals, and other natural resources.
- Preserve natural areas, national historic sites, and fish and wildlife.
- Improve our knowledge and understanding of the atmosphere, and of the Earth's structure, environment, and resources.

Intelligent stewardship of America's natural resources and environment is a prime responsibility of government at all levels. As energy and economic development proceed throughout the Nation, the resources held in common—our air, water, and public lands—must be conserved and enhanced by every generation of Americans.

To protect the environment and to contribute to a sound balance between development and conservation of our natural resources, the budget proposes $13.6 billion in budget authority in 1982, an increase of 7% over the 1981 amount.

The 1982 budget reflects the administration's continuing commitment to improve the control and management of hazardous wastes. The request includes increased financial assistance to the States for this purpose as well as increased emphasis on criminal investigations and certification of hazardous waste storage facilities. In December 1980, the President signed the "superfund" bill, which authorizes the cleanup of uncontrolled hazardous waste disposal sites and provides a funding source through taxes on industry to ensure a quick response to future hazardous substance spills. In 1982, the consolidation of toxic substances control programs now

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planned should produce an improved regulatory decisionmaking process while reducing administrative costs.

Efforts to improve the management of resources on Federal lands are emphasized by increasing funds for reforestation, proposing improvements to facilities and public range land programs, and increasing resources for forest, range and related engineering research.

The budget request also reflects the need to expand energy production on the public lands. Significant increases in budget authority are requested for Outer Continental Shelf oil and gas lease sale activities, and activities related to development of coal, tar sands and oil shale on Federal lands.

Modest increases in water resources programs will mean that construction projects producing high priority benefits such as hydropower, urban water supply, and urban flood control can remain on schedule, although completion of some lower priority projects may be moderately delayed.

The budget allows some increases for recreational programs with emphasis on Federal acquisition of park and recreation areas that have already been authorized and on the maintenance and operation of the national park and wildlife refuge systems.

Pollution control and abatement.—Efforts to control and reduce air, water, and land pollution are carried out through both direct Federal programs and through Federal financial and technical assistance to State and local governments. Outlays are estimated to increase by 4%, from $5.5 billion in 1981 to $5.8 billion in 1982.

Regulatory, enforcement, and research programs.—Estimated out-

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NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND IMPROVING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Pollution control and abatement:					
Regulatory, enforcement and research programs	1,235	1,302	1,312	1,341	1,371
Hazardous substance response fund	.....	72	249	373	427
Oil pollution fund	37	31	29	7	7
Sewage treatment plant construction grants	3,400	3,305	3,700	4,000	4,400
Subtotal, pollution control and abatement	4,672	4,710	5,290	5,721	6,205
Water resources:					
Existing law	4,157	4,141	4,543	5,829	6,205
Proposed legislation	.....	7	.....	23	19
Subtotal, water resources	4,157	4,148	4,543	5,852	6,224
Conservation and land management:					
Management of national forests, cooperative forestry and forestry research	1,965	1,943	2,034	2,128	2,198
Management of public lands	440	512	524	536	551
Mining reclamation and enforcement	180	175	246	266	285
Conservation of agricultural lands	540	583	584	585	613
Other, including offsetting receipts	−538	−589	−918	−1,049	−1,177
Subtotal, conservation and land management	2,586	2,624	2,471	2,466	2,471
Recreational resources:					
Land and water conservation fund	539	409	520	555	597
Urban park grants and historic preservation fund	165	52	108	110	113
Operation of recreational resources	969	961	1,045	1,126	1,165
Subtotal, recreational resources	1,672	1,423	1,673	1,792	1,875
Other natural resources:					
Existing law	1,401	1,518	1.659	1,820	1,914
Proposed legislation	.....	.....	124	174	165
Subtotal, other natural resources	1,401	1,518	1,782	1,994	2,079
Deductions for offsetting receipts	−1,439	−1,717	−2,187	−2,514	−2,685
Total, budget authority	**13,051**	**12,705**	**13,572**	**15,310**	**16,170**

lays of $1.3 billion are expected for the regulatory, enforcement, and research programs in this function; this is an increase of 8% over 1981.

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NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND IMPROVING THE ENVIRONMENT—Continued

(Functional code 300; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Pollution control and abatement:					
Regulatory, enforcement and research programs	1,143	1,243	1,338	1,332	1,335
Hazardous substance response fund	.....	33	163	311	400
Oil pollution fund	23	36	29	7	7
Sewage treatment plant construction grants	4,343	4,200	4,230	4,400	4,425
Subtotal, pollution control and abatement	5,510	5,512	5,760	6,050	6,167
Water resources:					
Existing law	4,294	4,515	4,574	5,327	5,713
Proposed legislation	.....	3	4	23	19
Subtotal, water resources	4,294	4,518	4,578	5,350	5,732
Conservation and land management:					
Management of national forests, cooperative forestry and forestry research	1,798	1,933	2,153	2,181	2,253
Management of public lands	456	472	494	522	541
Mining reclamation and enforcement	85	158	134	144	153
Conservation of agricultural lands	548	605	565	608	601
Other, including offsetting receipts	−559	−589	−921	−1,056	−1,187
Subtotal, conservation and land management	2,328	2,578	2,425	2,398	2,361
Recreational resources:					
Land and water conservation fund	595	518	556	544	589
Urban park grants and historic preservation fund	53	102	94	122	150
Operation of recreational resources	1,059	1,043	1,031	1,055	1,098
Subtotal, recreational resources	1,707	1,663	1,681	1,720	1,837
Other natural resources:					
Existing law	1,412	1,556	1,662	1,823	1,892
Proposed legislation	.....	.....	120	169	167
Subtotal, other natural resources	1,412	1,556	1,782	1,992	2,059
Deductions for offsetting receipts	−1,439	−1,717	−2,187	−2,514	−2,685
Total, outlays	**13,812**	**14,110**	**14,039**	**14,996**	**15,470**

The 1982 budget includes two initiatives to improve program coordination and management. Currently, decisions on regulatory control of toxic substances are made independently for air, water,

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and land. Pollution control programs for different media (air, water, land) are developed separately, in part because pollutants and the cost of control vary considerably for each medium. Now, however, the high priority of controlling toxic waste requires an integrated approach regardless of where the pollutant is discharged into the environment. Without coordination, efforts to regulate the most serious sources of pollution risk being arbitrary and incomplete.

A second proposal transfers responsibility for the negotiation and management of State/EPA agreements from individual media programs to a central office for planning and management in each region. This should result in substantial savings and better coordination of State activities.

EPA administers about a dozen categorical grants to assist States in developing pollution control programs. Budget authority of $236 million, a 6% increase from 1981, is proposed for State assistance, with the largest increase earmarked for hazardous waste control. The administration has also proposed legislation that would give States the flexibility to integrate two or more of EPA's State environmental program grants. States could transfer up to 20% of certain grants to deal with high priority problems.

Other EPA regulatory programs support the President's energy initiatives by assisting the Department of Energy in preparing supplementary environmental impact statements and by certifying new energy facilities. In 1982, $5 million in budget authority is requested for energy review and permit-issuance activities.

In carrying out enforcement responsibilities, the administration believes that proper operation and maintenance of equipment and facilities using existing treatment technologies will have a greater effect on reducing pollution than new regulations. For example, substantial reduction in pollution would be achieved through proper maintenance and use of unleaded gasolines in automobiles. Budget authority to provide a 5% personnel increase or 115 additional full-time permanent positions above 1981 levels is requested to monitor regulation compliance, conduct criminal investigations and expand the responsibilities of the hazardous waste enforcement task force.

The 1982 request includes $23 million in budget authority to support a multi-agency research program on the sources and af-

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fects of acid rain, including control technology development and establishment of a national acid rain monitoring system.

Hazardous substance response fund.—The administration's proposal to create a hazardous waste cleanup and emergency response fund of up to $1.6 billion over 5 years was enacted into law in December 1980. The fund will be financed primarily by taxes paid by industry. This budget provides a strong start in controlling hazardous substances by earmarking budget authority of $117 million in 1981 and $249 million in 1982 for this effort. This pays for a significant increase in Federal personnel each year. The budget is, however, based on preliminary assessments of the staffing and budgetary resources required for this program. Should additional needs be demonstrated, this administration would consider amending the request.

Sewage treatment plant construction grants.—The budget requests budget authority of $3.7 billion for this program in 1982, an increase of $395 million over the enacted 1981 level. The administration has, in the past, proposed legislative reforms that would limit the Federal share of this program to reducing the backlog of authorized construction. The administration continues to believe that there is an urgent need for program reforms to control long-term costs and to establish eligibility standards for selecting projects with the greatest environmental benefits.

Water resources.—The Army's Corps of Engineers, Interior's Water and Power Resources Service, and Agriculture's Soil Conservation Service are responsible for the planning, development and utilization of water resources while preserving the quality of the environment. Program benefits include flood control, municipal and industrial water supply, irrigation of agricultural lands, shallow and deep draft navigation, hydroelectric power, recreation, wildlife preservation, and erosion control.

Budget authority for water resources programs is expected to increase from $4.1 billion in 1981 to $4.5 billion in 1982.

The 1982 budget request includes $2.8 billion in budget authority for continuing construction of water resource projects. This is an increase of $215 million from 1981. Inflation in construction costs, however, will force selective construction delays.

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As in last year's budget, the administration favors the funding of a set of new construction starts after the Congress agrees to the independent review of water projects by the Water Resources Council.

As a result of the eruption of Mount St. Helens in Washington, emergency efforts are continuing during 1981 to restore and maintain the Cowlitz River channel, which was initially blocked with volcanic mud. These efforts will help protect many of the homes and businesses located along the river from the flooding that would otherwise occur. Dredging is also continuing to restore the Columbia River navigation channel to Portland.

Budget authority of $1.3 billion is requested for operation and maintenance of Federal water resources projects in 1982, compared with $1.1 billion in 1981. Operation and maintenance requirements grow as new projects are completed and existing projects grow older.

Funds to plan and design small hydropower installations at existing Water and Power Resources Service dams are requested, contingent on passage of proposed authorizing legislation.

Consistent with the authorizing legislation for the WEB water supply pipeline in South Dakota, the administration supports a construction funds request when the Oahe irrigation project is deauthorized.

Budget authority for the State water management matching grant program administered by the Water Resources Council is proposed to increase from $10 million in 1981 to $25 million in 1982. States will be encouraged to use a portion of these program funds to carry out interstate water resources studies in cooperation with Federal agencies.

Conservation and land management.—Federal civil and defense agencies administer about 762 million acres or one-third of the land area of the United States. Use of Federal lands serves a variety of purposes: recreation, wilderness, wildlife habitats, watersheds, timber production, mineral extraction, and range utilization.

Total outlays for the mission of conservation and land management are estimated to be $2.5 billion in 1982, $153 million below the 1981 level.

Management of national forests, cooperative forestry, and forestry research.—The Forest Service administers the national forest system, conducts a comprehensive program of forest and range research, and carries on cooperative forestry programs with States and private landowners. Budget authority in 1982 totals $2.0 billion over the 1981 amount, excluding Forest Service payments to States (which are included in the general purpose fiscal assistance

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function) and funds for fighting forest fires (which are traditionally requested later in a supplemental budget request for whatever amounts are required.)

Timber sales for 1982 are planned at 11.9 billion board feet based on the estimated maximum amount that can be sold in an economically and environmentally sound manner. Nevertheless, harvests from the national forests can be increased to meet the expected recovery in the housing industry because the volume of timber sold but not yet cut has expanded significantly over the last 2 years and now, totals 42 billion board feet. Land management planning may, in the future, identify opportunities for expanding sales—primarily through departure from the existing policy of "non-declining even flow" interpretation of sustained yield.

Requested budget authority should allow a 5% real increase for forest and range research. Included in this amount is a 3% real increase in basic forest biology and engineering research.

Funds for State and private cooperative forestry programs are proposed at the 1981 budget level, while a modest increase is recommended for efforts to improve southern pine regeneration.

The appropriations requested for reforestation programs will permit 227,000 acres of reforestation and 200,000 acres of timber stand improvements. The requested level of budget authority, $127 million in 1982 compared to $108 million in 1981, is expected to meet all reforestation requirements by the end of fiscal year 1985.

In June 1980, the Secretary of Agriculture recommended a range of future Forest Service programs and budgets pursuant to the Renewable Resources Planning Act. By enacting Public Law 96-514, the Congress adopted a statement of policy and expressed a general acceptance of the high bound of that range as necessary to meet the goals of that policy. Financing this program would require an additional $334 million in 1982 appropriations, raising the Forest Service total to $390 million above 1980 and $478 million above 1981. Given the total demands on the Federal budget, the growing volume of sold but uncut timber in the national forests, and the investment uncertainties in other areas of the plan, the 1982 budget request generally reflects a program level at or near the lower bound of the Secretary's recommended range.

Offsetting receipts, primarily from the national forest system's timber sales, are expected to increase from $1.2 billion in 1981 to $1.7 billion in 1982.

Management of public lands.—The Bureau of Land Management administers about 340 million acres of public land, including about 167 million acres in Alaska. In addition, it manages about 370 million acres of subsurface mineral rights retained in Federal own-

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ership where the surface is privately owned. It also has jurisdiction over mineral exploration and development of 1.1 billion acres of the Outer Continental Shelf.

Seven Outer Continental Shelf oil and gas lease sales are scheduled for fiscal year 1982. Funds for administering these sales and for conducting environmental studies and other preparatory work for later sales are included in the budget request at the 1981 level. Outer Continental Shelf oil and gas receipts (discussed in the section on undistributed offsetting receipts) are expected to increase from $7.8 billion in 1981 to $9.9 billion in 1982. Revenues produced by onshore mineral leasing, grazing fees, timber sales, land and material sales, right-of-way fees and other sources are estimated to increase to $1.0 billion in 1982 compared to $769 million in 1981.

The first three competitive coal lease sales (other than emergency sales) since the beginning of the coal leasing moratorium in 1971 will be held in 1981. Two major sales are planned for 1982. The budget includes a supplemental request of $8.7 million for 1981 to lease four additional oil shale tracts under the prototype program and to initiate a permanent oil shale leasing program. An additional $1.1 million is requested in the 1982 budget to initiate a tar sands leasing program, and an increase of $1.3 million is also recommended to accelerate the review of Federal land withdrawals.

Funds are requested to initiate a dam safety program and to monitor intensively range improvement investment projects. The budget also proposes an additional $8.9 million in budget authority for mineral surveys and $2.6 million for wilderness plans and studies to accelerate the public lands roadless area review.

Budget authority for the Bureau of Land Management, excluding firefighting costs, is proposed at $524 million, compared with $467 million in 1981, an increase of $57 million or 12%.

Mining reclamation and enforcement.—Programs within the Office of Surface Mining Reclamation and Enforcement help prevent environmental degradation of land due to surface mining of coal and help reclaim land previously damaged by such mining. Budget authority of $246 million is recommended for 1982, an increase of $71 million over 1981.

In 1982 a total of $162 million in budget authority is requested for abandoned mine reclamation fund programs, compared with $82 million in 1981. The budget includes funding to retain Federal regulatory programs in cases where States have not achieved fully approved programs; to monitor State programs; to provide technical assistance to States; and to review plans for mines on Federal lands. The national abandoned mine lands inventory, scheduled to be completed in mid-1982, will provide a basis for evaluating the

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costs and benefits of State and Federal reclamation expenditures and for establishing priorities for potential projects. The budget's substantial but orderly rate of increase for these programs should provide funding assistance to the States as they become capable of using effectively the results of the national inventory.

Conservation of agricultural lands.—Several programs help protect and maintain the Nation's agricultural production capacity through technical and financial assistance to conservation districts, State and local governments, and private land owners. Budget authority requested for these programs in 1982 totals $584 million, approximately the same as in 1981. The resource conservation and development program requires $28 million to complete work on projects begun in earlier years while requested budget authority for the Great Plains conservation program and the conservation operations program, is sufficient to maintain programs at, or near, their 1981 levels.

Other conservation and land management.—The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) is responsible for planning and promoting the rational use and conservation of our coastal areas. For 1982, the administration requests $35 million in budget authority to continue Federal assistance to 26 States for implementing coastal zone management plans. Federal support will be phased down as State and local efforts become established.

NOAA also manages the coastal energy impact formula grant program and the marine and estuarine sanctuary programs that assist States in the development and conservation of our coastal areas. No funding is requested for coastal energy impact formula grants in 1982 because States and their localities have the capability to address the projected economic and environmental impacts of Outer Continental Shelf oil and gas developments in their jurisdictions.

Recreational resources.—The Federal Government, either directly or through its grant programs, acquires and operates national parks, recreation areas, historic sites, wild and scenic rivers, fish hatcheries and wildlife refuges. Included in the 1982 budget are requests for initiating activities under the Alaska National Interest Lands Conservation Act. Passage of this legislation protects over 104 million acres of Alaskan lands, and is a major environmental achievement by the administration.

Budget authority for these programs are estimated at $1.7 billion in 1982, an increase of $250 million over 1981.

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Land and water conservation fund.—This program provides matching funds to States for planning, acquiring and developing park and recreation facilities. It also provides funds to Federal land-managing agencies to purchase lands for recreation and preservation.

Budget authority requested for 1982 is $520 million, an increase of $141 million over the 1981 appropriation. The 1982 request includes:

- $185 million for matching grants to States, a decrease of $44 million;
- $327 million for Federal acquisition of land for national parks, wildlife refuges, and recreation areas, an increase of $185 million; and
- $8 million for administration.

Of the total request for Federal acquisitions, $297 million is requested to purchase lands in areas specifically designated by law as either threatened or undergoing rapid price escalation.

Urban park grants and historic preservation fund.—Budget authority of $75 million for urban grants to rehabilitate city parks and recreation facilities is requested in 1982; this is a $55 million increase from 1981. The historic preservation fund is maintained in 1982 at the 1981 level of $32 million. An estimated $26 million is recommended to support State agencies administering historic preservation programs and an additional $5 million to transfer properties to the National Trust for Historic Preservation.

Operation of recreational resources.—These programs carry out activities necessary to the operation and maintenance of the national park and wildlife refuge systems. Also included are grants, research, and technical assistance in the areas of recreation, and fish and wildlife.

Budget authority recommended for 1982 is $1.0 billion, an increase of $84 million from 1981.

The Fish and Wildlife Service manages 84 million acres of wildlife refuges, operates 89 fish hatcheries, conducts research on fish and wildlife, administers programs to protect endangered species; and provides grants to States for managing fish and wildlife programs.

Budget authority requested for Fish and Wildlife Service programs in 1982 is $463 million, an increase of $42 million over 1981. Increases in refuge and hatchery operations and maintenance account for $26 million of this increase.

The National Park Service develops, operates, and maintains the national park system, comprising 327 parks totaling 72 million acres. An increase from $494 million in 1981 to $564 million in

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1982 is requested for these programs. The increase covers new and developing park areas, increased operational costs in already established parks, and maintenance and repair of park facilities.

Other natural resources.—These activities are primarily concerned with promoting an understanding of the environment and the Earth's structure.

The Geological Survey conducts national geologic and mineral resources surveys, water resources investigations, topographic surveys and mapping, including the identification of geological hazards such as earthquakes. It also supervises Federal mineral leases and federally financed exploration to assess petroleum resources in the national petroleum reserve in Alaska.

Budget authority of $573 million in 1982 is recommended for the Geological Survey activities in this function, compared with $525 million in 1981. An increase in budget authority of $11 million to a level of $106 million is requested for Outer Continental Shelf oil and gas activities, including selection of tracts for potential lease offering, lease regulation, and marine geological research. An increase of $3 million is included for coal investigations to facilitate the leasing of Federal coal lands. Also included is $4 million for hydrologic studies of acid rain and toxic waste problems.

The budget includes $6 million under a legislative proposal to initiate a program establishing a digital cartographic data base. This program would provide high quality computer-processable cartographic data to private and Federal users, and is expected to recover its full cost of operation over time.

The Bureau of Mines conducts research and administers programs to develop and conserve the Nation's mineral resources, to diminish the adverse effects on the environment of mining, and to protect the health and safety of miners. Budget authority of $151 million is recommended in 1982, compared with $144 million in 1981.

The National Oceanic and Atmospheric Administration (NOAA) conducts marine and atmospheric-related research and environmental monitoring, produces maps and charts for navigation, manages our marine fisheries, protects marine mammals and endangered species, and operates a national system to monitor and forecast weather conditions. NOAA also has responsibility for operating civilian remote sensing satellites.

An increase in budget authority from $785 million in 1981 to $994 million or 27% in 1982 is proposed for NOAA. The requested increases would allow for expanded data in support of fisheries management, improved weather warning and forecasting, for increased climate-related activities and for continued development of a national ocean satellite system (discussed in the space and technology function).

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NOAA also plans to accelerate the automation of surface weather observations to reduce personnel and improve data collection, and to develop new advance weather radar that will significantly improve severe weather warnings.

New funding of $124 million is included for NOAA to assume operational responsibility from NASA for the Landsat satellite system, which provides land resource remote satellite sensing, as discussed in the space and technology function. This will assure data continuity through the early 1990's with single satellite coverage. Starting in 1983, fees for Landsat data products will be increased so that at the end of the decade most of the system cost is recovered from the users. After the Landsat system advances have been evaluated, the Federal Government will assess its future needs for land resource remote satellite sensing. At that time, it is anticipated that a private corporation would develop and operate the satellite sensing system.

Tax expenditures.—Income realized from logging timber is taxed at rates applicable to long-term capital gains, rather than as ordinary income. This will result in an estimated 1982 tax expenditure of $0.7 billion. An investment tax credit and 7-year amortization of reforestation expenses results in a $10 million tax expenditure.

CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Water resources and other:			
Direct loans:			
New loans	30	25	30
Repayments, sales and adjustments (—)	—5	—7	—9
Net loan outlays	25	18	22

Credit programs.—Loans are made to State and local organizations for the construction and rehabilitation of nonfederal irrigation and municipal and industrial water systems. Net loan outlays are estimated to be $22 million in 1982.

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AGRICULTURE

National Needs Statement:

- Assure sufficient agricultural production to meet domestic needs and export demands.
- Provide an adequate return to farmers based on the cost of production.
- Dampen fluctuations in food prices.
- Increase farm production and income through the conduct and application of research.
- Improve health through nutrition and food safety.
- Improve the efficiency and reliability of domestic and export agricultural marketing systems.

American agricultural commodities provide basic nutrition for millions of people around the world and a livelihood for American farmers. The Nation has a strong interest in assuring that food supplies are sufficient to meet domestic needs, to earn foreign exchange through commercial exports, and to feed the needy in poor countries facing shortages while protecting American agricultural producers against the vagaries of weather and depressed market prices for farm goods.

The United States is the world's largest exporter of farm products. Many countries depend on us for food, and we look to them as markets for our farm products. Agricultural exports in 1980 were $40.5 billion while imports totaled $17.3 billion, resulting in a positive trade balance of $23.2 billion. For 1981, the agricultural trade balance is forecast to grow to approximately $30 billion.

Since exports are a large part of U.S. agri-business, small changes in world production and demand can produce rapid increases and decreases in the prices of U.S. farm products. Consequently, mechanisms are needed that stabilize prices but are flexible enough to respond to changing domestic and international supply and demand.

On the domestic side, acreage set-asides for 1981 crops have not been established because of strong commodity prices and expanding export markets. In international trade, an aggressive market promotion program is being carried out in cooperation with private commodity groups.

On January 4, 1980, the President announced a reduction of about 17 million metric tons in grain exports to the Soviet Union. To offset income losses to grain producers, the export control miti-

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gation program has removed or diverted from normal marketing channels the portion of this grain that could not be sold elsewhere.

In addition, the administration has continued to build export markets outside of the Soviet Union. One recent example of this is the U.S.-China Grain Agreement signed October 22, 1980. The People's Republic of China is committed to the annual purchase of a minimum of 6 million metric tons of wheat and corn over the 4 years beginning January 1, 1981.

As a result, the increase in U.S. exports to other countries in 1980 more than offset the reduction in exports to the Soviet Union. The total of $40.5 billion value of U.S. exports in 1980 was $8.5 billion, or 27%, over the 1979 record total. For 1981, exports are projected to increase even further to about $48.5 billion.

Additional administration accomplishments over the past year include: (1) the recent enactment of the administration-proposed Food Security Wheat Reserve Act of 1980 that establishes a Government-owned reserve of up to 4 million metric tons of wheat to provide emergency humanitarian food assistance to developing countries (discussed in the international affairs section); (2) the new all-risk crop insurance program that provides expanded disaster and emergency assistance to farmers while reducing Federal outlays; (3) successful results from the administration's innovative farmer-held reserve program; and (4) increased emphasis on basic food and agricultural research.

The 1982 budget further demonstrates the Federal commitment to a strong agricultural economy in three ways:

- by moderating the swings in the agricultural economy through price and income stabilization and farmer-held grain reserves;
- by increasing basic animal and plant research to help the American farmer continue to be one of the world's most efficient agricultural suppliers; and
- by helping farmers adopt soil conservation and pollution control practices that protect our agricultural land and water resources. (These programs are discussed in the natural resources and environment section.)

Budget outlays for the agriculture function are estimated to increase from $1.1 billion in 1981 to $4.8 billion in 1982. The increase reflects additional costs due mostly to expected loan activities for price support and related activities and to the large sale of assets in 1981 which does not occur in 1982 for the agricultural credit insurance fund. Off-budget outlays in the agriculture function, primarily financed by the Federal Financing Bank, are estimated to be $6.1 billion in 1981 and $1.6 billion in 1982.

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NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Farm income stabilization:					
Price support and related programs	3,056	3,300	2,296	2,593	1,967
Crop insurance	12	230	544	462	352
Agricultural credit	335	297	795	474	484
Other programs	43	36	41	48	58
Unallocated salaries and expenses	191	210	219	223	227
Subtotal, farm income stabilization	3,637	4,073	3,894	3,799	3,087
Agricultural research and services:					
Research programs:					
Existing law	560	635	692	725	760
Proposed legislation	.....	10	10	10	10
Extension programs	286	304	305	331	358
Marketing programs:					
Existing law	76	82	94	95	97
Proposed legislation	.....	.....	−25	−26	−27
Animal and plant health programs	251	282	295	323	306
Economic intelligence	145	159	178	189	203
Other programs	64	70	72	73	74
Unallocated overhead	86	100	120	126	130
Offsetting receipts	−66	−70	−72	−75	−76
Subtotal, agricultural research and services	1,402	1,572	1,670	1,772	1,836
Deductions for offsetting receipts	−95	−5	−5	−5	−5
Total, budget authority	**4,945**	**5,640**	**5,559**	**5,566**	**4,919**

Farm income stabilization.—This is the major Federal involvement in the agricultural sector. Estimates of price support outlays are highly speculative and subject to the uncertainties of weather and markets at home and abroad. The projected outlays are estimates, not limits on assistance, and they will vary upward or downward depending upon the requirements of the agricultural sector.

Price support and related programs.—Price support and related programs were created to stabilize, support, and protect farm income and prices and to help the orderly distribution and maintenance of a balanced and adequate supply of agricultural commodities and their products. The Commodity Credit Corporation (CCC) provides price support to producers of agricultural commodities through loans, purchases, payments and other means. CCC outlays for price support programs under existing law are projected to increase from −$0.2 billion in 1981 to $2.1 billion in 1982.

This increase reflects a return to a "normal" marketing year, with loans and sales at their historical levels. Estimates for 1981 reflect a year of low corn crop production as a result of the drought and accompanying high grain prices. This resulted in a large flow of grain out of reserves held by farmers and the CCC. The estimat-

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NATIONAL NEED: IMPROVED AGRICULTURE—Continued

(Functional code 350; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Farm income stabilization:					
Price support and related programs:					
Existing law	2,717	−84	2,151	1,615	1,855
Proposed legislation		−138	−86	−86	−86
Crop insurance	38	265	183	268	285
Agricultural credit	478	−745	640	626	630
Other programs	36	43	48	58	67
Unallocated salaries and expenses	190	204	214	223	227
Subtotal, farm income stabilization	3,459	−454	3,148	2,703	2,978
Agricultural research and services:					
Research programs:					
Existing law	546	644	688	720	752
Proposed legislation		2	6	10	10
Extension programs	288	302	303	326	351
Marketing programs:					
Existing law	81	87	95	95	97
Proposed legislation			−25	−26	−27
Animal and plant health programs	251	277	296	322	307
Economic intelligence	147	157	177	188	203
Other programs	64	69	71	72	73
Unallocated overhead	86	102	119	125	128
Offsetting receipts	−66	−70	−72	−75	−76
Subtotal, agricultural research and services	1,398	1,571	1,659	1,757	1,818
Deductions for offsetting receipts	−95	−5	−5	−5	−5
Total, outlays	**4,762**	**1,112**	**4,803**	**4,455**	**4,791**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Agricultural credit:					
Budget authority	5,257	7,121	2,305	4,326	6,097
Outlays	3,982	6,096	1,570	864	702

ed collections from these loan repayments and CCC inventory sales more than offset CCC outlays. For 1982, loan estimates are expected to return to 1980 levels while repayments and sales are expected to decline.

As part of this administration's efforts to contain costs and reduce Federal outlays, the budget assumes enactment of legislation that would eliminate the April 1, 1980 semi-annual adjustment in the dairy support price required by existing law. Gross outlays for the dairy support purchase program were $1.4 billion in 1980 and are estimated to be about $1.5 billion in 1981 and $1.1 billion in 1982. This proposal would reduce 1981 and 1982 outlays by approximately $0.1 billion each year.

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Export credit is provided through the enlarged credit guarantee program to finance commercial as well as noncommercial sales that would not occur without Federal credit backing. A proposed shift in 1981 from federally financed direct loans to loan guarantees would allow private financial institutions to provide short-term credit to importers of U.S. farm products. Commitments of $2.0 billion in loan guarantees are proposed for 1982, the same as in 1981. This represents the highest level of federally backed credit ever extended for agricultural export commodities.

COMMODITY CREDIT CORPORATION OUTLAYS

(In millions of dollars)

Function and program	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Agriculture:					
Price support and related programs:					
Existing law:					
Commodity loans	3,866	3,368	4,470	4,852	5,423
Commodity purchases	2,643	1,999	1,373	1,289	1,362
Direct payments	418	753	360	.....	58
Grain reserve storage payments	254	92	112	119	123
Export control mitigation	336	127	.....	.....	.....
Short-term and intermediate export credit	719	18	.....	.....	.....
Storage facility loans	363	210	150	150	150
Interest expenditures	1,086	1,235	1,334	995	1,009
Other price support operations	547	629	370	353	349
Receipts and adjustments	−7,515	−8,552	−6,017	−6,143	−6,619
Proposed legislation	.....	−138	−86	−86	−86
Subtotal, price support and related programs	2,717	−222	2,065	1,529	1,769
Other	35	41	47	57	67
Subtotal, agriculture	2,752	−181	2,112	1,586	1,836
International affairs:					
Public Law 480 food aid:					
Gross outlays	1,505	1,857	1,741	1,798	1,964
Receipts and reimbursements	−432	−462	−478	−513	−535
Subtotal, international	1,073	1,395	1,263	1,285	1,429
Total, Commodity Credit Corporation outlays	**3,825**	**1,266**	**3,375**	**2,871**	**3,265**

Crop insurance.—The Federal Crop Insurance Corporation offers insurance against crop losses from natural hazards. In carrying out the provisions of the Federal Crop Insurance Act of 1980, the new all-risk crop insurance program would be expanded to 500 new counties over the next two years and would cover 39 million additional acres. The expanded crop insurance program is planned to replace CCC disaster payments and emergency loans administered by the Farmers Home Administration starting in 1982. Outlays depend primarily on the weather, the number of participants, and crop prices. Outlays are estimated to be $0.3 billion in 1981 and $0.2 billion in 1982. (Small business disaster loans, also available

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under limitied circumstances to farmers, are discussed under community and regional development.)

Agricultural credit.—New agricultural loan commitments under the agricultural credit insurance fund totaled $6.4 billion in 1980, with over 70% of this amount going for disaster and economic emergency loans. The outlays associated with this lending were converted to off-budget outlays through the sale of loan assets to the Federal Financing Bank. Total loan obligations by the agricultural credit insurance fund are estimated to decline from $8.0 billion in 1981 to $5.1 billion in 1982, largely because of the expiration of the economic emergency loan program and tighter disaster loan requirements. The $3.0 billion amount proposed for farm ownership and farm operating loans in 1982 is $1.2 billion more than the 1981 level. Approximately 40% of these funds will be earmarked to assist farmers with limited resources. The budget does not provide for extension of the economic emergency loan program as the conditions that necessitated it are not expected to recur. Further, expanded crop insurance and additional funding for farm ownership and operating loans will meet the needs of family farmers who formerly participated in the emergency loan program. Outlays are estimated to be $0.6 billion in 1982.

AGRICULTURAL CREDIT INSURANCE FUND—LOAN OBLIGATIONS

(In millions of dollars)

Loan program	1980 actual	1981 estimate	1982 estimate
Farm ownership	954	920	1,500
Farm operating	875	875	1,500
Emergency:			
Natural disasters	2,267	4,200	2,000
Economic	2,186	1,850	.....
Soil and water	55	53	53
Other	25	56	54
Total	**6,362**	**7,954**	**5,107**

Agricultural research and services.—Programs in this mission seek to improve production and marketing efficiency by developing better technologies to enhance public and private agricultural activities. They also provide information on worldwide agricultural markets, and control the spread of animal pests and diseases.

Research.—Research helps to increase agricultural productivity, and expands knowledge of human nutrition and food safety. Budget authority of $0.7 billion is requested for agricultural research in 1982, compared to $0.6 billion in 1981.

The funds requested will be used to respond directly to a number of national concerns: extending animal and plant production and

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protection; assisting regulatory agencies; expanding the application of existing earth satellite technologies; managing natural and man-induced environmental changes; and enhancing the agricultural capacities of developing countries. Research will be carried out in Federal laboratories and through private, State, and local organizations.

Animal and plant health.—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that can cause severe losses in crop yields or livestock. Budget authority of $0.3 billion is proposed for these services in 1982.

CREDIT PROGRAMS—AGRICULTURE

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Price support and related commodity loans:			
Direct loans:			
New loans	4,947	3,596	4,620
Repayments, sales and adjustments (−)	−5,705	−6,103	−4,598
Net loan outlays	−758	−2,506	21
Loan guarantees:			
New loans	673	2,036	2,000
Net loan guarantees	652	1,792	764
Agricultural and emergency credit programs and other:			
Direct loans, on-budget:			
New loans	7,513	8,682	5,809
Repayments, sales and adjustments (−) [1]	−7,612	−10,172	−6,009
Net loan outlays	−100	−1,489	−200
Loan guarantees: [2]			
New loans	5,415	7,457	2,665
Net loan guarantees	3,948	6,026	1,560
Off-budget Federal entity—Federal Financing Bank: [3]			
Direct loans: agricultural credit insurance fund:			
New loans	5,257	7,121	2,305
Repayments, sales and adjustments (−)	−1,275	−1,025	−735
Net loan outlays	3,982	6,096	1,570

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the introduction to Part 5 for further explanation.

Credit programs.—Net credit outlays for price support and related commodity loans are projected to increase by $1.5 billion in 1982. This outlay increase is accounted for by the increase in loan activity and the substantial decline in receipts from the one-time 1981 grain reserve sale. Agricultural and emergency credit programs include farm real estate, and farm operating and emergency

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loans. The estimated decrease in net credit outlays for these programs is a result of a projected reduction in new lending for emergency purposes. The credit programs will emphasize assistance to new farmers and those with limited resources while deemphasizing financial aid to farmers who are credit-worthy enough to borrow in the private sector.

Tax expenditures.—The objectives of agricultural income support and rural development are promoted by a range of tax expenditures. The tax code permits farmers to treat certain capital outlays as current expenses and accords capital gains treatment to certain types of ordinary income. The 1982 revenue losses from these two provisions are estimated to be $0.6 billion and $0.5 billion, respectively. Rural electric, telephone, and agricultural marketing cooperatives can deduct noncash patronage dividends, and they receive preferential tax treatment in a variety of ways. A 1982 tax expenditure of $0.4 billion is expected from these preferences. Payments received under Federal and State cost sharing conservation programs are excluded from income. The revenue loss from this provision is estimated to be $0.1 billion in 1982.

OUTLAYS FOR FEDERAL PROGRAMS THAT SUPPORT THE AGRICULTURE MISSIONS

(In millions of dollars)

Program Title	Primary Function in budget	1980 actual	1981 estimate	1982 estimate
Disaster loans, drought assistance, and emergency conservation	450	2,043	3,273	852
Conservation of agricultural lands	300	2,328	2,578	2,425
Rural clean water programs	300	4,294	4,518	4,578
Public Law 480 food aid	150	1,073	1,471	1,263
Food safety and quality service	550	304	310	343

Related programs.—Several programs that fulfill other national needs complement the programs in agriculture. The most important of these programs is the Public Law 480 food aid program, which is discussed in the international affairs section.

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COMMERCE AND HOUSING CREDIT

National Needs Statement:

- Insure that an adequate supply of mortgage credit is available nationally.
- Target credit to urban and rural areas and prospective borrowers not well served by private credit markets.
- Encourage urban revitalization efforts.
- Maintain effective mail service at reasonable rates with costs borne largely by postal customers.
- Encourage the development of jobs and a productive economy through assistance to and oversight of business.

Aggregate fiscal and monetary policies significantly affect the Federal Government's long-term objectives in the commerce and housing credit area. These policies must continue to be restrictive in order to counter inflationary pressures.

Total housing starts in calendar year 1980 were about 1.3 million units, down from 1.7 million in 1979 and 2.0 million in both 1977 and 1978. As overall economic conditions improve in 1981, the housing sector should return to higher levels of activity. Housing starts are projected to be at an annual rate of about 1.5 to 1.6 million units by the end of calendar year 1981.

Housing was kept from bearing a larger share of the 1980 decline in economic activity through a continued emphasis on institutional improvements in financial markets. These included the 6-month "money market" certificate, which enables mortgage lenders to compete more effectively for available funds, and through expanded use of federally sponsored secondary market facilities. In addition, the underlying strength of the demand for housing derived largely from the post-World War II baby boom has provided and will continue to provide support for the housing sector.

The performance of the housing market is important to the continued improvement of housing conditions in the Nation, especially for low-income families. Census data indicate that the number of households residing in physically substandard housing units has declined substantially. As of the fall of 1977, 5.0 million lower-income households resided in units with one or more significant physical deficiencies, compared to 5.8 million in 1974. This favorable trend in housing conditions is expected to persist because of the continued strong performance by the private housing market, the projected growth in family incomes, and growth in the number of low-income families benefiting from Federal housing subsidies.

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Investment opportunities that bear high interest rates have not been uniformly available to all savers, and particularly not to those with limited assets and those less able to shift to more profitable investments. The administration continued its commitment to greater equity in the provision of financial services through support of the Depository Institutions Deregulation and Monetary Control Act of 1980. This law provides for an orderly phasing out of regulatory restrictions on the earnings of deposits at banks and savings institutions.

A major objective of this administration is to avoid disproportionate reductions in housing credit as a result of necessary monetary restraint. The administration also seeks to ensure that the Federal Government continues to provide adequate investment incentives and an economic environment that fosters continued strength in the housing market.

Other major concerns are to achieve Federal commerce and housing credit objectives more efficiently, and to target scarce Federal resources more effectively to those groups, regions, or economic sectors with the greatest need.

While Federal expenditure programs in this function contribute significantly to the achievement of Federal objectives, Federal tax policies and credit programs make an even greater contribution. Major administration efforts to avoid curtailment of mortgage credit and housing market activities include:

- supplemental requests for increases of about $5 billion in the credit limitation on insurance commitments by the Federal Housing Administration (FHA) and $19 billion in the limitation on Government National Mortgage Association (GNMA) mortgage-backed securities for 1981;
- initiation of a demonstration program in which mortgage interest subsidy grants would be substituted for purchases of $1.7 billion in mortgages on rent-subsidized housing projects and on some of the middle/moderate income projects in distressed urban areas;
- continued broad use of GNMA mortgage-backed securities to attract nontraditional investors to mortgage markets; and
- continued use of money market certificates to attract deposits at savings and loan institutions.

This budget allows efficient and effective use of Federal resources allocated to commerce and housing credit by:

- strengthening the export performance of the United States and assuring fair international trade practices;
- continuing to target rural housing programs to low-income families occupying substandard housing;

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- restructuring the business loan programs of the Small Business Administration and targeting direct and guaranteed loans more effectively to minority- and women-owned firms;
- expanding program activities to strengthen the development of women's business enterprises;
- increasing the level of minority- and women-owned business participation in Federal procurement; and
- extending the administration's initiative to enhance the rate of industrial innovation.

Mortgage credit and thrift insurance.—Federal housing policy continues to focus on the basic goal of providing a decent home in a suitable living environment for every American family. Federal housing programs carry out this goal by:

- insuring an adequate supply of mortgage credit;
- increasing the stock of housing through new construction and rehabilitation programs; and
- providing explicit subsidies primarily for low- and moderate-income households.

Most of the explicitly subsidized programs are discussed in the income security section.

Mortgage credit programs are aimed at increasing the supply of credit for housing. Mortgage insurance, guarantees, direct loans, interest subsidies, and secondary mortgage market activities support the operation of private mortgage credit markets and supplement these markets, particularly in rural and central-city areas. By making credit available at subsidized interest rates, Federal credit policies stimulate the demand for, and therefore the production of, housing.

Past periods of fiscal and monetary austerity have led to sharp outflows of savings from savings and loan institutions to other financial instruments, resulting in severely depressed rates of housing construction. Recently, the housing sector has been increasingly able to compete effectively for funds during periods of high interest rates. The Federal contribution to this improved competition stems from the development of 6-month money market certificates as well as 2½-year saving market certificates and expanded use of GNMA mortgage-backed securities, which attract nontraditional mortgage investors, and GNMA tandem interest subsidies.

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	1,869	1,407	492	1,393	1,354
Mortgage credit (FHA)	324	344	305	279	259
Housing for the elderly or handicapped	806	781	774	749	805
Department of Agriculture—rural housing programs	2,282	618	2,218	2,141	2,578
National Credit Union Administration	1,200	197	310	.....	.....
Subtotal, mortgage credit and thrift insurance	6,481	3,347	4,098	4,562	4,996
Postal Service	1,677	1,343	1,119	869	790
Other advancement and regulation of commerce:					
Payments in excess of corporate tax liability (proposed)	.....	227	3,493	4,704	5,390
Small business assistance	788	881	802	887	945
National Consumer Cooperative Bank	67	122	136	160	185
Technology utilization	241	271	313	319	327
Economic and demographic statistics	750	272	198	202	171
Chrysler Corporation loan guarantees	2	1	1	1	1
Other	493	515	550	565	580
Subtotal, other advancement and regulation of commerce	2,340	2,290	5,494	6,839	7,600
Deductions for offsetting receipts	—*	—*	—*	—*	—*
Total, budget authority	**10,497**	**6,979**	**10,711**	**12,270**	**13,385**

*$500 thousand or less.

Mortgage purchase activities.—The *Government National Mortgage Association (GNMA)* will continue to provide significant support for the mortgage market through its two major activities:

- In 1980, the mortgage-backed security program guaranteed $23 billion in securities backed by pools of mortgages that were insured either by the Federal Housing Administration or guaranteed by the Veterans Administration. In 1981, a limitation of $72 billion is requested on commitments for GNMA-guaranteed securities. This will result in approximately $31 billion in actual guarantees.
- The tandem mortgage purchase program and the mortgage assistance grant program provide subsidies for the origination of $2 billion in multifamily project mortgages, the same level that has been supported in the last 4 years.

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	1,358	521	1,013	−102	572
Mortgage credit (FHA)	151	61	−116	−223	−375
Housing for the elderly or handicapped	753	800	780	760	750
Department of Agriculture—rural housing programs	1,719	−739	1,571	1,903	2,153
Federal Deposit Insurance Corporation	−922	−1,450	−1,500	−1,550	−1,600
Federal Savings and Loan Insurance Corporation	552	415	−650	−683	−751
National Credit Union Administration	85	198	287	−12	−16
Subtotal, mortgage credit and thrift insurance	3,696	−194	1,385	93	734
Postal Service	1,677	1,343	1,119	869	790
Other advancement and regulation of commerce:					
Payments in excess of corporate tax liability (proposed)		227	3,493	4,704	5,390
Small business assistance	950	838	881	983	1,034
National Consumer Cooperative Bank	9	136	128	152	178
Technology utilization	241	264	305	319	326
Economic and demographic statistics	794	291	210	204	173
Chrysler Corporation loan guarantees	2	1	1	1	1
Other	414	549	535	559	568
Subtotal, other advancement and regulation of commerce	2,409	2,307	5,554	6,923	7,671
Deductions for offsetting receipts	−*	−*	−*	−*	−*
Total, outlays	**7,782**	**3,456**	**8,058**	**7,884**	**9,194**
ADDENDUM					
Off-budget Federal entities:					
Postal Service:					
Outlays	−431	219	−70	−1,352	−1,531
Federal Financing Bank:					
Rural housing insurance fund:					
Budget authority	4,681	7,341	4,161	5,385	6,436
Outlays	1,906	5,341	3,421	2,700	2,506
Small business assistance:					
Budget authority	149	360	360	360	360
Outlays	127	327	315	280	255

*$500 thousand or less.

The 1982 budget proposes that $1.7 billion of the total $2 billion in multifamily mortgages assisted by GNMA be subsidized through the use of grants to mortgage originators in order to compensate them for the loss they would otherwise take on mortgages they write at below-market interest rates. This proposed arrangement would subsidize $1.5 billion in mortgage commitments for projects receiving subsidies under the lower income housing assistance (Section 8) program of the Department of Housing and Urban Development (HUD) and $200 million in mortgages on moderate/middle income multifamily properties.

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The tandem mortgage purchase mechanism would be retained to assist $300 million in moderate/middle income mortgages. Under the tandem mechanism, GNMA makes commitments to purchase multifamily project mortgages at below-market interest rates. Upon completion of the project, GNMA purchases these mortgages at their face value but resells them at a discount sufficient to bring their yield up to current market interest rates. The loss GNMA absorbs on this transaction represents the subsidy provided on these mortgages.

The administration seeks to phase out the use of the tandem arrangement and substitute a grant approach because the cost of the tandem mechanism is extremely sensitive to market interest rates. Unfavorable market conditions may require GNMA to absorb significant losses and, therefore, incur major budget outlays. GNMA's net outlays are estimated to be $521 million in 1981 and $1,013 million in 1982.

Mortgage credit.—The *Federal Housing Administration* (FHA) operates programs for mortgage and loan insurance that provide assistance for families who can fulfill the obligations of a mortgage loan but who may not be adequately served by the private market. Insurance for mortgages with graduated payment schedules, which require lower initial monthly payments, would continue to be made to assist first-time homebuyers.

Heavy default rates experienced under some mortgage insurance programs in the early 1970's resulted in large increases in the FHA inventory of assigned mortgages, and many properties were acquired by HUD as a result of foreclosure. Better underwriting and HUD's lower-income housing assistance (Section 8) and troubled projects operating subsidies programs have begun to decrease the size of this inventory. Efforts began in 1979 to increase the sale of multifamily properties now owned by FHA by making available Section 8 rental assistance (this is classified as an income security program). The Section 8 program induces the private market to rehabilitate properties not currently meeting minimum housing standards. In addition, HUD intends to increase its sales to achieve a 35% decline in the HUD inventory of assigned and acquired properties between the end of 1980 and the end of 1986. Recently enacted legislation provides protection to homeowners from precipitous foreclosures when sudden, uncontrollable reductions in income temporarily put them in default. This temporary mortgage assistance payments program will also prevent unnecessary additions to the assigned inventory due to temporary default problems.

All of these factors are expected to result in a decline in outlays for FHA mortgage credit activities from $61 million in 1981 to net receipts of $116 million in 1982. Loans insured under FHA pro-

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grams are expected to be $31.0 billion in 1982, an increase of $5.7 billion from 1981. The administration continues to support legislation to simplify and consolidate the currently cumbersome, complex and, in some instances, outmoded statutes governing FHA insuring and GNMA mortgage credit authorities.

Housing for the elderly or handicapped.—In addition to supporting private market mortgage financing with FHA insurance, HUD provides direct loans to finance housing for the elderly or handicapped under the "Section 202" program. The 1982 budget provides for $840 million of new loan commitments and continues to support housing for the handicapped in the form of a $50 million set-aside for nonelderly, handicapped households. Outlays for this program are estimated to be $800 million in 1981 and $780 million in 1982.

Department of Agriculture rural housing programs.—The Farmers Home Administration (FmHA) of the Department of Agriculture provides direct and guaranteed loan housing assistance to low- and moderate-income families in rural communities of less than 20,000 population. In addition, there is a rural rental assistance program to assist the tenants of FmHA-financed housing. A related program of grants to repair and rehabilitate inadequate single-family housing, and grants for farm labor housing and self-help housing construction by individuals are classified in the income security function.

For 1982, the budget proposes $4.4 billion in new direct and guaranteed loans, an increase of about $0.2 billion from the level enacted in 1981. Budget authority of $0.5 billion for rural housing assistance payments is requested to cover the entire life of contracts proposed for 1982 under the rural rental assistance and homeownership assistance programs. The requested funds are directed primarily to the needs of lower-income families occupying inadequate housing and will provide assistance for about 116,760 rural housing units.

Outlays for FmHA housing programs in this function are estimated to increase from −$739 million in 1981 to $1.6 billion in 1982, primarily as a result of large loan sales to the Federal Financing Bank. The sales by the FmHA provide receipts that offset FmHA gross outlays (disbursements), however, the FFB purchase of FmHA loan assets constitutes off-budget outlays of the FFB.

Banking and finance.—A number of programs enhance the safety and soundness of the banking system and affect its responsiveness to the needs of both savers and borrowers.

The *Federal Deposit Insurance Corporation* (FDIC) insures the deposits of all federally and many State chartered commercial and

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savings banks. In 1982, receipts of the FDIC are estimated to exceed expenses by $1.5 billion.

The Federal Savings and Loan Insurance Corporation (FSLIC) insures deposits in savings and loan associations. In 1982, receipts of the FSLIC are estimated to exceed its costs by $0.6 billion.

The *National Credit Union Administration* regulates credit unions and insures depositors' accounts. In 1982 the National Credit Union Administration (NCUA) will continue to assist credit unions in overcoming the loss of deposits due to high interest rates. The NCUA aids in establishing community development credit unions to promote thrift, provide residents in poor communities access to credit at reasonable rates, and provide other financial services that are difficult to obtain in impoverished neighborhoods. The community development credit union program was proposed as part of the President's urban policy and was authorized by the Congress in 1979.

The NCUA operates a central liquidity facility that provides member credit unions with short-term loans for liquidity purposes. It serves a function similar to the short-term loans for liquidity provided to member commercial banks and thrift institutions through the discount window of the Federal Reserve. During 1982, the central liquidity facility expects to lend $3.7 billion to member credit unions.

Postal Service.—The Postal Reorganization Act of 1970 established the U.S. Postal Service as an independent part of the executive branch to replace the former Cabinet-level Post Office Department. The Act charges the Postal Service with providing prompt, reliable, and efficient mail services to patrons at reasonable rates and fees. Outlays for the general operations of the Postal Service are excluded from Federal budget totals, except for the Federal subsidy payment. This payment covers: certain liabilities of the former Post Office Department; public service payments that provide a direct postal subsidy; and reimbursements for revenue forgone for carrying certain classes of mail at free and reduced rates.

The request for 1982 and future year budget estimates reflect the administration's policy that postal costs should be paid directly by mailers, not by the taxpaying public. A payment of $1,119 million is requested for 1982, $474 million below the amounts available in 1981 under the second continuing resolution. This primarily reflects a $394 million reduction in the public service subsidy from $644 million to $250 million. The proposed 1982 level is higher than earlier proposals because the second continuing resolution for 1981 does not provide for the administration-supported phaseout of the public service subsidy. Moreover, the legislative restrictions included in the Omnibus Reconciliation Act of 1980 hamper the Postal

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Service's ability to achieve certain operating economies. The administration continues to support an accelerated phaseout of the public service subsidy and immediate elimination of any legislative restrictions on achieving added operational economies.

The budget also includes a limitation on the Postal Service's authority to borrow from the Treasury. For 1982, the maximum amount of funds available would be limited to $1 billion annually, with the stipulations that no more than $500 million could be used for operating expenses and the repayment period could not exceed 12 months. This limitation is consistent with the administration's objective of establishing effective credit control procedures.

The off-budget outlays of the Postal Service represent the difference between its gross expenditures and its gross receipts. The estimates for 1981 and 1982 assume increased revenues resulting from an increase in postal rates effective in March 1981.

Other advancement and regulation of commerce.—As part of the economic revitalization program, the administration is proposing to make 30% of the investment tax credit refundable to businesses with no tax liability. The administration is also proposing an 8% tax credit for social security taxes paid by businesses. Together, these provisions increase outlays by $227 million in 1981 and $3.5 billion in 1982.

Many Federal programs provide technical assistance to and promote the development of new business. Other programs provide oversight of the economy and of the business community to assure fair and equitable practices and opportunities.

Small business assistance.—Net outlays for assistance to small business are estimated to total $0.9 billion in 1982. The budget request for the Small Business Administration (SBA) includes $4.2 billion of new commitments for guaranteed business loans, a slight increase over the level of assistance available in 1981. It is anticipated that 11.1% of these business loans will be approved for minority-owned businesses and 8.5% for women-owned businesses. To assure that these targets are met, the budget proposes to establish a direct loan contingency reserve that would be used to supplement guaranteed lending if the agency goals cannot otherwise be achieved.

The administration recommends a major restructuring of SBA's direct and guaranteed business lending programs. The changes would enable the agency to place more emphasis on its guaranteed lending programs, and to target both its direct and guaranteed loans more selectively to minority- and women-owned firms and to industries where competition or innovation is inadequate. This recommendation includes consolidating SBA's five business loan programs into one program, increasing the interest rate charged on

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direct loans to a level equal to the rate for guaranteed loans, and raising loan limits on its guaranteed loans from $500,000 to $750,000. These changes would reduce the artificial demand for direct loans created by the currently subsidized interest rates and should improve substantially SBA's ability to serve small businesses.

In addition to intensifying efforts to target financial assistance to minorities and women, the SBA will continue to provide other types of financial and nonfinancial assistance to these groups. These include a requested increase in the Minority Enterprise small business investment company program, maintenance of the expanded counseling assistance provided in support of the section 8(a) minority business program, and continuation and expansion of the separately managed women's business enterprise program, with greater emphasis on integrating management assistance and support services for women into regular SBA programs.

National Consumer Cooperative Bank.—The National Consumer Cooperative Bank began operations in 1979. The Bank is authorized to make loans at market interest rates to finance a wide variety of cooperatively-owned businesses.

An adjunct to the Cooperative Bank, the Office of Self-help Development and Technical Assistance, was also created to provide technical assistance to all cooperatives, and interest subsidies and capital advances to cooperatives that are not able to qualify for the Cooperative Bank loans.

The Cooperative Bank began making loans in 1980 with Federal funding and will repay the Federal investment as its ownership is transferred to the member cooperatives that borrow from the Bank. Eventually, the Cooperative Bank will be owned by its customers, and loans will be financed through debt issues in the private market.

Technology utilization.—In addition to the initiatives to enhance the rate of industrial innovation (discussed in the general science, space, and technology function), the budget proposes that the Department of Commerce continue and expand the following activities:

- encourage the flow of technical knowledge from Federal laboratories to the private sector, and from foreign countries to U.S. industry;
- enhance the National Bureau of Standard's basic research and development efforts in measurements and standards, including chemical standards, and in programs in automated manufacturing and metals processing;

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- continue the program to establish private sector centers to cooperate with industry in the development of basic technologies that apply to their manufacturing operations; and
- expand and modernize the patent and trademark systems and improve the dissemination of patent information.

Economic and demographic statistics.—Budget outlays for the Bureau of the Census are estimated to decline from $794 million in 1980 to $291 million in 1981 and $210 million in 1982, primarily due to the completion of the decennial census field operation in 1980. Approximately 40% of the total cost of the 1980 decennial census supported data collection and various improvements, particularly a major effort to reduce the undercounting of the population, especially among minorities. Processing, tabulation, and publication of decennial data will begin in 1981 and continue through 1982. In addition, a productivity measurement program is proposed in 1982 to improve the statistical base used in the analysis of productivity, primarily in the measurement of capital plant and equipment.

Chrysler Corporation loan guarantee program.—To prevent the financial collapse of the Chrysler Corporation and consequent unemployment and economic disruption, the administration proposed and the Congress authorized up to $1.5 billion in federally guaranteed loans in 1980. The program is administered by a board consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the Comptroller General. Substantial contributions or investments in the company by Chrysler employees, suppliers, dealers, banks, and others with an economic stake in the company's continued existence are required as a condition for Government assistance. Outlays are expected to be $1.0 million in 1982.

Other.—The 1982 budget reflects the planned integration of international tourism development activities currently conducted by the U.S. Travel Service with the International Trade Administration (ITA) in the Department of Commerce. The ITA would use resources to carry out the most recent international trade agreements, improve export licensing and compliance activities under the Export Administration Act of 1979, and develop U.S. trade with new and existing trading partners, and promote tourist travel to the United States.

Tax expenditures.—The tax system provides a variety of incentives for investment in equipment, commercial and industrial structures, and residential housing.

The 10% tax credit for capital equipment generates a tax expenditure estimated at $20.8 billion in 1982. Rapid depreciation

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using asset depreciation ranges and additional first-year depreciation of equipment are estimated to result in a 1982 tax expenditure of $4.3 billion. The administration's proposed change to constant rate depreciation, as part of the economic revitalization program would add $9 billion to depreciation deductions. The depreciation of commercial structures at rates in excess of straightline rates will produce an estimated 1982 tax expenditure of $0.3 billion, and expensing construction period interest and taxes produces a tax expenditure estimated to be $0.8 billion in 1982. The credit for the rehabilitation of industrial structures, enacted in 1978, will generate an additional tax expenditure of $225 million in 1982.

The cost of financing investment is also reduced by a number of tax preferences. The dividend and interest exclusion produces a revenue loss estimated at $3.2 billion in 1982. Exclusion of interest on State and local industrial development bonds generates an estimated 1982 tax expenditure of $1.6 billion. Preferential treatment of capital gains produces two types of tax expenditures. Taxation of capital gains at less than the ordinary rates is estimated to reduce receipts by $20 billion in 1982, and failure to tax capital gains at death is estimated to reduce receipts by another $5.4 billion.

Housing investment is encouraged by permitting deductions for mortgage interest and property taxes on owner-occupied homes. These deductions will generate estimated 1982 tax expenditures of $25.3 billion and $10.9 billion, respectively. Homeownership is also encouraged by the deferral of capital gains taxes on the sale of homes. This treatment is estimated to reduce 1982 receipts by $1.2 billion. Rental housing investment is also encouraged by allowing depreciation in excess of straightline rates. The 1982 tax expenditure that results from this practice is estimated at $0.4 billion. The Revenue Act of 1978 significantly increased tax expenditures for elderly homeowners. The provision that allows a once-in-a-lifetime tax exemption on capital gains up to $100,000 on the sale of a principal residence will reduce tax collections by an estimated $0.6 billion in 1982.

In the past, State and local governments used tax-exempt bonds to finance only low-income rental housing. In recent years, however, they have made increasing use of tax-exempt bonds to provide below-market-rate mortgages for single-family homeownership as well, with a tax expenditure of $1.2 billion in 1982. In the 1981 budget, the administration proposed that this tax-exempt bond financing for single-family housing be eliminated because of the substantial projected loss of Federal revenues and the adverse impact on State and local borrowing costs for other social purposes. Recently the Congress acted to limit, in general, the amount of tax-exempt bonds that can be issued for single-family homeownership to no more than 9% of the annual amount of mortgages originated in each State in the preceding 3 years. This average annual limita-

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CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Mortgage purchase activity (GNMA):			
Direct loans: [1]			
New loans	2,002	1,623	2,398
Repayments, sales and adjustments (—)	−981	−2,151	−2,643
Net loan outlays	1,021	−528	−244
Loan guarantees: [2]			
New loans	22,996	31,000	31,360
Net loan guarantees	18,894	25,633	24,100
Mortgage credit (FHA):			
Direct loans: [1]			
New loans	301	282	248
Repayments, sales and adjustments (—)	−236	−407	−414
Net loan outlays	65	−125	−166
Loan guarantees: [2]			
New loans	23,342	25,354	31,029
Net loan guarantees	14,399	15,281	20,041
Housing for the elderly or handicapped:			
Direct loans:			
New loans	790	840	840
Repayments, sales and adjustments (−)	−8	−11	−17
Net loan outlays	782	829	823
Rural housing programs:			
Direct loans: [1]			
New loans	6,586	6,630	5,272
Repayments, sales and adjustments (−)	−5,515	−8,335	−5,271
Net loan outlays	1,072	−1,705	1
Loan guarantees: [2]			
New loans	4,770	7,433	4,216
Net loan guarantees	1,729	4,780	3,166
Central Liquidity Facility:			
Direct loans: [1]			
New loans	201	2,225	3,650
Repayments, sales and adjustments (—)	−115	−2,010	−3,450
Net loan outlays	85	215	200
National Consumer Cooperative Bank:			
Direct loans: [1]			
New loans	5	182	136
Repayments, sales and adjustments (—)	—*	−59	−17
Net loan outlays	5	123	119
Small Business assistance:			
Direct loans: [1]			
New loans	753	795	834
Repayments, sales and adjustments (—)	−399	−388	−399
Net loan outlays	354	407	435

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CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Loan guarantees: [2]			
New loans	4,227	5,170	5,315
Net loan guarantees	955	1,720	1,699
Chrysler Corporation loans:			
Loan guarantees:			
New loans	800	700	.....
Net loan guarantees	800	700	.....
Other:			
Direct loans:			
New loans	931	1,074	211
Repayments, sales and adjustments (—)	—40	—215	—198
Net loan outlays	891	859	13
Loan guarantees:			
New loans	153	150	125
Net loan guarantees	113	110	73
Off-budget Federal entity—Federal Financing Bank: [3]			
Direct loans:			
Rural housing insurance fund:			
New loans	4,681	7,341	4,161
Repayments, sales and adjustments (—)	—2,775	—2,000	—740
Net loan outlays	1,906	5,341	3,421
Small business assistance:			
New loans	149	360	360
Repayments, sales and adjustments (—)	—22	—33	—45
Net loan outlays	127	327	315

*$500 thousand or less.

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the introduction to Part 5 for further explanation.

tion will apply for the next 3 years, after which tax-exempt financing for single-family homeownership would be prohibited.

There are also tax expenditures for specific types of business. Financial institutions will receive tax expenditures estimated at $0.5 billion in 1982 because of the favorable tax treatment accorded excess bad debt reserves. Small businesses receive a tax preference because the first $100,000 of corporate income is taxed at less than 46%. In 1982, this provision will generate a tax expenditure of $7.6 billion. The income of credit unions is exempt from tax, producing a tax expenditure of $0.1 billion.

Finally, permitting the deduction of interest on consumer debt produces an estimated tax expenditure of $6.0 billion in 1982.

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TRANSPORTATION

National Needs Statement:

- Develop and maintain a transportation system to meet the needs of commerce and the public.
- Help ensure that the system operates safely, reliably, and efficiently.
- Ensure that transportation policy and programs are consistent with the Nation's economic, energy, environmental, and social goals.

The Nation's transportation system serves the dual purpose of meeting the personal transportation needs of our citizens and providing an essential component for the smooth working of a healthy national economy. Meeting national transportation needs is a shared responsibility of all levels of government and private enterprise. The Federal Government fulfills its responsibility through:

- aid for highway construction, improvement, and safety;
- aid for mass transit construction, equipment purchases, and operations;
- railroad financial assistance, safety, and research and development;
- aviation safety, and aeronautical research and development;
- airway and airport development; and
- marine safety, environmental protection, and financial assistance.

The transportation proposals in the 1982 budget continue the policies and initiatives of the current administration. The budget reflects ongoing efforts to reassess the appropriate Federal role in transportation programs, to improve the efficiency and effectiveness of Federal subsidies and grant programs, and to assure that costs are borne equitably. The multi-year proposals concentrate on long-term capital investment needed to preserve our national transportation infrastructure and maintain its efficiency in the future. The 1982 request for budget authority to carry out these proposals is $25.5 billion, and outlays are estimated at $21.6 billion.

The budget recommendations for the Nation's transportation needs in 1982 and beyond reflect an emphasis on reassessing the appropriate Federal role vis-a-vis other levels of government and the private sector. The 1982 budget assumes passage of highway reauthorizing legislation that would focus resources on highway systems of high national priority, such as the Interstate highway system, and increase the flexibility of States and localities in meeting their varied needs. For mass transit, the administration sup-

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ports an increased Federal role in assisting States and localities in rebuilding and expanding the Nation's public transportation systems. In addition, the administration supports the sale or transfer of the Alaska Railroad to the State of Alaska or interested private concerns by 1983.

Over the past several years the reassessment of the appropriate role of the Federal Government vis-a-vis the private sector has led to deregulation of mature transportation industries that can satisfy consumer demands through market-place competition. Deregulation of the airline industry began in 1978 and is continuing successfully. In addition, the Congress passed the International Air Transportation Competition Act, which has led to expanded air service to foreign countries, reduced prices, and more opportunities for U.S. airlines to compete.

During 1980, the President signed into law legislation to deregulate the trucking and railroad industries. The last transportation industry now planned for deregulation is the intercity bus industry. These efforts will make ground transportation more efficient, decrease energy consumption, increase competition, and improve service to consumers. Deregulation will help improve the overall efficiency and productivity of the national economy.

The 1982 budget reflects the administration's ongoing effort to increase the efficiency and effectiveness of those subsidy and grant programs that are appropriately the responsibility of the Federal Government. The administration recommends several proposals to direct funds where they are needed most and to assure that benefits exceed costs, including:

- revising the financial terms of Federal assistance to railroads;
- subsidizing only those Amtrak routes that meet ridership criteria specified by law;
- focusing air carrier subsidies on essential air service to small communities; and
- focusing mass transit operating assistance on those cities that depend most on public transportation.

The 1982 budget also emphasizes redesigning Federal transportation programs so that costs are shared more equitably. In the trust fund-financed aviation programs, the administration recommends certain tax reforms both to strengthen the integrity of the "user pays" concept and better assure that users' contributions are more in line with the benefits they receive. In the highway program, the administration supports continuing the highway trust fund and maintaining the existing relative tax burden imposed on the users of the system. In addition, the budget proposes the following cost-sharing initiatives for Federal rail programs:

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NATIONAL NEED: BALANCED TRANSPORTATION SYSTEMS

(Functional code 400; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Ground transportation:					
Highway improvement and construction	7,336	7,433	8,791	9,664	9,958
Highway safety	1,841	2,101	2,116	2,178	2,238
Mass transit	2,565	4,932	5,197	5,733	6,044
Railroads	2,198	4,425	1,904	1,643	1,597
Regulation	79	86	85	87	89
Subtotal, ground transportation	14,019	18,978	18,093	19,305	19,927
Air transportation:					
Airways and airports	3,269	3,583	3,843	4,050	4,279
Aeronautical research and technology	560	528	583	628	640
Air carrier subsidies	96	114	114	112	107
Regulation	29	30	31	31	31
Subtotal, air transportation	3,954	4,255	4,571	4,821	5,057
Water transportation:					
Marine safety and transportation:					
Existing law	1,681	2,015	2,175	2,312	2,449
Proposed legislation	.....	−1	−9	−11	−12
Ocean shipping	507	939	601	690	760
Regulation	11	12	13	13	13
Subtotal, water transportation	2,199	2,965	2,779	3,004	3,210
Other transportation	97	113	122	128	133
Deductions for offsetting receipts	−60	−60	−56	−51	−51
Total, budget authority	**20,210**	**26,251**	**25,509**	**27,205**	**28,275**

- sharing the cost of subsidies for Conrail with those who benefit most from its operation—labor, the States and localities, and shippers; and
- requiring that by 1985 Amtrak ticket revenues cover 50% of Amtrak operating costs.

For 1982 the budget recommends growth only in transportation capital programs that address immediate needs of highest priority, particularly for mass transit and highways. The need for budget restraint necessitates postponement of some capital investment projects for air transportation and Coast Guard programs until 1983 and 1984.

Ground transportation.—The budget estimates include outlays of $14.5 billion in 1982 for programs to support operation of the Nation's network of highways, railroads, and mass transit in a safe, reliable, and efficient manner.

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NATIONAL NEED: BALANCED TRANSPORTATION SYSTEMS—Continued

(Functional code 400; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Ground transportation:					
Highway improvement and construction	8,397	7,667	7,260	8,781	9,531
Highway safety	1,126	1,354	1,576	1,694	1,892
Mass transit	3,307	3,705	3,827	4,532	4,968
Railroads	2,170	4,301	1,795	2,183	1,955
Regulation	79	85	84	86	89
Subtotal, ground transportation	15,079	17,112	14,542	17,276	18,435
Air transportation:					
Airways and airports	3,136	3,260	3,470	3,867	4,224
Aeronautical research and technology	509	542	556	589	618
Air carrier subsidies	89	118	114	112	108
Regulation	28	30	31	31	31
Subtotal, air transportation	3,762	3,951	4,171	4,599	4,980
Water transportation:					
Marine safety and transportation:					
Existing law	1,613	1,928	2,122	2,269	2,396
Proposed legislation	.....	−1	−9	−11	−12
Ocean shipping	611	1,000	654	683	681
Regulation	11	12	12	12	13
Subtotal, water transportation	2,235	2,939	2,779	2,954	3,078
Other transportation	104	112	115	119	124
Deductions for offsetting receipts	−60	−60	−56	−51	−51
Total, outlays	**21,120**	**24,054**	**21,551**	**24,897**	**26,565**
ADDENDUM					
Off-budget Federal entities:					
U.S. Railway Association:					
Budget authority	38	−258	30	33	10
Outlays	36	−258	30	33	10
Federal Financing Bank:					
Railroads:					
Budget authority	1,222	545	325	204	131
Outlays	161	210	318	180	108

Highway improvement and construction.—The administration recommends extending the authorizations for the highway program through 1986. The recommendation is premised on the need to preserve the Nation's highway system, to focus Federal involvement in the areas of highest national interest, and to increase State and local discretion to focus scarce resources on areas of greatest need. These needs would be addressed by proposals designed to:

- reduce the number of separate categorical programs from 44 to 9, thereby providing States and localities the flexibility to

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address their particular transportation problems and priorities;

- increase the effectiveness of highway funds by eliminating requirements imposed on the States by designation of secondary and urban systems;
- bring all segments of the Interstate highway system up to a minimum standard and curtail further enhancements; and
- expand Federal efforts to preserve the Interstate highway system through significant increases in funding for resurfacing or rehabilitation of segments already open to traffic.

Decreased energy consumption due to higher fuel costs and more energy-efficient automobiles is placing severe financial strain on the highway trust fund. The budget assumes an increase in Federal motor fuels taxes, of which approximately 2 cents per gallon would be transferred to the trust fund, and an increase in other highway user excise taxes. These tax increases would:

- assure that revenues to the highway trust fund are adequate;
- increase the fiscal soundness of the fund;
- support increased authorizations; and
- maintain the existing relative tax burden imposed on automobiles, trucks, and buses for support of the highway trust fund.

To support the goal of preserving the Nation's highways, particularly the Interstate system, the administration is requesting highway obligations totaling $10.2 billion in 1982, an increase of approximately $1.2 billion above the 1981 level.

Highway safety.—Current statistics indicate that each person born this year can expect to be involved in an automobile accident every 10 years, and that one in 60 will be killed and one in 20 will be seriously injured. The 1982 request of $2.1 billion in budget authority would fund programs to reduce the number of highway deaths and injuries. It emphasizes improving the safety design of small cars, enforcing the national 55 mile per hour speed limit, beginning programs in all States to address the safety hazards posed by drunk drivers, increasing the use of seat belts and other safety equipment, and improving the fuel economy of passenger cars and light trucks.

For other highway safety programs, the budget assumes the enactment of legislation to maintain bridge rehabilitation and replacement programs. It also assumes the consolidation of several safety activities into a unified safety program that will provide for changes in the physical structure of highways required by the increased number of small cars on the Nation's highways.

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Mass transit.—In 1982, $5.2 billion in budget authority is requested for the various mass transit programs of the Federal Government. This is $0.3 billion above the level estimated for 1981, and reflects a substantial increase in capital improvement assistance for construction, rehabilitation, and modernization of transit facilities, and the purchase of new equipment. The budget proposes no increase for mass transit operating assistance in 1982, however, because the administration believes the formulas for distributing Federal subsidies must first be reformed.

The budget request for mass transit programs continues the President's transportation energy initiative proposals first advanced in last year's budget. Increased bus service is the quickest, most flexible, and most effective way to save energy. The administration remains committed to assisting in a major expansion of the Nation's transit bus fleet, and to increased Federal support for bus replacement and rehabilitation and for improvement of bus maintenance and storage facilities. The budget request of $1.1 billion in budget authority would increase funds available for these purposes by 23% over the amounts appropriated by the Congress in 1981.

The request also would increase funding for projects that rehabilitate or modernize existing fixed rail facilities and equipment. The existing subway, light rail, and commuter rail systems in the large cities of America are a national investment that returns large dividends in terms of energy saved, pollution avoided, and mobility. The maintenance of these systems is a high priority, and the budget requests $940 million in budget authority for these activities—an increase of 19% above the 1981 level.

The proposed funding levels for new fixed guideway construction (i.e., new subway systems, extension of existing systems, trolley lines, and automated people movers) would continue work to complete new systems in Miami, Baltimore, Atlanta, and Buffalo under pledges made in existing Federal letters of intent. The administration request is $703 million, a 10% increase over the 1981 level.

Funds requested for the entire Interstate transfer grant program in 1982 total $1.05 billion, and represent a 31% increase over the enacted 1981 level. A 1981 supplemental appropriation of $250 million is also requested for this program to carry out the economic revitalization initiative announced last summer. The 1982 budget request splits the Interstate transfer program into two separately-funded accounts—one for highway projects and one for transit projects. Localities may choose either as substitutes for Interstate highway segments. The highway substitute projects would be funded from the highway trust fund.

Railroads.—Enactment of the Staggers Rail Act of 1980 will help insure an orderly transition to a less tightly regulated environment

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for the Nation's railroads. The Act provides railroads with much-needed flexibility in setting rates in accordance with shifting transportation markets, while protecting shippers against unwarranted rate increases. Curtailment of collective rate-setting practices of the railroads should improve their competitive position, permitting them to regain traffic lost to other modes of transportation. Finally, the Act permits the elimination of some rail services that currently operate at a loss.

The Staggers Rail Act will restrain the 1982 and subsequent budgets. Railroads should earn more adequate revenues, and therefore increase their investments for rehabilitation and improved track and equipment. This will mean that Federal support for marginal and failing railroads can be reduced. Last year the administration requested $520 million for the Federal Railroad Administration's rail rehabilitation programs. In 1982 the request is $470 million. Eventually, it may be possible to phase these programs out completely.

The Federal Railroad Administration (FRA) plans to direct rail rehabilitation funds, to the extent possible, to projects entailing restructuring of rail services, and to improve the financial integrity of its programs in two ways. First, one of its goals is avoidance of further investments in those railroads in which the debt and equity claims held by the Federal Government already exceed those held by others. A second goal is to accelerate the required payback on certain of the Government's equity investments to ensure that the repayment schedule is more consistent with the stream of financial benefits expected to accrue to the railroads from those investments.

Conrail remains a serious financial problem. Although the Staggers Rail Act is expected to improve Conrail's financial performance by approximately $100 million annually, there are serious doubts whether Conrail can ever become self-sustaining in its present form. Continuation of the status quo would cost U.S. taxpayers at least $900 million, and more likely $1.5 to $2.1 billion, over the next 5 years. The United States Railway Association, the Department of Transportation, and Conrail are preparing detailed studies on Conrail's future for presentation to the Congress by April 1, 1981.

The budget proposes a 1981 supplemental of $300 million for Conrail. No funds are budgeted for 1982 pending completion of the studies. If and when 1982 funding is proposed, it should be based on the principle that Conrail's beneficiaries (especially States, localities, and labor) must share with the Federal Government the burden of sustaining Conrail. Cost sharing should begin in calendar year 1981. In addition, $50 million is requested in both 1981 and 1982 to assist Conrail to reduce its workforce and thereby reduce long-term costs. No 1982 funding is requested for labor protection

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payments for those employees furloughed or downgraded subsequent to Conrail's creation. Payments under this entitlement program have exceeded $60 million annually.

The Federal Government has agreed to a court-approved $1.5 billion settlement of a lawsuit with the Penn Central Corporation over the value of properties transferred to Conrail on April 1, 1976. Including interest, the total 1981 cost of this settlement is $2.1 billion. Although settlement is being sought, litigation with six other bankrupt railroads whose properties were also transferred to Conrail may continue through 1982.

The 1982 budget assumes the sale or transfer of the Alaska Railroad to the State of Alaska or other appropriate parties by 1983. The benefits from operating the Alaska Railroad are largely concentrated in that State, making continued Federal funding inappropriate. Moreover, the State has sufficient funds with which to support and improve the Railroad's operations.

The budget proposes $993 million in subsidies to the National Railroad Passenger Corporation (Amtrak) for 1982. Of this amount, $743 million in operating assistance should allow Amtrak to operate essentially the same system in 1982 as it operates in 1981, with the possible exception that either some routes with poor ridership may have to be discontinued or other cost saving measures may be necessary. Amtrak ridership in 1982 is expected to reach 23 million riders, about a 12% increase over 1980. The Congress has directed Amtrak to have its passengers pay 50% of Amtrak operating costs by 1985 as opposed to the 40% they paid in 1980. To meet this goal, Amtrak fares must continue to rise at a faster rate than Amtrak's costs between 1982 and 1985. In 1982, Amtrak passenger revenues are expected to exceed $600 million.

Federal capital subsidies have allowed Amtrak to improve its passenger cars substantially. By 1982 over half of Amtrak's rail passenger cars will be less than 10 years old, and the majority of Amtrak's other, somewhat older cars will have been completely refurbished. The budget provides $250 million for the purchase of new equipment and maintenance of Amtrak facilities.

The Northeast Corridor Improvement Project, designed to improve rail service between Washington, D.C. and Boston, is scheduled for completion in 1985. The project received its final authorization in 1980, which increased total funding from $1.7 billion to $2.5 billion.

Air transportation.—To provide a safe and reliable air transportation system, the Federal Government will spend an estimated $4.2 billion in 1982 compared to $4.0 billion in 1981. Approximately $350 million in loan guarantees for aircraft acquisition will be made in 1982.

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Airways and airports.—The primary mission of the Federal Aviation Administration (FAA) is ensuring the safe and efficient movement of air traffic. The 1982 budget requests $3.8 billion in budget authority to support the FAA.

The administration recognizes the need to improve and expand FAA's capital plant to meet the aviation demands of the 1980's. The 1982 budget requests $400 million for FAA facilities and equipment. This large capital investment initiative is intended to be a multi-year commitment, with cumulative budget authority from 1983 to 1986 totaling $1.95 billion. The budget also requests funds for advance preparations to replace the enroute centers' computers.

The budget assumes enactment of legislation to extend the airport and airway trust fund through 1985 and to balance better the sources of trust fund revenue and the beneficiaries of the various trust fund programs.

Aeronautical research and technology.—NASA's aeronautical research and technology programs are designed to increase the safety, efficiency, and performance of civilian and military air transportation, and to maintain U.S. leadership in aeronautical technology. The budget requests $583 million in budget authority for these programs, which is $55 million or 10% above the 1981 level. The budget includes $16 million in 1982 for the numerical aerodynamic simulator, which would improve aircraft design through computer modeling and provide a unique capability for modeling complex physical phenomena. In addition, the budget requests $4 million in 1982 to develop technology to allow the use of weight-saving composite materials in large aircraft structures (e.g., wings and fuselages). This effort would involve substantial cost-sharing by industry and reflects the administration's policy of industry cost-sharing in aeronautics research and development projects that are likely to have relatively near-term commercial applications.

Air carrier subsidies.—In conjunction with airline deregulation, the existing air carrier subsidy program, which promotes aviation in general, is being replaced by a new program that supports essential air services to small communities that otherwise would lose them. Total funding for air carrier subsidies is projected to be $114 million in 1982 and to decline thereafter.

Water transportation.—In order to meet the need for a competitive U.S. merchant marine and to maintain a safe, reliable, and efficient marine transportation system, the budget includes $2.8 billion in both budget authority and outlays for water transportation programs in 1982, about $0.2 billion less than in 1981.

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Marine safety and transportation.—Coast Guard services to the public include search and rescue of persons in distress; maintenance of navigation aids; icebreaking; prevention and clean up of marine pollution; enforcement of maritime, customs, and safety-related laws; and examination and licensing of vessels, merchant seamen, and ship's officers. The Coast Guard is increasing its capability to inspect offshore drilling rigs, both to ensure the safety of drilling personnel and to confirm that industry takes adequate precautions to minimize oil spills. The budget includes $2.2 billion in budget authority for these programs in 1982.

The budget request would permit the Coast Guard to continue to upgrade its aging capital plant and to increase the efficiency of its operations. Three older cutters are being replaced, and the Coast Guard aircraft fleet is being modernized by the continuing purchase of 41 jet surveillance aircraft and 90 new rescue helicopters. The budget proposes postponing until 1983 major efforts to improve and modernize several Coast Guard training and shore facilities. It supports substantial 1981 and 1982 increases in pay and other benefits for Coast Guard military personnel. These increases should help reverse decreasing reenlistment rates and thereby increase the professionalism and operational capability of the Coast Guard. The budget proposes legislation that would switch the current semi-annual cost-of-living adjustment for Federal retirees (including Coast Guard) to annual adjustments.

In 1982, Coast Guard employment is estimated at 39,900 military and 6,000 civilian personnel. A major review of Coast Guard roles and missions for the balance of the century is scheduled for 1981.

Ocean shipping.—Direct subsidies are provided to the U.S. merchant marine and shipbuilding industry to offset higher U.S. costs that otherwise would encourage American ship operators to build their vessels in foreign shipyards and operate them under foreign registry. New ship construction subsidies currently focus on improving the capacity of the U.S. merchant fleet to carry dry-bulk cargo. Outlays for this program are estimated to be $624 million for 1982. Indirect support is provided to the maritime industry in the form of loan guarantees and Government cargo preference rules. In 1982, an estimated $1.4 billion in ship construction loan commitments will be guaranteed by the Federal Government. The cost to the Federal Government of the cargo preference rules is estimated to be approximately $136 million in 1982 outlays.

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CREDIT PROGRAMS—TRANSPORTATION

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Highways and mass transit:			
Direct loans:			
New loans	29	55	64
Repayments, sales and adjustments (−)	−12	−5	−5
Net loan outlays	17	50	59
Net loan guarantees	−1	−1	−2
Aid to railroads:			
Direct loans:			
New loans	168	108	93
Repayments, sales and adjustments (−)	2	2	2
Net loan outlays	170	110	96
Loan guarantees:			
New loans	223	309	269
Net loan guarantees	262	209	317
Assistance to ocean shipping:			
Direct loans:			
New loans	14	15	15
Repayments, sales and adjustments (−)	−8	−10	−11
Net loan outlays	6	5	4
Loan guarantees:			
New loans	752	970	1,388
Net loan guarantees	494	630	1,004
Aircraft loan guarantees:			
Loan guarantees:			
New loans	247	324	350
Net loan guarantees	229	284	274
Off-budget Federal entities:			
U.S. Railway Association:			
Direct loans:			
New loans	19	7	1
Repayments, sales and adjustments (−)	−22	−241	.....
Net loan outlays	−3	−234	1
Federal Financing Bank: [1]			
Direct loans (rail programs):			
New loans	1,222	545	325
Repayments, sales and adjustments (−)	−1,061	−335	−7
Net loan outlays	161	210	318

*$500 thousand or less.

[1] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the introduction to Part 5 for further explanation.

Tax expenditures.—In 1982, the deferral of income taxes on shipping companies results in a tax expenditure estimated at $75 million.

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COMMUNITY AND REGIONAL DEVELOPMENT

National Needs Statement:

- Promote the development, maintenance, or redevelopment of economically and socially viable neighborhoods in urban, suburban, and rural areas.
- Develop a partnership among Federal, State, and local governments and the private sector to assist in the stabilization and revitalization of economically depressed or declining areas.
- Provide relief to areas that suffer natural disasters.

The administration places strong emphasis on revitalizing economically depressed and declining areas through a partnership among Federal, State, and local governments, and the private sector. This partnership is essential to the administration's urban and rural development policies, since Federal resources alone cannot revitalize economically depressed or declining areas.

This budget provides the necessary resources to meet community and regional needs. However, due to an anticipated decline in disaster assistance from the extraordinarily high 1981 level, budget authority for community and regional development is estimated to decrease from $10.2 billion in 1981 to $9.2 billion in 1982. Outlays also are expected to decrease from $11.1 billion in 1981 to $9.1 billion in 1982. Excluding disaster assistance, budget authority is estimated to increase from $7.7 billion in 1981 to $8.4 billion in 1982 and outlays from $7.9 billion in 1981 to $8.2 billion in 1982.

Federal programs in this area have been selectively increased in this budget. Increases are proposed for those programs that advance the Federal partnership with State and local governments and the private sector, and that direct Federal resources to areas with the greatest need and potential for improvement. Federal resources therefore are focused on increasing the capability of State and local governments to provide those public goods and services essential to the revitalization of their neighborhoods and communities and on more effectively supporting private economic development, and thus increasing the competitiveness of the U.S. economy and the economic vitality of local areas.

To achieve these objectives, the administration proposes to:

- maintain budget authority for Economic Development Administration (EDA) programs at $625 million in 1982;
- increase budget authority for the community development block grant program by $265 million;
- maintain the urban development action grant program at its 1981 funding level of $675 million; and
- continue support for neighborhood-oriented programs, by increasing budget authority for the Neighborhood Reinvestment Corporation from $12 million in 1981 to $15 million in 1982.

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NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Community development:					
Community development block grants	3,752	3,695	3,960	4,110	4,260
Urban development action grants	675	675	675	675	675
Rehabilitation loans	110	130	134	138	142
Neighborhood Reinvestment Corporation	12	12	15	16	17
Pennsylvania Avenue development	40	32	31	45	37
Other programs	338	367	387	419	429
Subtotal, community development	4,927	4,911	5,202	5,402	5,560
Area and regional development:					
Rural development and business assistance	647	803	499	833	791
Proposed legislation	.....	.....	635	.....	.....
Economic development assistance	553	667	674	736	799
Coastal energy impact assistance	−35	.....	1	12	24
Indian programs	1,183	1,134	1,175	1,250	1,178
Regional commissions	474	425	350	379	406
Other programs	271	173	201	191	186
Offsetting receipts	−304	−375	−266	−270	−270
Subtotal, area and regional development	2,790	2,826	3,268	3,131	3,114
Disaster relief and insurance:					
SBA disaster loans	1,208	1,470	.....	.....	.....
Federal emergency management activities	1,182	1,038	729	742	742
Drought assistance and other	35	10	10	11	12
Subtotal, disaster relief and insurance	2,426	2,518	739	753	754
Deductions for offsetting receipts	−32	−25	−25	−30	−30
Total, budget authority	**10,110**	**10,230**	**9,184**	**9,256**	**9,398**

Community development.—A variety of Federal programs, administered by several agencies, support the mission of community development by providing Federal grants, loans, loan guarantees, and technical assistance to States and localities. Outlays for this mission are estimated to rise from $5.1 billion in 1981 to $5.3 billion in 1982.

Community development block grants.—The Housing and Community Development Act of 1974 consolidated a number of separately funded programs of the Department of Housing and Urban Development (HUD) into the community development block grant program. This program substantially improved and simplified the delivery of Federal community development assistance to local governments. Activities funded under this program include property acquisition, construction of public facilities, rehabilitation of buildings, provision of social services, planning and management, and

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NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(Functional code 450; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Community development:					
Community development block grants	3,902	3,938	3,998	3,791	4,004
Urban development action grants	225	365	610	660	675
Rehabilitation loans	165	133	135	140	142
Neighborhood Reinvestment Corporation	12	12	15	16	17
Pennsylvania Avenue development	24	36	34	27	31
Other programs	551	576	531	466	403
Subtotal, community development	4,878	5,061	5,322	5,100	5,273
Area and regional development:					
Rural development and business assistance	798	897	933	914	886
Proposed legislation	.....	.....	11	37	30
Economic development assistance	629	458	614	682	720
Local public works	416	150	60	.....	.....
Coastal energy impact assistance	28	41	50	39	41
Indian programs	991	1,004	947	1,046	1,094
Regional commissions	458	423	364	382	406
Other programs	164	237	222	160	181
Offsetting receipts	−304	−375	−266	−270	−270
Subtotal, area and regional development	3,180	2,835	2,935	2,989	3,089
Disaster relief and insurance:					
SBA disaster loans	949	2,300	−99	−100	−100
Federal emergency management activities	1,070	944	936	923	916
Drought assistance and other	23	29	15	11	12
Subtotal, disaster relief and insurance	2,043	3,273	852	834	827
Deductions for offsetting receipts	−32	−25	−25	−30	−30
Total, outlays	**10,068**	**11,144**	**9,084**	**8,892**	**9,159**
ADDENDUM					
Off-budget Federal entities:					
Rural Telephone Bank:					
Budget authority	126	152	172	148	175
Outlays	158	171	165	180	194
Federal Financing Bank:					
Community development:					
Budget authority	45	270	270	270	250
Outlays	29	249	232	194	179
Rural development:					
Budget authority	1,443	1,608	1,064	1,299	1,822
Outlays	993	983	1,064	794	842

economic development, all primarily for the benefit of low- and moderate-income people. Funds are allocated to large communities by entitlement formulae, and to small communities through competition on the basis of objective measures of need.

The administration recommends that the budget authority for the community development block grant program be increased by $265 million, from $3.7 billion in 1981 to $4.0 billion in 1982. Outlays also are expected to increase from $3.9 billion in 1981 to $4.0 billion in 1982.

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Urban development actions grants.—Under this HUD program, initiated by this administration in 1978, distressed cities and urban counties are eligible for discretionary grants to supplement local government and private financing for major economic development and neighborhood revitalization projects. As a major element of the administration's urban policy, funding was increased from $400 million in 1979 to $675 million in 1980 and 1981. The 1982 budget continues the administration's strong commitment to this program by again requesting $675 million in budget authority for action grants. Outlays are estimated to rise from $365 million in 1981 to $610 million in 1982.

Rehabilitation loans.—This HUD program offers low-interest loans to rehabilitate single-family and multi-family residential structures as well as a small number of commercial structures in specified areas. New commitments of $182 million are estimated for 1981. The 1982 request of $134 million, plus prior-year repayments, will increase this level of effort, financing the rehabilitation of about 12,500 units, with new commitments of about $200 million. In addition, tax expenditures estimated at $225 million and $35 million in 1982 will be generated from investment credits and 5-year amortization of rehabilitation of structures.

The Neighborhood Reinvestment Corporation.—This public corporation, established in 1979, has successfully formed working partnerships among residents, local governments, and financial institutions in promoting neighborhood revitalization. Realizing the importance and effectiveness of neighborhood organizations in revitalizing distressed areas, the administration is requesting a 1982 funding level of $15 million, $2.5 million above the 1981 level of $12.5 million.

Pennsylvania Avenue development.—The budget requests $31 million in budget authority in 1982 to accelerate the redevelopment and revitalization of 21 blocks along the north side of Pennsylvania Avenue in downtown Washington, D.C. The first major commercial projects began in 1979 and were completed in 1980; they involved private investment in excess of $65 million. More projects have been initiated and are progressing toward completion in a unique public-private partnership between the Pennsylvania Avenue Development Corporation and private businesses. Outlays for land acquisition and public development activities are estimated at $34 million in 1982.

Other programs.—Several other programs contribute to community development. Two of the larger ones are the planning assistance and urban homesteading programs administered by HUD.

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Planning assistance grants, established by the Housing Act of 1954 and revised last year in order to tie planning assistance more closely to project implementation, provide funds to States, local governments, and areawide organizations for planning and management. Budget authority of $35 million is proposed for this program in 1982.

The urban homesteading program transfers properties to local governments for use in locally administered programs to revitalize residential areas. Last year this program was expanded to include the transfer of properties owned by the Veterans Administration and the Farmers Home Administration, as well as those owned by HUD. Under this budget, carryover balances from prior years will be used to reimburse agencies for the homesteading properties transferred in 1982.

Area and regional development.—Programs in this mission support rural and urban development, American Indian tribal governments, and multi-State regional development through the Appalachian Regional Commission and other regional commissions.

Rural development and business assistance.—The Department of Agriculture administers a variety of programs for developing rural areas. The 1982 budget provides for:

- $575 million in direct loan obligations and $100 million in grants for water and waste disposal systems, contingent upon enactment of legislation to increase interest rates in this program;
- $260 million in direct loan obligations for community facilities;
- $500 million in loan guarantee commitments for business and industrial development; and
- $6 million in budget authority for rural development planning grants.

Rural areas can also receive assistance for sewer, water, and community facilities from the Environmental Protection Agency's waste treatment grant program (included in the natural resources and environment function) and the Housing and Urban Development's community development block grant program. The Department of Agriculture's community facility programs are limited to communities with a population of less than 20,000, while industrial development loan guarantees are available in communities of less than 50,000 population. Outlays for rural programs are estimated to increase from $897 million in 1981 to $944 million in 1982. In addition, the Federal Financing Bank, an off-budget Federal entity, plans to make an estimated $1.6 billion in loans for rural development in 1981 and $1.1 billion in 1982, loans that are guaranteed by other Federal agencies.

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Economic development assistance.—The Department of Commerce's Economic Development Administration (EDA) assists States, rural and urban communities, and Indian tribes in efforts to foster economic development and provide permanent employment opportunities in distressed areas. EDA assistance includes grants for State and local planning, technical assistance to public and private organizations, and construction of public facilities. It also includes direct loans and guaranteed loans for public works and business development.

For these programs and related expenses the budget requests authority of $674 million in 1982. For loan guarantees, the budget requests authority of $425 million in 1982.

Coastal energy impact assistance.—This program provides grants and loans to State and local governments to assist them in planning and financing public facilities and services required as a result of energy development activities in or near coastal areas, such as Outer Continental Shelf (OCS) oil and gas developments. In addition, grants are provided to States to help them participate in OCS leasing decisions. No budget authority is requested in 1981 because offshore oil and gas development has taken place less rapidly than anticipated and, as a result, has not created the significant coastal impact that was originally anticipated. New funding is included in the multi-year estimates for 1983 and 1984 with primary emphasis on energy-related impacts resulting from OCS oil and gas development. It is anticipated that significant impacts will occur in the mid-1980's in Alaska and some other selected geographical areas. Outlays are estimated to rise from $41 million in 1981 to $50 million in 1982.

Indian programs.—The major objectives of Federal Indian policy are to meet the trusteeship responsibilities of the U.S. Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations. To further these objectives, the Indian Self-Determination and Education Assistance Act of 1975 enables the Bureau of Indian Affairs (BIA) to enter into contracts so that Indian communities can administer the Federal programs serving them.

The Federal Government provides grants, training, and technical assistance to strengthen tribal management and planning abilities. It also encourages economic development through business development assistance, direct Federal loans, loan guarantees, and interest subsidies. Federal Indian programs also fund community development activities, such as construction of roads, schools, and irrigation systems. Outlays for the Indian programs whose primary mission is regional development are estimated to be $1,004 million in 1981 and $947 million in 1982. Additional assistance is classified in

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the health, education, natural resources and environment, and general government functions.

Regional commissions.—The Appalachian Regional Commission and the Commerce Department's Title V Regional Action Planning Commissions are intended to support rural and urban development and multi-State planning and coordination for regional development programs.

Activities of the Appalachian Regional Commission (ARC) are proposed to continue at their 1981 level. Grants for economic and human development would be increased to maintain the same real program level in 1982. The States have agreed that an equivalent of 30% of ARC funds should be applied to the high priority areas of reducing infant mortality, providing better housing, improving basic education, and promoting energy development. The Appalachian highway program, designed to improve the accessibility of Appalachia, would be maintained at the 1981 level.

Federal support for the Title V Regional Commissions is proposed to be eliminated in 1982. Continuation of the Commissions is not necessary because essentially all of the Commissions' projects can be funded through economic development programs of other Federal and State agencies. Further, the Commerce Department's Economic Development Administration can assist, where necessary, in planning and coordinating economic development on a multi-State basis.

Disaster relief and insurance.—Insurance against losses from floods, hurricanes, tornadoes, and other natural disasters is primarily the responsibility of private individuals and businesses. Though State and local governments are responsible for aiding recovery, Federal insurance and disaster relief programs are available to supplement these resources when they are insufficient.

SBA disaster loans.—Until recently, both the Small Business Administration (SBA) and the Farmers Home Administration (FmHA) in the Department of Agriculture provided disaster loans to farmers. Amendments to the Consolidated Farm and Rural Development Act (Public Law 96-302), enacted in July 1980, shifted the major responsibility for agricultural disaster lending to the FmHA. This Act will reduce the difficulties caused by the previous overlap in responsibilities. The FmHA is better equipped to handle agricultural disaster loans than the SBA because of its longstanding experience in dealing with farmers and their problems. However, SBA will continue to provide disaster loan assistance to non-agricultural businesses, homeowners, and to a very limited number of farmers who do not qualify for an FmHA loan. The FmHA programs are discussed more fully in the agriculture and the commerce and housing credit functions.

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CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Housing and Urban Development programs:			
Direct loans:			
New loans	383	239	210
Repayments, sales and adjustments (—)	—220	—99	—83
Net loan outlays	163	140	126
Loan guarantees:			
New loans	98	280	270
Net loan guarantees	—169	137	166
Farmers Home Administration programs:			
Direct loans: [1]			
New loans	1,493	1,621	1,032
Repayments, sales and adjustments (—)	—1,506	—1,687	—1,157
Net loan outlays	—14	—66	—125
Loan guarantees: [2]			
New loans	2,125	2,642	1,690
Net loan guarantees	1,500	1,782	1,343
Economic Development Assistance:			
Direct loans:			
New loans	151	113	123
Repayments, sales and adjustments (—)	—50	—97	—65
Net loan outlays	100	16	58
Loan guarantees:			
New loans	48	382	382
Net loan guarantees	—87	262	232
Small Business Administration disaster loans:			
Direct loans:			
New loans	1,249	2,887	524
Repayments, sales and adjustments (—)	—476	—567	—682
Net loan outlays	773	2,320	—158
Loan guarantees:			
New loans	2	*	
Net loan guarantees	—1	—1	—2
Other programs:			
Direct loans:			
New loans	44	103	81
Repayments, sales and adjustments (—)	—16	—25	—20
Net loan outlays	28	78	61
Loan guarantees:			
New loans	8	14	51
Net loan guarantees	5	8	43
Off-budget Federal entities:			
Rural Telephone Bank:			
Direct loans:			
New loans	200	185	185
Repayments, sales and adjustments (—)	—8	—14	—17
Net loan outlays	191	171	168

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CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Federal Financing Bank: [3]			
Direct loans:			
Community development:			
New loans	45	270	270
Repayments, sales and adjustments (−)	−16	−21	−38
Net loan outlays	29	249	232
Rural development:			
New loans	1,443	1,608	1,064
Repayments, sales and adjustments (−)	−450	−625	
Net loan outlays	993	983	1,064

*$500 thousand or less.
[1] Includes direct loan transactions with the FFB shown below.
[2] Includes guarantees of direct loan transactions with the FFB shown below.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the Introduction to Part 5 for further explanation.

Federal emergency management activities.—The Federal Emergency Management Agency administers the Federal disaster assistance program, a nationwide program operated pursuant to the Disaster Relief Act of 1974. Supplementary assistance is provided to individuals, businesses, and State and local governments in the event of a Presidentially declared emergency or disaster. Funds may also be made available directly to States or Federal agencies as reimbursements for expenditures in disaster relief work performed under this authority.

Levels of disaster relief cannot be accurately forecast. Demands on the fund in 1980 were unusually heavy because of the Mount St. Helens eruptions and the influx of Cuban and Haitian entrants. Estimates for 1982 through 1984 anticipate that activity will more closely approximate pre-1980 levels.

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FEDERAL OUTLAYS FOR CIVIL PUBLIC WORKS AND CONSTRUCTION [1]

(In millions of dollars)

Function or Program	1980 actual	1981 estimate	1982 estimate
Federal civil public works: [1]			
Community and regional development	195	266	203
Water resources projects	2,400	2,428	2,548
Other natural resources and environment	1,040	1,132	1,255
Energy	1,900	2,992	3,746
Transportation	413	494	503
Veterans hospitals	297	380	551
Health	195	168	183
Other functions	353	484	546
Total, Federal civil public works	6,793	8,345	9,535
Grants to State and local governments:			
Community and regional development:			
Community development block grants	3,902	3,938	3,998
Other	1,938	1,710	1,719
Subtotal, community and regional development	5,839	5,648	5,716
Highways and mass transit	10,981	11,075	11,042
Other transportation	624	536	549
Pollution control and abatement	4,343	4,200	4,230
Other natural resources and environment	261	312	298
Other	151	161	184
Total, grants to State and local governments	22,200	21,932	22,019
Total, civil public works	**28,992**	**30,277**	**31,553**

[1] Outlays for the construction and rehabilitation of physical assets, including privately owned assets.

Related programs.—Many programs whose primary purpose is to fulfill other national needs also promote community and regional development. For example, Federal outlays for civil public works, shown in the table above, support community development. Grants for local health, education, crime prevention, employment and training, transportation and general revenue sharing also assist State and local development. Community development is also significantly affected by many other direct Federal activities, such as housing credit, defense contracting, management of public forests and parks, and the operation of Federal facilities (such as Veterans Administration hospitals, naval shipyards, and NASA research facilities).

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EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

National Needs Statement:

- Assist State and local governments in providing elementary and secondary education to students of special national concern, particularly the disadvantaged and the handicapped.
- Assist students and their families in overcoming financial barriers that may limit access to higher education.
- Promote the arts and humanities.
- Promote the development and dissemination of knowledge about education and training techniques.
- Assist the disadvantaged and the disabled to become self-sufficient by providing training or transitional employment opportunities.
- Develop ways to help workers dislocated by permanent changes in the structure of the economy to prepare for and find new employment.
- Enhance the quality of working life and the stability of labor-management relations.
- Provide social services to needy children, youth, families, the elderly, and other special groups.

Federal education, training, employment, and social services programs encompass a wide variety of activities that share one common goal: to help our citizens lead independent and productive lives. Their major objectives are to assist in obtaining education, job skills, information about employment, and social services. These programs meet immediate needs, such as job retraining, as well as future needs, such as youth education and training. The greater need is currently for programs providing longer-term benefits for participants and for society.

Concern for both present and future generations has guided the development of this portion of the 1982 budget, some of which builds upon initiatives begun in prior years. Outlays for programs in this function are estimated to increase from $22 billion in 1978 to $32 billion in 1981. This trend continues in the 1982 budget,

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which proposes $36.3 billion in budget authority and $34.5 billion in outlays for education, training, employment, and social services.

The major legislative proposal in this function—the President's youth initiative—is designed to meet the basic education and training needs of youth, particularly minority youth, who are poorly prepared for employment. The 1981 budget proposed an increase of $1.2 billion in 1981 and $800 million more in the second year (1982) for this initiative. Despite favorable action by the House, the bill was not enacted by the Congress. Instead, an increase of $50 million for existing youth employment and training programs was provided, which will serve to begin those aspects of the initiative that can be undertaken administratively. The budget reproposes the youth initiative and requests an increase of $1,150 million for 1982 with $800 million more in 1983 in order to reestablish the total $2 billion increase. The effect of this proposal would be a one-year delay of the youth initiative.

About half of the Nation's unemployed are under age 25, and about one-fourth are ages 16 through 19. The problems associated with high rates of unemployment and extended unemployment are primarily the problems of disadvantaged and minority youth, who tend to be concentrated in central cities and impoverished rural areas. Some of the employment problems of these youth are caused by discrimination, lack of information about job openings, and wage rigidities. Equal employment opportunity efforts, special employment service programs, and the targeted jobs tax credit are aimed at overcoming these obstacles. A substantial portion of the unemployment problem exists, however, because many youth lack the basic language and arithmetic skills that employers find essential.

The youth initiative, therefore, emphasizes the mastery of basic arithmetic and literacy skills needed in the workplace. These are essential to improving future employability and earnings. The program depends upon close coordination and joint planning among educators, training and employment officials, and private employers to ensure that locally developed programs provide those services to youth that impart the basic education and work skills demanded by local employers. The legislation would require the Departments of Education and Labor to emphasize the use of objective program standards to measure the performance of both program participants and program operators.

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Other major budget proposals in this function would:

- limit impact aid payments to those local education districts that are most seriously burdened by Federal activity in their districts;
- slow the very rapid growth of the Federal guaranteed student loan program by altering loan terms;
- test alternative ways of providing training and relocation assistance to workers unemployed due to changing economic conditions;
- provide a refundable income tax credit for nonprofit organizations, as was proposed in the economic revitalization program last summer;
- assist Head Start projects to meet rising operating costs and improve the quality of comprehensive services to low-income preschool children and their families; and
- increase funding to States for child welfare services to reunite families or find adoptive homes for children to prevent unnecessary placement of children in foster care homes.

Education

Education is an important prerequisite to the effective functioning of our democratic system of government. In 1982, the Nation will spend approximately $220 billion on education activities. Three-fourths of that amount will come from public sources; approximately one-eighth will come from the Federal Government.

The major mission of Federal education programs is to help assure appropriate educational opportunities are made available to the Nation's people. Federal programs provide funds for supplemental educational activities for the educationally disadvantaged and handicapped, for strengthening State and local educational systems, and for research and development activities. In addition, funds are provided to individuals, higher education institutions, and lending institutions to assist students in meeting the costs of postsecondary education.

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

(Functional code 500; in millions of dollars)

Major Missions and Programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Education:					
Elementary, secondary, and vocational education:					
Elementary and secondary education:					
Existing law	3,596	3,795	4,203	4,557	4,882
Proposed legislation	.....	.....	900	900	900
Indian education	346	356	384	405	426
Impact aid	825	642	401	436	471
Education for the handicapped	1,051	1,102	1,225	1,339	1,437
Vocational and adult education	927	921	904	978	1,049
Other	479	473	488	528	566
Subtotal, elementary, secondary, and vocational education	7,225	7,288	8,505	9,142	9,731
Higher education:					
Student financial assistance	3,496	4,169	4,091	2,685	2,401
Loan guarantees for students and parents	1,609	2,234	2,346	3,300	3,700
Higher and continuing education	442	397	437	467	498
Special institutions	188	204	248	270	292
Subtotal, higher education	5,735	7,003	7,121	6,722	6,891
Research and general education aids:					
Educational research and improvement	375	386	389	424	455
Unallocated salaries and overhead	161	248	255	264	272
Cultural activities	661	674	768	785	833
Other	146	149	157	158	162
Subtotal, research and general education aids	1,344	1,456	1,569	1,630	1,723
Subtotal, education	14,304	15,747	17,195	17,494	18,345
Training, employment, and labor services:					
Training and employment:					
General training and employment programs	3,004	2,702	3,150	2,929	2,931
Public service employment	3,105	2,894	3,955	4,236	4,578
Youth programs:					
Existing law	2,101	2,475	1,516	1,548	1,592
Proposed legislation	.....	.....	1,125	1,125	1,125
Older workers	267	277	277	277	277
Work incentive program	365	365	385	385	385
Federal-State employment service	781	845	904	981	1,065
Subtotal, training and employment	9,623	9,558	11,312	11,480	11,954
Other labor services	572	626	688	713	733
Subtotal, training, employment, and labor services	10,195	10,184	12,000	12,193	12,687
Social services:					
Tax-credit for non-profit institutions (proposed)	.....	.....	237	349	389
Grants to States for social services:					
Existing law	2,823	2,398	3,132	3,232	3,332
Proposed legislation	.....	.....	−41	−41	−41
Services for children, youth, and families	862	1,040	1,225	1,319	1,369
Services for the elderly	652	677	704	723	743
Services for other special groups	533	163	165	165	165
Rehabilitation services and research for the handicapped	574	966	1,011	1,102	1,192
Community service programs	550	536	542	542	542
Domestic volunteer programs	146	165	186	191	196
Other social services	11	12	13	13	13
Subtotal, social services	6,150	5,958	7,173	7,594	7,899

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major Missions and Programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Allowance for youth initiative (proposed)				800	800
Deductions for offsetting receipts	−28	−30	−32	−33	−35
Total, budget authority	**30,622**	**31,859**	**36,336**	**38,048**	**39,696**
OUTLAYS					
Education:					
Elementary, secondary, and vocational education:					
Elementary and secondary education:					
Existing law	3,569	3,371	3,942	4,185	4,509
Proposed legislation			50	900	900
Indian education	395	294	332	368	383
Impact aid	690	799	443	425	455
Education for the handicapped	822	1,074	1,088	1,258	1,359
Vocational and adult education	863	937	1,092	980	996
Other	393	466	419	471	517
Subtotal, elementary, secondary, and vocational education	6,732	6,942	7,366	8,588	9,119
Higher education:					
Student financial assistance	3,683	3,743	3,947	2,600	2,472
Loan guarantees for students and parents	1,408	2,109	2,350	3,172	3,600
Higher and continuing education	410	452	384	430	457
Special institutions	193	212	246	281	291
Subtotal, higher education	5,694	6,516	6,927	6,483	6,820
Research and general education aids:					
Educational research and improvement	401	394	387	411	441
Unallocated salaries and overhead	170	234	249	261	270
Cultural activities	632	671	745	781	826
Other	154	173	157	157	161
Subtotal, research and general education aids	1,357	1,473	1,539	1,610	1,698
Subtotal, education	13,783	14,931	15,832	16,681	17,637
Training, employment and labor services:					
Training and employment:					
General training and employment programs	2,932	2,851	2,995	3,004	2,928
Public service employment	3,697	3,088	3,772	4,078	4,408
Youth programs:					
Existing law	2,330	2,536	1,782	1,551	1,588
Proposed legislation			875	1,100	1,125
Older workers	235	265	277	277	277
Work incentive program	395	365	385	385	385
Federal-State employment service	756	831	904	981	1,065
Subtotal, training and employment	10,345	9,935	10,989	11,375	11,776
Other labor services	551	605	664	695	716
Subtotal, training, employment, and labor services	10,896	10,540	11,653	12,070	12,492
Social services:					
Tax-credit for non-profit institutions (proposed)			237	349	389
Grants to States for social services:					
Existing law	2,706	2,963	3,116	3,232	3,332
Proposed legislation			−41	−41	−41

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major Missions and Programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Services for children, youth, and families	854	930	1,167	1,282	1,328
Services for the elderly	679	585	690	706	725
Services for other special groups	709	182	147	128	128
Rehabilitation services and research for the handicapped	427	960	1,003	1,083	1,174
Community service programs	592	538	544	542	542
Domestic volunteer programs	133	156	183	187	192
Other social services	16	18	13	13	13
Subtotal, social services	6,116	6,332	7,058	7,481	7,781
Allowance for youth initiative (proposed)				260	760
Deductions for offsetting receipts	−28	−30	−32	−33	−35
Total, outlays	**30,767**	**31,773**	**34,511**	**36,458**	**38,635**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Higher education:					
Budget authority	1,070	1,095	1,923	2,211	2,543
Outlays	1,070	1,095	1,923	2,211	2,543

Increases in Federal spending are requested for 1982 even though school enrollments are beginning to decline because of a shift in the age distribution of the population caused by the aging of children born during the post-war baby boom. Total enrollments, which reached a peak of over 60 million students in 1975, are expected to decline to 58 million in the fall of 1981. Increases in Federal expenditures are justified since a significant percentage of eligible and needy populations are currently not being served. For example, elementary and secondary education programs for the disadvantaged serve about 55% of the eligible 11 million students.

For 1982, the administration proposes $17.2 billion in budget authority for education programs, $1.4 billion more than was provided for 1981. Outlays are estimated at $15.8 billion for 1982 and $16.7 billion for 1983.

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For 1982 the budget requests:

- $8.5 billion in budget authority for elementary, secondary, and vocational education programs;
- $7.1 billion in budget authority for Federal assistance to support higher education; and
- $1.6 billion in budget authority for educational research and related activities.

Elementary, secondary, and vocational education.—Most of the funds requested in the 1982 budget for elementary, secondary, and vocational education are to assist States and localities in improving the education provided to students of special national concern—those from low-income families, the handicapped, American Indians, and students with limited English language proficiency.

Elementary and secondary education.—The largest share of the funds for elementary and secondary education is channeled to States and localities for supplementary services (e.g., special classes in reading and mathematics) to low-income, low-achieving students under title I of the Elementary and Secondary Education Act. In the 1982–83 school year, approximately 14,000 school districts and 325 State agencies will participate in these programs, serving an estimated 6.3 million students. The 1982 request of $4.2 billion in budget authority includes $3.8 billion for title I, which is $315 million above the 1981 level.

The Department of Education would play a key role in the youth initiative, which is assumed in this year's budget to begin in the 1982–83 school year. This initiative includes a grant program to support services in school districts with high concentrations of poor and unemployed youth. It would help needy junior and senior high school students learn the basic academic and employment skills necessary for them to find jobs. Budget authority of $0.9 billion is requested for 1982.

Federal funds help train bilingual teachers and assist in the development of curricula to meet the special educational needs of children with limited English language proficiency. Budget authority of $209 million, an increase of $19 million over the 1981 level, is requested for the bilingual education program in 1982 to serve 378,000 such children.

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Indian education.—Budget authority of $384 million is recommended for 1982 to advance the education of Indians and Alaskan Natives. Of this amount, $282 million is for the activities of the Department of the Interior's Bureau of Indian Affairs, which operates 224 schools that serve approximately 44,400 elementary and secondary students.

In academic achievement, Indian children and adults are substantially below the majority of Americans. To help address this problem the budget requests $102 million for the Indian education program in the Department of Education. Grants of $213 per child would be provided to 1,180 public school districts serving 326,000 Indian students, and more than 9,000 adult Indians would receive assistance in reading and mathematics.

Impact aid.—This program compensates local school districts for the loss of property tax revenue that results from tax-exempt Federal land or federally related activities in their districts. Much of the aid currently goes to districts where Federal activities do not place a substantial burden on the locality's educational system. Therefore, the administration proposes to limit this assistance in 1982 to those districts most heavily burdened by Federal activity. Payments would be made only to those districts in which children whose parents both live and work on Federal property comprise 20% or more of the district's enrollment. The budget requests 1982 budget authority of $401 million for these payments, and a rescission of $148 million for 1981.

Education for the handicapped.—Most of the funds for programs included in this section assist State and local educational agencies in educating handicapped children. In 1980 and 1981 the administration requested and the Congress appropriated a funding level that would support between 11% and 12% of the excess costs of educating handicapped children under the principal State grant program authorized by the Education of All Handicapped Children Act of 1975. For 1982, most of the request of $1.2 billion is for the State grant program and would provide the same proportion of the excess cost of educating handicapped children as was provided in 1981. The 1982 request would provide an increase of $123 million over the amount available in 1981, and outlays are estimated to increase from $1.1 billion in 1982 to $1.4 billion in 1984.

Vocational and adult education.—The vocational education program assists youth in bridging the gap between school and work. Vocational education funds are used by States to teach work and work-related skills. For 1982 the budget requests $904 million for this program. Enrollment in vocational education programs for the 1982–83 school year is estimated to be 15.3 million secondary, post-

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secondary, and adult students. The adult education program provides formula grants to States to reduce functional illiteracy among the Nation's adults. An estimated 2.3 million persons will be served in the 1982–83 school year by the $125 million requested for this program in 1982.

Other aid.—Budget authority of $488 million is requested for 1982 for other assistance to education agencies. The request includes $251 million to assist in the desegregation of school districts and $20 million to support equal educational opportunity for women.

Higher education.—The budget proposes $7.1 billion in budget authority and $6.9 billion in outlays to support higher education activities in 1982. An additional $1.9 billion in off-budget outlays is estimated for student loans financed by the Federal Financing Bank.

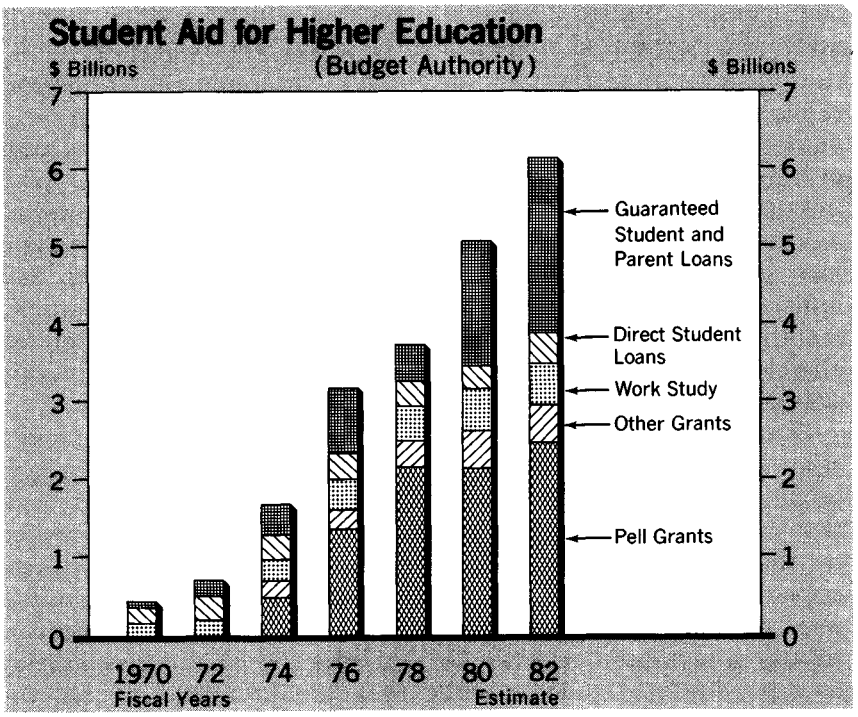
The Education Amendments of 1980 reauthorized the Higher Education Act of 1965 for 5 years, made significant changes in student aid and other programs, authorized several new programs, and amended various other education laws. The new law partially reformed the student loan programs, created a new loan guarantee program for parents, and simplified Federal student aid procedures. In addition, eligibility for Federal student aid was broadened substantially, Federal assistance limits were significantly increased, expected family and student contributions to educational costs were reduced, and reductions in State and private sector levels of student support were made possible.

Federal student aid helps qualified students enter and complete schooling beyond the twelfth grade. This aid takes the form of grants, loans, and loan guarantees, and has expanded from $250 million in budget authority in 1965 to a request of over $6.4 billion in 1982. Growth in these programs has been especially rapid in the last few years, as indicated by the chart.

In preparing the 1982 budget, the rapid expansion of the student aid programs made possible by the Education Amendments of 1980 had to be balanced against other educational priorities and the need to restrain Federal spending. This resulted in proposals to control further rapid cost increases, especially in the guaranteed student loan program, which are discussed below.

Student financial assistance.—Student financial assistance includes all of the major student aid programs except the program that provides loan guarantees for students and parents.

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Pell grants, formerly called basic educational opportunity grants, provide entitlement grants directly to undergraduate students to serve as the foundation upon which other financial aid is awarded. Students qualify for these grants under a national needs analysis that takes into account the student's and family's ability to contribute to educational costs. The 1982 request of $2.7 billion in budget authority would allow a maximum award of $1,800 per student, an increase of $50 above the maximum award level proposed for 1981. In the 1982–83 school year, an estimated 2.6 million students would receive Pell grants.

The budget also requests budget authority of $400 million for supplemental educational grants to support awards to 633,000 students in 3,700 participating institutions. This program provides funds to institutions for grants to undergraduate students who demonstrate financial need. Budget authority of $77 million is recommended for State student incentive grants to provide aid to 307,000 students. In addition, $550 million of budget authority is recommended for the college work-study program.

Finally, the national direct student loan program provides capital to participating institutions to make low-interest loans to students with demonstrated financial need. Budget authority of $286 million is requested for the Federal capital contributions in 1982.

Loan guarantees for students and parents.—Budget authority of $2.3 billion is requested to subsidize and guarantee $5.7 billion in

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new loans in 1982 to 3.4 million students and 2.3 million parents under the guaranteed student loan program. The request is significantly higher than the 1980 level due to the rapid rise in interest rates, which has escalated the cost of providing interest subsidies on outstanding student loan guarantees and the increasing volume of loans.

After the Middle Income Student Assistance Act in 1978 removed any needs test for loan eligibility, the annual volume of student loan guarantees rose rapidly—from $1.6 billion in 1978 to $4.8 billion in 1980. The annual volume was expected to reach approximately $10 billion in 1982, even though only about 25% of the eligible students were expected to take advantage of these highly subsidized loans.

To reduce the likely higher costs required by these loan volumes, restore the Federal goal of providing help according to need, and produce a more equitable distribution of loans, several reforms that can be achieved through appropriation language are proposed for the guaranteed student loan program in 1981 and 1982. These reforms would: (1) limit loans to a student's remaining financial need after all other financial assistance and expected family contribution have been counted; (2) eliminate the 9% interest subsidy now provided to students while they are in school; (3) set the interest rate on loans to be offered to parents at a rate not to exceed that of 91-day Treasury bills plus 3½% and remove the authorized special allowance paid to lenders; and (4) maintain the ceiling, which was recently increased to $3.5 billion, on authority for the Student Loan Marketing Association to borrow from the Federal Financing Bank with an Education Department guarantee.

These proposals would save $78 million in 1981 and $878 million in 1982. It must be recognized that $1.4 billion in 1981 and $1.8 billion in 1982 are outlays required by previous loan commitments with their interest subsidies and current special allowance. Total outlays for this program are estimated to increase from $2.4 billion in 1982 to $3.6 billion in 1984.

Higher and continuing education.—The mission of most of these programs is to encourage and assist low income youths, minorities, and women to enter, continue, or resume postsecondary education. Funds are provided to institutions to provide special services and fellowships to encourage these groups to enter certain professional fields at the graduate level, and to strengthen the institutions' programs. The budget proposes $437 million in 1982 budget authority for assistance to higher education institutions.

Budget authority of $167 million is proposed for special programs for the disadvantaged, an increase of $7 million above the 1981 level. These programs identify and help prepare potential college students at the high school level, and assure that placement, career

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counseling, and other services are provided once they enroll in college.

The budget proposes budget authority of $152 million for the program to strengthen developing institutions, $20 million of which is for a newly authorized program that requires these institutions to match each Federal dollar they receive. The request represents an increase of $32 million over the 1981 level. As authorized by the Education Amendments of 1980, certain graduate medical schools will now be eligible for these funds.

The administration has been particularly concerned with the level of support provided for traditionally black colleges. This year, the President signed an executive order aimed at increasing participation of blacks in Federal programs. As a result, Federal outlays for education programs for black colleges are expected to rise from $548 million in 1981 to $610 million in 1982.

FEDERAL OUTLAYS FOR BLACK COLLEGES

(In millions of dollars)

Agency	1980 estimate	1981 estimate	1982 estimate
Largely classified in education, training, employment, and social services:			
Education	475	466	529
Health and Human Services	27	31	29
Classified in other functions:			
Defense	9	10	11
Veterans Administration	10	12	12
Agriculture	12	13	13
Transportation	5	5	6
Other	8	11	10
Total Federal outlays for black colleges	546	548	610

The Education Amendments of 1980 consolidated the graduate and professional opportunities fellowship, the public service fellowship, and the mining fellowship programs into a single program. For 1982 a total of $14 million in budget authority, an increase of $3 million over 1981, is proposed for the program to increase the number of minorities and women entering occupations in which they are currently underrepresented. This would provide 850 new fellowships, with priority to public service-oriented careers, including public administration.

Special institutions.—Gallaudet College, the National Technical Institute for the Deaf, and Howard University are private institutions that receive direct appropriations from the Federal Government. The budget requests $248 million in budget authority for these programs in 1982, including $20 million for construction of

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facilities to prepare Gallaudet and the Institute for an influx of deaf students born during the 1965 rubella epidemic.

CREDIT PROGRAMS—EDUCATION

(In millions of dollars)

	1980 actual	1981 estimate	1982 estimate
Student aid programs:			
Direct loans:			
New loans	554	619	639
Repayments, sales and adjustments (—)[1]	−92	−102	−120
Net loan outlays	462	517	519
Loan guarantees:[2]			
New loans	5,820	8,280	7,620
Net loan guarantees	4,417	6,603	4,826
Other education:			
Direct loans:			
New loans	90	102	74
Repayments, sales and adjustments (—)	−87	−91	−93
Net loan outlays	4	10	−19
Loan guarantees:			
New loans			
Net loan guarantees	−22	−23	−25
Off-budget Federal entity-Federal Financing Bank:[3]			
Student aid programs:			
Direct loans:			
New loans	1,070	1,095	1,923
Repayments, sales and adjustments (—)			
Net loan outlays	1,070	1,095	1,923

[1] Includes direct loan transactions with the FFB shown below.
[2] Includes guarantees of direct loan transactions with the FFB shown below.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown in this table. See the introduction to Part 5 for further explanation.

Research and general education aids.—The budget requests $1.6 billion in budget authority for education research and development, other general education and cultural activities, and program administration. Budget authority of $274 million is requested to support libraries and other learning resources in 1982, $9 million above the 1981 level.

The budget requests budget authority of $175 million for the National Endowment for the Arts and $169 million for the National Endowment for the Humanities in 1982. The Corporation for Public Broadcasting, which is provided funds 2 years in advance, would receive $183 million in 1984.

Tax expenditures.—The major tax expenditures that aid higher education are the exclusion of interest on State and local student loan bonds, the personal income tax exemptions available to par-

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ents of children age 19 and over who are in school, the deductibility of charitable contributions to educational institutions, and the exclusion of scholarships and fellowships from income subject to tax. The revenue losses associated with these provisions in 1982 are estimated to be $0.1 billion, $1.1 billion, $1.5 billion, and $0.5 billion, respectively. The administration proposes that issuance of tax-exempt bonds to finance student loans be discontinued with reasonable transition rules to avoid unnecessary program disruptions. The Revenue Act of 1978 permits employers to establish educational assistance plans for the benefit of their employees. Payments are not included in the employee's income, and employer deductions are estimated to result in a tax expenditure of $40 million in 1982.

Related programs.—A number of Federal programs are related to education, although their primary purpose is to meet other national needs. For example, veterans readjustment benefits provide assistance to eligible veterans attending school, and several health programs of the Federal Government support biomedical education. The Department of Defense operates schools for the dependents of military personnel and the service academies. Comprehensive Employment and Training Act (CETA) training activities are frequently conducted through State and local education agencies, and some CETA public service employment participants are employed in education agencies. CETA also provides special grants to be used by, or with the cooperation of, education agencies to increase coordination between education, training, and employment programs. The accompanying table shows major education-related programs that support other missions.

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FEDERAL OUTLAYS FOR EDUCATION AND RELATED PURPOSES

(In millions of dollars)

Agency	1980 actual	1981 estimate	1982 estimate
Education [1]	13,783	14,931	15,832
Related outlays supporting other major missions:			
Elementary and secondary education:			
Health and Human Services	1,790	1,837	2,278
Defense	42	46	69
Veterans Administration	248	205	190
Agriculture	4,190	4,256	4,308
Interior	17	18	19
State	11	13	14
Other	18	23	24
Subtotal, elementary and secondary education	6,316	6,398	6,902
Higher education:			
Health and Human Services	1,922	1,933	1,957
Defense	515	577	613
Veterans Administration	182	161	131
Agriculture	12	12	.....
Interior	3	3	3
State	1	1	1
Transportation	1	1	2
Other	53	53	64
Subtotal, higher education	2,689	2,741	2,771
Other:			
Health and Human Services	197	209	216
Defense	751	845	909
Veterans Administration	186	163	120
Housing and Urban Development	23	21	21
Agriculture	268	299	312
Transportation	33	35	38
Justice	29	28	34
Labor	662	767	800
Other	1	1	1
Subtotal, other	2,150	2,368	2,451
Total related outlays	11,155	11,507	12,124
Total Federal outlays for education and related purposes	24,938	26,438	27,956

[1] See national needs table at the beginning of this section for more detail.

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Training, Employment, and Other Labor Services

Between 1977 and 1980, employment has increased by 9 million jobs, a 4-year increase exceeded only by the 4-year periods ending in 1978 and 1979. However, some 8 million people are currently unable to find work. Programs that carry out the training and employment mission are designed to increase employment opportunities, mainly for the disadvantaged, and to increase their long-term employment and earnings. These programs attempt to develop work skills, provide temporary employment and work experience, and improve the matching of workers and jobs. Other labor services include the regulation of employer-employee relations and the publication of labor statistics. The budget proposes $11.7 billion in outlays for these activities in 1982.

Training and employment.—Funding for training and employment activities has grown steadily over the years, including large temporary increases in 1977 and 1978 as part of the administration's economic stimulus program.

The 1982 budget continues to emphasize training and employment programs for the disadvantaged and for the long-term unemployed as well as improvements in program management. The administration has proposed legislation to improve the targeting and content of programs that address the special problems of youth. New approaches are being explored to help workers find new jobs when they lose jobs permanently because of economic circumstances, such as rising imports.

The success of structural employment and training programs can best be measured by long-term improvements in employment and earnings. An evaluation that was begun after the enactment of the Comprehensive Employment and Training Act (CETA) in 1973 is beginning to produce data comparing the employment and earnings of participants in federally supported training programs before and after the training, with the employment and earnings of similar people not in the programs. Preliminary results indicate that participants who entered the programs in 1975 generally increased their earnings in the year following participation more than nonparticipants. The net average change in income for participants as compared to nonparticipants varied by type of training and was most positive for those in on-the-job training. Earnings gains appear to be maintained in the second year after leaving the program. Future studies will extend these benefit measurements and compare benefits with costs for different kinds of training.

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The accompanying tables and charts provide information on trends in the level of training and employment services, on the distribution of services by type of service provided, and on the characteristics of participants in training and employment programs. They include all programs that are classified in the training and employment services mission as well as programs with similar objectives classified in other national needs or missions. Outlays for these other programs are shown in the table at the end of this section.

DISTRIBUTION OF TRAINING AND EMPLOYMENT SERVICES BY TYPE OF SERVICE

(In percent)

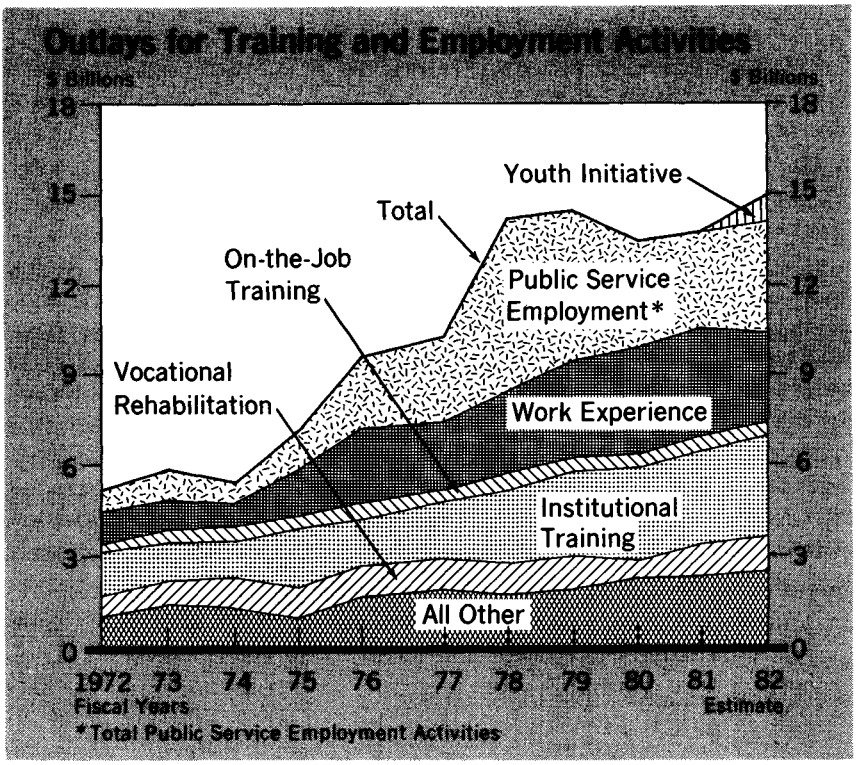
Service	Outlays			Years of service		
	1980	1981	1982	1980	1981	1982
Public service employment	27	23	25	11	9	10
Work experience	25	26	19	37	39	35
On-the-job training	4	4	3	3	3	3
Institutional training	23	23	23	18	18	18
Vocational rehabilitation	4	8	8	29	29	28
Labor market services, and other	16	16	22	3	2	6
Total	**100**	**100**	**100**	**100**	**100**	**100**

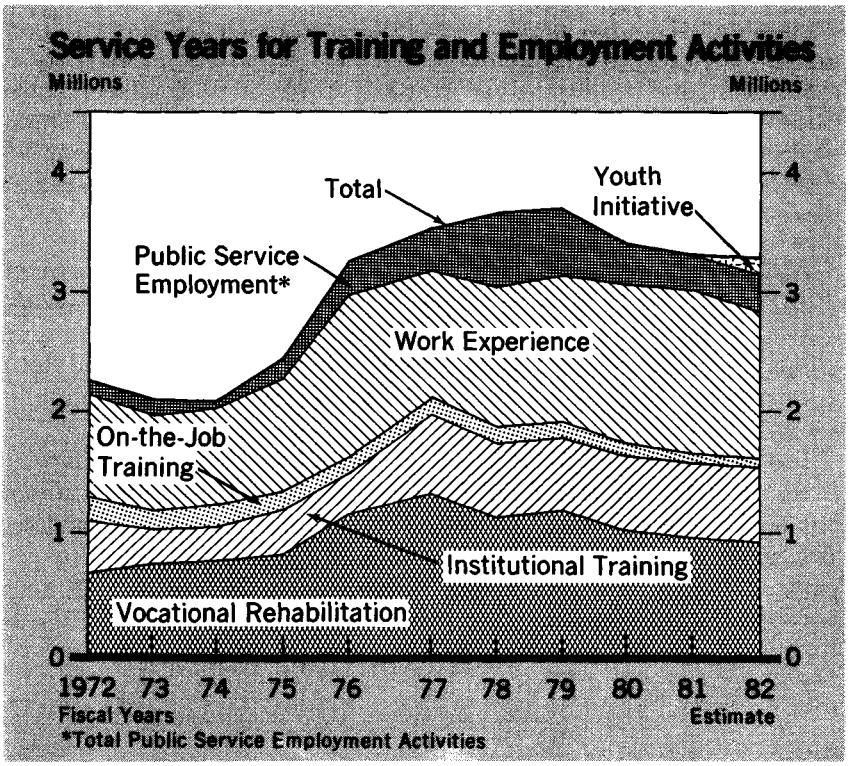
CHARACTERISTICS OF THE UNEMPLOYED, THE POOR, AND TRAINING AND EMPLOYMENT PROGRAM PARTICIPANTS [1]

	Unemployed workers			Poverty population [2]			Program participants [3]		
	1976	1978	1980	1976	1978	1980	1976	1978	1980
Average number (millions)	7.3	6.0	7.7	17.3	16.9	17.4	3.3	3.9	3.4
Percent:									
Age 21 or less	34	40	34	27	26	24	40	34	43
Female	46	49	44	62	62	63	47	52	53
Less than high school education	42	49	40	68	65	n.a.	41	46	52
Low income	[4] 21	[4] 23	[4] 22	100	100	100	65	[5] 86	74
Public assistance recipients	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23	35	37
Minority	20	24	22	28	31	31	43	35	43

[1] Unemployed and poor reported on a calendar year basis. All data are for persons age 14 and older.
[2] Data collected in March of year shown here; represents income of prior year. Source: Bureau of the Census data from the Current Population Survey.
[3] Program participant figures exclude summer employment programs for youth.
[4] Represents individuals living in poverty areas.
[5] Reflects increase in income eligibility limits in many CETA programs to about 20% above the poverty level.
n.a. = Not available.

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General training and employment programs.—Most training and employment programs are operated by State and local governments through grants under CETA. Outlays for general training and employment programs are expected to be $3.0 billion in 1982, $144 million more than in 1981. The budget would continue general purpose training grants (under CETA title II-B and C) at 1981 levels, providing a range of 325,000 to 375,000 years of service in 1982. The services include classroom and on-the-job training, work experience, and retraining for individuals who can move to jobs requiring greater skill or who lose their current jobs.

The 1978 amendments to CETA included the administration's private sector initiative designed to improve the quality and quantity of private sector job placements. The 1982 budget includes outlays of $314 million to support job development, training, placement, implementation of the targeted jobs tax credit, and other services, such as on-the-job training, designed jointly with Private Industry Councils. A 2-year extension of this program enacted in 1980 provides for increased coordination with economic development activities.

The Federal Government also finances training and employment services outside of the State and local prime sponsor system. These programs are primarily for migrant and seasonal farmworkers, whose mobility makes them difficult to serve locally, and for Indian tribes and groups, because of the special Federal responsibility to them. Other services for groups such as workers displaced by economic dislocation or increased imports, displaced homemakers, and older workers are funded separately. Changes in imports or other economic conditions can result in permanent displacement of large groups of workers from their jobs. Between 10 and 12 pilot projects are proposed for 1982 to test several types of training, services, and incentives that might help such workers find new jobs.

Public service employment.—Two public service employment (PSE) programs under CETA have provided temporary, federally subsidized employment for low-income, unemployed persons in public or nonprofit agencies, through grants to State and local governments. Outlays for PSE are estimated to be $3.8 billion in 1982, compared to $3.1 billion in 1981.

The public service employment proposals under CETA title II-D would provide about 240,000 jobs for low-income, long-term unemployed persons in 1982, the same level reached by the end of 1981. The program requires substantial investments in training to prepare participants for placement in permanent jobs after PSE. Outlays for this component of PSE are expected to be $2.7 billion in 1982.

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The PSE program in title VI of CETA provides jobs for persons with up to 40% higher incomes than those in the program under title II-D and with shorter periods of unemployment. Tighter targeting, required by the 1978 amendments to CETA, has improved program management. The 1981 funding level set by the Congress will reduce the number of jobs at the end of the year to a level of about 100,000. The budget proposes to continue title VI at that level through 1982. Outlays are estimated to be $1.1 billion in 1982, $122 million more than in 1981.

Youth programs.—Part of the administration's proposed youth initiative has been described in the preceding pages under elementary and secondary education. For training and employment, the 1981 budget proposed budget authority of $300 million above the current services level of the 3 programs to be consolidated. Although the Congress did not enact the proposed legislation, it did provide $50 million of the requested funding increase. Budget authority for 1982 would be $1,125 million, which is $250 million above the current services level of the programs that the youth initiative would replace. Prime sponsors receiving grants under the new program would work closely with local school systems to provide the combination of training in basic skills and work experience that fits the needs of each individual participant. Youngsters in schools receiving the new education assistance could be helped to get jobs, preferably in the private sector. School-age dropouts could get subsidized jobs only if they participated in a training program designed to give them basic skills.

Prime sponsors would devote their greatest effort to the older (18- through 21-year-old) out-of-school disadvantaged youth who cannot find and keep jobs. Efforts would concentrate on providing opportunities to learn basic skills, gain work discipline, develop specific skill training, and obtain private sector employment. Prime sponsors would work with local employers to develop objective job performance standards for program participants. Use of these standards would foster better program management and enable participants to develop credible training and work records that would be acceptable to future employers, paving the way for private employment. In addition, the private sector program and the targeted jobs tax credit discussed below would provide additional resources aimed at increasing the employment of youth in the private sector.

The expansion of the Job Corps training program will continue to build up to 44,000 enrollees in 1981. That level, which is double the 1977 level, would be maintained in 1982. Under the budget request, the summer youth employment program in 1982 would

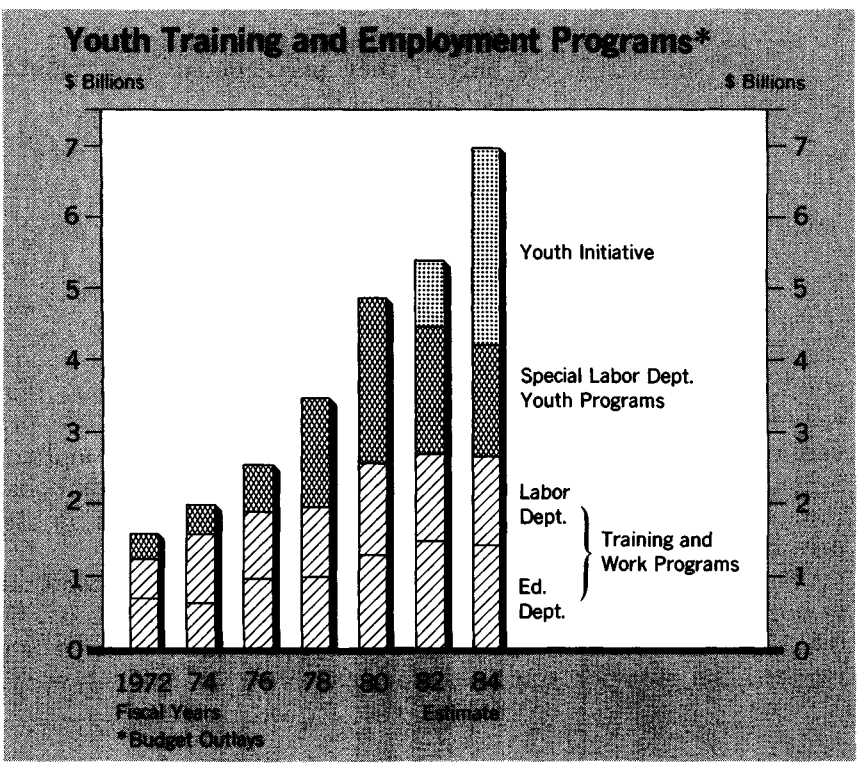
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provide 800,000 to 900,000 part-time jobs, roughly equal to the level financed in 1980 and 1981. Under the youth initiative the planning and administration of this program would be closely integrated with the proposed youth program, easing the application and reporting burdens of prime sponsors. The Young Adult Conservation Corps, which provides work experience on public lands for youth from families in all income ranges, would be phased out in 1982 as part of the effort to concentrate programs on the disadvantaged.

The accompanying chart shows the relative magnitudes of these youth programs as well as other related youth training and employment programs.

Older workers.—Budget authority of $277 million is requested for the community service employment program for older Americans. This would provide about 54,200 job opportunities for low-income persons aged 55 and over, with estimated outlays of $277 million in 1982, compared to $265 million in 1981 outlays.

Work incentive (WIN) program.—This program helps persons receiving aid to families with dependent children (AFDC) find and retain jobs by providing training, work experience, subsidized jobs, intensive employment services, child care, and other services. Private employers are encouraged to hire recipients through the WIN



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tax credit. In 1982, an estimated 286,000 WIN participants would be placed in unsubsidized jobs. WIN outlays for 1982 are estimated to be $385 million, $20 million above the 1981 level.

Welfare reform employment program.—In 1979 the administration proposed a set of essential reforms of welfare programs. Under this proposal, reforms in the level and delivery of cash assistance were integrated closely with an employment and training strategy, the new jobs tax credit, and revisions in the earned income tax credit. The proposal would have ensured that individuals receiving public assistance had strong incentives to seek and retain permanent unsubsidized employment and would have provided training and work for principal earners in eligible families.

The Congress did not accept the proposal. Nevertheless, reform of the Nation's welfare system remains necessary. No reform can be successful unless the problem of work for able welfare recipients is addressed. In order to continue to learn more about how training and employment strategies affect welfare recipients and local labor markets, this budget requests $174 million in budget authority under general training and employment programs for continuation of large-scale research and demonstration projects begun in late 1979.

Federal-State employment service.—Job-matching services are provided for job seekers and employers free of charge by State employment service agencies financed by Federal grants. The 1982 budget maintains employment service operations at the 1981 level. Almost 4.3 million individuals will be placed in jobs in 1982. To increase the effectiveness of the labor exchange services, job seekers will be assisted at a number of demonstration sites to find jobs on their own. This assistance will help approximately 100,000 additional unemployed applicants become employed.

Other labor services.—The Federal Government establishes and enforces standards affecting the relationship between employers and employees and between unions and their members. These activities include: enforcement of the minimum wage and related laws, regulation of welfare and pension plans, supervision of labor-management relations, a program of grants for labor-management committees, and regulation of the equal employment practices of Federal contractors. In addition, labor statistics and other information on employment, unemployment, wages, prices, and productivity are collected and disseminated. Outlays for these activities are estimated at $664 million in 1982.

Enforcement efforts for job safety and health are included in the health function, while those relating to job discrimination on the basis of race, age, or sex are in the administration of justice function.

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Tax expenditures.—The tax code provides incentives for employers to hire disadvantaged individuals and recipients of certain welfare benefits. Tax credits are also provided to encourage individuals with dependents to work by allowing tax credits for child care expenses.

The targeted jobs credit was enacted in the Revenue Act of 1978 to replace the general, untargeted employment tax credit that was in effect in 1977 and 1978. It encourages employers to hire disadvantaged youth ages 18 to 25, Vietnam veterans, recipients of general assistance or supplementary security income, participants in cooperative education programs, certain ex-offenders, and handicapped individuals undergoing vocational rehabilitation. The credit, which expires on January 1, 1982, is estimated to result in a tax expenditure of $0.2 billion in 1982.

Employment is also encouraged by a credit for 20% of child care expenses incurred to allow people with dependent children to work. The maximum credit is $200 for one child and $400 for 2 or more children. The revenue loss from this credit is estimated to be $1.2 billion in 1982.

Training and employment-related programs.—A number of Federal programs are related to training and employment, although their primary purpose is to meet other national needs and serve other missions. The following table shows major training and employment-related programs that support other national needs. The table does not include programs that are primarily for economic development.

TRAINING AND EMPLOYMENT OUTLAYS IN OTHER NATIONAL NEEDS

(In millions of dollars)

National needs	1980 actual	1981 estimate	1982 estimate
Natural resources and environment	56	61	63
Community and regional development	25	26	28
Education	1,269	1,283	1,490
Social services	653	1,157	1,233
Income security	55	111	96
Veterans benefits and services	574	500	458
Administration of justice	133	139	141
All other	258	254	255
Total	**3,021**	**3,532**	**3,764**

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Social Services

The Federal Government provides funds to States and to local public and private institutions for a variety of social services. These services are primarily designed to meet the needs of low-income people, children and youth, the elderly, the disabled, and other groups with special needs.

Income tax credit to nonprofit organizations.—As part of the economic revitalization program, the administration proposed an income tax credit equal to 8% of social security taxes paid, to become effective January 1, 1982. This credit, which is refundable to nonprofit organizations, is estimated to increase outlays by $0.2 billion in 1982.

Grants to States for social services.—Title XX of the Social Security Act authorizes grants to States for services to individuals and families in order to promote their independence and self-support, and to reduce their institutionalization. States have broad discretion in determining the types of services offered and who is eligible to receive them. Roughly 20% of these expenditures are used for child day care services. States also provide a broad array of services including foster care and child protective services, homemaker services, family planning, preparation and delivery of meals, transportation, counseling, and substitute care and day care for adults. Staff training related to social services is also included.

Funds for social services and related training are allotted to the States based on population. States are reimbursed for 75% of their expenditures for most social services. Family planning expenditures are 90% federally funded, and States may claim up to 8% of their total social service allotments for 100% Federal funding of child day care.

Budget authority of $3.0 billion, the authorized ceiling under current law, is requested for Federal payments to States for social services in 1982. A level of $75 million is requested for State and local training expenditures under title XX, and $16.1 million for social service funding for the territories.

Services for children, youth, and families.—These programs are designed to improve the quality of developmental and day care services for children, to protect neglected, abused, and homeless children, and to develop stronger safeguards for the rights of children and their parents. Budget authority of $1.2 billion is requested for these programs in 1982.

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Head Start assists local community groups in providing comprehensive services (including health, education, nutrition, and counseling) for low-income preschool children and their families. Approximately 12% of all children served are handicapped. Head Start relies heavily on the participation of parents in program control and policymaking. For 1982, budget authority of $950 million is requested, an increase of 16% over the 1981 level. This increase would assist local projects in offsetting increased expenses for salaries and operating costs, and would allow the program to serve approximately 375,000 children in 1982. This level of funding would also permit improvements in facilities and reductions in child-to-staff ratios.

Legislation was proposed by the administration and enacted in 1980 to improve *child welfare services.* It emphasized strengthening and reunifying families, and placing children promptly and permanently in adoptive homes when they cannot be reunited with their families. For 1982, $220 million is requested for these services. States may transfer funds from foster care maintenance to fund child welfare services, and may be eligible for additional funding if they provide certain protections for children and their families, including semi-annual case reviews of all children in foster care.

The budget requests a supplemental appropriation of $5 million in 1981 and $10 million in 1982 to fund State efforts to locate permanent adoptive homes for children for whom such homes are difficult to find.

Outlays for payments to States for the Federal share of foster care maintenance and related administrative and training costs are estimated to be $335 million in 1982. These outlays are included in the income security function.

Budget authority of $11 million is requested in 1982 to support projects serving runaway and other homeless youth and their families. In addition, $23 million is requested to support research, demonstration, and service projects related to the prevention and treatment of child abuse and neglect.

The White House Conference for Children and Youth is scheduled for December 1981. A conference examining the needs of children and youth has been held every 10 years since 1909.

Services for the elderly.—For 1982, the budget requests budget authority of $704 million for social services for elderly people.

Grants are made to State and area agencies on aging to assist in financing a range of services to older Americans, particularly those with the greatest economic and social need. State agencies analyze and evaluate the need for services, act as advocates on behalf of

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the elderly, furnish technical assistance to service providers, and help to coordinate systems of services for older people. Area agencies fulfill similar roles in local communities. Services delivered locally include access (e.g., transportation, information, and referral services), legal, and community services in addition to a variety of in-home services.

Nutrition projects for the elderly finance meals served in a group setting or delivered to the home-bound elderly. Budget authority of $383 million is requested for these projects in 1982. The request would finance 431,000 meals daily and is $33 million above the 1981 level.

In addition, $43 million in budget authority is requested to support research, training, and discretionary projects for the elderly. The emphasis of these programs is on meeting the long-term care needs of functionally impaired elderly people.

The White House Conference on Aging is scheduled for December 1981. The conference will examine policy issues of concern to older Americans and recommend ways to meet their needs.

Services for other special groups.—Budget authority of $61 million is requested to assist States to meet the needs of developmentally disabled persons. This program complements existing medical, educational, rehabilitative, and social service programs, and tries to reduce inappropriate institutionalization. It also assists States in developing and administering advocacy systems for developmentally disabled persons. Funds are also requested to help Native Americans achieve economic and social self-sufficiency.

Rehabilitation services and research for the handicapped.—Budget authority of $1.0 billion is requested for rehabilitation services and research for the handicapped in 1982, an increase of $45 million over the 1981 appropriation. These resources aid approximately 1.8 million persons who have physical and mental disabilities, and help them to become self-sufficient. Funds to rehabilitate recipients of supplemental security income and social security benefits are classified in the income security function. In 1982, an increased number of experimental programs helping the disabled live independently is scheduled and should be carefully evaluated.

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Community services program.—The community services program of the Community Services Administration (CSA) finances a variety of social services for poor people through grants to about 900 local community action agencies. Grants are also provided for community economic development and for special service project activities. Budget authority of $542 million is requested for CSA programs to:

- improve grantee performance by establishing a competitive grant program for community action agencies and through financial and program management initiatives;
- conduct demonstration projects in areas such as family counseling, group homes, migrants, and rural housing; and
- help community development corporations to become administratively self-sufficient.

Domestic volunteer programs.—ACTION, the Federal Government's agency for volunteer programs, supports the Volunteers in Service to America (VISTA), Foster Grandparent, Senior Companion, Retired Senior Volunteer, and other programs that promote voluntary action. (The Peace Corps, also administered by ACTION, is classified in the international affairs function.) These programs meet the needs of the poor and emphasize energy conservation, the acquisition of skills through volunteer service, and independent living for the handicapped and elderly.

This budget proposes 5,000 worker years of VISTA volunteer service in 1982. All three older American volunteer programs are expected to enroll more volunteers than in 1981. The budget also continues requests for technical assistance grants and demonstration projects to explore alternative approaches to voluntary action in the private sector. Outlays for ACTION's domestic programs are estimated to increase from $156 million in 1981 to $183 million in 1982.

Tax expenditures.—The provision of social services by a wide variety of private institutions is encouraged by the tax deductibility of contributions to those institutions. The tax expenditure for charitable contributions, other than to educational and health institutions, is estimated to be $9.0 billion in 1982.

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HEALTH

National Needs Statement:

- Improve access to medical and mental health services and improve State and local health care systems.
- Restrain inflation in health care costs.
- Improve financing of health care services through enactment of a national health plan.
- Acquire knowledge regarding the causes, prevention, and treatment of diseases.
- Promote health maintenance and consumer and workplace health and safety.
- Support education of students in the health professions, especially in primary care fields, and placement of health workers in medically underserved areas.

Federal involvement in promoting the Nation's health began with the establishment of the Public Health Service in 1798 to protect the Nation from contagious diseases brought into the country by seamen. The rapid growth in Federal support for the Nation's health care systems began in the mid-1960's when medicare and medicaid were established. Between 1966 and 1982, Federal health outlays (including health-related programs classified in other functions) are projected to rise from $7.4 billion, 13% of national health expenditures, to an estimated $94.9 billion, almost 30% of national health expenditures. These outlays were 5.5% of the Federal budget in 1966 and are estimated to be 12.8% in 1982.

The administration has addressed these national health needs over the last 4 years and continues to do so in this budget, which includes estimated outlays of $74.6 billion in 1982 in the health function. The budget provides major support for the following activities:

- *Health services to the poor and underserved and reorganization of these services to deliver care more effectively.* Increased Federal involvement has dramatically improved the health care system, particularly by increasing access to medical care for the poor and the elderly. The poor now make more physician visits annually than the nonpoor and measures of their health status, such as infant mortality rate and life expectan-

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cy, have improved. Despite these accomplishments, improvements in access, planning, and management of health care are still needed, particularly for the rural poor, the chronically mentally ill, and other underserved populations. This administration continues to endorse the child health assurance program, which would make an additional 2 million children and pregnant women eligible for medicaid and expand services to eligible children. Further expansions are also proposed for community health centers and the National Health Service Corps. In addition, the budget provides for implementation of the Mental Health Systems Act of 1980 and proposes complementary financing expansions.

- *Increased efforts to control inflationary growth in health care costs.* Excessive inflation hinders the ability of people to pay for health care, strains the national economy, and burdens Federal, State, and local budgets. Health care expenditures in the United States grew from 4.5% of gross national product in 1955 to 9.0% in 1979. During the last decade, hospital costs, the largest component, have grown 2½ times as fast as the Consumer Price Index. Without major changes in the health system, by 1990 national health expenditures are projected to reach 11.5% of GNP and the Federal cost of medicare and medicaid $181 billion. The Congress has rejected a legislative approach to vitally needed hospital cost containment, first proposed by the administration in 1977. Thus, this budget does not repropose such a bill. Instead, it proposes several steps to reduce the impact of health care cost inflation on the Federal budget and on the economy.
- *Enactment of a national health plan.* An estimated 22 million Americans have no health insurance, medicare, or medicaid coverage; another 20 million have inadequate basic coverage; and an additional 40 million lack adequate protection against catastrophic expenses. Enactment of a national health plan remains one of the highest priorities in the health area. However, given the need for budgetary restraint and given the relatively limited prospects for adequate cost containment, which must be achieved first, the budget does not include funding for the plan for 1983–1986.
- *Expanded research and education efforts throughout the Federal Government to promote health and to prevent illness and*

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disability. The administration has developed national objectives and strategies for prevention of disease and injury.[1] Increased budget authority is requested for health promotion and disease prevention programs. Health research on the causes, prevention, and treatment of disease, and efforts to link research effectively with practical applications, are critical. Increased funding is requested for the National Institutes of Health (NIH) to award 5,000 new grants and to expand the resources available for basic and clinical research. Increases are also requested for mental health research.

- *Education of health professionals.* Since 1960, the Federal Government has spent about $18 billion to help increase the supply of health professionals by 50%. This effort has been so successful that there is and will continue to be an adequate, or excessive, overall supply of professionals in most of the major health fields. Having achieved this goal, the Federal Government has reallocated resources to increase manpower in the primary health care field and to improve services in neglected or isolated areas of the country.

These and other proposals are discussed in detail in the following sections on health care services, health research, education and training of the health care work force, and consumer and occupational health and safety.

Health care services.—The largest amount of Federal spending for national health needs is devoted to the mission of financing and providing health care services. Federal outlays for health care services are estimated to rise from $69.0 billion in 1982 to $78.7 billion in 1983 and $89.5 billion in 1984, despite proposed savings legislation. Total Federal outlays for health care services, including activities in other missions of the budget, are estimated to be $81.1 billion in 1982, of which 30% supports services to the poor and over 60% supports services to the aged, including low-income aged.

[1] *Healthy People: Surgeon General's Report on Health Promotion and Disease Prevention* (August 1979) and *Promoting Health, Preventing Disease: Objectives for the Nation* (November 1980).

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NATIONAL NEED: HEALTH

(Functional code 550; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Health care services:					
Medicare:					
Existing law	35,855	44,874	56,840	63,494	71,313
Proposed legislation		3	31	−41	−36
Medicaid:					
Existing law	14,543	17,365	18,999	21,494	24,352
Proposed legislation		−31	−98	306	682
Other health care services:					
Existing law	3,902	4,104	4,520	4,912	5,106
Proposed legislation			−5	−5	−5
Subtotal, health care services	54,300	66,314	80,287	90,160	101,412
Health research:					
National Institutes of Health research	3,211	3,367	3,611	3,736	3,866
Alcohol, Drug Abuse, and Mental Health Administration research	233	240	276	290	305
Other research programs	198	188	198	198	198
Subtotal, health research	3,642	3,795	4,086	4,224	4,369
Education and training of the health care work force:					
National Institutes of Health training	218	227	237	233	233
Health Resources Administration and other training	591	333	183	183	183
Alcohol, Drug Abuse, and Mental Health Administration training	114	116	114	114	114
Subtotal, education and training of the health care work force	923	675	534	530	530
Consumer and occupational health and safety:					
Consumer safety	658	723	754	766	775
Occupational safety and health	337	379	418	418	419
Subtotal, consumer and occupational health and safety	995	1,102	1,172	1,184	1,194
Deductions for offsetting receipts	−17	−3	−3	−3	−3
Total, budget authority	**59,844**	**71,884**	**86,075**	**96,095**	**107,501**

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NATIONAL NEED: HEALTH—Continued

(Functional code 550; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Health care services:					
Medicare:					
Existing law	35,034	40,065	47,044	53,633	61,176
Proposed legislation		−84	−446	−490	−613
Medicaid:					
Existing law	14,028	16,577	18,312	20,817	23,592
Proposed legislation		−31	−98	306	682
Other health care services:					
Existing law	3,958	4,121	4,183	4,469	4,632
Proposed legislation			−5	−5	−5
Subtotal, health care services	53,019	60,648	68,991	78,730	89,462
Health research:					
National Institutes of Health research	3,029	3,198	3,433	3,527	3,650
Alcohol, Drug Abuse, and Mental Health Administration research	255	199	237	249	261
Other research programs	158	165	174	179	183
Subtotal, health research	3,442	3,563	3,844	3,955	4,095
Education and training of the health care work force:					
National Institutes of Health training	193	212	222	222	225
Health Resources Administration and other training	404	419	322	326	326
Alcohol, Drug Abuse, and Mental Health Administration training	122	125	104	104	104
Subtotal, education and training of the health care work force	719	755	649	652	655
Consumer and occupational health and safety:					
Consumer safety	674	701	752	765	776
Occupational safety and health	327	369	404	418	419
Subtotal, consumer and occupational health and safety	1,001	1,070	1,156	1,184	1,194
Deductions for offsetting receipts	**—17**	**—3**	**—3**	**—3**	**—3**
Total, outlays	**58,165**	**66,032**	**74,636**	**84,517**	**95,403**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Health care services:					
Budget authority	39	52	76	86	90
Outlays	22	47	54	80	85

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TOTAL FEDERAL HEALTH SERVICE OUTLAYS BY INCOME AND AGE GROUPS

(In millions of dollars)

	1980 actual	1981 estimate	1982 estimate
Poor persons:			
Aged (65 and over)	7,396	8,395	9,597
Other adults (19 to 64)	8,978	10,160	11,156
Children and youth (18 and under)	2,627	3,068	3,371
Subtotal, poor	19,001	21,623	24,124
Non-poor persons:			
Aged (65 and over)	30,750	35,104	40,566
Other adults (19 to 64)	11,745	12,418	13,440
Children and youth (18 and under)	2,338	2,709	2,992
Subtotal, non-poor	44,833	50,232	56,998
Total, all recipients:			
Aged (65 and over)	38,146	43,499	49,963
Other adults (19 to 64)	20,723	22,578	24,596
Children and youth (18 and under)	4,965	5,777	6,363
Total, all recipients	63,834	71,854	81,122
Classified in health (function 550)	53,019	60,648	68,991
Classified in other national needs	10,815	11,206	12,131

Medicare and medicaid.—Medicare and medicaid outlays, which finance health care services for poor, disabled, and aged Americans, are estimated to be $64.8 billion in 1982, nearly 9% of total Federal outlays. Estimated medicaid outlays of $18.2 billion in 1982, with an additional $14.0 billion provided by States, are expected to finance care of 24 million poor Americans. Estimated medicare outlays of $46.6 billion will finance services for 25 million aged and 3 million disabled Americans. The administration continues to support the child health assurance program (CHAP), the most important step the Nation can take to improve medical serv-

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ices for children from low-income families. CHAP is proposed to begin in the last quarter of 1982 at an estimated 1982 cost of $52 million, increasing to $719 million by 1984 as more eligible children are served.

The budget also proposes to enhance medicare mental health benefits by reducing the share of costs paid by the beneficiary to the same level as other medical services and by raising the total amount that can be reimbursed. This budget also includes a new $20 million legislative recommendation to improve services for the chronically mentally ill who are eligible for medicaid by requiring States to provide case management services.

Restraining health care costs.—In view of congressional rejection of hospital cost containment legislation, this budget concentrates on other approaches, including cooperation with the hospital industry's own voluntary effort to reduce the rate of hospital cost inflation. The industry and the Department of Health and Human Services (HHS) have independently announced comparable guidelines for calendar year 1980. The HHS guideline would have limited hospital expenditure increases to 13.5%. Unfortunately, expenditures for 1980 appear to have risen about 16.5%. HHS has initiated, and is working to achieve hospital association support for, a program to monitor hospital expenditures. It is projected in this budget that these efforts could result in 1982 savings of $830 million compared to current actuarial estimates. The urgency of this problem is underscored by the fact that, based on current law, HHS estimates of the Federal costs of medicare and medicaid in 1982 have increased by $2.0 billion just since planning estimates were issued in July 1980.

Several administration proposals would improve the cost effectiveness of the medicare and medicaid programs. Implementation of proposed savings initiatives and repeal of certain low-priority expansions recently enacted by Congress would save an estimated $972 million in 1982.

The administration proposes national objectives for the professional standards review organizations (PSRO) program, the achievement of which would reduce medically unnecessary medicare and medicaid expenditures and save an estimated $204 million in 1982. The administration supports changes in current regulations to provide incentives for hospitals to improve their management practices.

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Actions have been undertaken to restrict Federal expenditures and subsidies for hospital construction and renovation in areas that have an excess of hospital beds. In addition, the administration recommends enactment of legislation to restrict tax-exempt bond financing of, and medicare and medicaid reimbursement for, construction and renovation in such areas.

The administration continues to encourage State mandatory hospital revenue control activities with demonstration grants and by allowing States that meet appropriate standards to regulate medicare hospital payments. In 1979, 8 States with mandatory revenue controls held hospital cost inflation to a weighted average of 11.0%, compared to 14.9% for other States.

HEALTH CARE COST CONTROL OUTLAYS

(In millions of dollars)

	1982 estimate	1983 estimate	1984 estimate
Programs to control health care costs:			
Health planning	148	147	147
Health maintenance organizations (HMO)	52	36	35
Professional standards review organizations (PSRO)	171	171	171
Total, programs to control health care costs	**371**	**354**	**353**
Savings from legislative proposals:			
Elimination of routine medicare nursing bonus	250	285	350
Use of social security wage information for medicaid eligibility	14	17	18
Financial penalty to deter abuse	24	24	24
Medicaid fee schedules for physician services	1	1	1
Competitive bid purchasing of selected medicare and medicaid services	15	24	38
Expedited recovery of disallowed State medicaid claims	100	25	.....
Competitive bidding for medicare contractors	23	47	78
Improved recovery of medicaid overpayments to providers	5	1	1
Impact on medicaid of welfare program changes	18	18	18
Repeal of recently enacted low priority benefit expansions	228	254	286
Subtotal, savings from legislative proposals	678	696	814
Administrative savings proposals:			
Hospital reimbursement reform	25	25	25
PSRO—Reduced unnecessary hospitalization	204	204	204
Reform of reimbursement to hospital-based physicians	32	63	73
Revised home health agency reimbursement limits	13	25	30
Increased audit activities for hospital services	20	23	26
Subtotal, administrative savings	294	340	358
Total, savings proposals	**972**	**1,036**	**1,172**

Finally, State and local health planning agencies and health maintenance organizations (HMO's) receive continued support. Of a $147 million total for health planning, $13 million would be reserved for discretionary grants to particularly effective State and local planning agencies.

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Other health care services.—Budget authority for health care programs other than medicare and medicaid is proposed to increase from $4.1 billion in 1981 to $4.5 billion in 1982. These funds support health service initiatives to reform management of the health care grant system, mental health and primary care services, and prevention activities.

This budget continues an effort begun in 1981 to provide the basic framework for an *integrated Federal-State-local system* for budgeting and managing health services programs. The current Federal grant system requires 11 separate State plans and includes 30 distinct grant programs. This fragmentation has contributed to gaps in service delivery, burdensome application requirements, and poor coordination of planning and management.

Wherever feasible, HHS will develop performance agreements with States and localities to assure delivery of primary health services to the poor. The agreements are also intended to establish performance standards relating services to health measures such as immunization and infant mortality rates. Single annual performance agreements would become the basis for awarding all primary care grants to areas that have voluntarily entered into such agreements.

HEALTH CARE SERVICES

(In millions of dollars)

Program	Budget authority		
	1980 actual	1981 estimate	1982 estimate
Medicare	35,855	44,877	56,871
Medicaid	14,543	17,334	18,901
Mental health:			
Mental health services	293	324	339
Saint Elizabeths Hospital	92	101	106
Subtotal, mental health	385	425	445
Health care services:			
Community health centers	320	325	375
Maternal and child health	346	357	357
Family planning	162	162	162
National Health Service Corps	74	91	118
Public Health Service hospitals	168	168	172
Indian health service	574	662	718
Other health services	206	215	361
Subtotal, health services	1,850	1,980	2,263
Prevention	277	243	254
Alcohol and drug abuse	332	238	273
Health planning	167	146	147
Management of the Public Health Service	264	313	340
Federal employee health benefits	627	758	793
Total, budget authority	**54,300**	**66,314**	**80,287**
(Total, outlays)	**53,019**	**60,648**	**68,991**

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Consolidation of the disparate planning requirements would also improve the coordination of planning and decisionmaking. Planning and grant reforms would be phased in on a voluntary basis with State and local governments, as has already been initiated in four States and three large local governments.

In addition to primary care planning and grant reform, the 1982 budget proposes to improve *health services for underserved areas* through added funding for the community health centers program and the National Health Servce Corps (NHSC). Budget authority of $375 million is proposed for 1982, $50 million above the 1981 level, to support 872 community health centers serving over 6 million people. Budget authority for the NHSC services program is proposed to rise from $91 million in 1981 to $118 million in 1982 to support 3,569 NHSC professionals, an increase of 909 over 1981. By 1990, the NHSC field strength is projected to exceed 11,000. In addition, this budget requests $180 million in advance appropriations for use in 1983 to eliminate last-minute placement of NHSC participants; this would allow the NHSC to plan better the delivery of care to the medically underserved and recruit more effectively those who wish to serve without a scholarship obligation.

Budget authority of $772 million in 1982, including $718 million for health services and $54 million for program management, is requested to provide direct medical services or contract care to 802,000 *American Indians and Alaskan Natives.* This represents an increase of $56 million over the 1981 services level.

Since the passage of the original Community Mental Health Centers (CMHC) Act in 1963, more than $2.5 billion in Federal funds have been spent to establish 800 CMHCs, which now provide access to *mental health services* to over half of the U.S. population and treat more than 3½ million individuals annually.

The Mental Health Systems Act of 1980—a major legislative accomplishment of this administration—established a Federal-State partnership to reform the mental health services system and to allow States to manage the delivery and financing of mental health care. For State and community mental health programs authorized under this Act, $339 million in 1982 budget authority is requested, an increase of $15 million over the 1981 level. The request includes $38 million to initiate services to the chronically mentally ill, $48

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million for new mental health programs focused primarily on the elderly, children, and minorities, and $253 million for CMHCs.

An estimated $1 billion in Federal funds were spent under medicaid in 1980 for care to over 200,000 institutionalized chronically mentally ill persons. To encourage effective community-based care, this budget proposes that States be required to develop case management services and plans to coordinate services financed under medicaid and under the Mental Health Systems Act.

The 1982 budget continues the administration's commitment for *national health promotion* and *disease prevention.* The Surgeon General's *Healthy People* report of 1979 has identified the reduction of cigarette smoking and alcohol abuse as 2 of 15 major prevention objectives for 1990. This budget includes $10 million for the third year of a community-based demonstration grant program designed to discourage smoking and alcohol abuse among youth. Budget authority for prevention and treatment demonstration programs related to alcohol abuse is proposed to increase from $73 million in 1981 to $110 million in 1982, with special attention to prevention of fetal alcohol syndrome and other alcohol-related health problems, and treatment of alcohol abuse among women and youth. Starting in 1982, this budget proposes that Federal grant support for alcohol demonstration projects beyond their sixth year of operation be phased out over a 3-year period.

Expanded support is provided for both traditional public health activities and more recent health promotion and disease prevention initiatives such as high blood pressure control, genetic services, community water fluoridation, and completion of the campaign to eliminate measles in this country. This budget requests $37 million to sustain the successful childhood immunization program begun in 1978, reaching 6.3 million children in 1982. Funding would be increased for prevention of environmental health hazards to reduce hazards from toxic chemicals in the environment and to respond to health emergencies.

Tax expenditures.—Federal tax laws help finance health care by allowing employees to exclude from their taxable income the insurance premiums paid by their employers. Under current law, the revenue loss from this tax expenditure is estimated at $16.6 billion for 1982. There has been considerable discussion, especially in the

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Congress, about the inflationary effects on health care costs of these tax expenditures. Individuals are permitted to itemize as deductions certain expenses for health care and premiums paid for health insurance. In 1982, the revenue loss from these tax deductions is estimated at $4.1 billion. In addition, tax expenditures in 1982 are estimated at $1.9 billion for health-related charitable contributions, and $0.7 billion for the exclusion of interest on State and local hospital bonds, which the administration proposes to disallow.

Health research.—The budget proposes to increase budget authority for health research from $3.8 billion in 1981 to $4.1 billion in 1982.

National Institutes of Health research.—Budget authority for health research at the National Institutes of Health (NIH) is proposed to increase from $3.4 billion in 1981 to $3.6 billion in 1982. The request provides for support of 5,000 grants for new research projects and a total of approximately 16,085 research project grants in 1982. These levels reflect continuation of the administration's commitment to stable funding for NIH project grants and an increase in resources for basic and clinical research activities. The budgets for 1981 and 1982 have restored and maintained a relatively equitable distribution of funds among the 11 institutes of the NIH. Additional funds and personnel are made available for the opening of the Ambulatory Care Research Facility at the Warren G. Magnuson Clinical Center on the NIH campus.

Alcohol, Drug Abuse, and Mental Health Administration research.—Budget authority for research in the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) is proposed to increase from $240 million in 1981 to $276 million in 1982, an increase of nearly 15%. Basic and applied research would be expanded in such areas as the neurosciences, epidemiology, prevention, special population needs, and assessment of treatments.

Other research programs.—Budget authority of $198 million is requested for other research such as health services, health care financing, health statistics, and health care technology.

Federal outlays for health research, including outlays not in this function, are expected to increase from $4.7 billion in 1981 to $5.2 billion in 1982. The Federal Government provides approximately two-thirds of the total funds devoted to health research.

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Education and training of the health care work force.—The Federal Government provides funding for training in nearly every health profession through one or more of about 60 separate programs. Projections indicate, however, that there is already an adequate overall supply of medical personnel, and an excessive supply in many specialties. The number of active physicians is expected to reach nearly 600,000 by 1990, an increase of 58% between 1975 and 1990.

In recognition of these trends, the budget supports the geographic redistribution of physicians through service commitment scholarships; the reduction of excessive physician specialization through support of primary care training programs; and the phaseout of general institutional grants to train health professionals, particularly capitation subsidies. Total budget authority for training health professionals in this mission is proposed to decline from $675 million in 1981 to $534 million in 1982.

SUPPLY OF ACTIVE HEALTH PROFESSIONALS

(In thousands)

	1950 actual	1960 actual	1970 actual	1975 actual	1980 estimated	1990 estimated
Physicians	220	274	323	377	447	598
Dentists	79	90	102	112	126	156
Optometrists	15	16	18	20	22	26
Pharmacists	88	101	114	122	144	185
Registered nurses	335	527	750	961	1,195	1,509

Source: Division of Health Profession Analysis, HHS.

Budget authority for NHSC scholarships, as distinguished from the NHSC services program, is proposed to decrease from $80 million in 1981 to $70 million in 1982. This funding level would support 1,000 new scholarships and an estimated total of 4,488 scholarships in 1982, about 1,750 fewer than in 1981. These reductions are intended to bring the NHSC projected field strength in line with projected national needs in the 1990's. Legislation is supported that would allow scholarships to be offered to medical students in the third year rather than the first year of medical school, so that they would have a better basis for making early career commitments and would serve sooner than first year students. Emphasis would be placed on attracting students from a broader distribution of medical schools. Those obliged to serve because of scholarships would be assigned to areas where physicians are least likely to locate voluntarily. In certain circumstances, assignments might be made to Veterans Administration or Department of Defense facilities. Service commitments to underserved areas and understaffed facilities are also required for all federally supported students in mental health professions.

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New loan guarantees under the health education assistance loan program for students seeking financial assistance without a service commitment are estimated to be $100 million for the 1981–82 academic year. This budget continues support for other training programs, especially to strengthen health professions schools for minorities, expand assistance for disadvantaged students, and enhance the recruitment into and retention of minorities and women in health professions.

Research training subsidizes the preparation of young people for careers in research and supports their actual contribution to research while in training. In 1982, $261 million in budget authority is requested for research trainees, including more than 10,000 trainees supported through NIH and nearly 1,500 trainees supported through ADAMHA in both 1981 and 1982. This budget would stabilize funding for research training by maintaining support for a constant level of trainees.

Consumer and occupational health and safety.—Budget authority of $1.2 billion in 1982 is requested for the mission of protecting consumers from unsafe and defective products and workers from occupational hazards.

Consumer safety.—Budget authority for consumer safety activities is proposed to increase from $723 million in 1981 to $754 million in 1982. Funding would support research, dissemination of information, regulatory measures to protect consumers from unreasonable consumer product risks, and the second phase of construction of a new laboratory for the Food and Drug Administration. Current activities to assure the safety and efficacy of drugs and medical devices and the safety of foods would be continued.

Occupational safety and health.—The budget includes $418 million in budget authority to improve occupational safety and health in 1982, an increase of $39 million over the 1981 level. The Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration in the Department of Labor continue to revise and issue new standards to eliminate workplace hazards causing injury, illness, or death. Increased funding is included in this budget for OSHA to conduct additional and improved regulatory analyses of proposed standards, to increase grants to help private organizations train workers and employers to recognize and eliminate hazards, and to expand free, on-site consultations to assist small businesses.

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In 1982, proposed budget authority for the National Institute for Occupational Safety and Health is $82 million. Initiatives are proposed to enhance efforts to test and certify protective equipment and to increase research on workplace hazards that affect male and female reproductive capacity.

Health-related programs.—The Federal Government supports a number of health-related programs that are a part of other major functions. These programs meet other national needs, such as national defense, but are related to the health of the Nation's people. The following table shows 1982 outlays for health and health-related programs.

PROPOSED 1982 FEDERAL HEALTH AND HEALTH-RELATED OUTLAYS

(In millions of dollars)

Agency	Mission				
	Health care services	Health research	Training the health care work force	Protecting consumers and workers	Total [1]
Health and Human Services	67,897	3,911	727	561	73,096
Veterans	7,120	162	379	.....	7,661
Defense	5,293	251	387	103	6,034
Agency contributions to employee health funds	2,962	.....	.....	.....	2,962
Labor	1	12	80	307	400
Agriculture	1,092	168	.....	477	1,737
Energy	.....	272	.....	702	974
Interior	35	70	.....	2	107
Environmental Protection Agency	.....	88	.....	.....	88
State	32	6	13	51	102
National Science Foundation	.....	79	.....	1	80
Transportation	36	17	7	351	411
National Aeronautics and Space Administration	.....	92	.....	15	107
Justice	41	2	5	226	274
Housing and Urban Development	34	.....	.....	18	52
Education	328	25	84	.....	437
Commerce	5	23	1	119	148
Other agencies	111	8	3	69	191
Total	**84,987**	**5,186**	**1,686**	**3,002**	**94,861**
Classified in health (550)	**68,991**	**3,844**	**649**	**1,156**	**74,636**
Classified in other national needs	**15,996**	**1,342**	**1,037**	**1,846**	**20,225**

[1] Includes offsetting receipts of $3 million not allocated by mission.

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CREDIT PROGRAMS—HEALTH

(In millions of dollars)

	1980 actual	1981 estimate	1982 estimate
Direct loans: [1]			
New loans	64	80	102
Repayments, sales and adjustments (—)	—46	—90	—103
Net loan outlays	18	—10	—1
Loan guarantees: [2]			
New loans	71	101	176
Net loan guarantees	—167	53	109
Off-budget Federal entity—Federal Financing Bank: [3]			
Direct loans:			
New loans	39	52	76
Repayments (—)	—18	—5	—21
Net loan outlays	22	47	54

[1] Includes direct loan transactions with the FFB shown below.
[2] Includes guarantees of direct loan transactions with the FFB shown below.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the Introduction to Part 5 for further explanation.

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INCOME SECURITY

National Needs Statement:

- Mitigate the loss of income that individuals and their families experience as a result of unemployment, retirement, disability, or death of a wage earner.
- Assure a reasonable income and adequate diet for all poor Americans, especially families with children, the elderly, and disabled who—even though they may be working—cannot fully provide for themselves.
- Help the poor meet increasing energy costs.
- Assist the poor in working their way out of poverty, rather than foster their permanent dependence.
- Eliminate physically inadequate or substandard housing conditions, especially for low-income individuals and families.
- Assure that income assistance programs focus on those most in need.
- Administer these programs efficiently while preserving the dignity and independence of the beneficiaries.

Income security is the largest and one of the most steadily growing functions in the Federal budget. In 1982 income security outlays are estimated to be $255 billion, more than 34% of total budget outlays. Rising income security outlays reflect the breadth of protection available to the aged, poor, disabled, or unemployed. Over the last 25 years total Federal budget outlays as a percentage of gross national product (GNP) have grown by 5.3 percentage points, from 17.7% in 1957 to 23.0% in 1982. The income security portion almost tripled—growing from 2.7% to 7.9% in 1982. This growth is dominated by social security, which grew over this period at a rate more than three times as fast as GNP. Unemployment compensation outlays, which vary with the unemployment rate, have fluctuated widely both in absolute amounts and as a percent of GNP, but in general have not increased. Other income security outlays have risen at a rate roughly three times as fast as GNP.

INCOME SECURITY OUTLAYS AS A PERCENT OF GROSS NATIONAL PRODUCT

	1957 actual	1962 actual	1967 actual	1972 actual	1977 actual	1982 estimate
Social security	1.5	2.6	2.8	3.5	4.5	5.0
Unemployment compensation	.4	.7	.3	.6	.8	.7
All other	.7	.9	.9	1.5	2.1	2.3
Total	2.7	4.1	4.0	5.7	7.4	7.9

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While outlays in the income security function go mainly to the elderly, the disabled, the unemployed, and low-income families, the great bulk of such spending is not needs- or income-tested. In 1982 about 18% of total outlays in this function—equal to about 1.4% of GNP—will be needs tested, while most of the remainder is for social insurance payments such as retirement, disability insurance, and unemployment benefits.

Increases in the cost of income security programs come largely from statutory automatic cost-of-living increases, from an increase in the number of people eligible for and receiving benefits, and from the higher initial benefits received by new beneficiaries of the social security system. Most of the benefits are automatically available to those who meet the qualification standards established in law. Therefore, the Government can change outlays for these programs in a major way only through new legislation.

The 1982 budget includes revisions to income security programs so that they better meet national needs and can be administered as efficiently and inexpensively as possible.

The States and many cities are severely burdened by public assistance costs. This administration has been committed to trying to help alleviate those burdens. It is important that these needs be addressed in the future.

The administration supports the following initiatives in the income security area:

- improving the short-term and long-term financing of the social security system;
- indexing programs for price changes once instead of twice each year, and basing such changes on an alternative index.
- extending full social security coverage to railroad workers, their dependents, and survivors;
- restoring the rail industry pension fund to solvency;
- offsetting rising energy costs to low-income families;
- using more lower-cost existing housing for rental housing assistance;
- removing imperfections in the unemployment insurance law to assure that the number of weeks a person can receive unemployment benefits is extended only when justified by high unemployment rates;
- simplifying programs to increase administrative efficiency; and
- reducing fraud and abuse to promote public confidence and to ensure that benefits reach intended beneficiaries.

The administration continues to support borrowing among social security trust funds. This would increase the ability of the system to withstand fluctuations in the economy and help assure the

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timely payment of all social security benefits. Sound financing is a major concern for the railroad retirement system and will require increased taxes and a modest restructuring of future benefits. These steps will correct anomalies in the system and bring it more in line with social security benefits. The budget reflects proposals by the administration to meet this problem.

Rising energy costs place particularly large burdens on low-income families. The administration seeks continuation of low-income energy assistance for the needy.

Fraud and error in the food stamp program are being reduced by new fiscal incentives for States to improve administration. Specifically, recently enacted legislation will require States with excessive error rates in administering food stamp benefits to share in the cost of such errors. An increase in funding is proposed for the supplemental food program for women, infants, and children (WIC) to maintain the same number of participants as in 1981. The budget assumes enactment, on a permanent basis, of reductions enacted for 1981 in child nutrition subsidies.

All Federal retirement programs in this function and some public assistance benefits are related by law to changes in the cost of living, as measured by the Consumer Price Index (CPI) or some other specified index. In this way, benefits are protected from erosion by inflation. The administration proposes two modifications to current indexing procedures.

First, it is proposed that automatic benefit increases be limited to once per year for all programs, based on price increases over a 1-year period. Currently, Federal employee retirement programs, including military retirement (which is included in the national defense function), are adjusted semi-annually. The child nutrition program, limited to only one increase in 1981 by legislation enacted last year, would revert back to semi-annual increases in subsequent years. Changes enacted last year in the food stamp program provide a limit of one increase per year, but would calculate the benefit increase for January 1982 on the basis of actual price increases over a 12-month period plus projected price increases for an additional 3 months. This budget recommends that automatic benefit increases be based on a 12-month period of actual price changes.

Second, for programs currently linked to the CPI the administration is proposing that benefit increases beginning in 1982 be based on a different index. An administration study of indexed Federal programs that is also being transmitted to the Congress this month finds that the current CPI significantly overstates the importance of housing and measures changes in housing costs in an unsatisfactory manner. The Bureau of Labor Statistics currently publishes an index, the CPI–X1, that treats housing differently and is a better

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measure of changes in the cost of living. On the basis of the economic assumptions used in this budget, no outlay effects are projected for this proposal. An effect on future outlays would depend upon changes in prices and interest rates that are difficult to forecast.

General retirement and disability insurance.—The greatest portion of income security outlays goes to retirement and disability insurance programs, which pay benefits to 36.5 million people. Except for special benefits to disabled coal miners, the beneficiaries themselves have been taxed during their working years to help support the programs. On the average, however, benefits are substantially higher, even after allowing for inflation, than the amounts they paid into the program. This advantage will persist, although the ratio of benefits to taxes will generally decline in the future. Outlays for general retirement and disability insurance are estimated to increase from $146 billion in 1981 to $167 billion in 1982 because of:

- automatic increases in benefits to keep pace with the cost of living;
- an increase in the number of aged and disabled persons eligible for benefits; and
- individual earnings histories upon which the benefits are based.

Social security.—Old age, survivors, and disability insurance (OASDI) touches the lives of virtually every American through benefits received or through payroll taxes deducted from earnings to finance the program. In 1982, more than 95% of people age 65 or over (20.5 million people), and their dependents (3.7 million) will be eligible for social security retirement benefits. Over 7 million people under 65 will receive benefits because they are survivors of deceased workers, and almost 5 million more because they are disabled workers or dependents of disabled workers. The $150 billion paid into the system from payroll taxes and other receipts and the $160 billion paid out in 1982 make OASDI the largest program in the budget, amounting to 5% of the gross national product.

A major objective of this administration has been to rebuild the financial soundness of social security. In 1977 the administration proposed, and the Congress enacted, legislation to prevent the exhaustion of the disability insurance trust fund and to change the double-indexed benefit formula that was threatening the long-run health of the entire program. In 1979 the Congress enacted legislation proposed by the administration to eliminate instances of excessive disability benefits, strengthen work incentives, and improve the administration of the disability program. The administration and the Congress also worked together in 1980 to enact a reallocation of scheduled payroll tax revenues from disability insurance to the old-age and survivors insurance program.

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NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
General retirement and disability insurance:					
Social security (OASDI):					
Existing law	115,997	131,048	150,145	166,076	182,254
Proposed legislation			247	313	410
Railroad retirement:					
Existing law	4,400	4,848	5,384	5,741	6,119
Proposed legislation			118	133	127
Special benefits for disabled coal miners	1,848	1,902	1,880	1,858	1,868
Pension Benefit Guaranty Corporation					
Other	17	14	15	13	18
Subtotal, general retirement and disability insurance	122,262	137,813	157,790	174,134	190,797
Federal employee retirement and disability:					
Retirement and disability:					
Existing law	24,466	27,952	30,654	33,005	35,187
Proposed legislation			−698	−621	−655
Federal employees workers' compensation	266	311	353	349	415
Subtotal, Federal employee retirement and disability	24,732	28,263	30,308	32,732	34,947
Unemployment compensation:					
Existing law	17,703	22,575	25,988	24,621	23,438
Proposed legislation			−1,957	−655	−503
Subtotal, unemployment compensation	17,703	22,575	24,031	23,966	22,935
Housing assistance	27,813	30,870	31,386	37,652	40,853
Food and nutrition assistance:					
Food stamps:					
Existing law	9,182	11,084	12,882	14,289	15,278
Proposed legislation			−487	−719	−574
WIC—food supplements	758	927	1,068	1,068	1,068
School lunch and other child nutrition programs:					
Existing law	3,834	4,072	5,026	5,552	6,012
Proposed legislation			−453	−470	−482
Subtotal, food and nutrition assistance	13,774	16,083	18,037	19,721	21,303
Other income security:					
Supplemental security income:					
Existing law	6,468	7,278	7,983	9,488	8,749
Proposed legislation			−45	−45	−45
AFDC and related assistance:					
Existing law	7,709	7,728	6,263	8,587	8,872
Proposed legislation			−531	−543	−557
Earned income tax credit:					
Existing law	1,275	1,203	1,115	1,031	955
Proposed legislation				572	526
Refugee assistance	617	948	767	636	530
Low-income energy assistance:					
Existing law	1,618	1,850			
Proposed legislation			1,850	1,850	1,850
Other	227	543	598	653	693
Subtotal, other income security	17,914	19,550	18,000	22,229	21,574
Total, budget authority	**224,198**	**255,154**	**279,551**	**310,434**	**332,408**

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NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
General retirement and disability insurance:					
Social security (OASDI):					
Existing law	117,117	138,260	159,648	180,939	201,374
Proposed legislation			−23	−26	−57
Railroad retirement:					
Existing law	4,737	5,295	6,013	6,506	6,918
Proposed legislation			−186	−221	−254
Special benefits for disabled coal miners	1,843	2,013	1,875	1,857	1,864
Pension Benefit Guaranty Corporation	−27	−37	−29	−30	−25
Other	13	16	15	13	18
Subtotal, general retirement and disability insurance	123,684	145,547	167,313	189,037	209,838
Federal employee retirement and disability:					
Retirement and disability:					
Existing law	14,442	17,292	20,185	22,808	25,452
Proposed legislation		−12	−655	−615	−679
Federal employees workers' compensation	233	311	353	349	415
Subtotal, Federal employee retirement and disability	14,675	17,591	19,883	22,541	25,188
Unemployment compensation:					
Existing law	18,023	26,140	24,088	21,521	20,638
Proposed legislation			−2,210	−630	−634
Subtotal, unemployment compensation	18,023	26,140	21,878	20,891	20,004
Housing assistance	5,514	6,861	8,465	9,973	11,762
Food and nutrition assistance:					
Food stamps:					
Existing law	9,117	10,950	12,722	14,181	15,164
Proposed legislation			−482	−715	−571
WIC—food supplements	717	904	994	994	994
School lunch and other child nutrition programs:					
Existing law	4,181	4,052	4,676	5,179	5,614
Proposed legislation			−429	−445	−456
Subtotal, food and nutrition assistance	14,015	15,905	17,481	19,194	20,745
Other income security:					
Supplemental security income:					
Existing law	6,411	7,305	8,017	9,498	8,720
Proposed legislation			−45	−45	−45
AFDC and related assistance:					
Existing law	7,308	7,794	8,216	8,587	8,872
Proposed legislation			−531	−543	−557
Earned income tax credit:					
Existing law	1,275	1,203	1,115	1,031	955
Proposed legislation				572	526
Refugee assistance	368	881	768	694	581
Low-income energy assistance:					
Existing law	1,577	1,896			
Proposed legislation			1,850	1,850	1,850
Other	250	528	597	674	692
Subtotal, other income security	17,190	19,605	19,987	22,317	21,594
Total, outlays	**193,100**	**231,650**	**255,006**	**283,955**	**309,131**

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NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Housing assistance:					
Budget authority	119	1,458	957		
Outlays	119	1,457	942	−252	−252

Long-range projections indicate that the aggregate payroll taxes to be collected under current law are sufficient to finance the aggregate benefits over the next 50 years. However, current trends in birth and mortality rates, in the participation of single and married women in the labor force, and in the rate of economic growth if continued beyond 50 years are likely to produce severe financial difficulties for the social security program. Several national commissions and study groups have begun to report to the Congress on ways that the program may be adapted to these trends.

In the shorter run, for perhaps the next 10 years, the financial structure of the old-age and survivors insurance program will undergo severe strains. These strains have been increasing during the last decade, and particularly since the 1977 social security amendments, as a result of both higher than anticipated unemployment and increases in prices at a faster pace than wage rates. Higher unemployment has reduced the amount of payroll taxes that was collected and the more rapid increase in prices relative to wage rates has resulted in larger increases in benefits than in the revenues that finance them. Together, they drain the reserves of the program to dangerous levels.

Last year the administration proposed that the three major social security trust funds be authorized to borrow from each other when needed to assure the timely payment of benefits. Enactment of full interfund borrowing would bolster the solvency of the old age and survivors insurance program over the next 2 to 3 years. The administration therefore urges the Congress to adopt interfund borrowing at the earliest opportunity. Voluntary efforts to contain hospital costs are essential in assuring sufficient trust fund reserves in the short run.

Even then, the trust funds will have in the near term only a very thin margin of reserves. It is desirable, therefore, to take additional action to ensure the uninterrupted payment of benefits through

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the decade. The principal options depend upon increases in taxes beyond those increases already scheduled in law, transfers from the general fund, and/or a restructuring of benefits.

This administration has continually opposed cutting back the basic social security and disability benefits, and has supported the indexing of benefits to keep pace fully with inflation. Any changes to the benefit structure require profound and lengthy policy consideration. The effects of such modifications are far-reaching, accrue over a long period, and cannot be reversed quickly.

The administration therefore believes that the short-range financial difficulty needs to be resolved primarily by the provision of additional resources. Various approaches have been suggested to derive the additional revenues. Among the more serious proposals are:

(1) Provide authority for social security to borrow from the general fund. This would recognize explicitly that the U.S. Government will guarantee payment of social security benefits until permanent financing is arranged.

(2) Finance half of the hospital insurance (medicare) program with general revenues and reallocate a portion of the currently scheduled hospital insurance payroll tax to finance the OASDI programs. Many believe that payroll tax financing should not be the sole support of the hospital insurance program because the benefits are not related to prior earnings.

(3) Increase the payroll tax rate. Some recent opinion polls have indicated that Americans are willing to pay higher payroll taxes, if needed, to assure the payment of social security benefits. However, a further increase at this time seems undesirable, given the increase in taxes scheduled in law for 1985.

These proposals should be addressed in the context of solving a temporary problem.

Railroad retirement.—The Railroad Retirement Board, a Federal agency, administers benefits that are generally equivalent to social security benefits, as well as industry pensions, for retired and disabled railroad employees, their dependents, and survivors. The industry pensions include an array of retirement, survivor, and disability benefits in addition to those provided as generally equivalent to social security. Benefit outlays are estimated to increase from $5.3 billion in 1981 to $5.8 billion in 1982 as a result of indexed benefit increases and the higher average benefits received by new beneficiaries. Higher benefits paid to the one million beneficiaries will more than offset the effect of an anticipated decline of 12,000 beneficiaries between 1981 and 1982.

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The Board's latest actuarial projection indicates that the industry pension fund is seriously underfunded. Its cash balances are being depleted rapidly and are projected to be inadequate to pay benefits on a timely basis by 1983. The budget reflects three legislative proposals to protect the interests of current and future beneficiaries, and taxpayers.

The first is a legislative proposal to extend full social security coverage and benefits to railroad workers and their families, thereby assuring that full social insurance protection is available to them. Currently, railroad workers pay the equivalent of social security taxes, but dependents are not eligible for certain social security benefits, such as those payable to divorced spouses, remarried widows, and children of retirees. The proposal would simplify the complex financial arrangement between social security and railroad retirement, liberalize benefits for dependents and survivors of railroad workers, and prevent rail workers from losing social security coverage.

The second legislative proposal would ensure that the interests of current and future beneficiaries are protected by restoring the rail industry pension fund to solvency. Revenues would be increased by 2% of railroad industry payroll, chiefly by removing the ceiling on earnings subject to railroad retirement taxes. The proposal also would restrain growth in certain benefits. The administration joins the Congress in inviting railroad labor and management jointly to propose sound short- and long-term financing of the industry pension fund without added Federal subsidies.

The third legislative proposal concerns the "windfall" subsidy. The industry component of the railroad retirement system provides windfall benefits to certain beneficiaries entitled to both social security and railroad retirement benefits. The general taxpayer has subsidized these benefits to railroad industry beneficiaries since 1976. The windfall subsidy, estimated in 1974 to require 25 annual $250 million appropriations, was reestimated upward in 1976 and again in 1979. The estimated cost of the windfall subsidy doubled in 5 years, and further sizable increases are expected because the current Railroad Retirement Board estimates assume no inflation after 1980. The administration proposes limiting the annual windfall appropriation to $350 million in 1982 and subsequent years.

Legislation is also proposed to simplify benefit computations, improve service to beneficiaries, and simplify administration.

Special benefits for disabled coal miners.—Benefits are provided to coal miners disabled from pneumoconiosis (commonly known as "black lung disease") and to their dependents and survivors. Under the Black Lung Act, if a former miner suffers from a chronic disease of the lungs according to specified medical evidence (e.g.,

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X-rays), it is presumed that the miner is totally disabled due to black lung disease and is entitled to the laws benefits. These benefits, which are adjusted automatically by law to changes in the GS-2 Federal salary levels, are estimated to be $1.9 billion in 1982.

The Department of Health and Human Services (HHS) administers benefits funded from general revenues that are paid to disabled coal miners and their dependents and survivors who filed for benefits from 1970 through 1973.

The Department of Labor receives black lung claims filed after 1973 and reviews all claims denied by HHS for possible approval under new eligibility criteria. Benefits are to be paid by the mine operator found responsible for the disability. Benefit payments for eligible miners and survivors where no mine operator can be assigned responsibility, or where mine employment terminated before 1970, are paid from the black lung disability trust fund. This trust fund is intended to be financed by an excise tax on coal. However, benefit payments and expenses exceed the tax revenues, and the trust fund is expected to be $2.1 billion in debt by the end of 1982. Benefit payments from the trust fund are estimated at $775 million in 1981 and $570 million in 1982.

Pension Benefit Guaranty Corporation.—The Pension Benefit Guaranty Corporation was established by the Employee Retirement Income Security Act of 1974 to protect the vested benefits of workers in covered pension plans that terminate. Employers with covered plans pay annual premiums to cover the Corporation's costs of taking over terminated plans and paying retirement benefits when due. Individual employers who sponsor their own plans and terminate them are liable for unfunded portions of vested retirement benefits up to 30% of the employers' net worth. A law enacted in 1980 requires different treatment of multi-employer plans. For these plans, the Corporation now insures plan insolvency rather than plan termination. Financially troubled multi-employer plans may reorganize and adjust benefits under regulations of the Corporation, and the Corporation may extend loans to enable the plans to continue paying benefits. The new law requires that the Corporation's outlays be counted in the government's budget totals. Its receipts are expected to exceed expenditures by $37 million in 1981 and $29 million in 1982.

Other.—The President's Commission on Pension Policy was established to develop recommendations on efficient and equitable retirement systems. It is examining several subjects, including the definition of an adequate standard of living upon retirement and the ability of the various public and private retirement systems to meet the needs of the retired population. In addition, data are

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being collected on the financial condition of the various systems and their ability to finance promised benefits; on the cost of these benefits now and in coming decades; and on the relationship of tax policy, capital formation and economic growth to pension policy. The Commission has completed two interim reports. The May 1980 report dealt primarily with issues related to private pension plans. The November 1980 report examined the financing and benefit structure of the social security system. The final report of the Commission is scheduled to be submitted to the President and the Congress in late February 1981.

Tax expenditures.—A variety of income exclusions, tax deferrals, and credits assist the aged, retired, and disabled. The exclusion from income subject to tax of all social security and most railroad retirement benefits without regard to an individual's income from other sources results in estimated tax expenditures of $11.3 billion and $435 million, respectively, in 1982. The exclusion from income of benefits for the disabled results in an estimated tax expenditure of $1.0 billion in 1982, and the exclusion of disability pay from income taxes will result in tax expenditures of $170 million. The tax expenditures resulting from the extra personal exemption for those over 64 and the blind, and from tax credits for the elderly are estimated to reduce 1982 receipts by an estimated $2.5 billion, $30 million and $120 million respectively.

Tax expenditures also provide incentives for employers to provide their workers with pensions and other benefits such as life, accident, and disability insurance and supplemental unemployment compensation. Excluding the cost of these benefits from personal income results in estimated tax expenditures of $30.2 billion, $2.1 billion, $105 million, and $20 million, respectively, in 1982.

Federal employee retirement and disability.—Outlays for Federal civilian retirement and non-work-related disability insurance are estimated to increase from $18 billion in 1981 to $20 billion in 1982. These Federal programs are estimated to have 1.9 million beneficiaries in 1982. (Military retirement is discussed in the section on national defense.)

Legislation is supported again to provide for annual cost-of-living adjustments in Federal annuity payments. Currently, adjustments are made on a semi-annual basis, a practice associated only with government employee retirement programs. The change will align Federal policy with that of the social security system.

Expenditures for disability retirement are expected to decrease gradually as a result of efforts to develop more specific eligibility criteria. When the criteria are applied, the number of beneficiaries

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should decrease. Potential savings of $135 million in outlays are anticipated for 1982.

The Department of Labor, through the Federal Employees' Compensation Act program, provides tax-free cash and medical benefits to Federal employees or their survivors for job-related injuries, illnesses, or deaths. Other Federal agencies subsequently reimburse the Department for payments made on behalf of their employees. About 49,000 workers with long-term disabilities, or their survivors, are expected to receive monthly payments in 1981. In 1982, this number is estimated to decline by 2% to 48,000, due to better quality control. Over $1 billion in benefits is expected to be paid in 1982. After reimbursements from other agencies, outlays are estimated to increase from $311 million in 1981 to $353 million in 1982.

The Federal Employees' Compensation Act was amended in 1980 to provide for annual cost-of-living adjustments. Previously, cost-of-living adjustments were made in monthly payments whenever the CPI increased at least 3% over the index of the last base month and remained there for 3 consecutive months. In recent years, this irregular system of CPI adjustments has resulted in increases in benefits twice and even three times a year. The new law will result in outlay savings of $33 million in 1981 and $300 million over the 5-year period 1981–85.

Unemployment compensation.—About 97% of wage and salaried employment in the United States is covered by unemployment compensation that supports individuals who are temporarily out of work and are searching for jobs. This income to unemployed workers also helps support aggregate purchasing power during slack periods in the economy. It is estimated that an average of 4.1 million workers per week will receive unemployment benefits during 1981 and 3.4 million in 1982. Outlays are estimated to decrease from $26.1 billion in 1981 to $21.9 billion in 1982 as a result of a decline in the projected average unemployment rate from 7.8% in fiscal year 1981 to 7.6% in 1982 and of the proposed legislation described below.

Under present law, the number of weeks an unemployed worker can receive unemployment insurance (usually 26) is increased by 50% in any State where the insured unemployment rate is 4% or more for 13 consecutive weeks and at least 120% of the rate in the corresponding period in each of the previous 2 years. States may also provide these extended payments when their insured unemployment rate reaches 5% for 13 weeks regardless of the rates in prior years. In addition, the extended benefits are paid in all States when the national insured unemployment rate reaches 4.5% for 13

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consecutive weeks. Eligibility for extended benefits ceases whenever the insured unemployment rates fall below these requirements for 13 consecutive weeks.

Currently, those claiming extended benefits are counted in calculating the insured unemployment rates. Several anomalies have resulted from this method of calculation. First, the payment of extended benefits in a State that paid such benefits in either of the 2 previous years may be delayed when unemployment rises. Second, extended benefits may be paid in one State while they are not paid in a second State with an identical overall unemployment rate. Third, extended benefits continue to be paid when overall unemployment is less than it was when the extra payments started. Legislation is recommended to correct these imperfections by removing claimants of extended benefits from the calculation of insured unemployment rates. This proposal, in addition to eliminating the anomalies cited above, would effectively raise the unemployment rate required to trigger extended benefits nationally. Most of the outlay savings from this proposal are related to the national trigger. Under current law, extended benefits would be paid nationally for the first three quarters of fiscal year 1982, using the unemployment rates forecast in the budget. Under the proposal, these unemployment rates would not activate the national trigger. Extended benefits would still be paid in individual states that trigger extended benefits; these payments are estimated to be $1.5 billion in 1982. If the unemployment rate were only one-fourth percentage point higher for 1982, the national trigger would be activated under both current and proposed law and the outlay savings from this proposal would be relatively small. Under present economic projections this proposal would reduce outlays for unemployment compensation by $2.1 billion in 1982.

In order to reduce the deficit, the Omnibus Reconciliation Act of 1980 phased out a special reimbursement to States for unemployment benefits paid to former public service employees funded under the Comprehensive Employment and Training Act (CETA). Legislation is recommended to complete this action by making unemployment compensation coverage of these workers optional rather than mandatory and by prohibiting the use of Federal public service employment funds to pay such benefits. This proposal is expected to reduce outlays by $100 million in 1982.

In addition to the regular unemployment insurance programs, special unemployment benefits are available to certain workers whose unemployment has been determined to have been caused by specific circumstances. The most important of these special programs is trade adjustment assistance (TAA), which gives workers certified as unemployed due, at least in part, to increased imports weekly benefit payments that are higher and last longer than

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normal unemployment insurance (up to 78 weeks). Outlays for TAA are estimated at $2.7 billion in 1981 and $1.5 billion in 1982.

Due to certification that layoffs of large numbers of auto workers were attributed at least in part to imports, the estimated outlays for this program in 1981 grew from an expected $450 million at the time of submission of the revised fiscal year 1981 budget in March 1980 to $2.7 billion at present.

Tax expenditures.—Unemployment compensation benefits received by people with an annual income, including unemployment compensation, of under $20,000 (single persons) or under $25,000 (married couples) are excluded from taxable income. The resulting tax expenditure is estimated at $4.5 billion in 1982.

Housing assistance.—The Federal Government provides a broad range of economic assistance to support housing. The emphasis of the direct expenditure programs administered by the Department of Housing and Urban Development (HUD) is on rental housing assistance for low-income families and individuals. Outlays for these programs are estimated to grow by 24% in 1982 to $6.9 billion. HUD also provides operating subsidies for many subsidized housing projects; outlays are estimated to grow from $972 million in 1981 to $1.1 billion in 1982.

The 1982 budget supports two major HUD rental housing programs:

- lower income rental assistance (section 8); and
- public housing.

The basic goal of these programs is to improve housing conditions for low-income individuals and families. Occupants of section 8 and public housing pay rent equal to 15% to 25% of their family incomes. The Federal Government pays rental subsidies for the difference between the amounts the occupants pay and market rents. The Federal subsidy thus covers construction, financing, and operating costs over periods that range from 15 to 30 years.

This budget assumes the addition of another 260,000 units of housing under the section 8 and public housing programs in 1982, which is slightly higher than the estimated 1981 program level. For 1982, half of the additional 260,000 units will be allocated to new construction and substantial rehabilitation programs; the other half to existing and moderate rehabilitation programs. Compared to previous years, this new-to-existing ratio will take greater advantage of existing housing programs. This greater emphasis on existing housing is due to the lower relative cost of rental subsidies for existing units and the availability of existing housing to meet the housing needs of disadvantaged groups such as large, low-income families.

Currently 1.4 million families are being assisted by the section 8

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program, and it is estimated that about 220,000 additional families will be assisted with budget authority already available through 1981. Under the section 8 program for 1982, the administration supports the following distribution of housing units:

- 71,600 new units at an average annual Federal cost of $5,924 each over 20-30 years;
- 18,400 substantially rehabilitated units at an average annual Federal cost of $6,705 each over 20-30 years;
- 28,600 moderately rehabilitated units at an average annual Federal cost of $4,580 each over 15 years; and
- 101,400 existing units that will each cost an estimated $3,600 per year over the 15-year contract period.

Currently, there are 1.2 million occupied units of public housing, and another 155,000 units are scheduled for construction under budget authority already enacted. The administration's proposed subsidized housing program would provide for 40,000 more units of public housing for 1982, including 4,000 units for Indians on reservations. These units would be constructed at an estimated average cost of $63,200 per unit, except for Indian housing, which is estimated to cost $79,000 per unit. The average annual Federal costs for public housing, which reflect only the construction and financing costs, are estimated to be $4,905 per unit for traditional public housing and $6,278 for Indian housing over a 30-year period.

Tenants in public housing have low incomes and usually must pay up to 25% of their incomes for rent. Because rent revenues are insufficient to cover operating costs at more than 95% of the public housing projects, the Federal Government also provides operating subsidies at an estimated level of $1.1 billion in 1982. The Federal government funds capital improvements to the existing stock of public housing units through a separate public housing modernization program. Last year a new comprehensive improvement assistance program was proposed by the administration and enacted by the Congress. This will permit more thorough upgrading of the existing public housing stock during the next few years. The 1982 budget includes $2 billion in budget authority for this new program, the same level as provided by the Congress for 1981.

The budget also requests $65 million in 1982 budget authority for the troubled projects operating subsidy program. Enacted in 1979, this program is intended to maintain the solvency of financially troubled multi-family projects by providing subsidies for short-term operating costs and financing repairs. It thereby reduces Federal Housing Administration insurance claim payments, and helps defray additional rent burdens for low-income tenants. Projects receiving such assistance must improve their management to correct the conditions that produced the financial problems. Eligible State-aided projects that meet these and other Federal requirements also may receive assistance.

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Other major forms of Federal support for the housing sector are tax expenditures and mortgage credit programs. The housing credit programs and the tax expenditures for housing in general are discussed under the commerce and housing credit function.

For 1982, this budget includes outlays of $53 million for housing programs administered by the Department of Agriculture. These programs assist low-income households through grants for the repair of housing and rental assistance. The Department of Agriculture also assists farmers to construct housing for farm laborers and individuals to build their own homes.

Tax expenditures.—The HUD-subsidized housing programs are supported by tax expenditures as well as direct budget outlays. The most important of these involves the sale of tax-exempt instruments by State and local housing authorities to finance the construction of section 8 and public housing projects.

The administration proposed last year to begin financing new public housing construction through taxable, rather than tax-exempt, debt instruments. The Congress failed to adopt this proposal, however, and the 1982 budget does not include sufficient budget authority to permit public housing to be financed with taxable bonds. The Federal Government still needs to develop a viable taxable financing mechanism for future public housing units to help overcome financing problems created by currently volatile bond market conditions.

Food and nutrition assistance.—Several food and nutrition programs assist needy families and individuals. The main programs are food stamps; women, infants and children (WIC); and school lunches.

Food stamps.—Food stamps help needy Americans buy food for an adequate diet. Recipients receive monthly allotments of stamps based on their income and household size. The allotments and income eligibility criteria are adjusted annually to reflect price changes. Most food stamp recipients are well below the national poverty level.

This budget assumes food stamps will increase the food purchasing power of 21.5 million people each month during 1982, with outlays estimated at $12.2 billion. Food stamp benefits are entirely federally financed, while the States and the Federal Government share equally the administrative cost.

The Food Stamp Act of 1977 eliminated the requirement that recipients pay a portion of the monthly allotment value. This change allowed people who could not afford a cash investment each month to receive the Federal benefit. Rural and elderly recipients seem to have benefited most from this change.

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Changes enacted in the Food Stamp Act Amendments of 1979 and 1980 have improved program administration by reducing waste, fraud, and abuse. Among the changes are provisions that require applicants to report their social security numbers; require recipients to repay costs of fraudulently received stamps before eligibility recertification; permit States to use more thorough verification procedures and income information matching efforts; and restrict food stamp participation by students. States may now receive larger Federal payments for administrative costs if they maintain low error rates in issuing benefits. States are also liable for a portion of benefits issued erroneously if they do not reduce high error rates.

The administration recommends legislation to extend authorization of the food stamp program through 1985. Annual authorization ceilings would not be specified, allowing instead annual appropriation levels based on current economic conditions. To restrain costs the legislation would also retain the present method for annually indexing food stamp allotments, the current medical deductions for elderly households, and the existing dependent care or excess shelter deduction for all food stamp households.

Women, infants, and children (WIC).—This special supplemental food program finances high protein food for low-income women, infants, and children who may be malnourished.

Since the mid-1970s, when the program began as a pilot project, outlays have expanded dramatically from $14 million in 1974 to an estimated $994 million in 1982. About 2.2 million women who are pregnant, who have just given birth, or who are nursing their child; infants; and children under 5 are expected to receive supplemental food each month in 1982.

WIC food packages have highly nutritious foods such as milk, cheese, eggs, fruit juices, and formula. These foods help to prevent health problems for poorly nourished low-income women and their children. Several studies have indicated that improved nutrition resulting from the program increases infant birth weights and reduces anemia. This helps to minimize later expenditures that may be required for the medical and special education needs of this group.

School lunch and other nutrition programs.—Federally subsidized meal programs are available for students in schools, summer camps, child care centers, and similar institutions. This budget assumes that more than 26 million youngsters will receive subsidized meals in 1982, with estimated outlays of $3.9 billion.

Recent legislative changes limited meal and special milk subsidies in 1981 and allowed for annual rather than semi-annual price adjustments. The budget reflects proposals to make these changes

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permanent. The administration will implement management improvements beginning in 1981—the assessment, improvement, and monitoring system (AIMS)—which should help ensure that Federal subsidies are claimed and accounted for properly.

Commodity and cash subsidies also are available for nutrition programs for the elderly. These subsidies are estimated to cost $89 million in 1982 to support partially the cost of 179 million meals served to older Americans at home or at common meal sites. Commodities are also distributed on Indian reservations and in the Trust Territory of the Pacific Islands to improve the diets of needy Indian and Micronesian families. These distributions are estimated to cost $48 million in 1982.

Other income security.—This mission includes programs that grant primarily cash to people in need. Groups eligible for such aid include families with dependent children, the aged, the blind, the disabled, and other low-income people.

Supplemental security income.—The supplemental security income (SSI) program, which is administered and financed by the Federal Government, gives cash assistance to needy aged, blind, or disabled individuals. The basic Federal grant is supplemented by State payments in some States.

The number of recipients was 4.2 million in 1980 and is expected to remain at that level through 1982. Federal outlays in 1982 are estimated to reach $8.0 billion, compared to the 1981 level of $7.3 billion. The increased outlays result from automatic cost-of-living increases in benefit payments.

High error rates experienced in the program's initial years have been markedly reduced. Much of this reduction is due to concentrating staff resources on error-prone cases and extensively cross-checking the records of other benefit programs. The Department of Health and Human Services (HHS) intends to reduce further the number of errors without sacrificing equity or incurring substantial administrative costs.

Legislation is recommended to end Federal hold-harmless payments, which are special subsidies to three States. The initial programmatic basis for these subsidies has long since eroded since the initial Federal SSI benefit has doubled as a result of annual cost-of-living increases.

AFDC and related programs.—The program of aid to families with dependent children (AFDC) helps finance State and local programs of cash assistance to the needy. Federal outlays are estimated at $7.7 billion in 1982, compared with $7.8 billion in 1981 and $7.3 billion in 1980. States and localities provide almost an equal amount from their own resources. Errors and abuses are being

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combatted through closer cooperation between the States and HHS. Management improvement efforts, such as welfare management and training institutes, are focusing on welfare administration in selected States. Child support payments also are being collected from parents who are legally liable. This activity results in a decrease in State and local AFDC expenditures.

Legislation is recommended for the AFDC program to standardize allowable work expenses, include stepparents' income in calculating eligibility and benefits, establish a minimum amount ($10) that could be issued to a recipient, and require periodic reporting and retrospective accounting of beneficiary income to determine benefits. Enactment of these proposals would simplify administration, promote accuracy in determining benefits, and further reduce waste and other costs. Legislation is also recommended for the child support enforcement program that would require States and localities to charge fees to defray the cost of non-AFDC cases, mandate the enforcement and collection of support from spouses in AFDC cases, and deduct from the State's share of collections part of the amount needed to make incentive payments to cooperating jurisdictions (the remainder would be taken from the Federal share of collections, which now finances the full amount of incentive payments). These proposals would reduce Federal, State, and local costs, make the Federal share of collections more nearly comparable to the Federal share of AFDC costs, and at the same time maintain a net return to the States.

Earned income tax credit.—Since 1975, the Federal Government has provided a tax credit for low-income workers that reduces the amount of income tax they are liable to pay. Where the credit amounts to more than the income taxes owed, the worker receives a check for the difference. Beginning in 1979, provision was made for the credit to be received in advance through additions to wages.

As part of the President's economic revitalization program, an expansion of the earned income credit from 10% to 12% is proposed, effective January 1, 1982. There would be no outlay effect from this proposal until 1983. In 1982, total outlays for these payments are estimated to be $1.1 billion. The total cost of this program, including revenue losses and outlays, is estimated at $2.0 billion in 1982.

Refugee assistance.—In recent years, the number of refugees to this country has increased dramatically. From 1975 to 1982, over 600,000 Indochinese and 170,000 Soviet and other refugees will have been resettled in the United States. The flow of Indochinese refugees to the United States in 1981 is expected to continue at the 1980 rate of 14,000 per month. For 1982, 12,000 resettlements per month are planned. The resettlement of about 43,000 Soviet and

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other refugees is anticipated in 1982. The budget assumes that the program of special assistance to States on behalf of Cuban refugees who arrived in the United States before 1978 will continue to be phased down.

The Refugee Act, which was proposed by the administration and enacted in March 1980 by the Congress, authorizes activities to speed the assimilation of refugees into American society and to relieve State and local fiscal burdens. States and localities are reimbursed by the Department of Health and Human Services for certain cash and medical assistance, social services, and English language and employment training given to refugees during their first 3 years in the United States. Beginning in 1982, the budget supports changes so that refugee assistance is more nearly comparable to aid for needy Americans.

Outlays for the refugee assistance programs described above are estimated to be $579 million in 1981 and $659 million in 1982. The Federal share of costs for refugees participating in regular assistance programs such as AFDC, medicaid, and food stamps is included in the budget requests for each of those programs. Estimated outlays for such costs are $350 million in 1981 and $400 million in 1982.

Since April 1980, over 135,000 Cubans and about 40,000 Haitians have arrived in the United States. Although they are not refugees, they have been allowed to stay and are eligible for AFDC, medicaid, food stamps, and other assistance. For 1981, $190 million has been appropriated for welfare and social services. For 1982, $88 million is requested to continue funding for anticipated domestic assistance costs.

The Cuban-Haitian Task Force in HHS is responsible for reception and processing of these entrants. This role includes Federal activities at initial resettlement centers, grants to voluntary agencies, and transportation to local sponsors. For 1981, $167 million has been appropriated for these costs. For 1982, $27 million is requested for general operating expenses.

Low-income energy assistance.—To moderate the impact of rising energy costs on low-income families, funding of $1.85 billion in budget authority is requested for low-income energy assistance in 1982. The program is administered by HHS primarily as grants to States for aid to their needy citizens. This aid can be in the form of direct cash assistance to needy households, direct payments to fuel vendors on behalf of the needy, and payments to public housing building operators. Of the total 1981 funding, $87.5 million is being transferred to the Community Services Administration to operate the energy crisis assistance program, which aids low-income families with energy-related emergencies.

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Credit programs.—Most of the credit programs in this function are loan guarantees for public housing operation and construction. They are estimated to be $17.1 billion in 1982. Some of these become direct loan off-budget outlays when purchased by the Federal Financing Bank.

CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Pension Benefit Guaranty Corporation:			
Direct loans:			
New loans		2	3
Repayments, sales, and adjustments (−)			
Net loan outlays		2	3
Public housing operation and construction:			
Direct loans: [1]			
New loans	1,319	302	303
Repayments, sales, and adjustments (−)	−1,281	−302	−302
Net loan outlays	38	*	*
Loan guarantees: [2]			
New loans guaranteed	14,214	16,095	17,137
Net loan guaranteed	1,440	1,799	2,285
Assistance to refugees:			
Direct loans:			
New loans			
Repayments, sales, and adjustments (−)	−4	−1	−1
Net loan outlays	−4	−1	−1
Off-budget Federal entity—Federal Financing Bank: [3]			
Public housing:			
Direct loans:			
New loans	119	1,458	957
Repayments (−)		−1	−15
Net loan outlays	119	1,457	942

*$500 thousand or less.

[1] Includes direct loan transactions with the FFB shown below.

[2] Includes guarantees of direct loan transactions with the FFB shown below.

[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlays with transactions shown above in this table. See the introduction to Part 5 for further explanation.

Related programs.—A number of other programs are related to income security but have as their primary purpose meeting other national needs and servicing other major missions. The following table lists these income security-related programs that support other missions.

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FEDERAL OUTLAYS FOR INCOME SECURITY-RELATED BENEFITS SUPPORTING OTHER MAJOR MISSIONS

(In millions of dollars)

Department, agency, and program	Benefit outlays		
	1980 actual	1981 estimate	1982 estimate
Department of Education:			
Student assistance	3,297	3,407	3,686
Student loans	1,233	1,849	2,015
Total, Department of Education	4,530	5,256	5,701
Department of Health and Human Services:			
Medicare	33,937	38,853	45,638
Medicaid	13,805	15,096	17,030
Indian health	549	599	642
Health care services	1,311	1,293	1,385
Public Health Service officers retirement	72	77	92
Total, Department of Health and Human Services	49,674	55,918	64,787
Veterans Administration:			
Service-connected compensation	7,434	8,492	9,595
Veterans pensions	3,585	3,840	4,085
Readjustment benefits	2,417	2,071	1,699
Medical care	5,981	6,306	6,936
Other	183	198	204
Total, Veterans Administration	19,600	20,907	22,519
Department of Defense—Military:			
Military retirement	11,920	13,795	15,572
Department of Transportation:			
Coast Guard retirement	207	246	279
Total, outlays	**85,931**	**96,122**	**108,858**

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VETERANS BENEFITS AND SERVICES

National Needs Statement:

- Meet the Nation's obligation to compensate veterans disabled while in military service for their loss of earning power.
- Provide medical care to veterans for disabilities incurred while in military service; and, within available resources, to needy veterans.
- Compensate the families of veterans who are killed in service or who die from service-related disabilities for the reduction in the family's earning power.
- Help veterans of wartime and draft service return to civilian life on a social and economic basis comparable to their peers who did not perform military duty.
- Provide psychological readjustment services and expanded training opportunities to Vietnam-era veterans with special needs.
- Provide financial assistance to needy veterans and their survivors.

The benefits and services provided to veterans recognize the special needs of veterans and their dependents and survivors that result from the sacrifices that veterans have made in military service to this country. Benefits compensate for loss of earnings resulting from service-related disabilities, provide medical care for physical and psychological disabilities suffered in military service, and assist in preparing returning veterans for civilian life. In addition, veterans benefits provide financial assistance to needy veterans of wartime service and their survivors.

This administration has sponsored and implemented a number of improvements in veterans programs. Three of these improvements are particularly significant:

- *Special assistance to Vietnam veterans.* The special needs of Vietnam veterans have been emphasized in all Veterans Administration (VA) programs. Legislation enacted in 1980 (Public Law 96-466) provided for the first major improvement and modernization of the vocational rehabilitation program in nearly 40 years, emphasizing training and support to make independent living and employment possible for disabled veterans. The VA has established 91 psychological counseling and readjustment centers to seek out and give help to Vietnam veterans. In addition, contracts with community halfway houses and programs for treatment of drug and alcohol de-

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pendent patients have been enhanced to provide assistance to Vietnam veterans.

- *Improvements in medical care.* The number of veterans served in medical facilities of the Veterans Administration has increased and the quality of care has been improved. These improvements have been achieved in part by reducing the duration of hospitalization and by increasing reliance on outpatient treatment. Under this budget the number of long-term care beds are increased to assist the VA in meeting its share of the demand expected to result from the aging of the World War II veteran population.
- *Reform of the pension program.* This reform, enacted in 1978, sharpened the focus of financial aid on truly needy veterans, while eliminating inequities in the previous program that had allowed veterans in widely differing financial situations to receive identical pensions. The pension reform legislation also introduced automatic annual cost-of-living increases in benefits.

This budget reflects the following legislative proposals for improving veterans benefits and services in 1982:

- a 12.3% cost-of-living increase in compensation benefits for veterans with service-related disabilities; and
- a 2-year extension of the period of eligibility for certain readjustment benefits for needy and educationally disadvantaged Vietnam-era veterans.

The budget provides health care for the growing number of elderly veterans. During the 1980s the number of veterans over age 65 is expected to more than double as virtually all of the 12 million veterans of World War II pass this milestone. In anticipation of this change in the age structure of the veteran population, VA's medical care and research activities are devoting more attention to the problems of aging veterans by increasing the availability of long-term and geriatric care and devoting more research to the illnesses and disabilities of the aged.

This budget continues to provide increases in construction funds to maintain, renovate, modernize, and systematically replace aging VA medical structures in order to prevent deterioration of the physical facilities housing VA medical services.

At the same time, several cost-saving proposals requiring legislation are in the budget. These legislative proposals, which are described in more detail below, would help offset part of the costs of the proposed improvements in veterans programs.

Outlays for veterans benefits and services are estimated to rise from $22.6 billion in 1981 to $24.5 billion in 1982. Outlays for veterans income security programs, primarily compensation and pensions, are expected to increase by $1.4 billion (10%) between

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1981 and 1982, largely as a result of cost-of-living increases, even though the number of pension recipients continues to decline. Despite legislation (Public Law 96-466) increasing GI bill benefits by 10% in two stages, fully effective January 1, 1981, outlays for readjustment benefits are expected to decrease by $367 million (19%) from 1981 to 1982 because fewer veterans will be eligible. Outlays for the basic programs of hospital and medical care for veterans are proposed to increase by $802 million in 1982. Veterans housing programs are expected to produce negative outlays of $53 million in 1982 due to the sale of housing assets.

Income security for veterans.—In addition to Federal income security programs for the general population, such as social security, unemployment insurance, housing and energy assistance programs, food stamps, and medicare and medicaid, several VA programs help certain veterans and their survivors maintain their income when the veteran is disabled, aged, or deceased. Outlays for this mission are estimated to increase from $13.1 billion in 1981 to $14.5 billion in 1982.

Service-connected compensation.—Monthly compensation payments are provided to veterans whose disabilities resulted from military service. The amount of the benefit depends on the degree to which average earnings of individuals with a particular disability are reduced. In addition, payments are made to survivors of veterans who die from service-connected injuries. Legislation effective in October 1980 increased compensation benefits by 14.3% for veterans rated 50% disabled or higher, and 13% for those rated 10% to 40% disabled.

The administration supports a 12.3% cost-of-living increase in compensation benefits, effective in October 1981. The estimates for subsequent years assume annual cost-of-living increases, based on the projected Consumer Price Index. As discussed in the income security function, the administration proposes the use of an alternative CPI that treats housing on a "rental equivalency" basis for future cost-of-living increases. No outlay effects are projected for this change. An estimated 2.6 million veterans and their survivors are expected to receive compensation benefits in each of the years 1981 through 1984. Outlays for this mission are estimated to increase from $8.5 billion in 1981 to $9.6 billion in 1982.

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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES

(Functional code 700; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation:					
Existing law	7,353	8,584	8,658	8,704	8,775
Proposed legislation			1,039	2,125	3,118
Non-service-connected pensions	3,608	3,860	4,106	4,389	4,663
Burial and other benefits	186	199	204	210	215
Insurance programs:					
National service life insurance trust fund	1,044	1,135	1,162	1,174	1,179
U.S. Government life insurance trust fund	38	34	32	29	27
All other insurance programs	5	6	8	8	8
Insurance program receipts	−464	−474	−478	−470	−461
Subtotal, income security for veterans	11,770	13,344	14,731	16,170	17,524
Veterans education, training, and rehabilitation:					
Existing law	2,374	2,041	1,658	1,320	1,059
Proposed legislation			31	39	−8
Subtotal, veterans education, training, and rehabilitation	2,374	2,041	1,689	1,359	1,051
Hospital and medical care for veterans:					
Medical care and hospital services:					
Existing law	5,832	6,365	7,005	7,532	7,965
Proposed legislation			−47	−45	−43
Construction	402	549	673	980	1,763
Medical administration, research, and other	175	196	220	237	248
Subtotal, hospital and medical care for veterams	6,409	7,110	7,851	8,704	9,933
Other veterans benefits and services:					
Undistributed VA overhead and other:					
Existing law	624	668	678	689	695
Proposed legislation			1	1	−*
Non-VA support programs	34	34	38	39	39
Subtotal, other veterans benefits and services	658	702	717	729	734
Deductions for offsetting receipts	−2	−3	−3	−3	−3
Total, budget authority	**21,208**	**23,194**	**24,984**	**26,959**	**29,239**

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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES—Continued

(Functional code 700; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation:					
Existing law	7,434	8,492	8,643	8,691	8,758
Proposed legislation			952	2,034	3,035
Non-service-connected pensions	3,585	3,840	4,085	4,366	4,640
Burial and other benefits	183	198	204	209	214
Insurance programs:					
National service life insurance trust fund	928	1,036	1,062	1,084	1,103
U.S. Government life insurance trust fund	77	67	62	58	54
All other insurance programs	−55	−55	−54	−52	−50
Insurance program receipts	−464	−474	−478	−470	−461
Subtotal, income security for veterans	11,688	13,103	14,477	15,920	17,294
Veterans education, training, and rehabilitation:					
Existing law	2,342	1,956	1,588	1,269	1,038
Proposed legislation			*	−28	−72
Subtotal, veterans education, training, and rehabilitation	2,342	1,956	1,589	1,241	966
Hospital and medical care for veterans:					
Medical care and hospital services:					
Existing law	5,981	6,306	6,983	7,511	7,959
Proposed legislation			−47	−45	−43
Construction	309	384	558	680	872
Medical administration, research, and other	225	245	242	254	256
Subtotal, hospital and medical care for veterans	6,515	6,935	7,737	8,400	9,044
Veterans housing:					
Loan guaranty revolving fund	28	−42	25	30	48
Direct loan revolving fund	−67	−119	−72	−71	−70
Other (HUD participation sales trust fund)	16	55	−6	−4	−4
Subtotal, veterans housing	−23	−106	−53	−45	−26
Other veterans benefits and services:					
Undistributed VA overhead and other:					
Existing law	633	671	677	683	692
Proposed legislation			1	1	−*
Non-VA support programs	32	35	37	38	39
Subtotal, other veterans benefits and services	665	706	715	723	731
Deductions for offsetting receipts	−2	−3	−3	−3	−3
Total, outlays	**21,183**	**22,591**	**24,462**	**26,236**	**28,008**

*$500 thousand or less.

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Non-service-connected pensions.—Pensions are provided to needy wartime-service veterans who are age 65 or older or who have become disabled subsequent to their military service. Survivors of wartime-service veterans also may qualify for pension benefits based on financial need. The Veterans and Survivors Pension Improvement Act of 1978 sharpened the focus of veterans pension benefits upon needy, non-service disabled veterans. The Act liberalized benefits for the neediest veterans and survivors, while correcting many of the inequities in the previous program. The reform legislation did away with most earnings exclusions that had allowed veterans in widely differing financial situations to draw identical pensions, and provided that pension benefits be reduced dollar-for-dollar with increases in earnings. In addition, the reform legislation provided for automatic cost-of-living increases each July starting in 1979. In all, 1.9 million needy veterans and their survivors are expected to receive $4.1 billion in 1982.

Burial and other benefits.—Families of deceased veterans who are buried in private cemeteries may receive allowances to apply toward the purchase of burial plots. Families of deceased veterans also receive burial benefits to assist in defraying funeral expenses. Outlays for burial and other allowances are estimated to increase from $198 million in 1981 to $204 million in 1982.

Insurance programs.—The budget assumes that insurance programs for veterans and their survivors will provide an estimated $30 billion of coverage on 4.4 million policies in 1982. The servicemen's group life insurance program for military personnel is projected to provide an estimated $63 billion of coverage on 3.2 million policies in 1982. Low-interest policy loans against life insurance reserves have risen dramatically as the economy has experienced record high interest rates. Loans in fiscal year 1982 are expected to be slightly less than those estimated for 1981, amounting to $298 million.

Veterans education, training, and rehabilitation.—The GI bill provides education benefits ranging from college courses to vocational and on-the-job training. These benefits help eligible veterans make the transition from military to civilian life by helping them obtain the education they might have received had they not entered military service. Active duty servicemen and widows and children of veterans who have died or been totally disabled in military service also are eligible for these benefits. This budget reflects the 10%

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increase enacted last year in GI bill education benefits, fully effective January 1, 1981, to help Vietnam-era veterans and eligible dependents and survivors continue to pursue their educational goals in spite of increased costs. In addition, the administration continues to support the extension of the period of eligibility from 10 to 12 years for certain Vietnam-era veterans who have less than a high school diploma or who require on-the-job training to find employment.

Benefits paid to veterans under the vocational rehabilitation program were increased by 17%, effective October 1, 1980. In addition, legislation was enacted in 1980 to improve and modernize vocational rehabilitation services offered to disabled veterans. These improvements are intended to make this program more responsive to the needs of Vietnam veterans by placing emphasis on the provision of training and support to make employment and independent living possible for disabled veterans.

Individuals who enter military service after 1976 are eligible for the post-Vietnam-era education program, which allows them to set aside $25 to $100 (a change from the $50 to $75 permitted under prior law) from their monthly pay to finance future education. These amounts are matched by the government on a two-for-one basis and returned to these individuals in education payments after they are discharged. Current authority for this program expires on December 31, 1981. The administration recommends a one-year extension of the current VA authority while the Department of Defense tests and evaluates the effects of various supplements to post-Vietnam educational benefits on the recruitment and retention of servicemen in certain difficult-to-recruit areas.

More than 65% of all Vietnam-era veterans have utilized GI bill benefits. The number of GI bill trainees will continue to drop in the future as the number of eligible veterans becomes smaller. In 1982, nearly 645,000 GI bill trainees are expected to participate in the program, compared with 847,000 in 1981. Thus, outlays for this mission are estimated to decline from $2.0 billion in 1981 to $1.6 billion in 1982, $1.2 billion in 1983, and $1.0 billion in 1984.

The administration continues to support legislation to end payments for general flight training and correspondence courses, activities that do not meet the criterion of promoting the readjustment of veterans to civilian life. Enactment of this proposal would reduce outlays by $32 million in 1982.

Hospital and medical care for veterans.—The Veterans Administration provides hospital and medical care to veterans by operating a nationwide medical care system. In 1982 it is expected to accommodate over 18 million outpatient medical and dental visits, and treat more than 1.3 million patients in 172 hospitals, 229 outpa-

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tient clinics, 100 nursing homes, and 16 domiciliary facilities. Outlays for medical programs are estimated to be $6.9 billion in 1981 and $7.7 billion in 1982.

Medical care and hospital services.—In 1982 the VA plans to continue to reorder its program of health care services to provide the most appropriate types of care and to accommodate the anticipated influx of World War II veterans. Almost all of this group of about 12 million veterans (40% of all veterans) will reach age 65 during the decade beginning in 1980. This milestone is especially significant because veterans reaching age 65 become eligible for a wide variety of medical benefits without regard for financial status, and the VA anticipates a rapid increase in the number of veterans seeking long-term and geriatric care. Under this budget, the VA's medical care system continues to place the needs of service-disabled veterans before all other demands for medical care, and many efforts to improve the quality of medical care are continued. It is assumed that increases in the cost of VA health care will be moderated through greater efficiency. Under the budget proposals, the research programs of the VA medical system would grow from $140 million to $155 million between 1981 and 1982, and training of health care professionals would continue, primarily through the affiliation of 137 VA hospitals with medical schools.

The Veterans Administration Health Care Amendments of 1980 (Public Law 96-330) provided various changes to the VA medical personnel system, including very substantial increases in special pay given to VA physicians and dentists. The increments in these bonuses will cost $79 million in 1982. Other provisions allowed the VA flexibility to adjust pay and set working hours and conditions for nurses. This legislation authorized an expansion of VA health facilities used as centers for geriatric research, education, and clinical activities. The law also gave the VA the authority to verify the oath of inability to pay that certain non-service-disabled veterans are required to sign prior to admission for medical treatment. This provision should help assure that the highest priority for VA medical services goes to the service-disabled and the most needy.

The administration continues to recommend legislation to terminate outpatient dental benefits for certain non-service related dental problems, which would save an estimated $32 million in 1982 and decreasing amounts in later years. The budget also reflects a legislative proposal to eliminate travel reimbursements for veterans being treated for non-service-connected disabilities.

Construction of hospital and extended care facilities.—Budget authority of $673 million is requested for VA medical construction in 1982, a record funding level. This is an increase of 23% over the 1981 level of $549 million. The 1982 request, like the 1981 level,

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recognizes the critical need for renovation and modification of many of the aging facilities in which medical services are provided. This includes funding for new nursing homes, new outpatient facilities, and design funds for a replacement hospital in Albuquerque, New Mexico. Budget authority of $18 million is requested in 1982 for grants to States for construction of extended care facilities, permitting the establishment or repair of State veterans homes for the care of aging veterans.

Veterans housing.—VA mortgage loan guarantee and direct loan programs are expected to assist 355,400 veterans obtain mortgage loans totaling $21.1 billion in 1982. Sales of housing assets (VA mortgages), estimated at $248 million, will offset much of the cost of these programs.

CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Income security programs:			
Direct loans:			
New loans	257	301	298
Repayments, sales and adjustments (—)	—139	—150	—154
Net loan outlays	118	151	144
Education programs:			
Direct loans:			
New loans	8	10	10
Repayments, sales and adjustments (—)	—7	—8	—10
Net loan outlays	1	2	—*
Housing programs:			
Direct loans: [1]			
New loans	366	411	436
Repayments, sales and adjustments (—)	—395	—453	—476
Net loan outlays	—29	—42	—40
Loan guarantees: [2]			
New loans	6,701	10,496	11,234
Net loan guarantees	4,177	7,819	8,335

*$500 thousand or less.

[1] Includes sales of direct loans.

[2] Includes guarantees of sales of direct loans.

Other veterans benefits and services.—The Veterans Administration administers a national cemetery system for burial of eligible veterans, servicemen, and their survivors. Under administration policy, one large active national cemetery has been designated as the regional cemetery in each of the 10 Federal regions. New regional cemeteries are under construction in 4 of the 10 regions (I, II, III, and IX) and existing cemeteries have been designated in 4

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other regions (VI, VII, VIII, and X). In 1982, construction will begin on the National Cemetery at Fort Gillem, Georgia (Region IV) and on the National Cemetery at Fort Custer, Michigan (Region V). The budget provides $5 million in 1982 budget authority for matching grants to States for the construction of State veterans cemeteries. Other expenditures include the cost of non-medical program administration, both in VA headquarters and in field units.

Outlays for these programs are estimated to be $706 million in 1981 and $715 million in 1982.

Tax expenditures.—Veterans compensation and pension benefits are excluded from taxable income. The revenue losses from these exclusions in 1982 are estimated to be $1.6 billion and $95 million, respectively. GI bill benefits also are excluded from taxable income, which results in an estimated 1982 tax expenditure of $160 million.

Related programs.—In addition to the assistance provided specifically for veterans by the VA, many veterans receive assistance from other income security, health, housing, education, training, employment, and social service programs supported by the Federal Government and available to the general population. Some of these programs have components specifically intended to assist veterans. Legislation passed in 1980 created the position of Assistant Secretary for Veterans Affairs in the Department of Labor and upgraded the status of the 2,000 State employment service staff designated by the legislation to assist disabled veterans to find jobs. The Department of Labor also ensures that qualified veterans participate fully in the training and related services available under the Comprehensive Employment and Training Act. Firms holding Government contracts are required to list their job vacancies with the State employment service and are required to take affirmative action to employ Vietnam-era and handicapped veterans.

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ADMINISTRATION OF JUSTICE

National Needs Statement:

- Represent the interest of the public in civil litigation and in other legal matters.
- Maintain public order and enforce Federal statutes.
- Provide people accused of Federal crimes with fair and prompt trials.
- Operate secure but humane detention and correctional facilities for persons charged with or convicted of violating Federal law.
- Assist in the improvement of State and local criminal justice systems.

Our body of laws and legal institutions bind our society together and lend order and predictability to our lives. The equitable administration of justice is the foundation for a functioning democracy and is one of the most basic operations of government. The Federal Government will spend an estimated $4.9 billion in outlays to meet these needs in 1982, while State and local governments will spend close to $26 billion.

In an era of reduced Federal resources, the principle theme in this budget for the administration of justice is to decrease the Federal role where State and local governments can better assume responsibility. Several criteria have been used to determine appropriate Federal activities in areas that would otherwise be under State or local jurisdiction. A Federal role may be justified in activities that:

- lack the local resources and capability to be handled independently, such as apprehension of individuals involved in organized crime;
- leverage greater resources through cooperative efforts or the development of local capability, such as the Drug Enforcement Administration's coordinated State and local task forces, which assist in prosecuting drug offenders; and
- rank high as an administration of justice priority, but would not be conducted without Federal assistance, such as juvenile justice and delinquency prevention programs, and legal services assistance.

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A second theme in this budget is to continue emphasis of Federal investigation and prosecution of white collar crime, organized crime, and major drug offenders.

A third theme is to protect the Government against unwarranted civil suits and to improve Federal debt collection—over $135 million is outstanding on cases settled favorably for the Federal Government.

Federal law enforcement activities.—Over half of the resources and 60% of Federal administration of justice personnel are associated with law enforcement activities. While no overall increases in personnel are proposed, Federal law enforcement outlays in 1982 are estimated to grow to $2.5 billion, or 5% above 1981 levels, in order to maintain current activities.

General investigation (FBI).—The Federal Bureau of Investigation (FBI) enforces a broad range of Federal criminal statutes, and cooperates with State and local authorities both to support FBI missions and to assist States and localities in performing their activities through training, information dissemination, and other assistance. Federal law enforcement funds are primarily for investigating those cases that are purely Federal or are too complex for State and local authorities to handle effectively.

This budget request emphasizes productivity through greater use of innovative investigative methods and available technology, and especially through automated data processing. Historically, the FBI has supported its investigative and administrative operations with labor-intensive, manually operated information and management systems. These systems, while appropriate in the past, can no longer provide the accurate, dependable, and efficient support required. The requested increase in automated data processing would improve both the investigation of crime and the management of the FBI. Outlays for the FBI proposed in this budget will increase by an estimated $64 million, from $679 million in 1981 to an estimated $743 million in 1982.

Narcotics violation investigation (DEA).—In the proposed budget the Drug Enforcement Administration (DEA) would continue its efforts to disrupt organized trafficking in the most dangerous drugs. In particular, DEA proposes to strengthen its enforcement capability through additional staffing, and through intelligence in-

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NATIONAL NEED: ADMINISTRATION OF JUSTICE

(Functional code 750; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Federal law enforcement activities:					
General investigation (FBI)	614	682	744	760	805
Narcotics violation investigation (DEA)	201	224	236	241	248
Alcohol, tobacco, and firearms investigation (ATF)	143	152	160	164	167
Border enforcement activities (Customs and INS)	800	872	895	917	944
Protection and other activities (Secret Service):					
Existing law	179	185	187	193	222
Proposed legislation	.....	.....	1	.....	.....
Other enforcement	278	320	359	372	388
Subtotal, Federal law enforcement activities	2,214	2,435	2,582	2,647	2,775
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation:					
Existing law	459	501	554	569	586
Proposed legislation	.....	.....	−13	−13	−14
Federal judicial activities	610	674	753	740	765
Representation of indigents in civil cases	300	321	347	364	382
Subtotal, Federal litigative and judicial activities	1,370	1,496	1,641	1,659	1,720
Federal correctional activities	320	355	379	382	393
Criminal justice assistance	498	183	235	228	245
Deductions for offsetting receipts	−11	−12	−12	−12	−12
Total, budget authority	**4,391**	**4,458**	**4,825**	**4,905**	**5,121**
OUTLAYS					
Federal law enforcement activities:					
General investigation (FBI)	609	679	743	760	804
Narcotics violation investigation (DEA)	204	221	232	237	244
Alcohol, tobacco, and firearms investigation (ATF)	146	151	158	160	164
Border enforcement activities (Customs and INS)	816	862	866	904	931
Protection and other activities (Secret Service):					
Existing law	179	181	186	189	218
Proposed legislation	.....	.....	1	.....	.....
Other enforcement	282	321	350	365	381
Subtotal, Federal law enforcement activities	2,237	2,415	2,536	2,615	2,742
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation:					
Existing law	452	503	540	543	559
Proposed legislation	.....	.....	−12	−13	−13
Federal judicial activities	575	685	746	732	758
Representation of indigents in civil cases	320	328	347	364	382
Subtotal, Federal litigative and judicial activities	1,347	1,515	1,620	1,626	1,685
Federal correctional activities	342	367	378	392	399
Criminal justice assistance	656	501	359	252	274
Deductions for offsetting receipts	−11	−12	−12	−12	−12
Total, outlays	**4,570**	**4,786**	**4,882**	**4,874**	**5,088**

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vestigations to deal with Southwest Asian heroin traffic in Northeastern cities, and cocaine and marijuana traffic entering Florida. Use of conspiracy, racketeering, and currency control laws have been effective in identifying drug traffic offenders. Leads resulting from violation of tax laws can also help to arrest these offenders. DEA expects to improve its investigation of illegal drug traffic by coordinating its efforts with the Internal Revenue Service, which enforces the tax laws. Outlays for DEA are expected to increase by $11 million to $232 million in 1982.

Border enforcement activities (INS).—While the budget for the Immigration and Naturalization Service (INS) does not provide for all of the positions authorized in 1981, the budget does recommend that the total agency workyears be maintained at the current level. The administration believes that initiatives should not be proposed until final policy recommendations of the Select Commission on Immigration and Refugee Policy and the management proposals of the President's Management Improvement Council are made. The budget proposes to fund the operation of a temporary holding center in Miami for illegal aliens. Outlays for INS are estimated to increase by $9 million to $382 million in 1982.

Federal litigative and judicial activities.—The Department of Justice litigates all of the Federal Government's criminal cases and most of its civil cases. Although the Department's concentration on complex crimes, such as organized and white collar crime, has caused the number of criminal cases to drop in each of the past few years, from 43,300 in 1975 to 28,900 in 1980, the civil caseload has increased from 31,800 to 63,600 in the last 6 years.

In this area, the administration supports:

- a stronger concentration on the prosecution of organized crime, fraud, public corruption, and illegal drug traffic cases;
- an increased emphasis on protecting the Treasury in civil litigation, including additional staff to collect debts owed to the United States;
- an improved management of the executive branch court preparation process, including better case management and computerization of evidence;
- a shifting of responsibilities for the U.S. Marshals Service as a result of a recent change in the Federal Rules of Civil Procedure allowing parties other than deputy U.S. marshals to serve private legal papers; and
- a transfer of responsibility of legal and court support services for the Superior Court of the District of Columbia from the Federal Government to the District of Columbia.

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Civil and criminal prosecution and representation.—Outlays for civil and criminal prosecution and representation are estimated to rise from $503 million in 1981 to $528 million in 1982.

The Bankruptcy Reform Act of 1978 established an independent system of bankruptcy courts and a pilot program designating U.S. trustees as overseers of bankruptcy administration in 18 judicial districts. The 1982 budget continues the trustee pilot program in the executive branch, creates the analogous position of trustee coordinator in the judicial branch for the remaining judicial districts, and requests additional trustee coordinators for the remaining locations having bankruptcy judges. These changes, plus an unusually high filing rate for bankruptcy under the new Act, require an increase of $18 million in outlays in 1982—a 27% increase over 1981 levels.

Federal judicial activities.—Budget estimates from the judiciary are included in the budget without modification by the administrative branch. The Supreme Court and the Administrative Office of the U.S. Courts have estimated outlays of $662 million in 1982 for all judicial branch activities except bankruptcy courts, a $43 million increase over the 1981 level.

Representation of indigents in civil cases.—The Legal Services Corporation funds grantees to provide free civil legal assistance to the poor. Corporation outlays have grown from $71 million in 1975 to an estimated $328 million in 1981. In 1982, the administration proposes to increase outlays to $347 million, primarily to finance increased costs of maintaining existing services. The administration believes that encouraging efforts of private attorneys to help the poor as part of their professional responsibilities is the best way to further expand legal services. The Corporation should take the lead in fostering and coordinating these efforts.

Federal correctional activities.—The Federal Government is responsible for the care and custody of prisoners convicted of violating Federal laws as well as individuals charged with crimes and detained for trial or sentencing.

In general, the Federal Government uses local jails to house Federal detainees awaiting trial, sentencing, or transfer to another institution. In some areas, however, either because of the volume of Federal detainees or the absence of local facilities willing or able to house Federal prisoners, it becomes necessary for the Federal Government to use existing Federal prison space or to build and operate its own jails. There are four federally owned detention centers in Chicago, New York City, San Diego, and Florence, Arizona. In

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1982, a new Federal jail housing 200 inmates, which replaces the antiquated Florence facility, is scheduled to open in Tucson, Arizona. More medical staff is also proposed to work toward the goal of 24-hour medical coverage at Federal prison facilities.

Even though the Federal prison population in 1982 is expected to be about 24,000 offenders, the same as in 1980 and 1981, higher operating costs are estimated to increase outlays for correctional activities from $367 million in 1981 to $378 million in 1982.

Criminal justice assistance.—Because limited Federal resources require a reduced role in areas primarily of State and local responsibility, the President requested and Congress approved elimination of funding for most of the Law Enforcement Assistance Administration's (LEAA) grant programs in 1981. The few outstanding LEAA grants are expected to end in 1982. At the same time, budget authority for the Office of Juvenile Justice and Delinquency Prevention, established as a separate office in 1980, would increase budget authority from $100 million in 1981 to $135 million in 1982 to maintain its current operating level and to continue several programs previously funded through LEAA. In the past, approximately 20% of LEAA's grant funds were used for juvenile justice and delinquency prevention programs. The increased funding requested for the Office of Juvenile Justice and Delinquency Prevention allows the Federal Government to continue programs for juvenile offenders, including programs for the violent offender and alternative education projects.

The National Institute of Justice and the Bureau of Justice Statistics are independent bureaus that conduct research and gather and disseminate statistics on criminal and civil matters. In order to apply the results of criminal justice research to community needs, the National Institute of Justice proposes to initiate a series of demonstration projects totaling $10 million in 1982.

The National Institute of Corrections (NIC) provides technical assistance and small grants to States, localities, and non-profit organizations for applied research and development, such as studies of the fiscal impact of new sentencing legislation in various states. Additional resources are requested for training of State and local prison and jail staff and for clearinghouse activities by NIC.

Outlays for these criminal justice assistance programs are estimated to decrease from $501 million in 1981 to $359 million in 1982 as a result of the elimination of LEAA grants.

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CREDIT PROGRAMS—ADMINISTRATION OF JUSTICE

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estmate
Law enforcement assistance:			
Direct loans:			
New loans	3		
Repayments, sales and adjustments (−)	−163		
Net loan outlays	−161		

Related programs.—A number of agencies classified in other functions support the administration of justice. Over 100 agencies and regulatory commissions perform some type of law enforcement activity. About 30 Federal agencies, including the Departments of Agriculture and Labor, the Environmental Protection Agency, and most independent regulatory commissions, have some litigation authority independent of the Department of Justice.

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GENERAL GOVERNMENT

National Needs Statement:

- Provide a legislative system that is responsive to the Nation's people.
- Provide national executive leadership and set overall management policy for Federal agencies.
- Ensure accountability in the use of public resources.
- Formulate tax and fiscal policies.
- Conduct the financial operations of the Federal Government efficiently and effectively.
- Provide central services, such as property and personnel management, for all Federal agencies.

The central management and policy responsibilities of the Federal Government are included in the general government function. This function involves those basic central services and the managerial oversight activities that are essential to any large organization. These include the leadership and policy formulation by the President and his executive staff, and the setting of overall policy through statutes by the Congress. Central services include tax collection, fiscal operations, personnel management, and property control and records management. The goal of the President, his staff, the Congress, and other personnel represented in this function is to address the needs of the Nation and improve the management and efficiency of Federal finances, property, and personnel. To address national needs in the general government area, the Federal Government will spend an estimated $5.2 billion in 1982. The budget includes proposals to:

- implement the Crude Oil Windfall Profit Tax Act of 1980;
- enhance efforts to collect unpaid tax accounts;
- increase the amount of new construction of Federal buildings;
- improve productivity in the Federal Government; and
- continue the implementation of the administration's territorial policy that emphasizes greater self-sufficiency for the territories.

Legislative functions.—By law, budget estimates for the legislative branch are included in the President's budget without change. The legislative branch proposes $1.2 billion in budget authority and outlays in 1982 for the operation of the Congress, the General Accounting Office, the Library of Congress, and other programs.

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NATIONAL NEED: GENERAL GOVERNMENT

(Functional code 800; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Legislative functions	1,106	1,114	1,208	1,219	1,239
Executive direction and management	102	114	113	113	124
Central fiscal operations:					
Collection of taxes	2,288	2,503	2,649	2,685	2,748
Federal Financing Bank	−253	−116	−128	−161	−189
Other fiscal operations	448	433	477	508	533
Subtotal, central fiscal operations	2,484	2,820	2,998	3,032	3,092
General property and records management:					
Real property	*	.....	121	.....	.....
Personal property	154	586	170	175	180
Records management	85	91	98	102	105
Other	167	185	199	204	208
Subtotal, general property and records management	406	862	588	481	493
Central personnel management	145	166	168	174	179
Other general government:					
Territories:					
Existing law	210	173	199	183	191
Proposed legislation	.....	.....	1	.....	.....
Indian affairs	465	144	15	16	17
Treasury claims	438	305	378	403	303
Other	−531	−27	−37	141	47
Subtotal, other general government	583	596	555	744	558
Deductions for offsetting receipts	−224	−267	−193	−133	−135
Total, budget authority	**4,602**	**5,405**	**5,439**	**5,630**	**5,550**

*$500 or less.

Executive direction and management.—Outlays for the White House, other components of the Executive Office of the President, and related activities are estimated to be $113 million in 1982.

Central fiscal operations.—The mission of central fiscal operations is to collect taxes and carry out certain other financial operations of the Federal Government. Outlays are estimated to increase by $0.2 billion to $3.0 billion in 1982.

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NATIONAL NEED: GENERAL GOVERNMENT—Continued

(Functional code 800; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
OUTLAYS					
Legislative functions	1,032	1,174	1,173	1,183	1,195
Executive direction and management	97	113	113	114	117
Central fiscal operations:					
Collection of taxes	2,335	2,493	2,634	2,674	2,741
Federal Financing Bank	−253	−116	−128	−161	−189
Other fiscal operations	440	443	473	496	521
Subtotal, central fiscal operations	2,522	2,820	2,979	3,009	3,073
General property and records management:					
Real property	−47	28	28	−133	−209
Personal property	161	255	154	175	180
Records management	84	89	97	100	104
Other	167	181	209	202	205
Subtotal, general property and records management	364	554	487	345	280
Central personnel management	154	168	165	174	179
Other general government:					
Territories:					
Existing law	126	198	202	179	188
Proposed legislation			1		
Indian affairs	475	153	13	16	17
Treasury claims	438	305	378	403	303
Other	−480	−48	−72	−45	185
Subtotal, other general government	559	608	522	553	693
Deductions for offsetting receipts	−224	−267	−193	−133	−135
Total, outlays	**4,505**	**5,170**	**5,246**	**5,245**	**5,401**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Federal buildings fund:					
Budget authority	42	110	6	4	21
Outlays	40	109	−1	−4	12
Territories:					
Budget authority	9				
Outlays	9	−*	−*	−*	−*
Other: Outlays	148	−6	−23	−19	−18

*$500 thousand or less.

Collection of taxes.—Most of the funds supporting this mission are for the Internal Revenue Service (IRS). This budget includes a substantial increase in staff to process tax returns and collect revenues under the Crude Oil Windfall Profit Tax Act and to enhance efforts to collect unpaid tax accounts. It also includes resources for the first phase of a major conversion of the computers used for processing tax returns in each of the IRS service centers.

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IRS plans to continue efforts to improve compliance and to assure that all taxpayers pay their share of the tax burden. These programs include:

- increased emphasis on collection of unpaid tax accounts;
- matching information documents, such as W-2 forms and interest and dividend statements, and Series E and EE bonds with individual income tax returns, and resolving discrepancies between these documents and tax returns; and
- developing a model to improve the detection of people who do not file returns.

In addition, this budget contains resources to implement collection of taxes in the Northern Mariana Islands.

Federal Financing Bank.—The Federal Financing Bank (FFB) is an off-budget Federal entity under the supervision of the Treasury Department. It was created in 1974 to reduce the costs of Federal agency borrowing, to coordinate the financing of certain types of Federal credit assistance, and to promote a more orderly market for Federal debt securities, thereby lowering the cost of financing to the Government. The FFB neither initiates nor reviews Federal credit programs; it is solely a financing vehicle.

At the end of 1980, FFB holdings were $62.0 billion, with about 35% of the portfolio in guaranteed loans to non-Federal borrowers. These holdings are expected to rise to $85.1 billion by the end of 1981 and $103.3 billion by the end of 1982. The off-budget outlays of the FFB for purchasing loan assets and for financing loans that are guaranteed by other Federal agencies are shown as addendum items to the outlay tables throughout this part of the budget document. The FFB transfers of surplus monies to the general fund, which are offsetting receipts to central fiscal operations, are estimated to be $128 million in 1982.

Further discussion of the complex transactions of the Federal Financing Bank is in the introduction to Part 5 and in Part 6 of the Budget, in Special Analysis E, "Borrowing, Debt, and Investment", and in Special Analysis F, "Federal Credit Programs." These sources also summarize the distribution of FFB activity according to the agencies that it assists.

Other fiscal operations.—Central fiscal operations include the manufacturing of coins and currency by the Bureau of the Mint and the Bureau of Engraving and Printing. The Mint plans to increase its production capacity by 6.5 billion coins through a 5-year program to expand and improve existing facilities. This will help meet the demand for coins, which has doubled in the last 10 years.

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General property and records management.—The General Services Administration (GSA) manages Federal real property, acts as a central procurement agent, and is the custodian of the Federal Government's historical records.

Real property.—The budget proposes a sizable increase in new construction of Federal buildings. New obligational authority for construction is proposed to increase from $16 million in 1981 to $196 million in 1982. The largest project is the new headquarters building for the Nuclear Regulatory Commission in Silver Spring, Maryland. Other large projects include a courthouse in Birmingham, Alabama, and border stations in California, Arizona, and Maine.

The amount of leased office space is expected to increase in 1981 by almost 4%. In 1982, the amount of leased space is expected to decrease slightly from 1981 levels in accord with the lower number of Federal employees.

Personal property.—The budget proposes to more than double the funds for GSA to purchase new vehicles in 1981. These funds are to replace all vehicles in the motor pools that are over 5 years of age. This will contribute to the goals of energy conservation and cleaner air by replacing older vehicles with cleaner, more fuel-efficient vehicles. It will also assist the automobile industry during a particularly difficult period of high unemployment.

Central personnel management.—Central personnel management functions are carried out by the Office of Personnel Management, the Federal Labor Relations Authority, and the Merit Systems Protection Board. The administration supports a major effort to continue activities promoting organizational and individual employee effectiveness in the Federal Government, including productivity improvement, delegation of more authority and responsibility to agency officials, and development of a better performance evaluation system.

The administration also supports improvement of Federal compensation procedures, benefit claims processing, and legislation to modify the Federal pay system and the cost-of-living adjustment in annuity payments. These proposals are discussed further in the allowances and income security sections.

The Federal Labor Relations Authority and the Merit Systems Protection Board continue their efforts to develop adjudicatory procedures for resolving labor disputes and employee appeals in a simple, expeditious, and fair manner.

Other general government.—Other activities in the general government function include payments of claims and judgments

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against the Federal Government, and funding for the territories, Indian affairs, and various commissions. Outlays are expected to decrease from $608 million in 1981 to $522 million in 1982.

Territories.—In February 1980 the administration affirmed its policy regarding the U.S. territories of Guam, American Samoa, the Virgin Islands, and the Northern Marianas. This policy includes continued support of basic governmental operations for those territories still requiring such assistance, capital infrastructure improvements with Federal/territorial cost-sharing, economic development assistance, incentives to eliminate territorial deficits, and increased oversight and technical assistance. Budget authority of $106 million, $27 million over the 1981 level, is requested in 1982 to continue these activities.

Budget authority of $94 million is requested for the Trust Territory of the Pacific Islands, including $21 million to assist the three Micronesian governments to construct new capitals. The U.S. seeks to terminate this trusteeship in 1981, and recently initialed a compact of free association with the governments of Palau, the Federated States of Micronesia, and the Marshall Islands. The $66 million in budget authority requested for Trust Territory operations in 1982 is therefore submitted on a contingency basis, in the event that termination of the trusteeship is delayed.

These programs are funded by the Office of Territorial and International Affairs in the Department of the Interior. The territories and the Trust Territory also receive grants and payments from other Federal agencies.

Indian affairs.—Budget authority of $144 million is included in 1981 for Indian affairs, most of which are final payments to settle land claims in Alaska and Maine. No similar funding involving Indian land claims is projected for 1982. Budget authority for the Navajo-Hopi Relocation Commission is proposed to increase from $1 million in 1980 to $3 million in 1981 and $15 million in 1982. The increase in 1982 is to continue the relocation process and cover actual moving expenses and the cost of replacement housing for an estimated 175 families. It also includes funds to implement the Commission's new authorities, which include a new land selection process and a discretionary fund. Additional assistance to Indian tribes is classified in the health; natural resources and environment; community and regional development; and education, training, employment and social services functions.

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CREDIT PROGRAMS—GENERAL GOVERNMENT

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Loans to U.S. territories and other:			
Direct loans:			
New loans	2	2	.....
Repayments, sales and adjustments (−)	−21	−1	−18
Net loan outlays	−19	*	−18
Loan guarantees:			
New loans	9	.....	31
Net loan guarantees	9	−*	30
Off-budget Federal entity—Federal Financing Bank: [1]			
Direct loans:			
New loans	51	110	6
Repayments, sales and adjustments (−)	−3	−2	−8
Net loan outlays	48	−108	−1

*$500 thousand or less.

[1] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. It therefore overlaps with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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GENERAL PURPOSE FISCAL ASSISTANCE

National Needs Statement:

- Strengthen the Federal system by providing financial assistance to local governments.
- Strengthen the capacities of State and local governments to finance essential public services and cushion the fiscal impact of adverse economic conditions.
- Assist States and localities by sharing receipts generated by Federal land management activities.

General purpose fiscal assistance is financial aid that now goes principally to units of local government, without major restrictions or matching requirements. Recipients may use such aid to offset increasing costs, maintain service levels that would otherwise have been reduced, increase services, retire debt, or lower taxes. Its purpose is to reduce inequalities in the ability of the various jurisdictions to provide public services from the fiscal resources available to them.

This function includes a decrease of $2.3 billion from 1980 to 1982 for the general revenue sharing program. This $2.3 billion decline is a major decline in the budget, and is a decrease of approximately one-fourth of the entire function.

General revenue sharing (GRS).—Outlays for the general revenue sharing program are estimated to decline from $6.8 billion in 1980 to $4.6 billion in 1982, due to the elimination of the $2.3 billion annual payments to States. Reauthorizing legislation for this program was passed by the Congress in 1980 for fiscal years 1981–83.

The program, which originally included allocations to State governments, was first passed in 1972 as a means of:

- raising funds from the relatively more productive and more equitable Federal tax system;
- redistributing funds to reduce disparities in State and local fiscal capacities; and
- reducing red tape and increasing State and local control over the expenditure of Federal aid.

Since the inception of general revenue sharing in 1972, intergovernmental fiscal conditions have changed, and so have perceptions of the appropriate Federal role, vis-a-vis State and local governments, in providing such fiscal assistance. The revenue-generating ability of State and local tax systems, in the aggregate, has grown more rapidly than that of the Federal Government. In addition, State and local tax systems have become less regressive.

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NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

Major missions and programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
General revenue sharing:					
General revenue sharing payments	6,855	4,570	4,570	4,570	4,570
Administration	6	7	7	7	8
Subtotal, general revenue sharing	6,861	4,577	4,577	4,577	4,578
Other general purpose fiscal assistance:					
Tax credit payments to State and local governments (proposed)	.....	.....	495	812	897
Payments and loans to the District of Columbia	439	465	581	580	504
New York City loan guarantees (administrative expenses)	1	1	1	1	1
Payments to States from Forest Service receipts	280	223	275	310	340
Payments to States and counties from Federal land management activities	488	572	583	780	895
Payments to territories and Puerto Rico	593	365	370	384	396
Other	5	5	5	2	2
Subtotal, other general purpose fiscal assistance	1,805	1,631	2,310	2,869	3,035
Total, budget authority	**8,667**	**6,208**	**6,887**	**7,446**	**7,612**
OUTLAYS					
General revenue sharing:					
General revenue sharing payments	6,829	5,156	4,559	4,581	4,576
Administration	6	7	7	7	7
Subtotal, general revenue sharing	6,835	5,163	4,566	4,589	4,583
Other general purpose fiscal assistance:					
Tax credit payments to State and local governments (proposed)	.....	.....	495	812	897
Payments and loans to the District of Columbia	425	468	606	586	504
New York City loan guarantees (administrative expenses)	1	1	1	1	1
Payments to States from Forest Service receipts	280	223	275	310	340
Payments to States and counties from Federal land management activities	483	577	582	780	895
Payments to territories and Puerto Rico	555	415	370	384	396
Other	5	7	5	2	2
Subtotal, other general purpose fiscal assistance	1,749	1,691	2,336	2,875	3,035
Total, outlays	**8,584**	**6,854**	**6,902**	**7,463**	**7,618**

Despite these improvements, general purpose fiscal assistance remains necessary to provide aid to local jurisdictions less able to meet their service obligations. Disparities in the revenue-raising capacities among localities are still substantial enough to warrant continued Federal efforts to redistribute resources.

General revenue sharing now provides for funds to approximately 39,000 local jurisdictions below the State level. Up through 1980,

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State governments received annual revenue sharing payments of $2.3 billion. These payments to States were eliminated in 1981. The budget does not request funds for their resumption in 1982, since States continue to enjoy relatively robust fiscal health.

General revenue sharing has minimal Federal controls. Those that exist are designed primarily to assure nondiscrimination and public participation in spending decisions. In addition, governments that receive $25,000 or more in any one year must have a full audit of their financial accounts every 3 years.

Revenue sharing allocations among States are based on total population, urban population, personal and per capita income, Federal and State income tax collections, and general tax effort. Within the States the allocations to local governments are based primarily on population, per capita income, and tax effort. The formula results in some targeting to governments with fiscal problems.

Other general purpose fiscal assistance.—Several other programs also provide funds with minimal restrictions to States and localities. Total outlays are estimated to be $1.7 billion in 1981 and $2.3 billion in 1982.

Tax credit payments to State and local governments.—As part of the economic revitalization program, the administration proposed an 8% tax credit for social security taxes paid, effective in January 1982. This credit would be refundable to State and local governments. Payments, which are reflected in budget outlays, are estimated at $495 million in 1982, $812 million in 1983, and $897 million in 1984.

Payments and loans to the District of Columbia.—The District of Columbia's operating budget is financed in part by annual payments from the Federal Government in recognition of the costs to the local government of the Federal establishment. The administration requests $581 million in budget authority for the Federal payment in 1982. Included in the request is $52 million in 1982 to pay Federal contributions to the retirement funds for the District's police officers, firefighters, teachers, and judges under pension reform legislation enacted in 1979.

The 1982 request for the Federal payment was determined by use of a formula proposed by the District of Columbia and modified by the administration. The administration supports enactment of such a payment formula in order to make the determination of the size of the Federal payments more equitable and more predictable.

The District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the "Home Rule Act") authorized the city to issue short-term notes on its own behalf. Accordingly, inter-

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est-free cash advances from the U.S. Treasury to the District will no longer be made after 1981. The 1982 estimates anticipate that the city will exercise its authority to borrow in the private market for short term, cash management purposes. For long-term funding purposes, the 1982 budget requests budget authority of $194 million for Federal loans to fund capital improvements in the District. It is expected that the District will make significant progress in developing the capability to finance long-term borrowing in the private market.

Outlays for the Federal payment to the District of Columbia are estimated to rise from $468 million in 1981 to $606 million in 1982.

New York City loan guarantees.—Under the New York City Loan Guarantee Act of 1978, the Secretary of the Treasury is authorized to guarantee up to $1,650 million of New York City obligations through June 30, 1982. During 1982, an estimated $756 million in standby guarantees could be made available.

These guarantees are contingent upon a number of conditions, including the required holding of obligations by City or State employee pension funds, balancing the City's budget by the fiscal year ending June 30, 1982, and the City's payment of an annual guarantee fee of 0.5% to the Treasury. The loan guarantees are not included in the budget totals because they are not expected to result in Federal outlays, but the related administrative costs are reflected.

Other payments.—Some jurisdictions receive payments from the Federal Government based on a percentage of receipts generated from the sale of timber, mineral leases, grazing permits, and other activities on Federal property.

The Forest Service in the Department of Agriculture will return an estimated $223 million in 1981 and $275 million in 1982 to State and local jurisdictions.

Payments to States and counties from Federal land management activities are estimated to be $577 million in 1981 and $582 million in 1982. For 1982, no funds have been requested for the payment in lieu of taxes program, a small part of Federal land management activities. Outlays for the payment in lieu of taxes program were $103 million in 1980. The need for this program is questionable since any economic burden associated with the presence of Federal lands is alleviated, and in many cases offset entirely by the receipt sharing programs.

In addition, Federal taxes and other revenues generated or collected in Guam, the Virgin Islands, and Puerto Rico by various Federal agencies are returned to these territories for their fiscal support.

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Tax expenditures.—Major tax expenditures also provide fiscal assistance to States and localities. Interest income from most State and local government securities is not subject to Federal income tax. This exclusion allows these governments to borrow at lower interest rates. The cost of this tax expenditure for general purpose State and local debt alone, apart from special purpose obligations, is estimated at $6.5 billion in 1982. In addition, the deductibility of State and local non-business taxes, other than owner occupied homes, from gross income allows individuals who itemize deductions to offset some of their State and local taxes through reduced Federal taxes. This revenue loss is estimated to be $23.1 billion in 1982.

Corporations may also take a tax credit for income earned from doing business in United States possessions. This tax expenditure will produce an estimated revenue loss in 1982 of $1.1 billion.

CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate
Guarantees of New York City loans:			
Loan guarantees:			
New loans	300	300	756
Net loan guarantees	277	211	662
Loans to the District of Columbia:			
Direct loans:			
New loans	130	173	220
Repayments, sales and adjustments (−)	−84	−66	−28
Net loan outlays	46	108	191
Loan guarantees:			
New loans			
Net loan guarantees	−20		

Related programs.—In addition to general purpose fiscal assistance, the Federal Government supports States and localities through a large variety of other Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to block grant programs, are designed to meet other national needs and to serve other major missions. Therefore, they are not included as general purpose fiscal assistance, although they do provide, when taken together, a far larger source of State and local revenues. Total grants-in-aid directly paid to States and localities are estimated to rise from $95.3 billion in 1981 to $99.8 billion in 1982.

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FEDERAL GRANT-IN-AID OUTLAYS BY FUNCTION

(In millions of dollars)

Function	1980 actual	1981 estimate	1982 estimate
National defense	93	51	66
Energy	499	618	826
Natural resources and environment	5,362	5,298	5,294
Agriculture	569	761	594
Commerce and housing credit	3	4	4
Transportation	13,087	12,886	12,794
Community and regional development	6,486	6,215	6,434
Education, training, employment, and social services	21,862	21,697	23,454
Health	15,758	18,607	20,170
Income security	18,495	21,771	22,937
Veterans benefits and services	90	80	65
Administration of justice	530	420	263
General government	160	210	236
General purpose fiscal assistance [1]	8,478	6,726	6,690
Total grant outlays	**91,472**	**95,343**	**99,829**

[1] These numbers differ slightly from total outlays for this function, because they exclude administrative expenses.

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INTEREST

Interest is the cost of borrowing or the income from lending money. The interest function includes both interest paid and interest received by the Federal Government. In 1981 and 1982 interest outlays are estimated to grow substantially, rising by $15.9 billion and $9.5 billion, respectively. By 1982, outlays for the interest function are estimated to be $89.9 billion.

INTEREST

(Functional code 900; in millions of dollars)

Programs	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Interest on the public debt [1]	74,781	94,100	106,500	110,600	109,900
Other interest:					
Interest on refunds of tax collections	502	708	600	610	480
Interest on loans to the Federal Financing Bank	−5,915	−8,899	−12,073	−14,454	−16,185
Other	−4,860	−5,509	−5,081	−5,028	−5,145
Subtotal, other interest	−10,273	−13,700	−16,554	−18,872	−20,850
Total, budget authority	**64,508**	**80,400**	**89,946**	**91,728**	**89,050**
OUTLAYS					
Interest on the public debt [1]	74,781	94,100	106,500	110,600	109,900
Other interest:					
Interest on refunds of tax collections	502	708	600	610	480
Interest on loans to the Federal Financing Bank	−5,915	−8,899	−12,073	−14,454	−16,185
Other	−4,865	−5,504	−5,081	−5,032	−5,140
Subtotal, other interest	−10,278	−13,695	−16,554	−18,876	−20,845
Total, outlays	**64,504**	**80,405**	**89,946**	**91,724**	**89,055**

[1] Includes interest paid on the public debt held by Government investment accounts.

Interest on the public debt.—This subfunction includes all interest paid on the public debt. The public debt consists of Treasury securities sold to the public and to trust, revolving, and deposit funds within the Federal Government. In 1980, for the first time in several years, an appreciable amount of public debt securities, $2.1 billion, was sold to deposit funds.

Estimates of interest on the public debt are highly sensitive to assumptions about interest rates. For purposes of developing budget estimates, interest rates are assumed—by convention—to fall as inflation declines. Under this convention, which is not meant to be a forecast, it is assumed that the 91-day bill rate will decline gradually from about 14½%, the prevailing rate when the estimates were made, to an average of 13½% in calendar year 1981 and 11% in calendar year 1982.

Interest on the public debt is estimated to grow substantially in 1981. Much of this rise is due to an increase in average interest

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rates on Treasury securities resulting from the sharp rise in market interest rates in the spring and then again in the late fall of last year. Interest is estimated to grow at a slower rate in 1982 and 1983 due to assumed declines in interest rates and lower Treasury borrowing requirements.

Other interest.—This subfunction includes interest payments on tax refunds and, as an offset, interest collections from Federal agencies and the public. The largest item is collections from the off-budget Federal Financing Bank (FFB). In recent years, this off-budget Federal entity has become the major source of funds for many Government programs. The FFB borrows directly from the Treasury and uses these funds to purchase debt and financial assets guaranteed by various Government programs. It then pays interest to the Treasury on this borrowing. A more detailed discussion of the FFB and its operations is contained in Part 6 of this document. Part 6 also discusses borrowing by the Federal Government. Additional information on borrowing is contained in Special Analysis E, "Borrowing, Debt, and Investment," in the *Special Analyses* volume of the budget.

Net interest.—A substantial portion of interest outlays is paid to Federal trust funds on securities held by these funds. Since this payment of interest is not made to the public, but rather consists of offsetting transactions within the budget itself, these amounts are deducted from both budget authority and outlays before arriving at the budget totals. As shown in the following table, net interest outlays—the interest function minus the interest received by trust funds—are projected to be $74.8 billion in 1982.

In addition, Federal Reserve Banks hold Government securities as part of their monetary function. The Federal Reserve Banks return most of the interest they receive on these securities back to the Treasury as miscellaneous budget receipts. This deposit of earnings is projected to be $14.7 billion in 1982. Deducting these receipts from net interest results in a net impact on the budget of $60.1 billion in 1982. The net impact of interest is the amount of interest that must be paid from receipts or additional borrowing to meet Federal financing requirements.

Tax expenditures.—A tax expenditure arises from the optional deferral of interest income on U.S. savings bonds. Interest is normally taxed each year as it is credited, but the holder of savings bonds may defer paying tax until the bond is redeemed. The revenue loss from this tax expenditure is estimated to be $335 million in 1982.

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NET INTEREST

(In millions of dollars)

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays for the interest function	64,504	80,405	89,946	91,724	89,055
Interest received by trust funds	−12,045	−13,435	−15,165	−17,185	−16,134
Net interest outlays	**52,459**	**66,970**	**74,781**	**74,539**	**72,921**
Deposit of earnings by the Federal Reserve System [1]	−11,767	−13,069	−14,710	−16,314	−19,541
Net impact [2]	**40,692**	**53,901**	**60,071**	**58,225**	**53,380**

[1] Shown as budget receipts.
[2] Net amount of interest to be paid from receipts, borrowing, or other means of financing.

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ALLOWANCES

Allowances are included in the 1982 budget to cover increases in compensation for Federal civilian agency employees and unforeseen requirements that may arise. Pay allowances for the Department of Defense are included in the national defense function.

ALLOWANCES

(Functional code 920; in millions of dollars)

Program	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY					
Civilian agency pay raise			958	3,765	6,252
Contingencies for relatively uncontrollable programs					
Contingencies for other requirements			2,000	3,000	4,000
Total, budget authority			**2,958**	**6,765**	**10,252**
OUTLAYS					
Civilian agency pay raises			920	3,652	6,153
Contingencies for relatively uncontrollable programs					
Contingencies for other requirements			1,000	2,000	3,000
Total, outlays			**1,920**	**5,652**	**9,153**

Comprehensive legislation to reform and improve Federal pay-setting procedures was submitted to the last Congress. The administration urges that the new Congress give early consideration to these reforms. The legislative proposal would broaden the principle of comparability and make certain structural changes to bring Federal compensation rates and practices more closely into line with those of the private and non-Federal governmental sectors. Both pay and benefits—rather than just pay—would be used to determine comparability. Compensation scales would be based on State and local government pay and benefits as well as those for private industry. The Federal wage system for the blue collar workforce would be changed, and a number of other modifications would be made to improve comparability with non-Federal rates.

Comparability as currently defined would require an October 1981 pay increase estimated at 13.5%. Under the proposed changes, the comparability increases would be an estimated 9.1% for military employees and 8.6% for civilian employees. As part of an overall effort to restrain inflation, the budget estimates reflect a further reduction in the civilian employee pay raise to 5.5%. A final decision on the level of the October 1981 pay increase is generally made in the late summer after Presidential review of the recommendations of the President's Compensation Agent, the Federal Employees Compensation Council, and the Advisory Commit-

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tee on Federal Compensation, and after a review of economic conditions at that time.

The President received and considered recommendations from the quadrennial Commission on Executive, Legislative, and Judicial Salaries for salary increases of about 40% for top-level Government officials. He has, as part of the overall effort to restrain inflation, cut back the increases proposed by the Commission. Part VII of the 1982 Budget Appendix includes the President's recommendation to the Congress for increases of 16.8% in such salaries now, and a 5.5% increase in October 1981. The quadrennial review statute requires the Congress to consider and act on the President's recommendation within 60 calendar days of receiving them. The recommendations of the President are further addressed in a separate Message to the Congress.

The contingency allowance for relatively uncontrollable programs is assumed to be zero since outlays higher or lower than the budget estimates are assumed to be equally probable. The contingency allowance for other requirements does not represent a compilation of a specific list of future needs, but is a rough estimate taking into account past experience in financing unanticipated requirements.

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UNDISTRIBUTED OFFSETTING RECEIPTS

Offsetting receipts are generally deducted from outlays and budget authority at the function, subfunction, or agency level. In three instances, however, such payments are deducted from the budget totals as undistributed offsetting receipts. Payments for rents and royalties on the Outer Continental Shelf are extremely large, and their inclusion in a particular function would distort the display of Federal program costs. Deductions for interest received by trust funds and for the payments that each agency makes as its share of employee retirement costs are included as undistributed offsetting receipts to eliminate double counting of budget authority and outlays in order to reflect properly the transactions of the Government with the public. Details of offsetting receipts are shown in table 11 in Part 9 of this Budget.

UNDISTRIBUTED OFFSETTING RECEIPTS

(Functional code 950; in millions of dollars)

Offsetting Receipts	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
BUDGET AUTHORITY AND OUTLAYS					
Employer share, employee retirement	−5,787	−6,561	−6,798	−6,980	−7,171
Interest received by trust funds:					
Existing law	−12,045	−13,429	−14,714	−15,690	−14,880
Proposed legislation		−6	−451	−1,495	−1,254
Subtotal, interest received by trust funds	−12,045	−13,435	−15,165	−17,185	−16,134
Rents and royalties on the Outer Continental Shelf	−4,101	−7,800	−9,900	−9,900	−9,900
Total	**−21,933**	**−27,796**	**−31,863**	**−34,066**	**−33,205**

Employer share, employee retirement.—The payments by Federal agencies to various employee retirement funds are counted as outlays of the agencies and as receipts of the respective retirement funds. Nearly 75% of these payments are to the civil service retirement fund. Most of the remainder is paid to the social security trust funds.

Interest received by trust funds.—By law, most trust fund balances are invested in interest-bearing Federal securities. The interest outlays are included in interest on the public debt. The receipts collected by various trust funds are shown as undistributed offsetting receipts. Nearly half of these interest collections is received by the civil service retirement and disability fund, and almost one-third is received by social security and medicare. Several proposals in the budget reduce estimated trust fund outlays. These outlay reductions increase trust fund balances and thereby increase trust fund investments in Treasury securities. The higher interest earn-

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ings on these investments are included in the estimates of interest received by trust funds.

Rents and royalties from the Outer Continental Shelf (OCS).— These estimates include cash bonuses received from the new leasing of OCS lands that have the promise of containing oil and gas. Annual rents on existing leases, payments based on a percentage share of profits, and royalties based on a percentage of the value of production are also included. OCS collections from lands immediately adjoining State lands or from disputed lands are recorded in deposit funds rather than as offsetting receipts. Such funds are now usually invested in public debt securities. On September 30, 1980, such deposit funds held $2.1 billion of debt securities.

The current estimates assume that seven OCS sales will be conducted in 1981 and seven sales in 1982. Eight sales are currently scheduled for 1983. No final decision will be made on any of these sales until environmental studies and other requirements under the National Environmental Policy Act have been completed.

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PART 6

PERSPECTIVES ON THE BUDGET

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PERSPECTIVES ON THE BUDGET

This part of the budget explains several topics that help place the budget in perspective:

- the relationship of budget authority to outlays;
- alternative budget proposals that would balance the budget in 1982;
- fiscal activities outside the Federal budget:
  - —outlays of off-budget Federal entities,
  - —Government-sponsored enterprises, and
  - —tax expenditures;
- Federal debt and the relationship of budget funds to changes in Federal debt;
- the difference between the initial budget estimate of outlays and the actual outlays of relatively uncontrollable programs for 1980;
- the difference between the initial budget estimate of receipts and the actual receipts for 1980; and
- the allocation of windfall profit tax receipts.

RELATIONSHIP OF BUDGET AUTHORITY TO OUTLAYS

The Congress must provide budget authority, generally in the form of appropriations, before Federal agencies can obligate the Government to make outlays. For 1982, $809.8 billion of new budget authority is proposed for those Federal agencies included in the budget. In addition, $31.1 billion of new budget authority is proposed for those Federal entities that are excluded from the budget.[1]

Of the total new budget authority proposed for budget agencies in 1982, $491.4 billion will require congressional action. New budget authority of $427.4 billion will be available through permanent authorizations under existing law. This consists mainly of trust fund receipts, which in most trust fund programs are automatically appropriated under existing law, and interest on the public debt, for which budget authority is automatically provided under a permanent appropriation enacted in 1847. Offsetting the gross new budget authority is $109.0 billion of deductions for offsetting receipts, which comprise transactions within the Government and proprietary income from the public. Almost all of the budget

[1] Budget authority is discussed further in Part 7 of this volume.

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authority for off-budget Federal entities will be available under existing law.

BUDGET AUTHORITY

(In billions of dollars)

Description	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Available through current action by the Congress:					
Enacted and pending appropriations	411.7	433.2			
Proposed in this budget: [1]					
Appropriations			480.2	523.3	559.6
Supplemental requests		17.5	0.2		
Rescission proposals		−1.3			
To be requested separately:					
Upon enactment of proposed legislation		0.5	4.5	9.8	12.2
Allowances:					
Civilian agencies [2]			3.0	7.6	11.1
Department of Defense—Military [3]		−0.1	3.5	9.2	14.3
Subtotal, available through current action by the Congress	411.7	449.9	491.4	549.7	597.2
Available without current action by the Congress (permanent authorizations): [4]					
Trust funds (existing law)	228.6	258.5	298.6	327.2	354.9
Interest on the public debt	74.9	94.1	106.5	110.6	109.9
Other	21.7	19.2	22.3	20.5	21.7
Subtotal, available without current action by the Congress	325.2	371.8	427.4	458.2	486.5
Deductions for offsetting receipts	−78.2	−95.2	−109.0	−116.0	−121.0
Total, budget authority	658.8	726.5	809.8	892.0	962.7
ADDENDUM					
Budget authority for off-budget Federal entities:					
Available through current action by the Congress	*	*	*	7.5	7.7
Available without current action by the Congress	22.3	32.8	31.1	22.7	26.9
Total, off-budget Federal entities	22.4	32.8	31.1	30.2	34.5
Total, budget authority including off-budget Federal entities	681.1	759.3	840.9	922.1	997.2

*$50 million or less.
[1] Amounts for 1983 and 1984 are tentative planning targets.
[2] Includes allowances for civilian agency pay raises and contingencies.
[3] Includes allowances for civilian and military pay raises for Department of Defense.
[4] Allowances for relatively uncontrollable programs with permanent authorizations are estimated at zero.

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Not all of the new budget authority for 1982 will be obligated or spent in that year.[2]

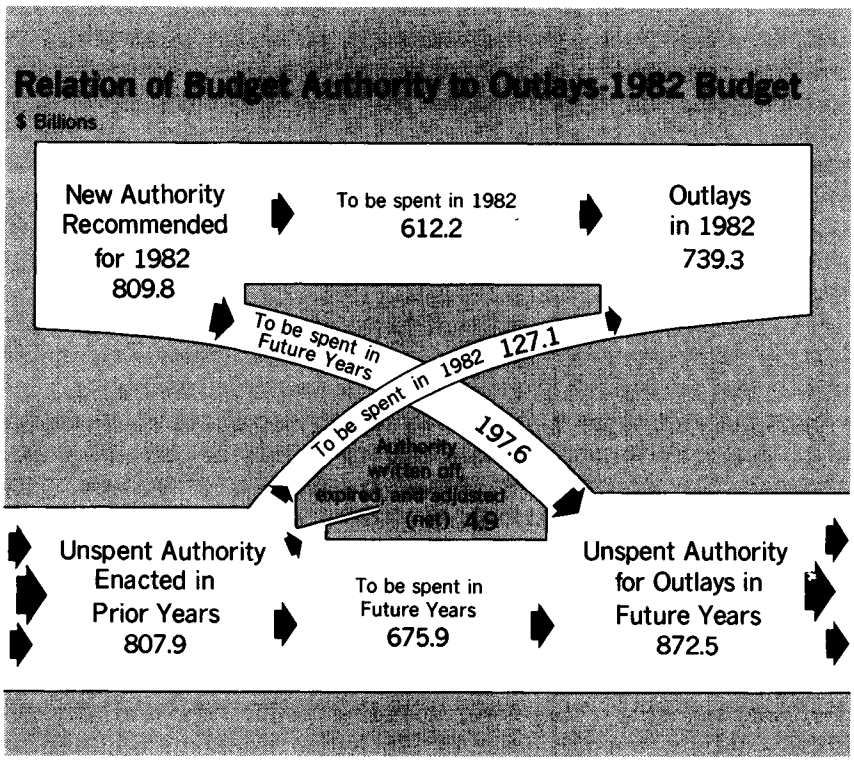
- Budget authority for most trust funds comes from the authority of these funds to spend their receipts from special taxes and contributions and from Federal fund payments. Any balances arising from these receipts remain available to these trust funds indefinitely in order to finance benefits and other purposes specified by law.
- Under longstanding budget policy, budget authority for most major construction and procurement projects covers the entire cost estimated when the projects are initiated, even though costs will be incurred and outlays made over a period extending beyond the fiscal year for which the budget authority is enacted. In the past, an exception to this policy has been made for water resource programs. The administration policy continues to be that funds for new water resource projects should cover the entire costs of the projects. No new water resource projects are proposed in this budget, but the administration would favor the submission of some fully funded new projects after the independent review of projects by the Water Resources Council has been authorized by Congress.
- Government enterprises are occasionally given budget authority for general capital purposes that will be used over a period of years.
- Budget authority for the subsidized housing programs is equal to the Government's estimated maximum contractual obligation to pay subsidies under contracts, which may extend over periods of up to 40 years.
- Budget authority for long-term contracts covers the estimated maximum obligation of the Government. For example, budget authority for many direct loan programs provides financing for a number of years; budget authority for many insurance and loan guarantee programs consists of amounts to be used only in the event of defaults or other claims made upon the programs.

As a result of these factors, a substantial amount of budget authority carries over from one year to the next. Most of this is earmarked for specific uses and is not available for new programs; a small part may never be obligated or spent, because it is primarily for contingencies that do not occur or reserves that do not have to be used.

[2] This subject is discussed more fully in a separate report, "Balances of Budget Authority," which is published by the Office of Management and Budget shortly after the budget is transmitted.

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As shown in the chart on the next page, $127.1 billion of the outlays in 1982, 17% of the total, will be made from budget authority enacted in previous years. At the same time, $197.6 billion of the new budget authority proposed for 1982, which is 24% of the total amount proposed, will not lead to outlays until future years. Thus, the total budget authority for a particular year is not useful for the analysis of annual outlays, since it combines various types of budget authority that have different short-term and long-term implications for budget obligations and outlays. The relationship between budget authority, obligations, and outlays is discussed further in Part 7 of the *Budget* and displayed in table 5 of Part 9.



Once budget authority is provided, the Congressional Budget and Impoundment Control Act requires that any available amounts withheld from use (without specific congressional authorization) must be reported to the Congress in rescission or deferral messages. The Congress may require these funds to be released by overturning the deferral of budget authority or by not taking action on the proposed rescission.

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ALTERNATIVE BUDGET PROPOSALS

In April 1979, the Congress enacted a new temporary limit on the Federal debt (Public Law 96-5). Included in the act was a provision that "If a budget which is transmitted by the President to the Congress . . . would, if adopted, result in a deficit in 1981 or in 1982, the President shall also transmit alternate budget proposals which, if adopted, would not result in a deficit." This section outlines the alternative budget proposals for 1982, describes the difference between the budget and alternative budget proposals, and explains why the budget proposals of the President are clearly preferable to these alternatives.

This discussion emphasizes, as it must, tax and spending proposals alternative to those in the 1982 budget. No alternative budget policy, however, can be considered independently of economic conditions because the major fiscal policy changes likely to be implied by an alternative budget may have profound effects on the economy.

This budget is the fourth to be prepared using the zero-base budget review process. This process has allowed the administration to establish priorities that make the best use of the taxpayers' dollars. Reduction and cost saving proposals have been recommended where possible and emphasis has been placed on increasing the efficiency of existing programs.

Balancing the 1981 budget.—The deficit estimated for the 1981 budget is $55.2 billion. Because the fiscal year is well along, the economic and programmatic effect of reductions in spending and increases in taxes necessary to eliminate a deficit of the magnitude required to produce a balanced budget would be so severe that they should not be considered.

The large tax increases or outlay reductions required to eliminate the $55.2 billion 1981 deficit would themselves reduce economic activity significantly. This would reduce budget receipts and increase spending. Therefore, spending reductions and tax increases totaling on the order of $75 billion would be required to achieve balance in 1981.

If tax and spending actions totaling $75 billion were taken and in place by March 31, one-half of the fiscal year would be gone before they took effect. Therefore, tax increases or program reductions would need to be twice as large as would be required if they were spread over an entire fiscal year. The full-year outlay effect of the actions required to achieve a reduction of $75 billion in one-half a year would therefore be on the order of $150 billion. Further, obligations would already have been incurred for most of the discretionary spending expected in the remainder of the year. A re-

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duction of the magnitude required would be larger than what is needed to achieve a balanced budget in 1982 and later years. Such a change could be accomplished in one-half year only by:

—increasing Federal tax burdens by almost 25% for the last half of the fiscal year; or

—reducing outlays by either halting virtually all discretionary Government activity, including the activities of the Defense Department and patrol of the borders, or else quickly overturning legislation that mandates payments for social security, health benefits, unemployment benefits, farm price supports, etc.; or

—combining such tax increases and outlay reductions in amounts so large as to cause drastic, lasting damage to our economy and our society.

Finally, it is very unlikely that such tax increases and spending cuts could be achieved by March 31. The President does not have authority to reduce spending or raise taxes. Under law, each action must be approved by the Congress, which requires time to consider whether to agree. Even assuming that Congress would agree, it is also likely that court actions would be initiated to challenge some of the proposals and that stays of action would be ordered in some cases.

Balancing the 1982 budget.—Balancing the budget in 1982 would not have such drastic consequences as attempting to do so in 1981, but it would be both difficult and undesirable for a number of reasons. Either increased taxes or reduced Federal spending or some combination of the two, beyond the restrained levels proposed in this budget, would be required. Such approaches would have adverse secondary effects on the economy and therefore on other Federal programs. They would reduce real economic growth and employment, thereby reducing tax receipts and raising unemployment-sensitive spending. Consequently, tax increases or spending cuts in excess of the $27.5 billion estimated deficit would be needed. For purposes of this discussion, it has been estimated that $40 billion in tax increases and spending decreases would be required to produce a balanced budget in 1982.

The undesirable effects of actions to increase taxes or to reduce spending still further in 1982 can be explained best by discussing specific alternatives. A number of alternative ways to achieve a balanced budget are possible. Specific proposals are presented here that involve tax increases of $69.7 billion and spending reductions of $37.0 billion.

Tax choices.—Tax increases could be used solely or in combination with outlay reductions to balance the 1982 budget. In the short run, such increases would be likely to weaken or reverse the

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modest recovery that is now expected for the next two years. Unemployment would be increased with little beneficial effect on inflation. This administration has had the long-term goal of reducing tax burdens, not increasing them. A tax increase, therefore, moves in exactly the opposite direction from that proposed by this administration and desired by the American people. Some of the specific options that could be considered if taxes were to be increased are discussed below.

Income taxes could be increased by dropping the administration's economic revitalization program. This would increase income tax receipts in 1982 by $18.3 billion in comparison with the estimates in this budget. The longrun benefits that would result from the economic revitalization program—particularly increases in business investment and in employment—would be lost by removing this program. In addition, an income tax surcharge could be levied on individual and corporation income taxes. A 10% income tax surcharge effective January 1, 1982, would increase 1982 receipts by $27.1 billion.

Another possible source of tax receipts would be an increase in payroll taxes. A one percentage point increase in the social security payroll tax rate effective Janaury 1, 1982, would increase 1982 receipts by $9.9 billion. It would be particularly inappropriate to raise payroll taxes beyond those increases already scheduled under current law. Such increases would have all the disadvantages of increases in income taxes and moreover would raise business costs and thereby increase inflation and reduce employment.

Excise tax rates could also be increased. The administration is already proposing an increase in the gasoline tax of ten cents per gallon in June 1981. A further ten cent increase in this tax effective at the same time would raise 1982 receipts by an additional $10.8 billion. Alcohol and tobacco tax rates, which have not been increased since 1951, could also be increased. A doubling of these tax rates would raise 1982 receipts by $3.6 billion. Obviously, there is any number of possible tax increase combinations that could be proposed. However, the administration believes that longrun tax policy must move in the opposite direction. Taxes should be reduced in a prudent manner, as the budget permits.

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ALTERNATIVE BUDGET: TAX INCREASES

(In billions of dollars)

	1981	1982	1983	1984
Increases in income taxes:				
Drop economic revitalization program: [1]				
Individual income taxes	0.7	8.6	17.4	24.1
Corporation income taxes	2.4	9.7	14.7	18.0
Subtotal	3.1	18.3	32.1	42.1
10 percent income tax surcharge, effective Jan. 1, 1982:				
Individual income taxes		23.5	37.5	44.2
Corporation income taxes		3.6	7.6	8.9
Subtotal		27.1	45.1	53.1
Increases in payroll taxes:				
Increase social security tax rate by one percentage point, effective Jan. 1, 1982		9.9	15.3	17.0
Increase excise taxes:				
Raise gasoline excise tax by an additional 10 cents per gallon effective June 1, 1981	3.2	10.8	10.2	9.7
Double the excise tax rate on alcohol and tobacco products, effective Jan. 1, 1982		3.6	5.7	5.9

[1] This option also reduces outlays for the refundable credits in this program. These outlay reductions are incorporated in the list of outlay reductions that follow.

Spending choices.—If achievement of a balanced 1982 budget irrespective of economic circumstances and national priorities were the administration's sole aim, it would be better to balance tax increases with program reductions that would lower spending. Obviously, such changes might be made in a variety of ways. In particular, there could be a choice between relatively few major reductions or widespread, relatively small cuts.

The following are a few of the larger changes that could be considered. If all of them were chosen, they would result in 1982 outlay reductions of $28.7 billion.

ALTERNATIVE BUDGET: OUTLAY REDUCTIONS IN MAJOR PROGRAMS

(In billions of dollars)

	1981	1982	1983	1984
Defense		**—4.0**	**—12.0**	**—23.0**
This represents the effect on defense outlays if no real growth were planned in obligational authority through 1984. Such a reduction would prevent the United States from achieving its fundamental national security objectives. We would be unable to (1) maintain our strategic forces as an effective deterrent to both nuclear and conventional warfare, (2) meet our NATO commitments that increase defense efforts to prevent eventual Soviet military superiority, and (3) develop the overall force structure necessary to assure our national security now and in the future. The readiness capability that we now seek would be jeopardized.				

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ALTERNATIVE BUDGET: OUTLAY REDUCTIONS IN MAJOR PROGRAMS—Continued

(In billions of dollars)

	1981	1982	1983	1984
Health care cost controls		−2.3	−2.7	−3.1
Revise medicare cost-sharing		(−1.0)	(−1.2)	(−1.4)
Reduce medicaid matching for long-term care services		(−1.3)	(−1.5)	(−1.7)
These proposals would require beneficiaries to pay a greater percentage of their health care costs and would reduce the Federal Government's share for funding medicaid long-term services. Medicare cost-sharing is not being proposed because the elderly already pay a much greater proportion of their income for health care than do other age groups. Also, the proposal to reduce the Federal matching for medicaid would most likely cause States to reduce necessary services to beneficiaries since some States, like the Federal Government, already face heavy fiscal burdens.				
Social security benefit reforms		−1.0	−2.0	−3.0
These changes, reducing some social security benefits, would affect retired and disabled workers and their survivors and dependents, who rely on these benefits. In addition, Congress has been unwilling to consider most social security benefit reforms.				
Low Income Energy Assistance		−1.8	−1.8	−1.8
This reduction, eliminating low income energy assistance, results in a loss of income support to vulnerable poor and elderly individuals who currently receive benefits to mitigate high energy costs. In spite of recent inflation the 1982 request includes no increase over the 1981 level.				
Trade Adjustment Assistance benefits		−1.0	−0.7	−0.4
Under this option, the amount of Trade Adjustment Assistance benefits would be reduced to the amount of regular unemployment compensation, payable only to those unemployed after exhausting regular (and extended) unemployment compensation. It would be inappropriate to reduce their benefits while unemployment from firms affected by imports is high, before the scheduled expiration of the program at the end of 1982, and before information on methods to improve the adjustment process has been obtained from projects just getting underway.				
Social security, veterans compensation and pensions, civil service and military retirement, public assistance and other programs indexed to the Consumer Price Index.	−1.4	−7.5	−13.1	−14.7
Under this option, inflation-related increases in retirement, veterans, and disability benefits would be limited to three-quarters of the adjustment that would otherwise be made through calendar year 1982. Such a change would be precipitous and inequitable and therefore unacceptable to this administration.				
General revenue sharing		−4.6	−4.6	−4.6
General revenue sharing grants could be terminated. Since the inception of revenue sharing in 1972, the fiscal condition of recipient governments, in the aggregate, has improved. Despite these improvements, however, general-purpose fiscal assistance is needed to redistribute aid to jurisdictions less able to meet their service obligations. Significant disparities in fiscal capacity among localities remain and are substantial enough to warrant continued Federal assistance beyond 1981.				

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ALTERNATIVE BUDGET: OUTLAY REDUCTIONS IN MAJOR PROGRAMS—Continued

(In billions of dollars)

	1981	1982	1983	1984
Federal pay increases		**−2.3**	**−2.3**	**−2.3**
Defense		(−1.0)	(−1.0)	(−1.0)
Civilian agencies and programs		(−1.3)	(−1.3)	(−1.3)
This alternative would deny Federal pay increases that are scheduled for October 1981; the estimates for 1983 and 1984 assume that this reduction would not be made up in later years. To hold down costs, the 1982 budget already proposes savings of $1.2 billion by limiting the increase for civilian pay to 5.5%, rather than the 8.6% that would be permitted under the administration's pay reform plans. Further reductions would inordinately concentrate fiscal restraint on public servants. In the long run such a policy would make Government less effective.				
Economic Revitalization Program	**−0.2**	**−4.2**	**−6.4**	**−7.2**
These refundable tax credits are an integral part of the President's economic revitalization program. To help reduce labor costs and further encourage employment, a tax credit is proposed to help offset the increase in Social Security taxes. In order to help industry obtain capital for investment in new plants and equipment, it is proposed that 30% of the earned but unused investment tax credit be made refundable. A liberalization of the earned income tax credit is also proposed in order to offset the Social Security tax increase for low income taxpayers with dependent children.				

As an alternative to making reductions exclusively in major programs, some of the reductions listed above could be combined with a number of detailed reductions throughout the budget. The following is one such list but it should be noted that, by itself, it yields only one-fifth of the reduction required to balance the 1982 budget.

ALTERNATIVE BUDGET: SMALLER OUTLAY REDUCTIONS THROUGHOUT THE BUDGET

(In millions of dollars)

	1981	1982	1983	1984
International Affairs:				
Reduce Economic Support Fund aid to eleven countries in 1982		−240	−40	−10
Reduce AID bilateral assistance		−24	−112	−181
Reduce Public Law 480 food aid		−100	−100	−100
Defer Department of State construction starts and program augmentation	−4	−29	−11	−9
Reduce refugee admissions to the U.S. and resettlement and relief programs abroad		−46	−26	−19
Defer ICA construction and reduce academic exchange		−9	−27	−15
Cut program support for Board for International Broadcasting		−9	−10	−10
Reduce Export-Import Bank direct loans		−25	−108	−173
Energy and Space:				
Cancel Solvent Refined Coal (SRC–I) demonstration plant	−104	−320	−460	−521

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ALTERNATIVE BUDGET: SMALLER OUTLAY REDUCTIONS THROUGHOUT THE BUDGET—Continued

(In millions of dollars)

	1981	1982	1983	1984
Strategic Petroleum Reserve:				
Limit oil acquisition to an annual average of 100,000 barrels per day	−478	−1,606	−1,793	−383
Delay initiation of facilities construction for Phase III from 1982 to 1983		−85	−109	−59
Reduce breeder reactor research and development	−100	−100	−100	−100
Terminate contingency planning for gasoline rationing	−56	−78	−42	−42
Cancel Galileo mission to Jupiter		−140	−107	−78
Cancel space telescope		−103	−90	−79
Cancel Venus orbiting imaging radar mission		−25	−83	−83
Cancel Solar Electric Propulsion (SEPS) project		−11	−79	−99
Deny funding for fifth Orbiter option protection		−16		
Reduce 1982 space applications enhancements		−23	−63	−84
Reduce longer term space technology below 1980 level		−9	−17	−17
Agriculture:				
Reduce Forest Service activities		−68	−199	−196
Reduce annual project completion rate for the small watershed program		−19	−43	−46
Natural Resources:				
Eliminate non-critical EPA program		−14	−8	−3
Land and Water Conservation Fund: Reduce Federal land acquisition		−120	−180	−200
Reduce Bureau of Indian Affairs construction and road construction activities		−64	−85	−120
Reduce water project construction to minimum continuity levels		−234	−131	142
Drop commitment to land remote satellite sensing data (LANDSAT) continuity		−113	−136	−126
Commerce and Housing:				
Terminate National Consumer Cooperative Bank after 1981		−129	−127	−127
Eliminate 50% of Postal Service revenue foregone subsidy in 1981 and subsequent years		−400	−381	−383
Community and Regional Development:				
Maintain 1981 Community Development Block Grant level		−4	−75	−160
Reduce Department of Commerce economic development assistance programs to 1980 level	−19	−69	−94	−102
Terminate the rehabilitation loan fund		−110	−190	−188
Transportation:				
Reduce urban transportation programs to 1981 enacted level	−25	−155	−295	−265
Federal-aid highways: Fund Interstate, primary, and bridge programs and return other program responsibility to the States		−285	−1,200	−1,600
Education, Training, Employment, and Social Services:				
Reduce State grants for vocational education	−10	−55	−100	−100
Reduce school libraries and instructional resources	−50	−55	−60	−64
Freeze Public Service Employment (Title II–D) at current levels	−163	−479	−518	−560
Phase out Public Service Employment (Title VI) in 1982		−548	−1,167	−1,280
Fund Summer Youth Employment at the minimum level		−439	−439	−439
Eliminate Youth Education and Training initiative		−130	−1,310	−1,910
Eliminate Job Corps capital improvement program		−62	−48	−48
Eliminate Positive Adjustment Assistance pilot projects		−31	−19	
Reduce Title XX social services		−115	−215	−315
Reduce discretionary social services		−32	−32	−32
Health:				
Eliminate Public Health Service hospital system and benefits		−100	−150	−150
Withdraw Child Health Assurance Program (CHAP) proposal		−70	−425	−815

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ALTERNATIVE BUDGET: SMALLER OUTLAY REDUCTIONS THROUGHOUT THE BUDGET—Continued

(In millions of dollars)

	1981	1982	1983	1984
Eliminate miscellaneous health services expansions		−50	−150	−150
Tighten Section 223 medicare cost reimbursement limits		−100	−120	−140
Income Security:				
Lower Indochinese refugee flow into the U.S		−50	−50	−25
Reduce Women, Infant and Children (WIC) caseload below 1981		−130	−130	−130
Reduce child nutrition training and equipment		−8	−8	−8
Increase HUD subsidized housing tenant rent burdens from 25% to 30% of income		−885	−1,013	−1,152
Rescind 1981 homeownership assistance (sec. 235) funds	−50	−70	−70	−70
Deny 1981 supplemental for public housing operating subsidies	−50	−50		
Veterans benefits and services:				
Close four VA medical facilities and deny increases for specialized medical services		−104	−102	−105

Every effort has been made in the 1982 budget and in previous budgets by this administration to eliminate unnecessary spending. A number of savings proposals this administration has made have not been enacted by the Congress. In the 1981 budget, for example, the President proposed legislative actions that would have reduced 1981 outlays by $5.6 billion, including $0.8 billion for hospital cost containment. In March of 1980, further reductions of $3.3 billion were proposed for a total of $8.9 billion. Of the total amount of savings proposed, the Congress passed legislation last session that reduced 1981 outlays by $2.8 billion or a little less than one-third of those proposed by the President. Much of the savings that were achieved came about through the enactment of the Omnibus Reconciliation Act of 1980. This landmark legislation resulted from a congressional initiative requiring committees to cut spending and raise revenues by amounts specified in the concurrent budget resolution.

In this budget, additional savings involving outmoded and other low priority programs have been proposed. As is noted in Part 2, substantial operating efficiencies and cost reductions have been achieved and more are proposed. Substantial additional reductions cannot be achieved without further program reductions that would unavoidably cause important national needs to go unmet. For these reasons, the administration does not recommend that the reductions listed above be made. The administration does recommend that Congress pursue, before it does anything else, the reductions already proposed.

Consideration of these alternative budget proposals is useful nonetheless because it illustrates the nature of the task that the President faces each year in reviewing the budget. Indeed, this budget reflects a large number of difficult choices that have been made in order to arrive at the restrained 1982 budget.

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These alternatives are not unlike those the President faces every year. Most of the budget is composed of spending for national security and for programs that must be carried out under current law. To achieve significant reductions, the President must make a series of difficult choices. Should he propose budget cuts in entitlement programs that would reduce services and benefits for millions of people, or should he risk endangering the national security, or both? It is not likely that the Congress or the public would accept large reductions in either of these areas. Yet massive cuts in the remainder of the budget, which comprises less than 25% of the total, would reduce public programs to a level unacceptable to most people.

The effort to restrain Government spending must be continuous and progress must occur incrementally over a period of time. Restraint cannot be accomplished by rhetorical statements or by general directions to eliminate waste, fraud, and abuse. It requires hard and unending efforts to determine the effectiveness of programs and to eliminate or change those that do not meet their objectives. Such changes must be accompanied by the difficult task of coping with the expectations and hopes of program beneficiaries and advocates.

FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include a number of fiscal activities of the Federal Government that result in spending similar to budget outlays. One major exclusion, the outlays of off-budget Federal entities,[3] is discussed in some detail below. This is followed by a discussion of the Government-sponsored enterprises, which are outside the budget because of their private ownership.[4] Taxation and tax expenditures, which also have significant effects on the economy, are discussed subsequently. The regulation of economic activity can also have economic effects similar to budget spending by requiring the private sector to make expenditures for specified purposes such as safety, pollution control, and accessibility for the handicapped. While important, many of these effects cannot be quantified satisfactorily at the current time and therefore cannot be clearly related to the budget.

Loan guarantees, which also allocate economic resources toward particular uses, provide credit to borrowers at more favorable terms than would otherwise be available in the private market. One year ago, the administration established a budget-type control system on much of the Government's direct loan and loan guarantee activity. The Congress has supported this effort. The credit

[3] Financial statements for these entities are published in the *Appendix, Budget of the United States Government, Fiscal Year 1982*. See Part IV, "Off-Budget Federal Entities."

[4] For financial statements, see the *Appendix*, Part VI, "Government-Sponsored Enterprises."

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control system and the estimated amounts of lending, including loan guarantees, are discussed in Parts 2, 3, and 5 of this *Budget.*

Outlays of off-budget Federal entities.—Off-budget Federal entities are federally owned and controlled, but their transactions have been excluded from the budget totals under provisions of law.[5] Therefore, their fiscal activities are not reflected in either budget outlays or the budget surplus or deficit, appropriation requests for their programs are not included in the totals of budget authority for the budget, and their outlays are not subject to the ceilings set by the congressional budget resolutions. As shown in the table on page 335, the outlays of the off-budget Federal entities are added to the budget deficit to derive the total Government deficit that has to be financed by borrowing from the public or by other means. When off-budget outlays are financed by Treasury borrowing, the additional debt is subject to the statutory debt limit; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt.

Since the 1969 budget, the Federal Government has used the unified budget concept as the foundation for its budgetary analysis and presentations. This concept measures cash payments to and from the public. The first departure from the unified budget concept occurred in August 1971, when the Export-Import Bank was excluded by statute from the budget. Further departures followed. The Postal Service fund, the Rural Telephone Bank, the lending transactions that became the Rural Electrification and Telephone revolving fund, and the Housing for the Elderly or Handicapped fund were removed from the budget. The Federal Financing Bank, the U.S. Railway Association, and the Pension Benefit Guaranty Corporation were established off-budget. The Exchange Stabilization Fund had always been outside the unified budget, although until four years ago it was classified as a deposit fund instead of an off-budget Federal entity.[6]

In the past 5 years the trend toward increasing the number of off-budget Federal entities has been reversed. The Export-Import Bank was returned to the budget by statute on October 1, 1976, and the Housing for the Elderly or Handicapped fund was returned to the budget by statute a year later. In 1978 Congress enacted legislation proposed by the administration to include in the budget the administrative expenses previously paid by the Exchange Stabilization Fund. The interest collections of the fund were put on-budget by administrative action at the same time, and a year later the

[5] The Board of Governors of the Federal Reserve System (but not the Federal Reserve banks, which are privately owned) is a Federal organization. It is excluded from the budget and from this discussion.

[6] The Exchange Stabilization Fund conducts a cycle of operations similar to revolving funds. Consequently, its classification as a deposit fund was contrary to the normal definition of a deposit fund: an account that records amounts held by the Government as an agent for others or amounts held in suspense temporarily before being refunded or paid into some other fund.

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actual profits and losses realized from foreign exchange transactions were put on-budget.[7] This year, in accordance with legislation enacted in 1980, the Pension Benefit Guaranty Corporation is being included in the budget. To the extent feasible the budget outlays and deficits of previous years have been revised to include these four entities so that the series measuring budget transactions over time would be as consistent as possible. Legislation has also brought most of the transactions of the U.S. Railway Association into the budget. Almost all of the Association's current activity is for assistance to Conrail, and since the start of this program in 1976 the purchase of Conrail securities has been included in the budget by law.

Despite the exclusion of the off-budget entities from the budget, some of the outlays related to their operations are nonetheless included in the budget totals. The budget totals include the payment made to the Postal Service fund and the administrative expenses of the Rural Electrification lending programs and the U.S. Railway Association. Moreover, while the budget authority and outlays of off-budget Federal entities are excluded from the budget totals, some of their activities are subject to Presidential and congressional review. For example, limits on the amount of new lending for the rural electrification program financed by the Rural Electrification and Telephone revolving fund are set annually by law; and the outstanding debt and annual borrowing of the Postal Service are limited by statute.

As part of the Government's program to reduce U.S. dependence on imported oil, the Synthetic Fuels Corporation was created outside of the budget in 1980 as a means of helping private industry finance the development of oil substitutes. Although the Corporation is itself off-budget, its funding is included in the budget totals. The system of financing was devised so that all costs of the Corporation appear within the budget. The funds for carrying out the Corporation's activities come from appropriations to the Secretary of the Treasury. The Treasury makes payments to the Corporation, and the Treasury outlays for this purpose are included in the budget totals. These budget outlays count as income to the Corporation and, consequently, as an offset to the Corporation's off-budget outlays. Since the Corporation acquires funds only as needed, its net off-budget outlays are approximately zero.[8]

Conrail was created by the Federal Government in 1976 to own and operate the facilities of several railroad companies in the northeast and midwest. The Government has provided financial

[7] Because it is not practicable to forecast transactions in gold, foreign currency, and foreign investments, the budget continues the prior practice of not estimating profits and losses from foreign exchange transactions for the current and future years.

[8] Any receipts of the Corporation are also offsets to its outlays and thus reduce its need to borrow from the Treasury.

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assistance to Conrail by purchasing debentures and series A preferred stock. As the result of a recent settlement with the Penn Central Railroad for the compensation it is to receive for Conrail's acquisition of its railroad properties, the Government is paying Penn Central $2.1 billion and is receiving all of the Penn Central's holdings of common stock and series B preferred stock in Conrail. These holdings comprise about 80% of the total amount of both of these types of Conrail stock. The Government's financial assistance to Conrail and its payment to Penn Central have been included in the budget totals. However, Conrail is not currently included in the budget nor is it classified with the off-budget Federal entities.

Even though the exclusion of off-budget Federal entities from the budget results from provisions of law, the Congress has expressed concern about this practice. In 1976, the House Budget Committee held hearings on those provisions of law that exclude any outlays of Federal entities from the budget and then adopted a report recommending that the budget include the outlays of all off-budget Federal entities except the Federal Financing Bank. At that time the Committee deferred judgment about the Federal Financing Bank.[9] The House Budget Committee subsequently supported legislation to include the Federal Financing Bank in the budget and renewed its recommendation to include the other off-budget entities.[10] The first and second congressional concurrent resolutions on the budget for 1980 recommended that a way be found within the congressional budget process to relate accurately the outlays of off-budget Federal entities to the budget. The first and second budget resolutions for 1981 recommended aggregate limitations on obligations for new direct loans made by the off-budget Federal entities as well as by the budget agencies.

Except for the Postal Service, the outlays of the off-budget Federal entities are incurred for carrying out loan programs. These programs have the same characteristics as the direct loan programs in the budget. The outlays of the off-budget loan programs are approximately equal to the difference between the new loans disbursed and the repayments of principal. For example, during 1982, the new loans disbursed by the off-budget programs are estimated to be $26.2 billion and repayments $7.7 billion, for an increase in loans outstanding of $18.5 billion. This is about the same as the estimated outlays of these programs, which are $18.3 billion. The difference is due to such factors as administrative expenses and interest paid and received.

[9] House of Representatives, Committee on the Budget, *Off-Budget Activities of the Federal Government*, Report No. 94-1740 (1976); and *First Concurrent Resolution on the Budget—Fiscal Year 1978*, Report No. 95-189 (1977), pp. 11-12 and 135.

[10] House of Representatives, Committee on the Budget, *First Concurrent Resolution on the Budget—Fiscal Year 1979*, Report No. 95-1055 (1978), p. 23.

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Like direct loans in the budget, the loans of the off-budget entities are designed to allocate economic resources toward particular uses. Part 5 of the *Budget,* "Meeting National Needs: the Federal Program by Function," shows the outlays of the off-budget Federal entities by function and discusses some of their more significant activities.

OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

(In billions of dollars)

Off-budget Federal entity	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Federal Financing Bank	14.5	23.1	18.2	16.5	16.1
Rural Electrification and Telephone revolving fund	—*				
Rural Telephone Bank	.2	.2	.2	.2	.2
Postal Service fund	—.4	.2	—.1	—1.4	—1.5
U.S. Railway Association	*	—.3	*	*	*
Synthetic Fuels Corporation					
Total	**14.2**	**23.2**	**18.3**	**15.3**	**14.7**

*$50 million or less.

As the table above shows, the Federal Financing Bank (FFB) accounts for most of the off-budget outlays. Among the other off-budget Federal entities, only the Postal Service fund in some years has comparatively large outlays. The outlays of the Postal Service fund are calculated with an offset for the payment it receives that is included in the budget. This payment, which is estimated to be $1.1 billion in 1982, is mostly for public service costs and for revenue forgone from carrying certain mail at free or reduced rates.

The FFB's outlays do not come from programs that the FFB operates itself. Instead, the FFB assists other programs within the Government by purchasing their debt securities or purchasing obligations that they have guaranteed. The operation of these programs remains both legally and administratively with the agencies that borrow from the FFB or provide the guarantees. The outlays of the FFB include its purchase of guaranteed obligations but not its purchase of Federal agency debt securities. An agency's outlays increase when it spends the proceeds of borrowing from the FFB, so FFB outlays must exclude this borrowing transaction in order to prevent double counting.

The FFB buys two types of guaranteed obligations, newly originated guaranteed loans and guaranteed loan assets. When the FFB buys newly originated guaranteed loans, the process is that FFB makes the original loan, upon agency request, with the loan being guaranteed by the requesting agency. Thus, the newly originated guaranteed loans are converted into direct Federal loans outside the budget.

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Loan assets are loans that an agency has made in the past and are still due. According to law, the category of loan assets also includes certificates of beneficial ownership issued by the Farmers Home Administration and the Rural Electrification and Telephone revolving fund. These certificates are securities backed by loans that the agency continues to hold and service.[11]

The sales of loan assets are treated as offsets to the outlays of the agency that sells them, so if the selling agency is in the budget its loan asset sales reduce the amount by which the direct loans of Federal agencies add to budget outlays. When the FFB buys loan assets, it in effect converts direct loans that have already been made by another agency into off-budget direct loans of the FFB.

DISTRIBUTION OF FEDERAL FINANCING BANK OUTLAYS

(In millions of dollars)

Description	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays from direct loans, by agency or program:					
Farmers Home Administration: certificates of beneficial ownership	6,881	12,420	6,056	4,358	4,050
Rural Electrification and Telephone revolving fund:					
Certificates of beneficial ownership	689	516	624	715	715
New originations	2,498	4,258	5,129	6,664	6,835
Foreign military sales credit	1,932	2,010	2,220	1,800	1,439
Student Loan Marketing Association	1,070	1,095	1,923	2,211	2,543
Housing and Urban Development:					
Community development	34	249	232	194	179
Low rent public housing	119	1,457	942	−252	−252
Transportation: Railroad programs	161	210	318	180	108
National Aeronautics and Space Administration	107	102	144	31	−89
Small business investment companies	142	342	330	295	270
Tennessee Valley Authority: Seven States Energy Corporation	685	277	257	231	195
Other	47	135	33	56	76
Subtotal, outlays from direct loans	14,365	23,072	18,206	16,483	16,071
Interest, transfer of surplus, and administrative expenses	148	−6	−23	−19	−18
Total, FFB outlays	**14,513**	**23,065**	**18,183**	**16,464**	**16,053**

[11] The President's Commission on Budget Concepts recommended that the sale of such securities (also known as participation certificates) be treated as borrowing, since as a means of financing outlays there is no difference between an agency selling securities labeled "certificates of beneficial ownership," the same agency selling securities labeled "debt," and the Treasury selling securities labeled "debt." See *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), pp. 8, 47–48, and 54–55.

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In order to present the implications of the FFB's transactions for different programs, the budget distributes the FFB outlays that are made on behalf of a guaranteeing agency to that agency itself. The preceding table summarizes this distribution, showing the outlays that arise from the FFB purchasing newly originated guaranteed loans (i.e., by making direct loans) and by purchasing loan assets. FFB outlays distributed to an agency or program equal gross FFB loans (of either type) less repayments. The remainder of FFB outlays consists of administrative expenses, the transfer of surplus to the general fund, and interest paid on borrowings from Treasury, offset by interest received on its own holdings of loans and debt. The distribution of FFB outlays by function is shown as an addendum to the tables throughout Part 5, and a complete listing is given in Part 8 in the section that covers off-budget entities.

As shown in this table, FFB assists a wide variety of programs. The largest part of FFB's outlays over the period as a whole is attributable to its purchases of certificates of beneficial ownership from the Farmers Home Administration. Since the Farmers Home Administration is on-budget, these transactions decrease total budget outlays as well as the outlays of the Farmers Home Administration. The purchase of certificates of beneficial ownership from the off-budget Rural Electrification and Telephone revolving fund explains the small size of this fund's outlays in the previous table on the outlays of off-budget entities. These transactions offset this fund's outlays and augment the outlays of the FFB by an equal amount.

The table on the next page compares the outlays of the off-budget Federal entities with budget outlays.[12] The outlays of the entities that are now off-budget were negligible in 1973 but grew rapidly afterwards, particularly due to the creation and subsequent rapid expansion of the Federal Financing Bank. The outlays of the off-budget Federal entities equalled 2.5% of budget outlays in 1980 and are estimated to equal 3.5% in 1981 and 2.5% in 1982.

Government-sponsored enterprises.—Several Government-sponsored enterprises have been established and chartered by the Federal Government to perform specialized credit functions. The earlier enterprises were all created with partial or full Government ownership and with direct Government control, but, in time, they were converted to private ownership and some new enterprises were created as privately owned institutions. The rule governing the budget treatment of these enterprises was established in 1967 in accordance with a recommendation by the President's Commis-

[12] The historical data for budget outlays include Federal entities that are now off-budget for any period when they were in the budget, and include Government-sponsored enterprises for periods when they had any Government ownership. The outlays of former off-budget entities are included in the budget totals for all years to the extent practicable.

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sion on Budget Concepts. The Commission recommended that the budget exclude those Government-sponsored enterprises that are entirely privately owned. Since the enterprises carry out federally designed programs and receive benefits from their close association with the Government, the Commission recommended that financial statements of their operations be included in the budget documents.[13]

COMPARISON OF OUTLAYS FOR THE BUDGET, OFF-BUDGET FEDERAL ENTITIES, AND GOVERNMENT-SPONSORED ENTERPRISES

(In billions of dollars)

Fiscal year	Outlays			
	Federal Government [1]			Government sponsored enterprises [2]
	Budget	Off-budget Federal entities	Total	
1960	92.2		92.2	.4
1961	97.8		97.8	−.3
1962	106.8		106.8	1.1
1963	111.3		111.3	.5
1964	118.6		118.6	1.8
1965	118.4		118.4	1.2
1966	134.7		134.7	1.9
1967	158.3		158.3	−2.9
1968	178.8		178.8	1.7
1969	184.5		184.5	4.3
1970	196.6		196.6	9.6
1971	211.4		211.4	*
1972	232.0		232.0	4.4
1973	247.1	0.1	247.1	11.4
1974	269.6	1.4	271.1	14.5
1975	326.2	8.1	334.2	7.0
1976	366.4	7.3	373.7	4.6
TQ	94.7	1.8	96.5	2.3
1977	402.7	8.7	411.4	10.2
1978	450.8	10.4	461.2	25.6
1979	493.6	12.5	506.1	27.1
1980	579.6	14.2	593.9	26.4
1981 estimate	662.7	23.2	685.9	23.6
1982 estimate	739.3	18.3	757.6	34.1
1983 estimate	817.3	15.3	832.6	(3)
1984 estimate	890.3	14.7	905.0	(3)

*$50 million or less.

[1] The 1972–80 data have been revised to include the Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation in the budget instead of with the off-budget Federal entities. The administrative expenses and interest collections of the Exchange Stabilization Fund are included in the budget beginning in 1976, and the actual profits and losses realized from foreign exchange transactions are included beginning in 1979. Comparable data are not available for earlier years.

[2] To prevent double counting, outlays of Government-sponsored enterprises exclude loans to other Government-sponsored enterprises and loans to or from Federal agencies and off-budget Federal entities.

[3] Not available.

[13] *Report of the President's Commission on Budget Concepts,* pp. 29–30.

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The Federal Land Banks and Federal Home Loan Banks had both become entirely privately owned a number of years before the unified budget was adopted and therefore have always been excluded. The Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Intermediate Credit Banks became wholly privately owned by repaying their Federal equity capital late in calendar year 1968 and were accordingly removed from the budget for all later periods. The Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association were subsequently established with full private ownership.

The Government-sponsored enterprises were all created to carry out loan programs, either lending their funds directly for specifically authorized purposes, or buying loans originated by the private groups that they were established to assist. Their loans primarily support housing, but also support agriculture and higher education. As shown in the preceding table, the outlays of the privately owned Government-sponsored enterprises have grown considerably—from relatively small amounts in the early 1960's to an average of $18.4 billion (equal to 4.0% of budget outlays) during 1976–80.

The operations of the Government-sponsored enterprises are not subject to the Federal budget review process, and the economic assumptions on which their estimates are based are not necessarily the same as the administration's economic forecast shown in Part 2. In 1982 these enterprises estimate that they will spend $34.1 billion, an amount equal to 4.6% of budget outlays in that year. The following table shows the total amounts of Government-sponsored loans outstanding and net loans (i.e., the change in loans outstanding) during 1980–82, in billions of dollars: [14]

	1980 actual	*1981 estimate*	*1982 estimate*
Loans outstanding, end of year	151.0	171.4	199.6
Net loans	24.1	20.3	28.3

Taxation and tax expenditures.—Taxation affects the economy not only by providing the Government with receipts but also by changing the allocation of resources among private uses and the distribution of income and wealth among individuals. These effects are caused by the structural characteristics of each different tax—for example, by the rate schedules, exemptions, deductions, and exclusions of the individual income tax—and by the magnitude of each tax. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays.

[14] In order to prevent double counting in adding Government-sponsored loans to Federal direct loans and loan guarantees, excludes loans from one Government-sponsored enterprise to another, loans from the Federal Government, and guaranteed loans acquired.

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Some features of the tax structure are called "tax expenditures" and receive special attention in the budget. Tax expenditures are defined as revenue losses under the individual and corporation income taxes that are attributable to a special exclusion, exemption, or deduction from gross income or to a special credit, preferential tax rate, or deferral of tax liability.

Tax expenditures are so designated because they are one means by which the Federal Government pursues its objectives, and because in many respects they can be regarded as an alternative means of achieving the same objectives as direct expenditures. They can also be regarded as alternative means of achieving the same objectives as other instruments of Government policy, such as off-budget outlays, loan guarantees, regulations, and provisions of the tax law other than those that give rise to tax expenditures. There are numerous examples of the similarity in objectives between tax expenditures and direct outlays. For instance, direct expenditures and tax expenditures both reduce the cost of ship acquisition by shipping companies; CETA payment of the extra cost of on-the-job training and the jobs tax credit both lower the employer's cost of hiring targeted groups in the labor force; and direct interest subsidies and the use of tax exempt bonds both lower the mortgage interest cost for eligible borrowers. Similarly, State and local governments benefit both from direct grants and from the ability to borrow funds at tax-exempt rates; individuals benefit both from direct medicare payments and from the income tax deductibility of medical expenses; and individuals also benefit both from social security payments and from the tax exemption of these payments.

Tax expenditures ordinarily result from permanent legislation and therefore are not submitted to the Congress each year and do not routinely receive a formal and systematic annual review. Some tax expenditures and many other provisions of tax law were, nonetheless, reviewed by the administration and the Congress during the 2 years of work that led to the Revenue Act of 1978. The Congress may also review tax law generally as the result of a reconciliation directive in a concurrent budget resolution that calls on various committees to increase receipts or decrease outlays by specified amounts. This procedure was used for the first time in the Omnibus Reconciliation Act of 1980, which changed tax expenditures and other provisions of tax law as well as outlays. In addition, the Treasury Department and the Office of Management and Budget reviewed a number of major tax expenditure provisions in connection with the preparation of this budget.

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The Congressional Budget Act requires that the estimated levels of tax expenditures be presented each year in the budget that the President transmits to the Congress and in the reports of the Senate and House Budget Committees to their respective Houses on the proposed congressional budget resolutions. This is intended to encourage regular examination of tax expenditures by the administration, the Congress, and the public. The provisions of the income tax law other than those that result in tax expenditures, although they can also affect the allocation of resources and the distribution of income, do not receive either an annual, systematic review or the kind of budget presentation mandated for tax expenditures; nor do taxes other than the individual and corporation income taxes receive such a review. However, tax expenditures, other provisions of the income tax, and other tax laws are generally all reviewed whenever fiscal policy decisions are considered regarding the overall level of tax receipts.

The classification of certain provisions of law as resulting in tax expenditures requires some standard against which the law can be compared. Deviations of the law from this standard—sometimes called the "normal tax structure"—are deemed to cause tax expenditures. The "normal tax structure" used for the individual income tax includes those provisions that exist under current law for graduated rate schedules, personal exemptions, and standard deductions. Thus, under current definition, these characteristics of the tax structure do not generate tax expenditures.

The normal tax structure is not defined in the tax code. The concept that is used has evolved from various congressional and public reviews of the tax system focusing on the definitions of the income tax base and on the rates applied to that base. A different standard might exclude personal exemptions and standard deductions and thus classify these provisions as resulting in tax expenditures. A different standard might integrate the individual and corporation income taxes; however, the analysis in this budget regards the separate taxation of individuals and corporations as part of the normal tax structure. The provisions of tax law that are not defined as resulting in tax expenditures deserve as much scrutiny as the provisions that are, since they also have resource allocation and income distribution effects.

Tax expenditures are presented at two places in the budget. Part 5, "Meeting National Needs: the Federal Program by Function," discusses the most important tax expenditures in each functional category, together with outlays and loan guarantees, in order to describe more fully the effects of governmental policy toward meeting each national need. Special Analysis G, "Tax Expenditures,"

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discusses the concept of tax expenditures and presents a complete list of tax expenditure estimates for individuals and corporations in 1980–82.[15] [16]

The figures shown for tax expenditures are necessarily estimates for past years as well as future ones, since they compare actual tax receipts with what tax receipts would have been if the tax law had been different. The method of estimation is to assume that only the tax provision in question is removed and that taxpayer behavior and all other characteristics of the tax system remain the same. If removing a particular provision would increase taxable income, as in most cases, the tax expenditure is estimated as the increase in taxable income multiplied by the appropriate tax rate.

The size of a particular tax expenditure depends not only on the tax provision in question but also on the interaction of this provision with the rest of the tax structure. The income tax changes enacted in 1978, as an example, automatically decreased many tax expenditures below what they otherwise would have been, since they reduced the tax rate schedules and raised standard deductions and personal exemptions. The reduction in the tax rate schedules decreased the amount of receipts that would be gained by repealing deductions and exclusions, because lower tax rates would be applied to the increase in taxable income; the higher standard deductions decreased the number of taxpayers itemizing deductions, thereby lowering tax expenditures for deductions, particularly those taken disproportionately by low-income taxpayers; and the higher standard deductions and personal exemptions decreased the taxable income and marginal tax rates of individual taxpayers, thereby reducing the receipts that would be gained by repealing deductions and exclusions.

The interaction among tax provisions means that special calculations are generally needed to add tax expenditures together. For example, if more than one exclusion from individual income were ended, the gain in receipts would generally be greater than the sum of the separate tax expenditures, because some taxpayers would move into higher tax rate brackets. If more than one personal deduction were ended, the gain in receipts would generally be smaller than the sum of the separate tax expenditures, because some taxpayers would switch to the standard deduction. According to a special calculation made by Treasury, if all itemized deductions resulting in tax expenditures were eliminated, the gain in

[15] See *Special Analyses, Budget of the United States Government, Fiscal Year 1982.* The presentation in the special analysis meets the requirement in the Congressional Budget Act that tax expenditures be set forth in the budget.

[16] The role of certain tax expenditures as a form of credit assistance is discussed in Special Analysis F, "Federal Credit Programs."

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receipts in 1982 would be $62.3 billion. In comparison, the sum of the separate tax expenditures is $81.8 billion. Consequently, except for a few special calculations, adding together separate tax expenditures would be misleading, and they are not generally added together in this budget. Where tax expenditures for both individuals and corporations result from the same provision, however, such as the investment tax credit, the interaction is negligible and the two estimates may meaningfully be added.

Even aside from these interaction effects, budget receipts would not necessarily be raised by the total amount of a group of tax expenditures if all the tax expenditure provisions were removed together. Tax expenditures and other provisions of tax law have frequently been changed together or viewed as substitutes for one another. Furthermore, a direct outlay may be substituted for a tax expenditure. Thus, an aggregation of tax expenditures that did take interaction into account would simply indicate the total resources available for some combination of cutting tax rates, increasing outlays, and reducing the deficit. If a group of tax expenditure provisions were removed, the overall effects on budget receipts and on resource allocation and income distribution would therefore depend on the particular decisions made as to which changes in tax rates and outlays—out of a limitless number of alternatives—were used to compensate for their removal.

As discussed in Part 4, "Budget Receipts," the principal tax change enacted in 1980 was the windfall profit tax. Since this is an excise tax, it does not give rise to tax expenditures. As part of the same energy program, however, several tax expenditures were enacted in order to stimulate the production and conservation of energy. They included an increase in the income tax credit for the cost of installing solar energy equipment in a person's home; an extension of the business tax credit for solar energy property so that it also applies to equipment that generates process heat for industrial, agricultural, and commercial purposes; and a new tax credit for small-scale hydroelectric facilities. The conservation of energy would also be encouraged by an increase in the excise tax on gasoline and diesel fuel, which is proposed in this budget but is not a tax expenditure.

Among the other tax measures enacted in 1980 was a restriction on State and local governments issuing tax-exempt bonds to finance mortgages for private housing. Tax-exempt bonds for single family housing are limited in amount until 1984 and are banned beginning in that year, and their use for multi-family rental housing is confined to projects with a sufficient proportion of low and moderate income renters. This reduces the tax expenditures arising

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from the exemption of interest on State and local securities. The administration proposes to restrict still further the use of tax-exempt financing for private purposes: to limit the issuance of small-issue industrial development bonds, to disallow tax-exempt financing by tax-exempt organizations, and to disallow tax exemption for bonds that finance student loans. These proposed reductions in tax expenditures, like the restriction on tax-exempt bonds for mortgage financing, would make the allocation of scarce capital resources more efficient. They are consistent with the administration's actions to control Federal credit programs generally.

As part of its economic revitalization program the administration has proposed a series of tax expenditures to reduce taxes on income from capital and other sources in ways that would increase productivity, lower unemployment, and reduce inflation. The largest proposed tax expenditure provision is constant rate depreciation, which would increase depreciation rates by about 40%. Other tax expenditure proposals under this program include an increase in the investment tax credit for assets with short lives; making a portion of the investment tax credit currently available to firms that have no current profits; and an expansion of the earned income tax credit to offset the rise in social security taxes paid by low income individuals who have dependent children.

BUDGET FUNDS AND THE FEDERAL DEBT

The budget consists of two major groups of funds: Federal funds and trust funds.[17]

The Federal funds are derived mainly from taxes and borrowing and are used for the general purposes of the Government. Most of these funds are not restricted by law to any specific Government program. The trust funds, on the other hand, collect certain taxes and other receipts for specified purposes, such as paying social security and unemployment insurance benefits.

[17] Data for Federal funds and trust funds are presented in Special Analysis C, "Funds in the Budget," in *Special Analyses, Budget of the United States Government, Fiscal Year 1982.*

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BUDGET TOTALS BY FUND GROUP

(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Budget receipts:					
Federal funds	350.8	415.2	484.1	556.2	644.7
Trust funds	213.9	242.5	286.1	314.5	340.3
Interfund transactions	−44.7	−50.3	−58.4	−61.5	−62.8
Total, budget receipts	520.0	607.5	711.8	809.2	922.3
Budget outlays:					
Federal funds	419.2	474.9	530.8	578.7	620.7
Trust funds	205.1	238.1	266.9	300.0	332.3
Interfund transactions	−44.7	−50.3	−58.4	−61.5	−62.8
Total, budget outlays	579.6	662.7	739.3	817.3	890.3
Budget surplus or deficit (−):					
Federal funds	−68.4	−59.7	−46.7	−22.5	24.0
Trust funds	8.8	4.5	19.2	14.4	8.0
Total, budget surplus or deficit (−)	**−59.6**	**−55.2**	**−27.5**	**−8.0**	**32.0**
Addendum:					
Deficit (−), off-budget Federal entities [1]	−14.2	−23.2	−18.3	−15.3	−14.7
Total, surplus or deficit (−) including off-budget Federal entities	**−73.8**	**−78.4**	**−45.8**	**−23.4**	**17.3**

[1] All off-budget Federal entities are revolving funds, in which income is offset against expenditure to derive net outlays. Hence, no adjustments are made to receipts when on and off-budget totals are consolidated. The off-budget outlays would be classified as Federal funds outlays if they were included in the budget.

The budget includes the receipts and outlays of both the Federal funds and the trust funds and, as shown in the table above, deducts the various transactions that occur between them. The budget totals for receipts and outlays therefore generally display the net transactions of the Federal Government with the public. The budget does not, however, include the transactions of the Federal Financing Bank and the other off-budget Federal entities, which have been excluded from the budget under provisions of law. Were they to be included in the budget, all of their transactions would be classified in the Federal funds group.

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BUDGET FINANCING AND CHANGE IN DEBT OUTSTANDING [1]

(In billions of dollars)

Description	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Budget surplus or deficit (−)	**−59.6**	**−55.2**	**−27.5**	**−8.0**	**32.0**
Deficit (−) of off-budget Federal entities	**−14.2**	**−23.2**	**−18.3**	**−15.3**	**−14.7**
Total, surplus or deficit (−)	−73.8	−78.4	−45.8	−23.4	17.3
Means of financing other than borrowing from the public:					
Decrease or increase (−) in cash and other monetary assets	.6	5.1			
Increase or decrease (−) in liabilities for:					
Checks outstanding, etc	−.5	.2	*		
Deposit fund balances	2.5	.6	.2		
Seigniorage on coins	.7	.4	.6	1.1	1.1
Total, means of financing other than borrowing from the public	3.3	6.4	.8	1.1	1.1
Total, requirements for borrowing from the public	−70.5	−72.0	−45.0	−22.3	18.4
Change in debt held by the public	**70.5**	**72.0**	**45.0**	**22.3**	**−18.4**
Change in Federal agency investments in Federal debt:					
Federal funds	−.9	.5	1.5		
Trust funds [2]	8.7	5.2	18.6	14.4	8.0
Off-budget Federal entities [3]	2.2	.4	.2		
Total, change in Federal agency investments in Federal debt	10.1	6.1	20.3	14.4	8.0
Change in gross Federal debt	**80.6**	**78.1**	**65.3**	**36.8**	**−10.3**

*$50 million or less.

[1] Several amounts have been assumed to be zero in 1983 and 1984 because they are usually small and cannot be estimated accurately.
[2] Estimates for 1983 and 1984 are equal to the total trust fund surplus.
[3] Includes deposit funds.

Thus, as shown in the above table, the combined deficit or surplus of the budget and the off-budget entities is the principal determinant of the change in the Federal debt held by the public.[18] The budget and off-budget deficits, together with the other factors noted in this table, are estimated to increase the Federal debt held by the public from $715.1 billion at the end of 1980 to $832.1 billion at the end of 1982—a $117.0 billion increase over the 2 years. Debt beyond the budget year is projected on the basis of the eco-

[18] Table 9 in Part 9 of this *Budget* contains more detail on budget financing through 1982 and shows the levels of debt from 1979 to 1982. Federal debt is discussed further in Special Analysis E, "Borrowing, Debt, and Investment," in *Special Analyses, Budget of the United States Government, Fiscal Year 1982.*

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nomic assumptions and the tentative long-range planning base that are explained in Part 2 of this volume. Debt held by the public is projected to rise in 1983 but to fall in 1984 because of a large budget surplus.

Gross Federal debt is the sum of the debt held by the public and the debt held by the Government itself, which includes such investments as the Treasury debt held by the social security and other trust funds. At the end of 1982 gross Federal debt is estimated to be $1,057.7 billion, of which debt held by the Government is $225.6 billion. Thus, gross Federal debt is much larger than the Federal debt held by the public.

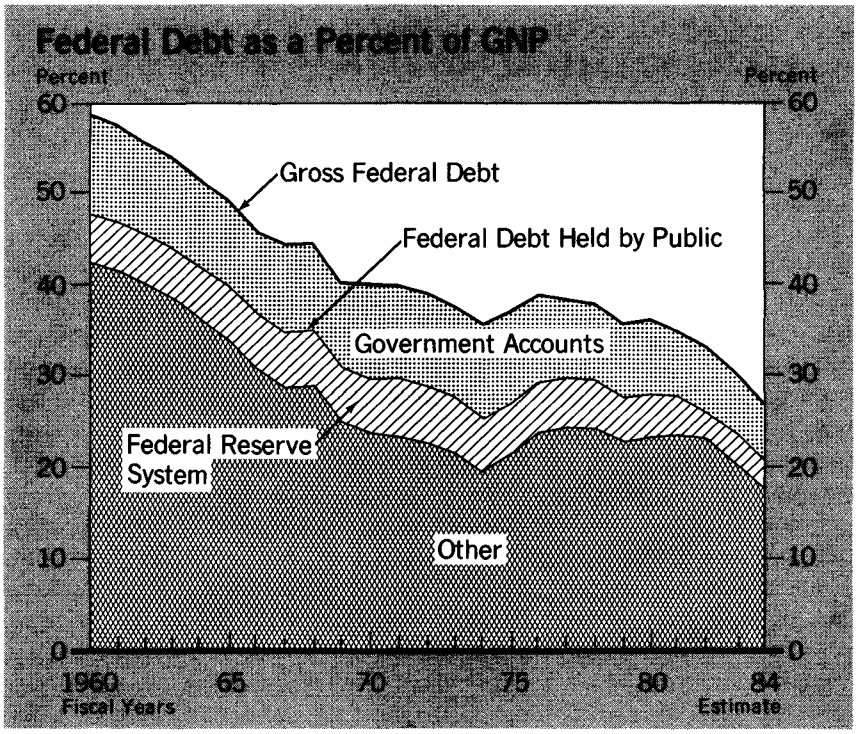
Gross Federal debt is estimated to rise by $65.3 billion during 1982. As indicated in the lower section of the preceding table, $20.3 billion of this increment will be held by trust funds and other Federal agencies, reflecting mainly the investment of trust fund surpluses in Treasury debt. The Federal funds deficit and the deficit of off-budget Federal entities are the principal determinants of the change in gross Federal debt.

The gross Federal debt consists almost entirely of securities issued by the Treasury Department. However, a few Government agencies are authorized to issue their own debt instruments to the public or to other Government agencies and funds. These securities are part of the gross Federal debt. At the end of 1980 the public held $6.6 billion of agency debt. This debt is expected to fall by small amounts each year as existing agency debt matures and most new agency borrowing is from the Federal Financing Bank (FFB). The FFB finances its purchases of agency debt by borrowing from Treasury, which in turn borrows from the public. To prevent double counting, FFB's holdings of agency debt are not included in gross Federal debt.

As shown in the following chart, the debt held by the public was equal to more than 40% of GNP in the early 1960's, and gross Federal debt was equal to more than 50%. Both proportions declined steadily through 1974. The recessions of 1974–75 and 1980 both induced large deficits, however, and interrupted this downward trend. Federal debt held by the public rose from a postwar low of 25% of GNP in 1974 to 30% in 1977, then declined for two years, but rose again to 28% in 1980. It is estimated to decline to 26% in 1982 and to still lower proportions in the following two years.

Almost all Treasury debt issues are covered by a statutory debt limit, though most borrowing by Federal agencies other than the Treasury is excluded from this limit. The ceiling on the debt sub-

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FEDERAL FUNDS FINANCING AND CHANGE IN DEBT SUBJECT TO LIMIT

(In billions of dollars)

Description	1980 actual	1981 estimate	1982 estimate
Federal funds surplus or deficit (−)	**−68.4**	**−59.7**	**−46.7**
Deficit (−) of off-budget Federal entities	**−14.2**	**−23.2**	**−18.3**
Total, amount to be financed	−82.6	−82.9	−65.0
Means of financing other than borrowing:			
Decrease or increase (−) in cash and other monetary assets	.6	5.1	
Increase or decrease (−) in liabilities for:			
Checks outstanding, etc	−.4	−.5	.6
Deposit fund balances	2.5	.6	.2
Seigniorage on coins	.7	.4	.6
Total, means of financing other than borrowing	3.4	5.7	1.4
Decrease or increase (−) in Federal funds and off-budget entity investments in Federal debt	−1.3	−.9	−1.7
Increase or decrease (−) in Federal funds and off-budget entity debt not subject to limit	−.6	−.5	−1.1
Total, requirements for borrowing subject to debt limit	−81.1	−78.5	−66.4
Change in debt subject to limit	**81.1**	**78.5**	**66.4**

ject to limit is $935.1 billion through September 30, 1981. However, to permit the Federal Government to meet its obligations, the ceiling will have to be raised early this year.

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Debt subject to the general statutory limit, like gross Federal debt, includes debt held internally within the Government, such as the Treasury issues held by the social security trust funds. Debt subject to the statutory limit is therefore much larger than the debt held by the public and is nearly as large as gross Federal debt. It is a little less than gross Federal debt primarily because most agency debt is excluded from the general statutory limitation.

Since trust fund surpluses for the most part have been invested in debt securities, rather than being held as cash assets, the Federal funds deficit and the deficit of off-budget Federal entities must be financed primarily by selling Federal debt; and this debt is almost entirely subject to the statutory limit. As shown in the preceding table, the Federal funds deficit plus the off-budget deficit was $82.6 billion in 1980, and the increase in debt subject to statutory limit was $81.1 billion. Thus, these deficits approximately accounted for the increase in the debt subject to limit.

A large part of the Federal funds deficit—and, therefore, a large part of the growth in debt subject to limit—is attributable to transactions between Federal funds and trust funds. These transactions consist primarily of Federal funds payments to trust funds. These payments include interest paid on Treasury debt securities held by trust funds; payments to the civil service retirement fund; and other payments, which are primarily to social insurance trust funds, such as the Federal Government's contribution for supplementary medical insurance. The trust fund payments to Federal funds are relatively small.

BUDGET SURPLUS OR DEFICIT (−) BY FUND GROUP [1]

(In billions of dollars)

Description	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Federal funds:					
Transactions with the public [2]	−31.3	−14.4	5.4	32.1	79.0
Transactions with trust funds	−37.1	−45.2	−52.1	−54.6	−55.0
Total	−68.4	−59.7	−46.7	−22.5	24.0
Trust funds:					
Transactions with the public [2]	−28.3	−40.8	−32.9	−40.1	−47.0
Transactions with Federal funds	37.1	45.2	52.1	54.6	55.0
Total	8.8	4.5	19.2	14.4	8.0
Budget total:					
Federal funds	−68.4	−59.7	−46.7	−22.5	24.0
Trust funds	8.8	4.5	19.2	14.4	8.0
Total	**−59.6**	**−55.2**	**−27.5**	**−8.0**	**32.0**

[1] For purposes of this analysis, payments from Federal funds to the general revenue sharing trust fund are treated as transactions with the public instead of transactions with a trust fund; and the corresponding payments from the general revenue sharing trust fund to the public are accordingly omitted. This is because the general revenue sharing trust fund has no independent source of funding, and serves only as a channel through which a Federal funds payment is made to the public.

[2] Includes some incidental transactions with off-budget Federal entities.

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The cumulative Federal funds deficit from 1971 through 1980 was $466.1 billion, of which $227.9 billion was attributable to transactions with trust funds and the remaining $238.3 billion was attributable to transactions with the public. The Federal funds group can have a deficit at the same time as there are surpluses in the budget and in the transactions of the Federal funds group with the public. This occurred in 1969. The net transactions of the Federal funds with the public and with the trust funds are shown in the preceding table in comparison with the budget surplus or deficit.

COMPARISON OF RELATIVELY UNCONTROLLABLE OUTLAYS AND OF RECEIPTS

The Congressional Budget Act requires that the budget contain two comparisons between the initial budget estimates and the actual amounts for the last completed fiscal year: a comparison of the differences in relatively uncontrollable outlays by major program, and a comparison of the differences in receipts by major source. These comparisons are made in the following two sections for the 1980 budget, which was submitted in January 1979 for the fiscal year beginning on October 1, 1979.

Comparison of relatively uncontrollable outlays.—Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statutes or by contracts or other obligations. Outlays for these programs generally depend on factors that are beyond administrative control under existing law at the start of the fiscal year. For example, the definition of beneficiaries eligible for programs like medicaid and social security is established by law, and usually can be altered only by a change in the law. Prior-year contracts and obligations are also legally binding.

For a number of reasons, the amounts estimated in the budget for relatively uncontrollable outlays may differ from the actual outlays that are subsequently realized. For example, legislation may change benefit rates or coverage; the actual number of beneficiaries may differ from the number estimated; and economic conditions (such as interest rates) may differ from what was assumed in making the estimates.

Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, for which outlays are generally mandated by law; and payments from prior-year contracts and obligations, for which outlays are required because of previous action, such as entering into contracts. In accordance with the definition, budget estimates of uncontrollable outlays do not include the effect of proposed legislation. In cases where legislation

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was enacted that significantly affected relatively uncontrollable outlays in 1980, it is identified in the discussion below.

The following table shows the differences between actual outlays for relatively uncontrollable programs for 1980 and the amounts estimated in the 1980 budget. The list of programs in this table is the same as table 17 (Controllability of Budget Outlays) in Part 9 of this year's *Budget.*

RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1980

(In billions of dollars)

Relatively uncontrollable under present law	January 1979 estimate (existing law) [1]	Change	Actual
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	120.3	1.5	121.8
Federal employees retirement and insurance [1]	33.0	1.8	34.7
(Military retired pay)	(11.4)	(0.5)	(11.9)
(Other) [1]	(21.5)	(1.3)	(22.8)
Unemployment assistance	12.4	5.6	18.0
Medical care	46.2	2.8	49.0
Assistance to students [1 2]	3.3	0.6	3.9
Housing assistance	5.1	0.2	5.4
Food and nutrition assistance [1 2]	10.3	2.9	13.2
Public assistance and related programs [1]	19.0	—0.4	18.6
All other relatively uncontrollable payments for individuals [1]	2.5	0.5	3.1
Subtotal, payments for individuals	**252.0**	**15.6**	**267.6**
Net interest	46.2	6.3	52.5
General revenue sharing	6.9	—*	6.8
Farm price supports (CCC)	2.8	0.1	2.9
Other open-ended programs and fixed costs [1]	10.0	3.0	13.1
Total, open-ended programs and fixed costs	**317.9**	**24.9**	**342.9**
Outlays from prior-year contracts and obligations:			
National defense	37.1	—0.6	36.5
Civilian programs	50.7	9.3	60.0
Total, outlays from prior-year contracts and obligations	**87.8**	**8.7**	**96.5**
Total, relatively uncontrollable outlays	**405.7**	**33.6**	**439.4**

*$50 million or less.
[1] Adjusted for redefinition of classifications in the 1981 budget.
[2] This category now contains programs that were previously classified as relatively controllable.

In the aggregate, actual outlays for relatively uncontrollable programs in 1980 were $439.4 billion, which is $33.6 billion higher than estimated in January 1979. Outlays for open-ended programs and fixed costs were $24.9 billion higher, and outlays from prior-year contracts and obligations were $8.7 billion higher.

Open-ended programs and fixed costs consist mainly of benefit programs, grants, and subsidies for which eligibility is automatic or

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fixed by law; interest payments; farm price supports; and payments for the legislative and judicial branches, which the President must—by law—include in the budget as submitted and without change.

Payments for individuals is a grouping of Federal budget outlays that are essentially income transfers rather than payments for direct Federal operations. Total payments for individuals were 78% of all open-ended programs and fixed costs in 1980. Actual outlays for this grouping were $15.6 billion higher than estimated. This was caused by differences between actual and assumed economic conditions and the number of beneficiaries, and by congressional action on legislation.

Outlays for social security retirement and disability and for railroad retirement, the biggest category of payments for individuals, were $1.5 billion higher than estimated. The original estimates assumed automatic benefit increases, based on inflation as measured by consumer price index, of 9.1% in July of 1979 and 7.1% in July of 1980. The actual increases were 9.9% and 14.3%, respectively. A substantially lower caseload for disability insurance than was originally estimated partially offset the effect of these higher benefit increases.

Actual outlays for Federal employee retirement and disability insurance programs were $1.8 billion above the budget estimate. These programs consist of military retired pay, civilian employee retirement and disability (largely civil and foreign service), and veterans service-connected compensation. Except for veterans service-connected compensation, these benefits are indexed to the consumer price index. Outlays for the indexed programs exceeded the budget estimates by $1.0 billion, largely because of higher than anticipated cost-of-living increases. The original estimates assumed automatic increases of 3.9% in September 1979 and 3.3% in March 1980, while the actual increases were 6.9% and 6.0%, respectively. Increases to adjust veterans service-connected compensation benefits for the effects of inflation are considered relatively controllable because they require congressional action. Actual spending for this program was $0.7 billion above the original estimate because the Congress enacted a 9.9% cost-of-living increase in these benefits.

Outlays for unemployment compensation programs were $5.6 billion higher than estimated mainly due to higher than anticipated unemployment. The unemployment rate for fiscal year 1980 was 6.8%, compared to the budget forecast of 6.2%. In addition, outlays for Trade Adjustment Assistance, which originally had been estimated at $0.3 billion, exceeded $1.6 billion, mainly due to unemployment in the automobile industry.

Outlays for medical care were $2.8 billion higher than estimated, largely as a result of the higher price increases in the health sector

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that accompanied the higher inflation in general. The use of medical care services was also higher than anticipated. Medicaid outlays were $1.6 billion higher than originally estimated, and medicare outlays were $1.2 billion higher.

Assistance to students previously included primarily GI bill benefits. However, the Education Department's student loan insurance fund has been reclassified as a relatively uncontrollable payment for individuals, and the data have been adjusted to reflect this change. Outlays for assistance to students were $0.6 billion higher than originally estimated, largely due to the effect of higher interest rates than expected on the interest subsidy for student loan insurance.

Outlays for food and nutrition assistance were $2.9 billion higher than estimated. The food stamp program accounted for $2.2 billion of this difference. The 1977 Food Stamp Act, which eliminated the food stamp purchase requirement, increased participation to higher levels than anticipated, and the average monthly bonus per beneficiary was higher than expected due to higher than expected food price increases and relatively higher participation by poorer families. In addition, higher unemployment than forecast caused more people to participate in the food stamp program. Two food programs that were previously classified as relatively controllable have been reclassified as relatively uncontrollable payments for individuals. These are the food donations program and the section 32 funds for strengthening markets, income, and supply. Outlays for these two programs were $0.2 billion above the original estimates. Higher than expected food prices and participation in the child nutrition and special milk programs account for most of the remaining difference between the original estimate and actual outlays for food and nutrition assistance.

Public assistance and related programs include public assistance, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays were $0.4 billion below the initial estimate largely due to an overestimate in veterans non-service-connected pensions because fewer beneficiaries than expected chose to participate in the improved pension program that became effective in 1979.

Uncontrollable outlays for all other payments for individuals were $0.5 billion higher than estimated, largely because more people than expected applied for and received black lung benefits.

The single largest difference between estimated and actual outlays for open-ended programs and fixed costs was for net interest, where outlays were $6.3 billion higher than originally estimated. Interest on the public debt was $9.1 billion higher than assumed largely because interest rates and the deficit were higher than anticipated. The budget estimate assumed a 7.9% interest rate on

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91-day Treasury bills for fiscal year 1980 while the actual 91-day rate averaged 11.1%. Interest received by trust funds, which is offset against interest costs to reflect transactions with the public, was $506 million higher than the budget estimate due to higher than anticipated interest rates and despite lower trust fund balances.

Outlays for general revenue sharing virtually matched the original estimate, since the amounts are specified by law.

Other open-ended programs and fixed costs were $3.0 billion above the original budget estimates. Outlays for the Federal Savings and Loan Insurance Corporation were $1.1 billion higher than estimated due to increased aid to support savings and loan institutions for losses caused by prolonged high interest rates, low-yielding portfolios, and problems arising from speculation. Outlays for the foreign military sales trust fund were $1.1 billion above the original budget estimate. The 1980 budget assumed that trust fund receipts would exactly offset outlays. However, the change in foreign government balances, which constitutes trust fund receipts, was $1.1 billion lower than outlays. The remaining $0.8 billion difference between estimated and actual outlays in this category is due to higher than estimated outlays for several other programs, the largest of which are disaster relief ($0.3 billion), the Federal Deposit Insurance Corporation ($0.3 billion), and grants to States for social services ($0.2 billion).

Outlays for prior-year contracts and obligations for civilian and national defense programs were $8.7 billion higher than estimated. Outlays for civilian programs were $9.3 billion higher than estimated, which contrasts sharply with previous years. During 1970–79, outlays for prior-year contracts and obligations for civilian programs were lower than estimated in every year except two, and in those years the underestimates were only $1.3 billion (in 1976) and $0.1 billion (in 1978). The largest differences are for programs administered by the Departments of Energy, Transportation, Agriculture, Housing and Urban Development, the Export-Import Bank, and the Environmental Protection Agency. These programs account for $8.5 billion of the $9.3 billion difference between actual and estimated outlays for prior-year contracts and obligations of civilian programs.

Programs administered by the Department of Energy account for $2.0 billion of this difference. Of this amount, $1.6 billion was for fossil energy research and development, the strategic petroleum reserve, energy supply, research, and development plant and capital equipment, and energy conservation.

Outlays for prior-year contracts and obligations of Department of Transportation programs were $1.5 billion higher than estimated. Nearly $1.0 billion of this difference was due to the urban mass transportation fund, and $0.4 billion was an underesti-

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mate of outlays for Federal-aid highways. Department of Agriculture outlays were $1.3 billion higher than originally estimated due to the rural housing insurance fund. Department of Housing and Urban Development outlays were $1.3 billion higher than estimated, largely because of the emergency mortgage purchase program. The $1.3 billion underestimate for the Export-Import Bank is largely the result of a shift in the Bank's loan program from slow to faster spending projects. Programs administered by the Environmental Protection Agency were $1.0 billion above the original budget estimates, of which $0.9 billion is attributable to the sewage treatment construction grants program.

The remaining $0.9 billion underestimate of outlays for civilian prior-year contracts and obligations is the result of small differences divided primarily among four other Federal agencies.

National defense outlays for prior-year contracts and obligations were $0.6 billion below the original budget estimate. Department of Defense military programs account for $0.4 billion of this overestimate, and Department of Energy outlays for atomic energy defense were $0.2 billion lower than estimated.

Comparison of actual and estimated receipts.—As shown in the following table, receipts for 1980 were $520.0 billion, which is $17.5 billion greater than the January 1979 estimate of $502.6 billion. Differences in tax law from the legislation proposed in the budget increased receipts by $4.5 billion. Higher than anticipated incomes and changes in collection patterns and effective tax rates account for the remaining increase of $13.0 billion.

COMPARISON OF FISCAL YEAR 1980 RECEIPTS

(In billions of dollars)

	January 1979 estimate	Change from 1979 estimate	Actual
Individual income taxes	227.3	16.7	244.1
Corporation income taxes	71.0	−6.4	64.6
Social insurance taxes and contributions	161.5	−0.7	160.7
Excise taxes	18.5	5.9	24.3
Estate and gift taxes	6.0	0.4	6.4
Customs duties	8.4	−1.3	7.2
Miscellaneous receipts	9.9	2.9	12.7
Total	**502.6**	**17.5**	**520.0**

The effect of the differences in tax law consists of a wide variety of comparatively small amounts, some of them due to proposals not enacted and others due to changes in law not proposed in the 1980 budget. The largest effect from a budget proposal not enacted was from real wage insurance. This was proposed to ensure compliance with the voluntary wage standards set out by President Carter in

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his comprehensive anti-inflation program announced on October 24, 1978. The receipt gain from not enacting this proposal was estimated to be $2.3 billion. A number of proposals to improve resource allocation and the overall equity and efficiency of the tax structure were not enacted with a resulting loss in estimated 1980 receipts of $0.3 billion. The proposals included restrictions on the use of tax-exempt funds for mortgage financing; an increase in railroad retirement payroll taxes; and a fee on crude oil to pay damages and clean-up costs of oil pollution. Together, failure to enact the proposals in the 1980 budget resulted in a net increase in estimated receipts of $2.0 billion.

The most important difference in tax law not proposed in the 1980 budget was the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223), which was proposed by the administration subsequently and was enacted on April 2, 1980. This act levied a windfall profit tax on domestic producers of crude oil, contained several income tax credits to stimulate the conservation and production of energy, and repealed the carry-over basis provisions for inherited property that had been provided in the Tax Reform Act of 1976. This act also provided a partial exclusion of interest and dividend income from tax and changed the tax treatment of the gains realized on the sale or transfer of certain inventories. The provisions of this act resulted in a net increase in 1980 receipts of $3.9 billion.

Other enacted legislation, primarily a negotiated tariff reduction and the Depository Institutions Deregulation and Monetary Control Act of 1980, reduced 1980 receipts by $0.7 billion. A waiver of import duties and fees on crude oil and petroleum products, which was accomplished by administrative action, reduced 1980 receipts by an additional $0.7 billion.

COMPARISON OF ACTUAL 1980 RECEIPTS WITH THE JANUARY 1979 ESTIMATES

(In billions of dollars)

	January 1979 estimate	Inaction on legislative proposals	Enacted legislation and administrative actions	Technical adjustments and revised incomes	Actual
Individual income taxes	227.3	2.3	−0.4	14.8	244.1
Corporation income taxes	71.0	−*	−1.7	−4.6	64.6
Social insurance taxes and contributions	161.5	−0.2	.....	−0.5	160.7
Excise taxes	18.5	.....	5.7	0.1	24.3
Estate and gift taxes	6.0	.....	.....	0.4	6.4
Customs duties	8.4	.....	−0.5	−0.8	7.2
Miscellaneous receipts	9.9	−0.1	−0.6	3.6	12.7
Total	**502.6**	**2.0**	**2.5**	**13.0**	**520.0**

*$50 million or less.

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Individual income taxes were $244.1 billion in 1980, $16.7 billion greater than the original budget estimate of $227.3 billion. Inaction on the proposed real wage insurance increased individual income tax receipts by $2.3 billion. This was only partially offset by enactment of the Crude Oil Windfall Profit Tax Act of 1980, which reduced individual income taxes by $0.4 billion. This reduction was in large part due to the deductibility of the windfall profit tax for income tax purposes. Higher than anticipated personal incomes and a technical underestimate of collections increased receipts by an additional $14.8 billion.

Corporation income taxes were $6.4 billion below the January 1979 estimate. The deductibility of the windfall profit tax for income tax purposes reduced corporation income taxes by $1.7 billion. Different effective tax rates, collection patterns, and economic conditions than assumed in January 1979 account for the remaining decline of $4.6 billion.

Social insurance taxes and contributions (which are composed of employment taxes and contributions, unemployment insurance receipts, and contributions for other insurance and retirement) were $0.7 billion less than the January 1979 estimate. Lower employment taxes and contributions, reflecting inaction on the proposed increase in railroad retirement payroll taxes and a technical overestimate of collections, reduced social insurance taxes and contributions by $0.4 billion. A decline in unemployment insurance receipts, primarily due to an overestimate of State taxes deposited in the Treasury to finance unemployment benefits, reduced social insurance taxes and contributions by an additional $0.5 billion. These reductions were partially offset by an increase in contributions for other insurance and retirement of $0.2 billion.

The $5.9 billion increase in excise tax receipts is primarily due to enactment of the windfall profit tax, which increased 1980 excise tax collections by $6.0 billion. Other excise taxes were $0.1 billion below the original estimate.

Estate and gift taxes were $0.4 billion above the January 1979 estimate and customs duties were $1.3 billion lower. A negotiated tariff reduction, a decline in sugar import duties, and the waiver of import duties and fees on crude oil and petroleum products account for $0.5 billion of the decline in customs duties receipts. The remaining decline of $0.8 billion is due to an overestimate of imports of foreign goods.

Miscellaneous receipts in 1980 were $2.9 billion above the original estimate of $9.9 billion. An increase in deposits of earnings by the Federal Reserve System, primarily reflecting higher interest rates than anticipated in January 1979, added $3.2 billion to miscellaneous receipts. The waiver of import duties and fees on crude oil and petroleum products and inaction on the proposed oil pollu-

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tion liability fund reduced miscellaneous receipts by $0.5 billion and $0.1 billion, respectively.

ALLOCATION OF WINDFALL PROFIT TAX RECEIPTS

Section 102 of the Crude Oil Windfall Profit Tax Act of 1980 requires that each year the President propose the allocation of net receipts from the tax in his budget.

This act establishes in the Treasury a Windfall Profit Tax Account "for accounting purposes only." After the Secretary of the Treasury has determined the amount of net receipts from the tax, they are to be allocated to the Windfall Profit Tax Account. Since the Conference Report accompanying the act stated explicitly that the net receipts from the tax "shall not be earmarked or invested separately from general revenues . . .", the allocations referred to in section 102 cannot be interpreted as earmarking funds for specific purposes.

The method for these allocations is prescribed by three formulas in subsections b(1), b(2), and b(3) of section 102. The allocations for 1982 are compared in the following table with the amounts included in this budget for the functional categories referred to in the formula.

ALLOCATION OF WINDFALL PROFIT TAX, NET RECEIPTS, 1982

(In millions of dollars)

	Section 102 Formula [1]	1982 Budget
Total net receipts [2]	19,897	19,897
Allocation:		
Low-income assistance	5,004	[3] 19,987
Energy and transportation programs	2,931	[4] 26,515
Income tax reductions	11,962	.....
Total	19,897	46,502

[1] Includes $354 million in net receipts above the level assumed in the Conference Report on the Act. In accordance with the formulas, these additional net receipts are distributed to low-income assistance ($118 million) and income tax reductions ($236 million).

[2] This amount is revenues excluding those attributable to an economic interest in oil held by the United States, as defined by the Crude Oil Windfall Profit Tax Act.

[3] This amount is the total outlays for the other income security subfunction (609).

[4] This amount is the total outlays for all energy and transportation programs in the energy function (270) and the ground transportation subfunction (401).

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PART 7

THE BUDGET SYSTEM AND CONCEPTS

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THE BUDGET SYSTEM AND CONCEPTS

The budget system of the U.S. Government provides the framework within which decisions on resource allocation and program management are made in relation to the requirements of the Nation, availability of Federal resources, effective financial control, and accountability for use of the resources.

THE BUDGET PROCESS

The budget process has four main phases: (1) executive formulation and transmittal; (2) Congressional action; (3) budget execution and control; and (4) review and audit. Each of these phases is interrelated with the others.

Executive formulation and transmittal.—The budget sets forth the President's financial plan and indicates his priorities for the Federal Government. The President's transmittal of his budget to the Congress early in each calendar year is the climax of many months of planning and analysis throughout the executive branch. In a year in which a new President takes office, as in this year, the outgoing President submits a budget. Usually, the new President proposes changes to that budget.

Formulation of the 1982 budget began in the spring of 1980, although general goals were set earlier. The budget is formulated in the context of a 3-year budget planning and tracking system. The budget planning horizon covers the 2 years following the budget year and integrates long-range planning into the executive budget cycle. This multi-year budget planning system requires that broad fiscal goals and agency spending targets be established beyond the budget year.

During the period when a budget is being formulated in the executive branch, there is a continual exchange of information, proposals, evaluations, and policy decisions among the President, the Office of Management and Budget (OMB) and other Executive office units, and the various Government agencies. Decisionmaking in the budget process is facilitated by the use of zero-base budgeting, a management process that provides for in-depth evaluation of all proposed and existing programs and activities in conjunction with planning and budgeting.

In the spring, agency programs are evaluated, policy issues are identified, and budgetary projections are made, giving attention both to important modifications and innovations in programs and

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to alternative long-range program plans. These budgetary projections, including projections of estimated receipts prepared by the Department of the Treasury, are then presented to the President for his consideration, and the major issues are discussed. At about the same time, the President receives projections of the economic outlook that are prepared jointly by the Council of Economic Advisers, OMB and the Departments of Commerce, Labor, and the Treasury.

Following a review of these projections, the President establishes general budget and fiscal policy guidelines for both the fiscal year that will begin about 15 months later and for the 2 years beyond. General policy directions and planning ceilings are then given to the agencies to govern the preparation of their budget requests.

Throughout the fall and early winter the executive branch is involved in the development of the President's budget. The primary phase of the budget process involves the formulation and preparation of the President's budget for transmittal to the Congress. Budget determinations are developed after detailed reviews of agency zero-base budget requests and the Government-wide OMB ranking of zero-base decision packages falling at the margin of approved agency totals. These determinations are then discussed with the agencies and revised as a result of later Presidential decisions. Fiscal policy issues—relating to total budget outlays and receipts—are reexamined. Consistent with the multi-year budget planning system, the effects of budget decisions on budget authority and outlays in the years that follow are also considered and are explicitly taken into account. Thus, the budget formulation process involves the simultaneous consideration of the resource needs of individual programs, and the total outlays and receipts that are appropriate in relation to current and prospective economic conditions. The budget reflects the results of both of these considerations.

Current services estimates are also prepared to provide the Congress with a basis for the review of the President's budget. These estimates are projections of budget authority and outlays required to continue Federal programs and activities in the upcoming fiscal year without policy changes from the fiscal year in progress at the time the estimates are transmitted. The Congressional Budget Act of 1974 requires that these estimates be transmitted to provide the Congress with information on projected costs of current programs. For the first two years after the requirement became effective, they were transmitted in November. However, it was generally agreed that the estimates transmitted at that time did not provide a suitable basis for review, since the underlying assumptions changed before the budget was transmitted. As a result, the comparability of the current services and the budget estimates was less-

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ened significantly. Consequently, the current services estimates are now transmitted with the President's budget.

Congressional action.—The Congress can act to approve, modify, or disapprove the President's budget proposals. It can change funding levels, eliminate proposals, or add programs not requested by the President. It may also act upon legislation determining taxes and other means of increasing or decreasing receipts.

In making appropriations, the Congress does not normally vote on the level of outlays directly, but rather on budget authority. The Congress first enacts legislation that *authorizes* an agency to carry out a particular program and, in some cases, includes limits on the amount that can be appropriated for the program. Many programs are authorized for a specified number of years or indefinitely; other programs, such as most nuclear energy, space exploration, defense procurement, foreign affairs, and some construction programs, require annual authorizing legislation.

Provision of *budget authority* is usually a separate, subsequent action. Generally, budget authority becomes available each year only as voted by the Congress in appropriation acts. However, in a number of cases the Congress has voted permanent budget authority, under which funds become available annually without further Congressional action. Many trust fund appropriations are permanent, as are a number of Federal fund appropriations, such as the appropriation to pay interest on the public debt.

Congressional review of the budget begins when the President transmits his budget estimates to the Congress within 15 days after the start of each new session in January, as required by law. Under the procedures established by the Congressional Budget Act of 1974, the Congress considers budget totals before completing action on individual appropriations. The act requires that each standing committee of the Congress submit reports on budget estimates to the House and Senate Budget Committees by March 15; and that the Congressional Budget Office submit a fiscal policy report to the two budget committees by April 1. The Congress then adopts the first concurrent budget resolution to guide the Congress in its subsequent consideration of appropriations and revenue measures. The first budget resolution, which is supposed to be adopted by May 15, sets targets for total receipts and for budget authority and outlays, in total and by functional category.

Congressional consideration of requests for appropriations and for changes in revenue laws occurs first in the House of Representatives. The Appropriations Committee, through its subcommittees, studies the proposals for appropriations and examines in detail each agency's performance. The Ways and Means Committee

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reviews proposed revenue measures. Each committee then recommends the action to be taken by the House of Representatives.

When the appropriation and tax bills are approved by the House, they are forwarded to the Senate, where a similar review process is followed. In case of disagreement between the two Houses of the Congress, a conference committee (consisting of Members of both bodies) meets to resolve the differences. The report of the conference committee is returned to both Houses for approval. When the measure is agreed to, first in the House and then in the Senate, it is ready to be transmitted to the President in the form of an enrolled bill, for his approval or veto.

After action has been completed on all or most money bills, the Congress adopts a second concurrent resolution containing a budget *ceiling* on total budget authority and outlays, and a *floor* for budget receipts. This resolution, which is supposed to be adopted by September 15, may retain or revise the levels set earlier in the year. Either the first or second budget resolution can direct various committees to recommend reductions in budget authority and outlays or increases in budget receipts. Changes recommended by committees pursuant to the budget resolution are to be reported in a reconciliation bill.

After the Congress completes action on the second resolution, it may not consider any spending or revenue legislation that would breach the totals specified in this resolution. The Congress may, however, adopt a new budget resolution changing the levels set by the second resolution.

If action on appropriations is not completed by the beginning of the fiscal year, the Congress enacts a "continuing resolution" to provide authority for the affected agencies to continue operations, usually until their regular appropriations are enacted.

Budget execution and control.—Once approved, the President's budget, as modified by the Congress, becomes the financial plan for the operations of each agency during the fiscal year. Under the law, most budget authority and other budgetary resources are made available to the agencies of the executive branch through an apportionment system. The Director of OMB apportions (distributes) appropriations and other budgetary resources to each agency by time periods (usually calendar quarters) or by activities. Obligations may not be incurred in excess of the amount apportioned. The objective of the apportionment system is to ensure the effective and orderly use of available resources and to preclude the need for additional or supplemental appropriations.

Nonetheless, changes in laws or other factors may indicate the need for additional appropriations during the year, and supplemental requests may have to be sent to the Congress. On the other

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hand, reserves may be established under the Antideficiency Act to provide for contingencies or to effect savings made possible by changes in requirements or greater efficiency of operations. Amounts may also be withheld from obligation for policy or other reasons, but all amounts withheld must be reported for Congressional review pursuant to the Impoundment Control Act of 1974.

Whenever the President determines that all or part of any budget authority provided by the Congress will not be required to carry out the full objectives or scope of a program for which it was provided, or that such budget authority should be rescinded for fiscal policy or other reasons, a special message is transmitted by the President to the Congress requesting a rescission of the budget authority. The budget authority proposed for rescission by the President must be made available for obligation unless both the House and the Senate pass a rescission bill within 45 days of continuous session.

Whenever the President determines that the use of budget authority provided by the Congress should be deferred (that is, temporarily withheld from obligation), the President transmits a special message to the Congress on such deferrals. Either House may, at any time, pass a resolution disapproving this deferral of budget authority, thus requiring that the funds be made available for obligation. When no Congressional action is taken, deferrals may remain in effect until, but not beyond, the end of the fiscal year. If the funds remain available beyond the end of a fiscal year and continued deferral of their use is desired by the President, he must transmit a new special message to the Congress.

Review and audit.—This is the final phase in the budget process. The individual agencies are responsible for assuring—through their own review and control systems—that the obligations they incur and the resulting outlays follow the provisions of the authorizing legislation and appropriations, as well as other laws and regulations relating to the obligation and expenditure of funds. Agencies are assisted in this responsibility by their audit staffs. In the case of 15 major departments and agencies, audit activities are directed by statutory Inspectors General, appointed by the President. OMB reviews program and financial reports and keeps abreast of agency programs and the effort to attain program objectives.

In addition, the General Accounting Office (GAO), as an agent of the Congress, regularly audits, examines, and evaluates Government programs. Its findings and recommendations are made to the Congress, to OMB, and to the agencies concerned. The GAO also monitors the executive branch's reporting of special messages on proposed rescissions and deferrals. The GAO reports any items not reported by the executive branch and any differences that it may

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have with the classification (as a rescission or deferral) of withholdings included in special messages transmitted by the President. The GAO may bring civil action to obtain compliance should the President fail to report withholdings of budget authority in accordance with the Impoundment Control Act of 1974.

COVERAGE OF THE BUDGET TOTALS

Agencies and programs.—The budget totals cover agencies and programs (including Government corporations) no matter how funded, except for the following off-budget Federal entities: [1]

Rural electrification and telephone revolving fund
Rural Telephone Bank
Board of Governors of the Federal Reserve System
Postal Service fund
United States Railway Association [2]
Federal Financing Bank
Synthetic Fuels Corporation [3]

The off-budget Federal entities listed above are discussed in Part 6 of the Budget. Schedules and financial statements are presented in Part IV of the Budget Appendix. Except for the Federal Reserve Board, these data are also presented in selected tables throughout the budget documents. The budget totals do not include transactions of privately owned, Government-sponsored enterprises, such as the Federal land banks and Federal home loan banks. However, privately owned Government-sponsored enterprises are discussed in Part 6 of the Budget, and financial statements are presented in Part VI of the Budget Appendix.

Functional classification.[4]—The functional classification arrays budgetary data according to the major purpose served by the unit being classified. In accordance with the Congressional Budget Act of 1974, the Congress must pass resolutions establishing budget targets by these functional categories.

The following criteria are used in establishing and in assigning activities to functional categories:

- A function must have a common end or ultimate purpose addressed to an important national need. (The emphasis is on what the Federal Government seeks to accomplish rather

[1] In accordance with Public Law 96-364, the Pension Benefit Guaranty Corporation, which was formerly off-budget, has been placed on budget and will be presented as a separate bureau in the Department of Labor.

[2] Amounts made available for investments in Conrail securities, which comprise almost all of the Association's activity after 1977, are included in the budget totals.

[3] Budget authority and outlays for the Corporation will not be included in the budget totals. However, cash requirements of the Corporation will be met by borrowing from the Secretary of the Treasury. Such borrowing will be financed by appropriations to the Secretary, and thus be reflected as budget authority and outlays within the budget totals.

[4] A discussion of this subject is also found in Part 5 of this volume.

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than the means of accomplishment, what is purchased, or the clientele or geographic area served.)

- A function must be of continuing national importance and the amounts attributable must be significant.
- Each basic unit of classification (generally the appropriation or fund account) is classified into the single best or predominant purpose and assigned to only one function. However, when an account is large and serves more than one major purpose, it may be subdivided into two or more subfunctions.
- Activities and programs are normally classified by common purpose (or function) regardless of which agencies conduct the activities.

National needs presentation.—Section 601 of the Congressional Budget Act of 1974 requires that the budget for each fiscal year shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of—

(1) a detailed structure of national needs which shall be used to reference all agency missions and programs;

(2) agency missions; and

(3) basic programs.

The functional presentation of the budget is used to meet the national needs requirement. While national needs and agency missions were not specified, as such, in earlier budgets, the thrust of the budget functional classification has always been to summarize what the Government is doing, or expects to do, in terms of the ultimate purpose that the Government programs are designed to serve. To meet the requirement of law for a national needs presentation, the budget functional classification was refined to focus more sharply on the end purposes and accomplishments, and further refinements in the classification are made as circumstances warrant. Each major function is described in the context of national needs being served, and subfunctions are described in the context of major missions devoted to serving national needs.

In the national needs presentation, Federal programs are discussed in terms of national needs and the functional classification. In this context, a single program may be identified as serving several national needs even though classified in a single function. For example, medicare, primarily a health program, is identified as meeting the national need for improved health care. However, it also provides a form of income security by paying for medical bills and, hence, can also be identified as meeting the national need for income security. A discussion of Federal programs based solely on the functional classification system would have been limited to

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discussion of each program, classified by major purposes served, in only one category.

The national needs presentation can be found in Part 5 ("Meeting National Needs: the Federal Program by Function").

Types of funds.—Agency activities are financed through Federal funds and through trust funds, both of which are included in the budget.

Federal funds are of several types. The *general fund* is credited with receipts not earmarked by law for a specific purpose and with the proceeds of general borrowing. It is charged with payments from appropriations. *Special funds* contain Federal receipts earmarked for specific purposes, other than for carrying out a cycle of operations. *Public enterprise* (revolving) *funds* finance a cycle of business-type operations in which outlays generate collections, primarily from the public. *Intragovernmental funds*, including revolving, management, and consolidated working funds, finance operations within and between Government agencies and are credited with collections from other Government accounts. Intragovernmental revolving funds, are credited with collections earmarked by law to carry out a cycle of business-type operations within and between Government agencies.

Trust funds are established to account for the receipt and expenditure of monies by the Government for carrying out specific purposes and programs in accordance with the terms of a statute or trust agreement. These monies are not available for the general purposes of the Government. Within the category of trust funds there is a special subcategory of *trust revolving funds* that are credited with trust-type collections earmarked by law to carry out a cycle of business-type operations.

Current expense and capital investment.—The budget includes spending for both current operating expenses and capital investment, such as the purchase of lands, structures, and equipment. It also includes capital investment in the form of lending and the purchase of investments. These categories of outlays are discussed in Special Analysis D.

BUDGET AUTHORITY AND RELATED TRANSACTIONS

Budget authority.—Government agencies—whether or not they are included in the budget totals—are permitted to enter into obligations requiring either immediate or future payment of money only when they have been granted authority to do so by law. This authority is usually provided as budget authority. In addition, collections specifically authorized to be credited to appropriation and

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fund accounts, while not scored as budget authority, are also available for obligation.

Budget authority permits *obligations* to be incurred. The amounts of budget authority requested are determined by the nature of the programs or projects being financed.

For activities such as operations and maintenance, entitlement programs, and continuing research programs, for which the cost depends upon the program level planned for a fiscal year, the amount of budget authority requested covers the obligations expected to be incurred during the year.

For most projects that are separate and distinct units, particularly direct Federal major procurement and construction projects, "full funding" is requested. That is, funds are requested in sufficient amounts to complete the entire project at the time it is initiated, regardless of the expected time of completion.

Budget authority usually takes the form of *appropriations,* which permit obligations to be incurred and payments to be made. Some budget authority is in the form of *contract authority,* which permits obligations in advance of appropriations, but requires a subsequent appropriation or the collection of receipts to "liquidate" (pay) these obligations. There is also *authority to borrow;* such budget authority permits obligations to be incurred and these obligations to be liquidated using funds that are borrowed, generally from the Treasury.

Since 1976, it has not been in order for either House of the Congress to consider any bill, with certain exceptions, that provides new borrowing or contract authority unless that bill also provides that such new spending authority will be effective only to the extent or in such amounts as are provided in appropriations acts.

Most appropriations for current operations are made available for obligation only during a specified fiscal year *(annual appropriations).* Some are for a specified longer period *(multiple-year appropriations).* Others, including most of those for construction, some for research, and many trust fund appropriations, are made available for obligation until the amount appropriated has been expended or until the objectives have been attained *(no-year appropriations).*

Budget authority can be made available by the Congress for obligation and disbursement during a fiscal year from a succeeding year's appropriation *(advance funding).* For many education programs, Congress provides *forward funding*—budget authority made available for obligations in one fiscal year for the financing of ongoing grant programs during the succeeding fiscal year. When advantageous to the Federal Government, an appropriation is provided by the Congress for use in a fiscal year, or more, beyond the

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fiscal year for which the appropriation act is passed *(advance appropriations).*

When budget authority is made available by the Congress for a specific period of time, any part that is not used for obligations during that period expires and cannot be used later. Congressional actions serve to continue the availability of unobligated amounts that have expired or would otherwise expire. These actions, known as *reappropriations,* cause the amounts involved to be counted as new budget authority in the year in which the availability is extended, i.e., the fiscal year for which the appropriation action is taken.

A *rescission* is a legislative action that cancels new budget authority or available balances of budget authority previously made available, prior to the time the authority would otherwise have expired. Rescissions are offset against new budget authority in arriving at the total of budget authority for each year. A *deferral* is an executive branch action or inaction—including the establishment of reserves under the Antideficiency Act—that effectively delays the obligation or expenditure of funds within the year that the action is taken.

Most authority to obligate funds is enacted by the Congress in or immediately preceding the fiscal year in which it becomes available *(current authority).* Most current authority is granted year by year. Some budget authority in Federal funds and most budget authority in trust funds becomes available from time to time as the result of previously enacted legislation and does not require current action by the Congress *(permanent authority).* Such authority is "current" in the year in which the legislation is enacted and "permanent" in succeeding years.

The amount of budget authority is usually stated specifically in the legislation that makes it available *(definite authority).* In some cases the legislation permits the amount to be determined by subsequent circumstances *(indefinite authority).* Examples of the latter type are authority to borrow that is limited to a specified amount of borrowing that may be outstanding at any time, the appropriation for interest on the public debt, and the trust fund appropriation equal to receipts under the Federal Insurance Contributions Act (social security). Indefinite budget authority is recorded in the amount of receipts collected or estimated to be collected each year in the case of trust funds, and in the amount needed to finance obligations incurred or estimated to be incurred in the case of contract authority and authority to borrow.

Obligations incurred.—Following the enactment of budget authority and when required apportionment action is complete, obligations are incurred by Government agencies. Such obligations

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include the current liabilities for salaries and wages, certain contractual services, and interest; contracts for the purchase of supplies and equipment, construction and the acquisition of land; contracts to make loans; and other contractual arrangements requiring the payment of money.

Outlays.—Obligations generally are liquidated by the issuance of checks or the disbursement of cash; such payments are called *outlays.* In lieu of issuing checks, obligations may also be liquidated (and outlays recorded) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds, debentures, or notes (or increases in the redemption value of bonds or debentures outstanding). Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year. Such outlays, therefore, flow in part from unexpended balances of prior year budget authority and in part from budget authority provided for the year in which the money is spent.[5] Payments for tax credits in excess of tax liabilities are treated as outlays rather than as an adjustment to budget receipts. Total budget outlays are stated net of offsetting collections (see collections below), and exclude outlays of off-budget Federal entities.

Balances of authority.—Not all budget authority enacted for a fiscal year is obligated and paid out in the same year. The *obligated* balance is that portion of the budget authority that has been obligated but not yet liquidated (paid). For example, in the case of salaries and wages, 1 to 3 weeks elapse between the time of obligation and the time of payment. In the case of major procurement and construction, several years may elapse. Obligated balances of budget authority are carried forward until the obligations are subsequently paid. In addition, in multiple-year or no-year accounts, budget authority that is still available for obligation *(unobligated balances)* may be carried forward for obligation in the following year.[6]

Therefore, a change in the amount of budget authority for a given year does not necessarily result in a similar change in either the obligations incurred or the budget outlays of that same year. A change in budget authority in any one year may have an effect on obligations for 2 or more years, and may affect budget outlays for an even longer period.

Allocations between agencies.—In some cases, an agency may share in the administration of a program for which appropriations are made to another agency or to the President. This is made

[5] This process is depicted on the chart, "Relation of Budget Authority to Outlays—1982 Budget," in Part 6 of this volume.

[6] Additional information on balances of budget authority is provided in a separate report. "Balances of Budget Authority," which is prepared by OMB shortly after the budget is transmitted.

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possible by the establishment of allocations from the "parent" account; that is the account to which the appropriation was made. Obligations incurred through such allocations are included with the parent account in the *Budget* (without separate identification) and in the *Budget Appendix* (where the total obligations of each participating agency are identified separately under the parent account).

Limits on Federal credit programs.—Generally, separate limitations on the amount of direct loans and on loan guarantees are proposed for enactment in the appropriations language related to the budget accounts that support such programs. The limitations apply to the amount of obligations to be incurred for direct loans and the amount of commitments made for loan guarantees during the year. A commitment for a loan guarantee is made when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated pre-conditions. The disbursement of a direct loan (an outlay) or the actual guarantee of a loan (a contingent liability) may occur in a fiscal year subsequent to the obligation or commitment, respectively. The limitations on direct loans apply to the principal amount of the loan involved. In the case of loan guarantees, only the amount of the Government's contingent liability, which may be less than the full amount of the loan, is subject to the limitation.

COLLECTIONS

In general.—Amounts collected during the year are classified into two major categories:

- *Budget receipts,* which are compared with total outlays in calculating the budget surplus or deficit.
- *Offsetting collections,* which are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred.

Budget receipts.—These are collections from the public that result from the exercise of the Government's sovereign or governmental powers and from contributions paid by voluntary participants in certain Federal social insurance programs. These collections, also called *governmental receipts,* consist primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts.

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Offsetting collections.—These are collections from other Government accounts or from transactions with the public that are of a business-type or market-oriented nature. They are classified into two major categories: *offsetting collections credited to appropriation or fund accounts* and *offsetting receipts* (that is, amounts deposited in receipt accounts). In general, the distinction between these two major categories is that, normally, collections credited to appropriation or fund accounts can be used without further appropriation action by the Congress, whereas funds in receipt accounts cannot be used without being appropriated.

Offsetting collections credited to appropriation or fund accounts occur in two circumstances:

- *Reimbursements.*—When authorized by law, amounts collected in advance or after materials or services are furnished (for example, advances received from the public to pay expenses of providing information under the Freedom of Information Act) are treated as reimbursements to appropriations. These collections are netted against obligations in determining outlays from such appropriations.
- *Revolving funds.*—In the three types of revolving funds—public enterprise, intragovernmental, and trust revolving—collections are netted against spending, and outlays are reported as the net amount.

Offsetting receipts generally are deducted from budget authority and outlays by function or subfunction, and by agency. Offsetting receipts are subdivided into two categories, as follows:

- *Proprietary receipts from the public.*—These are collections from the public—deposited in receipt accounts of the general fund, special funds, or trust funds—that arise out of the business-type or market-oriented activities of the Government (for example, loan repayments, interest, sale of property and products, charges for nonregulatory services, and rents and royalties). Such collections are not counted as budget receipts, and, with one exception, are offset against total budget authority and outlays by agency and by function. The exception consists of receipts from rents and royalties from Outer Continental Shelf lands that are deducted from total budget authority and outlays for the Government as a whole rather than from any single agency or function.
- *Intragovernmental transactions.*—These are payments into receipt accounts from Federal appropriation or fund accounts. They are treated as offsets to budget authority and outlays, rather than as budget receipts. Intragovernmental transactions may either be *intrabudgetary* (where the payment and receipt both occur within the budgetary universe) or result from *receipts from off-budget Federal entities* in those cases

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where the payment is made by a Federal entity whose budget authority and outlays are excluded from the budget totals. Normally, intragovernmental transactions are deducted from both the outlays and the budget authority for the agency receiving the payment. However, in two cases intragovernmental transactions are not deducted from the figures of any agency or function. Instead, intragovernmental transactions that involve agencies' payments (including payments by off-budget Federal entities) as employers into employee retirement trust funds and the payment of interest to nonrevolving trust funds appear as special deduct lines in computing total budget authority and outlays for the Government.

Intrabudgetary transactions are subdivided into three categories: (1) *interfund transactions,* where the payment is from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) *Federal intrafund transactions,* in those cases where the payment and receipt both occur within the Federal fund group; and (3) *trust intrafund transactions,* in those cases where the payment and receipt both occur within the trust fund group.

OTHER TRANSACTIONS

Borrowing and repayments.—Borrowing and debt repayments are not treated as receipts or outlays. If they were, the budget could be balanced simply by borrowing. This rule applies both to borrowing in the form of public debt securities and to specialized forms of borrowing—such as the sale of agency securities, and the sale of certificates representing participation in a pool of loans. However, some transactions of that nature, that otherwise would be treated as borrowing, are required by law to be treated as a sale of assets. This results in collections being credited to an appropriation or fund account with a corresponding reduction in outlays and in the requirement for new budget authority.

Exercise of the monetary power.—Seigniorage is the profit from coining money. It is the difference between the value of coins as money and their cost, including the cost of manufacturing. Seigniorage on coins arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from receipts and treated as a means of financing a budget deficit, or as a supplementary amount to be applied to reduce debt or to increase the cash in the Treasury in the years of a budget surplus. The increment (profit) resulting from the revaluation of gold as a monetary asset is treated like seigniorage. Prior to the 1980 budget, the profit from the sale of gold was

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treated as a proprietary receipt. However since the value of gold is determined by its value as a monetary asset rather than as a commodity, the budget now treats all of the profits on gold sales as a means of financing rather than as an offsetting collection. This change was made retroactively in the historical budget data.

Liabilities in deposit fund accounts.—Certain accounts outside the budget, known as deposit funds, are established to record amounts held in suspense temporarily, or held by the Government as agent for others (for example, savings accounts for military personnel, State and local income taxes withheld from Federal employees' salaries, and payroll deductions for the purchase of savings bonds by civilian employees of the Government). Such transactions affect Treasury's cash balances even though they are not a part of the budget. Increases in the accounts from year to year serve as a means of financing.

Exchange of cash.—The Government's deposits with the International Monetary Fund (IMF) are considered to be similar to cash assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not in itself considered a receipt or an outlay, borrowing or lending. In a similar manner, the holdings of foreign currency by the Exchange Stabilization Fund (ESF) are considered to be cash assets. Changes in these holdings are outlays only to the extent there is a realized loss, and offsetting collections only to the extent there is a realized profit on the exchange.

BASIS FOR BUDGET FIGURES

In general.—Outlays are stated in terms of checks issued, including cash paid in lieu of checks, net of offsetting collections received. The accrual basis is generally used for interest on the public debt held by private investors; however, interest on the public debt held by trust and other Government accounts is stated on a cash basis. When debt securities are issued at a discount (or at a premium), the difference between the sales price and the redemption value is treated as interest and is accrued evenly over time in the account that issued the securities.

Data for 1980.—The 1980 column of this budget generally presents the actual transactions and balances as recorded in agency accounts and as summarized in the central financial reports prepared by the Department of the Treasury.

Data for 1981.—Most of the regular appropriation acts for 1981 have been enacted. (The State, Justice, and Commerce, the Judiciary, and related agencies and the Legislative Branch appropriation

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bills were enacted by reference in the second 1981 continuing resolution.) However, funding for activities covered by the Foreign Assistance; Labor, Health and Human Services, and Education, and related agencies; and Treasury, Postal Service and General Government appropriation bills was provided in a continuing resolution, which is effective through June 5, 1981. A number of ongoing activities, for which funding was not included in appropriation bills because of a lack of authorizing legislation, and various entitlement programs were also provided funding by the same 1981 continuing resolution. Supplemental appropriations are proposed in the 1982 Budget for various pay raises, principally those of October 1980 and for additional amounts requested to meet previously unforeseen program costs.

Where the word "enacted" is used with reference to 1981, as in tables 1 and 5 of Part 9 of the *Budget,* the amount represents budget authority already voted by the Congress. In the case of indefinite appropriations, the enacted sums include the amounts likely to be required. Where the word "estimate" is used, the amounts include enacted budget authority and requested supplementals.

Data for 1982.—This budget is complete as to the estimates for 1982. Part I of the *Budget Appendix* generally includes the proposed appropriation language for the various items identified in the budget. However, in some instances, estimates are included in the budget schedules without appropriation language for 1981 and 1982. For these, proposed legislation may be required or the estimated amounts will be requested later when the requirements are known. In certain tables of the budget, these items for later transmittal and the related outlays are separately identified. Estimates of the total requirements for 1981 and 1982 include both the amounts formally requested and the amounts planned for later transmittal.

Data for 1983 and 1984.—To place emphasis on longer term objectives and plans consistent with the multi-year budget planning system, this budget presents 1983 and 1984 estimates. The data for 1983 and 1984 often reflect specific Presidential policy determinations and are shown in a number of budget tables.

Allowances.—Lump-sum allowances are included in the tables to cover possible additional changes, such as civilian pay increases and contingencies. The allowance for civilian agency pay raises includes an estimate of the additional amounts that will be required for pay raises anticipated in October 1981 for employees of civilian agencies of the Government. A separate allowance for pay raises is shown for the military and civilian employees of the

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Department of Defense and is included in its figures. These increases could not be reflected in the various program appropriation requests since the applicable detailed amounts have not yet been determined.

The allowance for contingencies is shown separately as required by the Congressional Budget Act. The estimates for relatively uncontrollable programs are zero because the probability of net decreases or net increases for such programs is believed to be equal. The allowances for other requirements contains estimates for potential requirements related to existing programs and for the possible enactment of legislation not specifically provided for in the budget. In a similar manner, allowances are shown for the Department of Defense. A separate allowance in the education, training, employment, and social services function is provided beginning in 1983, for the President's youth initiative.

Budget authority and outlays included in the allowance section are never appropriated as undistributed allowances. These allowances merely indicate the estimated budget authority and outlays that may be requested.

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PART 8

THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT

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EXPLANATORY NOTE

This tabulation contains information on budget authority (BA) and outlays (O) for each appropriation and fund account. The budget authority in this tabulation takes account of certain transfers between appropriations. All budget authority items are definite appropriations except where otherwise indicated. Also, budget authority and outlay data for off-budget Federal entities are presented at the end of this table. Within the Federal Financing Bank (FFB) presentation, there is a distribution of its budget authority and outlays to the accounts in the various agencies that are provided credit services by the FFB.

Functional code numbers are shown for each account as a cross reference to tables 12 and 13, where the figures are summarized by functional classification. Types of funds in the budget and the deduct entries at the end of each chapter of this tabulation are explained in Part 7.

Congressional action in the appropriation process occasionally takes the form of a limitation on the use of a trust fund or other fund, or of an appropriation to liquidate contract authority. Amounts for such items, which do not affect budget authority, are included here in parentheses and identified in the stub column, but are not included in the totals.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch				
Senate				
Federal funds				
General and Special Funds:				
Compensation and mileage of the Vice President and Senators 801				
Appropriation, current	BA	**6,827**	**6,827**	**7,984**
Outlays	0	6,781	6,827	7,984
Expense allowances of the Vice President, President Pro Tempore, Majority and Minority Leaders and Majority and Minority Whips 801				
Appropriation, current	BA	**45**	**45**	**45**
Outlays	0	38	45	45
Salaries, officers and employees 801				
Appropriation, current	BA	**132,459**	**132,459** D **5,543**	**135,733**
Outlays	0	120,935	138,002	135,733
Office of the Legislative Counsel of the Senate 801				
Appropriation, current	BA	**935**	**935** D **80**	**1,134**
Outlays	0	841	1,015	1,134
Office of Senate Legal Counsel 801				
Appropriation, current	BA	**350**	**350** D **40**	**550**
Outlays	0	.....	390	550
Senate policy committees 801				
Appropriation, current	BA	**1,562**	**1,562** D **131**	**1,693**
Outlays	0	1,366	1,693	1,693
Automobiles and maintenance 801				
Appropriation, current	BA	**65**	**65**	**75**
Outlays	0	67	65	75
Inquiries and investigations 801				
Appropriation, current	BA	**33,600**	**33,600** D **1,627**	**45,805**
Outlays	0	29,254	35,227	45,805
Folding documents 801				
Appropriation, current	BA	**117**	**117** D **11**	**128**
Outlays	0	86	128	128
Miscellaneous items 801				
Appropriation, current	BA	**38,195**	**30,776**	**35,189**
Outlays	0	24,271	30,776	35,189
Postage stamps 801				
Appropriation, current	BA	**7**	**7**	**9**
Outlays	0	7	7	9
Stationery (revolving fund) 801				
Appropriation, current	BA	**40**	**40**	**40**
Outlays	0	100	40	40
Congressional use of foreign currency, Senate 801				
Appropriation, current	BA	**400**	.....	.....
Outlays	0	323	.....	.....
Public Enterprise Funds:				
Senate restaurant fund (revolving fund) 801				
Outlays	0	—42	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Senate—Con.				
Recording studio (revolving fund) 801				
Outlays	0	−131	.....	.....
Senate barber shops (revolving fund) 801				
Outlays	0	−6	.....	.....
Total Federal funds Senate	BA	**214,602**	**214,215**	**228,385**
	0	183,890	214,215	228,385
House of Representatives				
Federal funds				
General and Special Funds:				
Payments to widows and heirs of deceased members of Congress 801				
Appropriation, current	BA	**61**	.....	.....
Outlays	0	61	.....	.....
Compensation of Members 801				
Appropriation, current	BA	**29,213**	**29,254** [A] **110**	**29,382**
Outlays	0	28,828	26,328 [A] 110	29,382
Mileage of Members 801				
Appropriation, current	BA	**210**	.....	**210**
Outlays	0	183	.....	189
House leadership offices 801				
Appropriation, current	BA	**2,365**	**2,415** [D] **147**	**2,564**
Outlays	0	1,968	2,321	2,308
Salaries, officers and employees 801				
Appropriation, current	BA	**31,563**	**32,952** [D] **2,193**	**36,560**
Outlays	0	30,903	31,850	32,904
Committee employees 801				
Appropriation, current	BA	**26,628**	**27,000** [D] **2,225**	**29,225**
Outlays	0	26,579	27,849	26,303
Committee on Appropriations (Studies and Investigations) 801				
Appropriation, current	BA	**3,086**	**2,856** [A] **377** [D] **179**	**3,685**
Outlays	0	2,873	2,740 [A] 377	3,326
Committee on the Budget (Studies) 801				
Appropriation, current	BA	**277**	**245**	**218**
Outlays	0	105	220	196
Office of the Law Revision Counsel 801				
Appropriation, current	BA	**493**	**510** [D] **11**	**525**
Outlays	0	459	470	473
Office of the Legislative Counsel 801				
Appropriation, current	BA	**2,086**	**2,097** [D] **105**	**2,390**
Outlays	0	1,622	1,992	2,151

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
House of Representatives—Con.				
Members' clerk hire 801				
Appropriation, current	BA	**126,808**	**126,808** **[D] 11,540**	**138,813**
Outlays	0	125,406	136,152	124,932
Allowances and expenses 801				
Appropriation, current	BA	**66,461**	**72,672** **[A] 3,150** **[C] 2,155**	**82,023**
Outlays	0	65,003	67,555 [A] 3,150	73,821
Stationery (revolving fund) 801				
Outlays	0	−6	−6	−6
Special and select committees 801				
Appropriation, current	BA	**39,877**	**41,500** **[D] 732**	**45,761**
Outlays	0	39,338	38,132	41,185
Congressional use of foreign currency, House of Representatives 801				
Appropriation, current	BA	**800**	**1,113**	**1,113**
Outlays	0	1,113	1,113	1,113
Public Enterprise Funds:				
House of Representatives restaurant fund (revolving fund) 801				
Outlays	0	151	151	151
Recording studio (revolving fund) 801				
Outlays	0	−11	−11	−11
Beauty shop (revolving fund) 801				
Outlays	0	−7	−7	−7
House barber shops (revolving fund) 801				
Outlays	0	1	1	1
Office of the attending physician (revolving fund) 801				
Outlays	0	.....	−1	−1
Total Federal funds House of Representatives	BA	**329,928**	**362,346**	**372,469**
	0	324,569	340,486	338,410
Joint Items				
Federal funds				
General and Special Funds:				
Joint Economic Committee 801				
Appropriation, current	BA	**2,749**	**2,150** **[D] 100**	**2,250**
Outlays	0	2,453	2,250	2,250
Joint Committee on Printing 801				
Appropriation, current	BA	**864**	**760** **[D] 58**	**922**
Outlays	0	677	818	922
Statements of appropriations, Senate 801				
Appropriation, current	BA	**6**	**6**	**6**
Outlays	0	.....	6	6

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Joint Items—Con.				
Joint Committee on Taxation 801				
Appropriation, current	BA	**2,519**	**2,632** [D] **127**	**2,844**
Outlays	0	2,319	2,496	2,560
Office of the Attending Physician 801				
Appropriation, current	BA	**459**	**504** [A] **13**	**603**
Outlays	0	412	454 [A] 13	544
General expenses, Capitol police 801				
Appropriation, current	BA	**810**	**834**	**925**
Outlays	0	805	751	832
Capitol Police Board 801				
Appropriation, current	BA	**1,263**	**915**	.....
Outlays	0	1,305	302	302
Education of pages 801				
Appropriation, current	BA	**220**	**236** [D] **9**	**267**
Outlays	0	165	221	240
Official mail costs 801				
Appropriation, current	BA	**79,471**	**36,633** [A] **37,600**	**81,095**
Outlays	0	64,354	51,750 [A] 37,600	81,095
Capitol Guide Service 801				
Appropriation, current	BA	**655**	**664** [D] **67**	**734**
Outlays	0	594	731	734
Statements of appropriations, House of Representatives 801				
Appropriation, current	BA	**6**	**13**	**13**
Outlays	0	.....	7	7
Total Federal funds Joint Items	BA	**89,022**	**83,321**	**89,659**
	0	73,084	97,399	89,492
Congressional Budget Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 801				
Appropriation, current	BA	**12,386**	**12,138** [D] **465**	**14,298**
Outlays	0	12,101	12,178	14,000
Architect of the Capitol				
Federal funds				
General and Special Funds:				
Office of the Architect of the Capitol: Salaries 801				
Appropriation, current	BA	**2,836**	**3,171** [C] **32** [D] **184**	**3,964**
Outlays	0	2,792	3,414	3,958

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Architect of the Capitol—Con.				
Contingent expenses 801				
Appropriation, current	BA	**210**	**210**	**210**
Outlays	0	105	548	210
Capitol buildings 801				
Appropriation, current	BA	**7,394**	**7,276** **[C]285** **[D]97**	**9,971**
Outlays	0	7,010	8,400	9,513
Capitol grounds 801				
Appropriation, current	BA	**2,270**	**2,147** **[C]130** **[D]6**	**4,927**
Outlays	0	2,615	2,342	3,798
West central front of the Capitol 801				
Outlays	0	103	151	.....
Master plan for future development of the Capitol grounds and related areas 801				
Outlays	0	17	86	.....
Acquisition of property as an addition to the Capitol grounds 801				
Appropriation, current	BA		**[A]11,500**	
Outlays	0		[A]11,500	
Senate office buildings 801				
Appropriation, current	BA	**11,433**	**11,433** **[C]610**	**19,507**
Outlays	0	11,786	13,974	15,140
Construction of an extension to the New Senate Office Building 801				
Appropriation, current	BA	**52,583**	.....	.....
Outlays	0	18,228	51,927	21,741
Extension of additional Senate Office Building site 801				
Outlays	0	1	.....	.....
Acquisition of property as a site for parking facilities for the United States Senate 801				
Outlays	0	1	5	.....
Senate garage 801				
Appropriation, current	BA	**206**	**114** **[C]5**	**99**
Outlays	0	198	129	99
House office buildings 801				
Appropriation, current	BA	**18,484**	**16,560** **[C]910**	**20,292**
Outlays	0	20,352	20,259	19,497
Acquisition of property, construction, and equipment, additional House Office Building 801				
Outlays	0	2	79	.....
Installation of solar collectors in House office buildings 801				
Outlays	0	33	1,467	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Architect of the Capitol—Con.				
Capitol Power Plant 801				
Appropriation, current	BA	**14,181**	**16,577** **[A] 2,600** **[C] 175**	**22,888**
Outlays	0	13,326	17,092 [A] 2,600	21,550
Expansion of facilities, Capitol Power Plant 801				
Outlays	0	81	147	.....
Modifications and enlargement, Capitol Power Plant 801				
Outlays	0	2,098	4,884	1,920
Memorial to Hale Boggs 801				
Appropriation, current	BA	.....	**7**	.....
Outlays	0	.....	7	.....
Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped 801				
Outlays	0	286	851	800
Structural and mechanical care, Library buildings and grounds 801				
Appropriation, current	BA	**4,410**	**4,933** **[C] 257**	**22,718**
Outlays	0	3,408	5,535	10,780
Library of Congress James Madison Memorial Building 801				
Outlays	0	7,054	4,950	.....
Total Federal funds Architect of the Capitol	BA	**114,007**	**79,219**	**104,576**
	0	89,496	150,347	109,006
Library of Congress				
Federal funds				
General and Special Funds:				
Salaries and expenses 503				
Appropriation, current	BA	**103,812**	**101,574** **[C] 383** **[D] 6,112**	**115,443**
Outlays	0	102,364	113,410	114,763
Copyright Office: Salaries and expenses 376				
Appropriation, current	BA	**9,632**	**9,069** **[D] 1,043**	**10,623**
Outlays	0	9,600	10,512	10,598
National Commission on New Technological Uses of Copyrighted Works: Salaries and expenses 376				
Outlays	0	7	.....	.....
Congressional Research Service: Salaries and expenses 801				
Appropriation, current	BA	**27,890**	**28,083** **[D] 1,958**	**32,288**
Outlays	0	28,810	29,464	32,063

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Library of Congress—Con.				
Books for the blind and physically handicapped: Salaries and expenses 503				
Appropriation, current	BA	**34,500**	**32,672** [C] **17** [D] **250**	**33,243**
Outlays	0	31,436	43,842	33,060
Collection and distribution of library materials (special foreign currency program) 503				
Appropriation, current	BA	**3,563**	**3,760** [D] **26**	**4,474**
Outlays	0	3,492	3,923	4,518
Furniture and furnishings 503				
Appropriation, current	BA	**870**	**1,686**	**1,540**
Outlays	0	14,579	7,507	2,917
Payments to copyright owners 376				
Appropriation, permanent, indefinite	BA	**18,461**	**18,000**	**18,000**
Outlays	0	−1,653	48,957	17,260
Oliver Wendell Holmes devise fund 503				
Appropriation, permanent, indefinite	BA	**30**	**3**	**2**
Outlays	0	25	20	20
Intragovernmental Funds:				
Consolidated working fund 503				
Outlays	0	−2,140	1,863	.....
Trust funds				
Gift and trust fund accounts 503				
Appropriation, permanent, indefinite	BA	**6,845**	**5,669**	**5,487**
Outlays	0	6,220	6,226	5,667
Total Federal funds Library of Congress	BA	**198,758**	**204,636**	**215,613**
	0	186,520	259,498	215,199
Total Trust funds Library of Congress	BA	**6,845**	**5,669**	**5,487**
	0	6,220	6,226	5,667
Government Printing Office				
Federal funds				
General and Special Funds:				
Printing and binding 801				
Appropriation, current	BA	**18,941**	**16,250**	**18,482**
Contract authority, permanent	BA	.....	**898**	**898**
Liquidation of contract authority, current		.....	.....	(898)
Outlays	0	21,338	17,415	19,075
Congressional printing and binding 801				
Appropriation, current	BA	**79,078**	**82,400**	**90,230**
Contract authority, permanent	BA	.....	**988**	**988**
Liquidation of contract authority, current		.....	.....	(988)
Outlays	0	77,635	81,760	88,600

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Government Printing Office—Con.				
Office of Superintendent of Documents: Salaries and expenses 806				
Appropriation, current	BA	**23,219**	**23,400** **[A] 2,562** **[D] 405**	**29,279**
Outlays	0	24,285	23,467 [A] 1,867	27,721 [A] 695
Acquisition of site and general plans and designs of buildings 806				
Appropriation, current	BA	.....	.....	**22,300**
Outlays	0	.....	4,600	22,300
Project planning 806				
Outlays	0	.....	41	.....
Intragovernmental Funds:				
Government Printing Office revolving fund 806				
Outlays	0	−7,511	2,109	3,402
Total Federal funds Government Printing Office	BA	**121,238**	**126,903**	**162,177**
	0	115,747	131,259	161,793
General Accounting Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 801				
Appropriation, current	BA	**204,300**	**210,000** **[D] 12,902**	**244,878**
Outlays	0	201,192	221,275	243,090
United States Tax Court				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**9,751**	**10,427** **[A] 221** **[D] 446**	**12,404**
Outlays	0	9,632	10,691 [A] 195	12,360 [A] 26
Construction 752				
Outlays	0	2	4	.....
Trust funds				
Tax Court judges survivors annuity fund 602				
Appropriation, permanent, indefinite	BA	**124**	**130**	**134**
Outlays	0	69	77	77
Total Federal funds United States Tax Court	BA	**9,751**	**11,094**	**12,404**
	0	9,634	10,890	12,386
Total Trust funds United States Tax Court	BA	**124**	**130**	**134**
	0	69	77	77

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.				
Other Legislative Branch Agencies				
Federal funds				
General and Special Funds:				
Commission on Security and Cooperation in Europe: Salaries and expenses 801				
Appropriation, current	BA	**264**	**450**	**468**
Outlays	0	378	468	538
Botanic Garden: Salaries and expenses 801				
Appropriation, current	BA	**1,464**	**1,588** [C] **92**	**2,311**
Outlays	0	1,583	1,660	2,099
Copyright Royalty Tribunal: Salaries and expenses 376				
Appropriation, current	BA	**471**	**447** [A] **22** [D] **5**	**500**
Outlays	0	486	438 [A] 22	495
Cost-Accounting Standards Board: Salaries and expenses 801				
Appropriation, current	BA	**1,300**	.....	.....
Outlays	0	1,189	246	.....
Railroad Accounting Principles Board: Salaries and expenses 801				
Appropriation, current	BA	.....	..... [A] **860**	**1,000**
Outlays	0	.....	..... [A] 825	924 [A] 35
Temporary Commission on Financial Oversight of the District of Columbia: Salaries and expenses 801				
Appropriation, current	BA	**7,000**	.....	.....
Outlays	0	11,622	447	500
Office of Technology Assessment: Salaries and expenses 801				
Appropriation, current	BA	**11,199**	**10,780** [A] **370** [D] **370**	**13,100**
Outlays	0	11,131	11,055 [A] 320	12,415 [A] 50
Trust funds				
Office of Technology Assessment: Contributions and donations 801				
Appropriation, permanent, indefinite	BA	**—3**	**5**	**5**
Outlays	0	.....	4	5
Total Federal funds Other Legislative Branch Agencies	BA	**21,698**	**14,984**	**17,379**
	0	26,389	15,481	17,056
Total Trust funds Other Legislative Branch Agencies	BA	**—3**	**5**	**5**
	0	.....	4	5

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Legislative Branch—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,315,690**	**1,332,223**	**1,461,838**
		O	1,222,622	1,453,028	1,428,817
Deductions for offsetting receipts:					
Intrafund transactions	803	BA			
		O	*—320*	*—321*	*—321*
	902	BA			
		O	*—845*	*—803*	*—802*
Proprietary receipts from the public	503	BA			
		O	*—417*	*—648*	*—671*
	801	BA			
		O	*—5,706*	*—5,596*	*—5,597*
	902	BA			
		O	*—14*	.....	.....
Total Federal funds		BA	**1,308,388**	**1,324,855**	**1,454,447**
		O	1,215,320	1,445,660	1,421,426
Trust funds:					
(As shown in detail above)		BA	**6,966**	**5,804**	**5,626**
		O	6,289	6,307	5,749
Deductions for offsetting receipts:					
Proprietary receipts from the public	503	BA			
		O	*—3,500*	*—3,700*	*—3,700*
	902	BA			
		O	*—124*	*—142*	*—155*
Total Trust funds		BA	**3,342**	**1,962**	**1,771**
		O	2,665	2,465	1,894
Total Legislative Branch		BA	**1,311,730**	**1,326,817**	**1,456,218**
		O	1,217,985	1,448,125	1,423,320
The Judiciary					
Supreme Court of the United States					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**10,363**	**11,140** [D] **714**	**11,208**
Outlays		O	9,418	11,584	11,008
Care of the building and grounds	752				
Appropriation, current		BA	**2,182**	**1,526** [A] **42** [C] **60**	**1,654**
Outlays		O	1,810	2,724 [A] 42	1,646

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
The Judiciary—Con.				
Supreme Court of the United States—Con.				
Acquisition of property as an addition to the grounds of the Supreme Court building 752				
Appropriation, current	BA		[A] 645	
Outlays	0		[A] 600	[A] 45
Total Federal funds Supreme Court of the United States	BA	**12,545**	**14,127**	**12,862**
	0	11,228	14,950	12,699
Court of Customs and Patent Appeals				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**1,810**	**1,839**	**1,990**
			[D] 102	
Outlays	0	1,640	1,925	1,989
United States Court of International Trade				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**4,941**	**5,036**	**5,360**
			[D] 264	
Outlays	0	4,690	5,273	5,357
Court of Claims				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**5,469**	**5,526**	**5,990**
			[D] 297	
Outlays	0	5,172	5,794	5,973
Courts of Appeals, District Courts, and other Judicial Services				
Federal funds				
General and Special Funds:				
Salaries of judges 752				
Appropriation, current	BA	**51,100**	**54,500**	**60,160**
			[D] 4,870	
Reappropriation	BA	**1,000**	.....	.....
Outlays	0	45,768	63,645	60,126
Salaries of supporting personnel 752				
Appropriation, current	BA	**200,700**	**214,181**	**244,890**
			[D] 19,032	
Reappropriation	BA	**3,000**	.....	.....
Outlays	0	196,971	231,910	243,594
Defender services 752				
Appropriation, current	BA	**26,000**	**24,000**	**27,320**
Outlays	0	23,357	24,328	27,514
Fees of jurors and commissioners 752				
Appropriation, current	BA	**43,000**	**36,000**	**46,950**
Outlays	0	36,471	42,063	46,595

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
The Judiciary—Con.				
Courts of Appeals, District Courts, and other Judicial Services—Con.				
Expenses of Operation and Maintenance of the Courts 752				
Appropriation, current	BA	**37,800**	**41,827**	**52,330**
Outlays	0	40,482	42,527	50,762
Salaries and expenses of magistrates 752				
Appropriation, current	BA	**22,800**	**23,851** D **764**	**30,170**
Outlays	0	21,724	24,059	29,714
Bankruptcy courts, salaries and expenses 752				
Appropriation, current	BA	**56,512**	**62,794** D **3,516**	**85,070**
Outlays	0	54,342	66,472	83,823
Services for drug dependent offenders 752				
Appropriation, current	BA	**3,500**	**3,645**	**3,750**
Outlays	0	2,239	3,552	3,714
Space and facilities 752				
Appropriation, current	BA	**99,862**	**120,000**	**135,280**
Reappropriation	BA	**5,000**	.....	.....
Outlays	0	93,544	117,263	133,749
Furniture and furnishings 752				
Outlays	0	1,635	2,695	.....
Speedy trial planning 752				
Outlays	0	138	55	.....
Pretrial services agencies, The Judiciary 752				
Appropriation, current	BA	**900**	.....	.....
Outlays	0	3,222	1,281	.....
Special rail reorganization court 752				
Outlays	0	182	624	742
Total Federal funds Courts of Appeals, District Courts, and other Judicial Services	BA	**551,174**	**608,980**	**685,920**
	0	520,075	620,474	680,333
Administrative Office of the United States Courts				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**15,750**	**16,275** D **995**	**20,490**
Outlays	0	14,509	16,346	19,404
Intragovernmental Funds:				
Consolidated working fund 752				
Outlays	0	−227	.....	.....
Total Federal funds Administrative Office of the United States Courts	BA	**15,750**	**17,270**	**20,490**
	0	14,282	16,346	19,404

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
The Judiciary—Con.					
Federal Judicial Center					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**8,617**	**9,000**	**7,994**
				D 241	
Outlays		0	8,113	9,003	8,203
Bicentennial Expenses, The Judiciary					
Federal funds					
General and Special Funds:					
Bicentennial activities	806				
Outlays		0	123	135	.....
Judiciary Trust Funds					
Trust funds					
Judicial survivors' annuities fund	602				
Appropriation, permanent, indefinite		BA	**8,618**	**9,653**	**10,400**
Outlays		0	1,354	1,656	1,950
Summary					
Federal funds:					
(As shown in detail above)		BA	**600,306**	**662,682**	**740,606**
		0	565,323	673,900	733,958
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA			
		0	*—2,456*	*—2,184*	*—2,193*
	902	BA			
		0	*—76*	*—77*	*—80*
Total Federal funds		BA	**597,774**	**660,421**	**738,333**
		0	562,791	671,639	731,685
Trust funds:					
(As shown in detail above)		BA	**8,618**	**9,653**	**10,400**
		0	1,354	1,656	1,950
Total The Judiciary		BA	**606,392**	**670,074**	**748,733**
		0	564,145	673,295	733,635
Executive Office of the President					
Compensation of the President					
Federal funds					
General and Special Funds:					
Compensation of the President	802				
Appropriation, current		BA	**250**	**250**	**200**
Outlays		0	200	300	200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Executive Office of the President—Con.				
The White House Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**18,941**	**20,373**	**22,346**
			[D] **905**	
Outlays	0	18,767	21,036	22,246
Executive Residence at the White House				
Federal funds				
General and Special Funds:				
Operating expenses 802				
Appropriation, current	BA	**3,083**	**3,156**	**3,731**
			[A] **50**	
			[C] **120**	
			[D] **98**	
Outlays	0	2,694	3,705	3,741
			[A] 50	
Official Residence of the Vice President				
Federal funds				
General and Special Funds:				
Operating expenses 802				
Appropriation, current	BA	**233**	**168**	**185**
Outlays	0	127	266	190
Special Assistance to the President				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**1,462**	**1,531**	**1,640**
			[D] **60**	
Outlays	0	1,457	1,543	1,591
Council of Economic Advisers				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**2,102**	**2,171**	**2,313**
			[D] **34**	
Outlays	0	2,145	2,296	2,306
Council on Environmental Quality and Office of Environmental Quality				
Federal funds				
General and Special Funds:				
Council on Environmental Quality and Office of Environmental Quality 802				
Appropriation, current	BA	**3,126**	**3,250**	**3,668**
			[D] **95**	
Outlays	0	2,982	3,345	3,668

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Executive Office of the President—Con.				
Council on Environmental Quality and Office of Environmental Quality—Con.				
Intragovernmental Funds:				
Consolidated working fund	802			
Outlays	0	2,720	−1,957	
Total Federal funds Council on Environmental Quality and Office of Environmental Quality	BA	**3,126**	**3,345**	**3,668**
	0	5,702	1,388	3,668
Council on Wage and Price Stability				
Federal funds				
General and Special Funds:				
Salaries and expenses	802			
Appropriation, current	BA	**9,447**	**9,447**	
				[K] **2,978**
Outlays	0	9,065	9,447	4,448
Domestic Policy Staff				
Federal funds				
General and Special Funds:				
Salaries and expenses	802			
Appropriation, current	BA	**2,711**	**2,927**	**2,973**
			[D] **89**	
Outlays	0	2,618	2,907	2,923
National Security Council				
Federal funds				
General and Special Funds:				
Salaries and expenses	802			
Appropriation, current	BA	**3,645**	**3,668**	**3,973**
			[D] **171**	
Outlays	0	3,527	3,839	3,980
Office of Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses	802			
Appropriation, current	BA	**8,062**	**12,000**	**13,350**
			[D] **200**	
Outlays	0	5,589	11,834	12,950
Office of Management and Budget				
Federal funds				
General and Special Funds:				
Salaries and expenses	802			
Appropriation, current	BA	**33,431**	**32,606**	**37,335**
			[D] **1,463**	
Outlays	0	32,907	34,248	37,335

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Executive Office of the President—Con.				
Office of Management and Budget—Con.				
Office of Federal Procurement Policy: Salaries and expenses 802				
Appropriation, current	BA	**3,000**	**2,500**	**2,788**
			D 128	
Outlays	0	2,223	3,266	2,788
Summary				
Federal funds:				
(As shown in detail above)	BA	**36,431**	**36,697**	**40,123**
	0	35,130	37,514	40,123
Deductions for offsetting receipts:				
Proprietary receipts from the public 802	BA			
	0	*—168*	.....	.....
Total Office of Management and Budget	BA	**36,263**	**36,697**	**40,123**
	0	34,962	37,514	40,123
Office of Science and Technology Policy				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**2,625**	**2,658**	**3,253**
			D 76	
Outlays	0	2,637	2,700	2,804
Office of the United States Trade Representative				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**8,384**	**9,100**	**10,000**
			D 358	
Outlays	0	5,685	9,173	9,712
Special Action Office for Drug Abuse Prevention				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Outlays	0	—18	173	.....
Special fund for drug abuse 554				
Outlays	0	229	104	.....
Total Federal funds Special Action Office for Drug Abuse Prevention	0	211	277	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**100,502**	**109,652**	**110,733**
	0	95,554	108,275	110,882

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Executive Office of the President—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	802	BA			
		0	*—168*	.....	.....
Total Executive Office of the President		BA	**100,334**	**109,652**	**110,733**
		0	95,386	108,275	110,882
Funds Appropriated to the President					
Appalachian Regional Development Programs					
Federal funds					
General and Special Funds:					
Appalachian regional development programs	452				
Appropriation, current		BA	**356,500**	**339,300**	**340,250**
Outlays		0	340,296	324,960	321,000
Public Enterprise Funds:					
Appalachian housing fund	452				
Outlays		0	235	1,712	.....
Total Federal funds Appalachian Regional Development Programs		BA	**356,500**	**339,300**	**340,250**
		0	340,531	326,672	321,000
Disaster Relief					
Federal funds					
General and Special Funds:					
Disaster relief	453				
Appropriation, current		BA	**1,063,600**	**366,449**	**400,000**
Outlays		0	573,760	640,000	604,357
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,063,600**	**366,449**	**400,000**
		0	573,760	640,000	604,357
Deductions for offsetting receipts:					
Proprietary receipts from the public	450	BA			
		0	.....	*—300*	*—300*
	902	BA			
		0	.....	*—22*	*—22*
Total Disaster Relief		BA	**1,063,600**	**366,127**	**399,678**
		0	573,760	639,678	604,035
Unanticipated Needs					
Federal funds					
General and Special Funds:					
Unanticipated needs	802				
Appropriation, current		BA	**1,000**	**1,000**	**1,000**
Outlays		0	825	1,000	1,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.					
Expenses of Management Improvement					
Federal funds					
General and Special Funds:					
Expenses of management improvement	802				
Outlays		0	21	265	.....
Foreign Assistance					
International Security Assistance					
Federal funds					
General and Special Funds:					
Military assistance	152				
Appropriation, current		BA	**110,000**	.....	.....
				[K] **110,200**	[K] **33,500**
Outlays		0	218,689	151,400	148,000
International military education and training	152				
Appropriation, current		BA	**25,000**	.....	.....
				[K] **28,400**	[K] **35,695**
Outlays		0	26,359	25,500	33,700
Foreign military sales credit	152				
Appropriation, current		BA	**645,000**	.....	.....
				[K] **500,000**	[K] **850,000**
Outlays		0	643,640	595,000	660,000
Assistance for relocation of facilities in Israel	152				
Contract authority, permanent, indefinite		BA	**235,556**	.....	.....
Outlays		0	340,781	360,000	67,919
Economic support fund	151				
Appropriation, current, indefinite		BA	**1,942,100**	**2,104,500**	.....
					[K] **2,431,500**
Reappropriation		BA	.....	**23,950**	.....
Outlays		0	1,872,457	2,070,000	2,282,500
Peacekeeping operations	151				
Appropriation, current, indefinite		BA	**30,000**	**25,000**	.....
					[K] **19,000**
Outlays		0	31,434	34,000	32,000
Public Enterprise Funds:					
Liquidation of foreign military sales fund	152				
Outlays		0	−1,799	−1,681	−1,671
Trust funds					
Advances, foreign military sales	155				
Contract authority, permanent, indefinite		BA	**11,650,895**	**12,501,000**	**13,090,000**
Liquidation of contract authority, permanent			(7,654,283)	(9,612,000)	(10,714,000)
Outlays		0	8,791,158	9,612,000	10,714,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,987,656**	**2,792,050**	**3,369,695**
		0	3,131,561	3,234,219	3,222,448
Deductions for offsetting receipts:					
Proprietary receipts from the public	152	BA			
		0	*−305,504*	*−263,000*	*−273,000*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.					
Foreign Assistance—Con.					
International Security Assistance—Con.					
	902	BA			
		O	*—59,897*	*—60,000*	*—60,000*
Total Federal funds		BA	**2,622,255**	**2,469,050**	**3,036,695**
		O	2,766,160	2,911,219	2,889,448
Trust funds:					
(As shown in detail above)		BA	**11,650,895**	**12,501,000**	**13,090,000**
		O	8,791,158	9,612,000	10,714,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	155	BA			
		O	*—7,654,283*	*—9,612,000*	*—10,714,000*
Total Trust funds		BA	**3,996,612**	**2,889,000**	**2,376,000**
		O	1,136,875	.....	.....
Total International Security Assistance		BA	**6,618,867**	**5,358,050**	**5,412,695**
		O	3,903,035	2,911,219	2,889,448
International Development Assistance					
Multilateral Assistance					
Federal funds					
General and Special Funds:					
Contribution to the International bank for reconstruction and development	151				
Appropriation, current		BA	**162,997**	**32,789**	**53,489**
					[K] **658,306**
Outlays		O	16,310	63,279	140,281
Contribution to the International development association	151				
Appropriation, current		BA	**1,072,000**	**20,000**	.....
				[B] **1,080,000**	[K] **1,080,000**
Outlays		O	472;022	552,800	623,576
				[B] 18,800	[B] 80,000
Contribution to the International finance corporation	151				
Appropriation, current		BA	**19,000**	.....	**14,448**
Outlays		O	22,298	11,148	14,448
Contribution to the Inter-American development bank	151				
Appropriation, current		BA	**763,720**	**251,547**	**359,207**
Outlays		O	225,381	245,490	242,822
Contribution to the Asian development bank	151				
Appropriation, current		BA	**264,992**	**139,612**	**172,677**
Outlays		O	48,418	69,831	86,585
Contribution to the African development fund	151				
Appropriation, current		BA	**25,000**	**41,667**	**58,333**
Outlays		O	.....	9,000	12,900

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.				
Foreign Assistance—Con.				
International Development Assistance—Con.				
Contribution to the African development bank 151				
Appropriation, current	BA			[K] 17,987
			[B] 17,987	
Outlays	0			[K] 17,987
			[B] 17,987	
Payment to the International Fund for Agricultural Development 151				
Appropriation, current	BA			[K] 85,000
Outlays	0	.....	25,000	40,000
International organizations and programs 151				
Appropriation, current	BA	260,000	.....	.....
			[K] 262,380	[K] 247,650
Outlays	0	263,501	259,354	253,682
Total Federal funds Multilateral Assistance	BA	2,567,709	1,845,982	2,747,097
	0	1,047,930	1,272,689	1,512,281
Bilateral Assistance				
Federal funds				
General and Special Funds:				
Functional development assistance program 151				
Appropriation, current	BA	1,124,801	1,184,888	.....
				[K] 1,821,200
Outlays	0	976,017	1,078,760	1,152,920
Sahel development program 151				
Appropriation, current	BA	75,000	90,500	.....
				[K] 149,400
Outlays	0	46,185	46,682	65,526
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current	BA	26,696	25,676	32,552
			[A] 2,176	
Outlays	0	26,696	25,676	32,552
			[A] 2,176	
American schools and hospitals abroad 151				
Appropriation, current	BA	25,000	20,000	.....
				[K] 7,500
Outlays	0	19,189	20,254	17,652
International disaster assistance 151				
Appropriation, current	BA	79,050	87,250	.....
				[K] 27,000
Outlays	0	62,560	104,444	64,365
Operating expenses of the International Development Cooperation Agency 151				
Appropriation, current	BA	271,587	280,000	.....
				[K] 350,887
			[A] 13,325	
			[D] 10,408	
Outlays	0	261,224	289,792	333,746
			[A] 13,325	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.					
Foreign Assistance—Con.					
International Development Assistance—Con.					
Trade and development program	151				
Appropriation, current		BA			[K] **7,000**
Outlays		0	.....	.....	2,410
Miscellaneous appropriations	151				
Outlays		0	8,029	13,674	8,613
Public Enterprise Funds:					
Development loans--revolving fund	151				
Outlays		0	27,111	14,377	.....
Housing and other credit guaranty programs	151				
Outlays		0	4,715	1,873	812
Overseas Private Investment Corporation	151				
Outlays		0	—81,972	—66,411	—71,596
African Development Foundation	151				
Appropriation, current		BA	.....	**2,000**	**5,000**
Outlays		0	.....	625	2,297
Intragovernmental Funds:					
Advance acquisition of property--revolving fund	151				
Outlays		0	—197	.....	.....
Office of the Inspector General of Foreign Assistance	151				
Outlays		0	.....	139	.....
Trust funds					
Miscellaneous trust funds	151				
Appropriation, permanent, indefinite		BA	**20,732**	**25,000**	**30,000**
Outlays		0	22,895	25,000	30,000
Total Federal funds Bilateral Assistance		BA	**1,602,134**	**1,716,223**	**2,400,539**
		0	1,349,557	1,545,386	1,609,297
Total Trust funds Bilateral Assistance		BA	**20,732**	**25,000**	**30,000**
		0	22,895	25,000	30,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**4,169,843**	**3,562,205**	**5,147,636**
		0	2,397,487	2,818,075	3,121,578
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*—501*	*—364*	*—363*
	151	BA			
		0	*—302,995*	*—334,998*	*—385,332*
	902	BA			
		0	*—304,383*	*—362,392*	*—391,993*
Total Federal funds		BA	**3,561,964**	**2,864,451**	**4,369,948**
		0	1,789,608	2,120,321	2,343,890
Trust funds:					
(As shown in detail above)		BA	**20,732**	**25,000**	**30,000**
		0	22,895	25,000	30,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.					
Foreign Assistance—Con.					
International Development Assistance—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA	*—20,732*	*—25,000*	*—30,000*
		0			
Total Trust funds		0	2,163	.....	.....
Total International Development Assistance		BA	**3,561,964**	**2,864,451**	**4,369,948**
		0	1,791,771	2,120,321	2,343,890
Contingencies					
Federal funds					
General and Special Funds:					
President's foreign assistance contingency fund	151				
Outlays		0	80	1,369	.....
Total Federal funds Foreign Assistance		BA	**6,184,219**	**5,333,501**	**7,406,643**
		0	4,555,848	5,032,909	5,233,338
Total Trust funds Foreign Assistance		BA	**3,996,612**	**2,889,000**	**2,376,000**
		0	1,139,038	.....	.....
Inter-American Foundation					
Federal funds					
Public Enterprise Funds:					
Inter-American Foundation	151				
Appropriation, current		BA	**12,582**	**15,964**	**18,500**
Outlays		0	6,222	5,255	23,056
Trust funds					
Gifts and contributions, Inter-American Foundation	151				
Appropriation, permanent, indefinite		BA	.....	**40**	**20**
Outlays		0	.....	40	20
Peace Corps					
Federal funds					
General and Special Funds:					
Operating expenses	151				
Appropriation, current		BA	**99,924**	**105,000**	**121,900**
				[A] **961**	
				[D] **2,393**	
Outlays		0	100,895	105,370	120,808
				[A] 932	[A] 29
Trust funds					
Miscellaneous trust funds	151				
Appropriation, permanent, indefinite		BA	**1**	**462**	**210**
Outlays		0	—248	538	210
Summary					
Federal funds:					
(As shown in detail above)		BA	**99,924**	**108,354**	**121,900**
		0	100,895	106,302	120,837

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.					
Peace Corps—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*—52*	*—50*	*—50*
	902	BA			
		0	*—4*	*—4*	*—4*
Total Federal funds		BA	**99,868**	**108,300**	**121,846**
		0	100,839	106,248	120,783
Trust funds:					
(As shown in detail above)		BA	**1**	**462**	**210**
		0	—248	538	210
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA			
		0	.....	*—217*	*—100*
Total Trust funds		BA	**1**	**245**	**110**
		0	—248	321	110
Total Peace Corps		BA	**99,869**	**108,545**	**121,956**
		0	100,591	106,569	120,893
International Commodity Agreements					
Federal funds					
General and Special Funds:					
Contributions to international buffer stocks	155				
Appropriation, current		BA		[K] **88,000**	[K] **238,850**
Outlays		0		[K] 5,000	[K] 30,040
International Monetary Programs					
Federal funds					
General and Special Funds:					
United States quota, IMF	155				
Appropriation, current, indefinite		BA	.....	**5,515,521**	.....
Outlays		0	12,454	.....	.....
Petroleum Reserves					
Federal funds					
General and Special Funds:					
Petroleum reserves:					
(Energy supply)	271				
(Outlays)		0	51,343	95,058	15,041
Summary					
Federal funds:					
(As shown in detail above)		0	51,343	95,058	15,041
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*742,680*	.....	.....
Total Petroleum Reserves		BA	**742,680**	.....	.....
		0	794,023	95,058	15,041

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President—Con.					
Public Works Acceleration					
Federal funds					
General and Special Funds:					
Public works acceleration	452				
Outlays		0	1	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**8,691,105**	**12,788,843**	**9,637,831**
		0	6,615,180	7,233,215	7,459,357
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*—553*	*—414*	*—413*
	151	BA			
		0	*—302,995*	*—334,998*	*—385,332*
	152	BA			
		0	*—305,504*	*—263,000*	*—273,000*
	271	BA			
		0	*742,680*	.....	.....
	450	BA			
		0	.....	*—300*	*—300*
	902	BA			
		0	*—364,284*	*—422,418*	*—452,019*
Total Federal funds		BA	**8,460,449**	**11,767,713**	**8,526,767**
		0	6,384,524	6,212,085	6,348,293
Trust funds:					
(As shown in detail above)		BA	**11,671,628**	**12,526,502**	**13,120,230**
		0	8,813,805	9,637,578	10,744,230
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA			
		0	*—20,732*	*—25,217*	*—30,100*
	155	BA			
		0	*—7,654,283*	*—9,612,000*	*—10,714,000*
Total Trust funds		BA	**3,996,613**	**2,889,285**	**2,376,130**
		0	1,138,790	361	130
Total Funds Appropriated to the President		BA	**12,457,062**	**14,656,998**	**10,902,897**
		0	7,523,314	6,212,446	6,348,423
Department of Agriculture					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Office of the Secretary	352				
Appropriation, current		BA	**4,674**	**4,504**	**5,408**
				D 416	
Outlays		0	5,338	4,822	5,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Departmental Administration				
Federal funds				
General and Special Funds:				
Departmental administration 352				
Appropriation, current	BA	**20,250**	**12,925**	**20,442**
			[C] **18**	
			[D] **1,294**	
Outlays	0	20,206	13,978	20,008
Intragovernmental Funds:				
Working capital fund 352				
Outlays	0	−259	.....	.....
Miscellaneous consolidated working funds 352				
Outlays	0	2,842	.....	.....
Total Federal funds Departmental Administration.	BA	**20,250**	**14,237**	**20,442**
	0	22,789	13,978	20,008
Office of Governmental and Public Affairs				
Federal funds				
General and Special Funds:				
Office of Governmental and Public Affairs 352				
Appropriation, current	BA	.....	**8,843**	**11,012**
			[D] **303**	
Outlays	0	.....	8,987	10,803
Office of the Inspector General				
Federal funds				
General and Special Funds:				
Office of the Inspector General 352				
Appropriation, current	BA	**35,941**	**38,052**	**43,535**
			[D] **1,472**	
			[G] **692**	
Outlays	0	34,241	39,550	42,843
Office of the General Counsel				
Federal funds				
General and Special Funds:				
Office of the General Counsel 352				
Appropriation, current	BA	**11,493**	**11,609**	**13,748**
			[D] **910**	
Outlays	0	11,811	12,260	13,509
Science and Education Administration				
Federal funds				
General and Special Funds:				
Agricultural research 352				
Appropriation, current	BA	**370,970**	**416,367**	**456,881**
			[C] **1,796**	
			[D] **14,386**	
Reappropriation	BA	**2,000**	.....	.....
Outlays	0	358,794	423,377	454,274

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Science and Education Administration—Con.				
Cooperative research 352				
Appropriation, current	BA	**186,031**	**200,897** **[D] 186** **[J] 10,000**	**232,476** **[J] 10,000**
Outlays	0	174,245	201,255 [J] 2,000	226,889 [J] 6,000
Extension activities 352				
Appropriation, current	BA	**285,523**	**303,633** **[D] 407**	**305,110**
Outlays	0	288,023	302,158	303,247
Technical information systems 352				
Appropriation, current	BA	**7,917**	**8,541** **[D] 389**	**9,381**
Outlays	0	7,528	8,028	8,768
Buildings and facilities 352				
Appropriation, current	BA	.....	.....	**1,900**
Outlays	0	10,997	18,230	5,941
Library facilities 352				
Outlays	0	2	.....	.....
Intragovernmental Funds:				
Consolidated working fund 352				
Outlays	0	14	.....	.....
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**994**	**1,017**	**1,017**
Outlays	0	1,785	1,250	1,250
Total Federal funds Science and Education Administration	BA	**852,441**	**956,602**	**1,015,748**
	0	839,603	955,048	1,005,119
Total Trust funds Science and Education Administration	BA	**994**	**1,017**	**1,017**
	0	1,785	1,250	1,250
Economics and Statistics Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**89,431**	**90,403** **[C] 4** **[D] 4,767**	**105,893**
Outlays	0	91,241	94,650	105,345
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**94**	**45**	**45**
Outlays	0	−148	62	45

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Agricultural Cooperative Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	.....	**4,500**	**4,800**
			D 211	
Outlays	0	.....	4,693	4,784
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	.....	**45**	**45**
Outlays	0	.....	66	42
World Food and Agricultural Outlook and Situation Board				
Federal funds				
General and Special Funds:				
World food and agricultural outlook and situation board 352				
Appropriation, current	BA	**1,045**	**1,731**	**1,568**
			D 94	
Outlays	0	1,215	1,783	1,596
Foreign Agricultural Service				
Federal funds				
General and Special Funds:				
Foreign Agricultural Service 352				
Appropriation, current	BA	**54,610**	**60,535**	**70,428**
			D 1,157	
Outlays	0	54,808	60,361	69,971
Salaries and expenses (special foreign currency program) 352				
Outlays	0	324	500	457
Total Federal funds Foreign Agricultural Service..	BA	**54,610**	**61,692**	**70,428**
	0	55,132	60,861	70,428
Office of International Cooperation and Development				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**2,490**	**3,500**	**7,404**
			D 72	
Outlays	0	2,543	3,568	7,408
Scientific activities overseas (special foreign currency program) 352				
Appropriation, current	BA	**4,550**	**5,000**	**5,754**
			D 4	
Outlays	0	5,686	5,694	5,759
Intragovernmental Funds:				
Consolidated working fund 151				
Outlays	0	−2,089	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Office of International Cooperation and Development—Con.				
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**4,769**	**3,364**	**5,259**
Outlays	0	2,345	6,134	5,259
Total Federal funds Office of International Cooperation and Development	BA	**7,040**	**8,576**	**13,158**
	0	6,140	9,262	13,167
Total Trust funds Office of International Cooperation and Development	BA	**4,769**	**3,364**	**5,259**
	0	2,345	6,134	5,259
Foreign Assistance Programs				
Federal funds				
General and Special Funds:				
Expenses, Public Law 480, foreign assistance programs, Agriculture 151				
Appropriation, current	BA	**886,336**	**1,228,930** [A] **76,115**	**1,263,100**
Outlays	0	1,073,429	1,394,523 [A] 76,115	1,263,100
Increase (—) or decrease in amount owed by the Public Law 480 account to the Commodity Credit Corportation 351				
Outlays	0	—187,093	—165,593	.....
Total Federal funds Foreign Assistance Programs	BA	**886,336**	**1,305,045**	**1,263,100**
	0	886,336	1,305,045	1,263,100
Agricultural Stabilization and Conservation Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 351				
Appropriation, current	BA	**191,490**	**195,671** [D] **14,306**	**218,575**
Outlays	0	189,790	204,194	213,522
Rural clean water program 304				
Appropriation, current	BA	**50,000**	**20,000**	**20,000**
Outlays	0	.....	10,000	12,000
Agricultural conservation program 302				
Appropriation, current	BA	**190,000**	**190,000**	**190,000**
Outlays	0	184,815	201,000	174,000
Water Bank program 302				
Appropriation, current	BA	**10,000**	**10,000**	**10,000**
Outlays	0	8,102	10,500	10,500
Cropland adjustment program 351				
Outlays	0	—14	.....	.....
Emergency conservation program 453				
Appropriation, current	BA	**35,000**	**10,000**	**10,000**
Outlays	0	22,197	28,000	15,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Agricultural Stabilization and Conservation Service—Con.				
Dairy and beekeeper indemnity programs 351				
Appropriation, current	BA	**3,290**	**1,700**	.....
				[K] **200**
Outlays	0	3,271	1,719	200
Forestry incentives program 302				
Appropriation, current	BA	**15,000**	**12,500**	**15,000**
Outlays	0	18,948	16,000	15,625
Total Federal funds Agricultural Stabilization and Conservation Service	BA	**494,780**	**454,177**	**463,775**
	0	427,109	471,413	440,847
Federal Crop Insurance Corporation				
Federal funds				
General and Special Funds:				
Administrative and operating expenses 351				
Appropriation, current	BA	**12,000**	**29,558**	**136,462**
			[A] **49,181**	
			[D] **1,570**	
Outlays	0	12,069	31,128	136,462
			[A] 49,181	
Public Enterprise Funds:				
Federal Crop Insurance Corporation fund 351				
Appropriation, current	BA	.....	.....	**407,456**
			[A] **150,000**	
Outlays	0	26,364	184,840	46,350
Limitation on administrative and operating expenses		(17,512)	.....	.....
Total Federal funds Federal Crop Insurance Corporation	BA	**12,000**	**230,309**	**543,918**
	0	38,433	265,149	182,812
Commodity Credit Corporation				
Support and Related Activities				
Federal funds				
Public Enterprise Funds:				
Price support and related programs: Reimbursement for net realized losses 351				
Appropriation, current	BA	**3,056,189**	**3,299,887**	**2,295,856**
Outlays	0	2,717,154	−83,680	2,150,936
			[J] −138,000	[J] −86,000
Limitation on administrative expenses and direct loans		(50,700)	(52,750)	(58,000)
Special Activities				
Federal funds				
General and Special Funds:				
National Wool Act (special fund) 351				
Appropriation, permanent, indefinite	BA	**39,421**	**34,520**	**40,781**
Outlays	0	34,520	40,781	47,314

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Commodity Credit Corporation—Con.				
Intragovernmental Funds:				
Increase or decrease (—) in amount owed to the Corporation by the Public Law 480 account 351				
Outlays	0	187,093	165,593	.....
Total Federal funds Special Activities	BA	**39,421**	**34,520**	**40,781**
	0	221,613	206,374	47,314
Total Federal funds Commodity Credit Corporation	BA	**3,095,610**	**3,334,407**	**2,336,637**
	0	2,938,767	—15,306	2,112,250
Rural Electrification Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 271				
Appropriation, current	BA	**26,752**	**27,719**	**30,152**
			[D] **1,484**	
Outlays	0	26,543	28,904	30,149
Public Enterprise Funds:				
Rural communication development fund 452				
Appropriation, permanent, indefinite	BA	**10,000**	.....	.....
Authority to borrow, permanent, indefinite	BA	.....	**32,377**	**1,550**
Outlays	0	.....	18,945	11,550
Total Federal funds Rural Electrification Administration	BA	**36,752**	**61,580**	**31,702**
	0	26,543	47,849	41,699
Farmers Home Administration				
Federal funds				
General and Special Funds:				
Rural water and waste disposal grants 452				
Appropriation, current	BA	**290,000**	**200,000**	.....
				[J] **100,000**
Outlays	0	325,162	319,073	268,069
				[J] 11,000
Rural development grants 452				
Appropriation, current	BA	**10,000**	**5,000**	.....
Outlays	0	12,280	11,623	8,580
Rural development planning grants 452				
Appropriation, current	BA	**6,000**	**5,000**	**6,000**
Outlays	0	5,171	6,404	5,346
Salaries and expenses 452				
Appropriation, current	BA	**235,574**	**245,137**	**287,034**
			[C] **21**	
			[D] **13,106**	
Outlays	0	235,391	256,648	286,035
Rural community fire protection grants 452				
Appropriation, current	BA	**3,500**	**3,500**	.....
Outlays	0	3,498	3,565	1,751

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Farmers Home Administration—Con.				
Rural housing for domestic farm labor 604				
Appropriation, current	BA	**25,000**	**25,000**	**25,000**
Outlays	0	12,766	14,043	20,576
Mutual and self-help housing 604				
Appropriation, current	BA	**−5,000**	.....	**5,000**
Outlays	0	5,554	6,245	7,422
Rural housing supervisory assistance grants 371				
Appropriation, current	BA	**1,500**	**1,500**	**2,000**
Outlays	0	828	1,800	2,000
Very low income housing repair grants 604				
Appropriation, current	BA	**24,000**	**25,000**	**25,000**
Outlays	0	23,564	24,924	25,000
Public Enterprise Funds:				
Self-help housing land development fund 371				
Appropriation, current	BA	.....	**1,000**	**4,000**
Outlays	0	1,157	−166	905
Rural housing insurance fund 371				
Appropriation, current	BA	**320,209**	**504,318**	**653,967**
Indefinite	BA	**31,283**	**111,000**	**152,000**
Authority to borrow, permanent, indefinite	BA	**1,928,706**	.....	**1,405,608**
Outlays	0	1,717,035	−740,807	1,568,152
Agricultural credit insurance fund 351				
Appropriation, current	BA	**272,809**	**297,032**	**464,083**
Authority to borrow, permanent, indefinite	BA	**62,275**	.....	**330,434**
Outlays	0	478,186	−744,519	639,616
Rural development insurance fund 452				
Appropriation, current	BA	**91,874**	**143,282**	**204,040**
Authority to borrow, current, indefinite	BA			[J] **535,152**
Authority to borrow, permanent, indefinite	BA	.....	**155,207**	.....
Outlays	0	216,388	280,439	351,296
Total Federal funds Farmers Home Administration	BA	**3,297,730**	**1,735,103**	**4,199,318**
	0	3,036,980	−560,728	3,195,748
Soil Conservation Service				
Federal funds				
General and Special Funds:				
Conservation operations 302				
Appropriation, current	BA	**274,670**	**293,001** [D] **21,187**	**318,699**
Outlays	0	281,284	319,204	313,317
River basin surveys and investigations 301				
Appropriation, current	BA	**16,441**	**17,442** [D] **1,085**	**16,165**
Outlays	0	17,366	18,439	16,363
Watershed planning 301				
Appropriation, current	BA	**11,000**	**10,000** [D] **813**	**8,690**
Outlays	0	11,396	11,406	8,781

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Soil Conservation Service—Con.				
Watershed and flood prevention operations 301				
Appropriation, current	BA	**185,099**	**192,524**	**172,380**
			D 1,361	
Outlays	O	220,595	227,794	193,546
Great plains conservation program 302				
Appropriation, current	BA	**18,689**	**20,000**	**22,288**
			D 664	
Outlays	O	23,981	23,935	21,817
Resource conservation and development 302				
Appropriation, current	BA	**32,000**	**34,046**	**28,132**
			D 1,433	
Outlays	O	30,565	34,016	29,518
Trust funds				
Miscellaneous contributed funds:				
(Water resources) 301				
(Appropriation, permanent, indefinite)	BA	**1,143**	**978**	**800**
(Outlays)	O	1,050	1,007	832
(Conservation and land management) 302				
(Appropriation, permanent, indefinite)	BA	**107**	**100**	**100**
(Outlays)	O	104	103	104
Total Miscellaneous contributed funds	BA	**1,250**	**1,078**	**900**
	O	1,154	1,110	936
Total Federal funds Soil Conservation Service	BA	**537,899**	**593,556**	**566,354**
	O	585,187	634,794	583,342
Total Trust funds Soil Conservation Service	BA	**1,250**	**1,078**	**900**
	O	1,154	1,110	936
Animal and Plant Health Inspection Service				
Federal funds				
General and Special Funds:				
Animal and Plant Health Inspection Service 352				
Appropriation, current	BA	**249,098**	**266,241**	**292,323**
			D 12,840	
Outlays	O	248,033	274,548	293,406
Animal quarantine station 352				
Outlays	O	115	.....	.....
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	**1,904**	**2,660**	**2,798**
Outlays	O	2,369	2,232	2,798
Total Federal funds Animal and Plant Health Inspection Service	BA	**249,098**	**279,081**	**292,323**
	O	248,148	274,548	293,406
Total Trust funds Animal and Plant Health Inspection Service	BA	**1,904**	**2,660**	**2,798**
	O	2,369	2,232	2,798

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Federal Grain Inspection Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**23,971**	**24,457**	**31,141**
			D 1,507	
Outlays	0	23,087	25,964	31,141
Public Enterprise Funds:				
Inspection and weighing services 352				
Outlays	0	2,463	3,787	1,000
Total Federal funds Federal Grain Inspection Service	BA	**23,971**	**25,964**	**31,141**
	0	25,550	29,751	32,141
Agricultural Marketing Service				
Federal funds				
General and Special Funds:				
Marketing services 352				
Appropriation, current	BA	**47,893**	**49,109**	**54,837**
			D 2,762	
				J —24,627
Appropriation, permanent	BA	.....	.....	**5,670**
Outlays	0	50,254	51,721	60,357
				J —24,570
Payments to States and possessions 352				
Appropriation, current	BA	**1,600**	**1,600**	.....
Outlays	0	2,417	2,575	.....
Perishable Agricultural Commodities Act fund 352				
Appropriation, permanent, indefinite	BA	**2,366**	**2,400**	**2,538**
Outlays	0	2,313	2,644	2,644
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	**247**	**263**	**263**
Outlays	0	278	263	263
Milk market orders assessment fund 351				
Outlays	0	—1,225	.....	.....
Total Federal funds Agricultural Marketing Service	BA	**51,859**	**55,871**	**38,418**
	0	54,984	56,940	38,431
Total Trust funds Agricultural Marketing Service.	BA	**247**	**263**	**263**
	0	—947	263	263
Office of Transportation				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**1,662**	**2,000**	**3,015**
			D 134	
Outlays	0	1,670	2,134	3,015

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Food Safety and Quality Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**291,300**	**293,318**	**341,257**
			[D] **20,360**	
Outlays	O	303,688	310,419	342,753
Funds for strengthening markets, income, and supply (section 32) 605				
Appropriation, permanent, indefinite	BA	**311,163**	**383,012**	**463,346**
Outlays	O	460,987	370,950	365,400
Trust funds				
Expenses and refunds, inspection and grading of farm products 352				
Appropriation, permanent, indefinite	BA	**56,305**	**61,190**	**62,147**
Outlays	O	56,575	61,190	62,147
Total Federal funds Food Safety and Quality Service	BA	**602,463**	**696,690**	**804,603**
	O	764,675	681,369	708,153
Total Trust funds Food Safety and Quality Service	BA	**56,305**	**61,190**	**62,147**
	O	56,575	61,190	62,147
Food and Nutrition Service				
Federal funds				
General and Special Funds:				
Food program administration 605				
Appropriation, current	BA	**81,470**	**84,000**	**97,156**
			[D] **4,714**	
Outlays	O	83,942	86,973	95,213
Food stamp program 605				
Appropriation, current	BA	**9,181,599**	**9,729,276**	**12,882,350**
			[B] **1,355,791**	
			[F] **—717**	
				[J] **—486,800**
Outlays	O	9,117,136	9,653,600	12,662,344
			[B] 1,295,935	[B] 59,856
				[J] —481,900
Special milk program 605				
Appropriation, current	BA	**156,800**	**118,800**	**124,800**
Outlays	O	159,293	114,600	117,300
Child nutrition programs 605				
Appropriation, current	BA	**1,348,615**	**1,474,123**	**2,434,390**
				[J] **—67,400**
				[L] **—385,400**
Appropriation, permanent	BA	**1,831,086**	**1,879,653**	**1,763,948**
Outlays	O	3,377,056	3,355,800	3,959,400
				[J] —63,700
				[L] —365,000
Special supplemental food programs (WIC) 605				
Appropriation, current	BA	**757,950**	**927,040**	**1,037,600**
				[K] **30,500**
Outlays	O	716,732	903,630	994,060

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Food and Nutrition Service—Con.				
Food donations program 605				
Appropriation, current	BA	**106,334**	**128,660**	.....
				[K] **143,700**
Outlays	0	101,284	124,830	139,400
Total Federal funds Food and Nutrition Service	BA	**13,463,854**	**15,701,340**	**17,574,844**
	0	13,555,443	15,535,368	17,116,973
Forest Service				
Federal funds				
General and Special Funds:				
Forest management, protection and utilization 302				
Appropriation, current	BA	**1,139,873**	**1,074,930**	**1,204,254**
			[A] **100,000**	
			[D] **57,056**	
Reappropriation	BA	.....	**13,442**	.....
Outlays	0	1,113,019	1,099,199	1,205,476
			[A] 88,500	[A] 11,500
Construction and land acquisition 302				
Appropriation, current	BA	**428,794**	**378,586**	**505,693**
			[A] **62,542**	
			[D] **13,491**	
Outlays	0	266,836	429,838	592,647
			[A] 47,142	[A] 15,400
Youth Conservation Corps 302				
Appropriation, current	BA	**54,797**	.....	.....
Outlays	0	55,550	9,559	.....
Forest roads and trails 302				
Outlays	0	101,184	20,589	.....
Other general appropriations 302				
Outlays	0	3	280	.....
Acquisition of lands for national forests, special acts 302				
Appropriation, current	BA	**325**	**754**	**754**
Outlays	0	12	754	754
Acquisition of lands to complete land exchanges 302				
Appropriation, current, indefinite	BA	**284**	**446**	**327**
Outlays	0	88	446	327
Rangeland improvements 302				
Appropriation, current, indefinite	BA	**5,633**	**6,800**	**6,500**
Outlays	0	5,620	6,800	6,500
Construction and operation of recreation facilities 303				
Appropriation, current, indefinite	BA	**4,675**	.....	.....
Outlays	0	911	25	.....
Timber salvage sales 302				
Appropriation, permanent, indefinite	BA	**14,530**	**11,200**	.....
Outlays	0	11,687	10,685	1,880
Forest Service permanent appropriations 302				
Appropriation, permanent, indefinite	BA	**173,850**	**127,326**	**213,273**
Outlays	0	164,466	123,309	213,327

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.					
Forest Service—Con.					
Forest Service permanent appropriations	852				
Appropriation, permanent, indefinite		BA	**280,295**	**223,115**	**275,400**
Outlays		0	280,295	223,115	275,400
Intragovernmental Funds:					
Working capital fund	302				
Outlays		0	−45	−3,669	.....
Consolidated working fund	302				
Outlays		0	−442	2,719	.....
Trust funds					
Miscellaneous trust funds	302				
Appropriation, permanent, indefinite		BA	**146,561**	**96,400**	**103,603**
Outlays		0	80,130	96,579	105,456
Highland scenic highway	401				
Outlays		0	3,844	1,067	.....
Total Federal funds Forest Service		BA	**2,103,056**	**2,069,688**	**2,206,201**
		0	1,999,184	2,059,291	2,323,211
Total Trust funds Forest Service		BA	**146,561**	**96,400**	**103,603**
		0	83,974	97,646	105,456
Summary					
Federal funds:					
(As shown in detail above)		BA	**25,933,995**	**27,754,563**	**31,661,089**
		0	25,656,519	21,993,511	29,628,030
Deductions for offsetting receipts:					
Intrafund transactions	302	BA			
		0	*−137,781*	*−150,000*	*−161,700*
Proprietary receipts from the public	270	BA			
		0	*−2*	.....	.....
	300	BA			
		0	*−406,948*	*−399,688*	*−582,570*
	302	BA			
		0	*−396,095*	*−544,963*	*−841,730*
	350	BA			
		0	*−94,536*	*−4,885*	*−4,885*
	450	BA			
		0	*−27*	*−38*	*−38*
	550	BA			
		0	*−4*	*−3*	*−3*
	605	BA			
		0	*−1,125*	*−911*	*−911*
	902	BA			
		0	*−65*	*−78*	*−81*
Total Federal funds		BA	**24,897,412**	**26,653,997**	**30,069,171**
		0	24,619,936	20,892,945	28,036,112
Trust funds:					
(As shown in detail above)		BA	**212,124**	**166,062**	**176,077**
		0	147,107	169,953	178,196
Deductions for offsetting receipts:					
Proprietary receipts from the public	302	BA			
		0	*−146,561*	*−96,400*	*−103,603*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Agriculture—Con.				
Summary—Con.				
352	BA			
	0	*—65,562*	*—69,662*	*—72,474*
Total Trust funds	BA	1	.....	.....
	0	—65,016	3,891	2,119
Total Department of Agriculture	BA	**24,897,413**	**26,653,997**	**30,069,171**
	0	24,554,920	20,896,836	28,038,231
Department of Commerce				
General Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**40,380**	**34,853** [C]4 [D]**1,296**	**36,690**
Outlays	0	36,662	41,537	36,640
White House conference on balanced national growth and economic development 376				
Outlays	0	.....	1	.....
Special foreign currency program 376				
Outlays	0	670	259	200
Participation in United States expositions 376				
Appropriation, current	BA	**20,800**	.....	.....
Outlays	0	151	10,904	5,843
Intragovernmental Funds:				
Working capital fund 376				
Outlays	0	—743	.....	.....
Consolidated working fund 376				
Outlays	0	175	.....	.....
Trust funds				
Miscellaneous trust funds 376				
Appropriation, permanent	BA	**286**	**200**	**200**
Outlays	0	296	200	200
Total Federal funds General Administration	BA	**61,180**	**36,153**	**36,690**
	0	36,915	52,701	42,683
Total Trust funds General Administration	BA	**286**	**200**	**200**
	0	296	200	200
Bureau of the Census				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**53,690**	**54,600** [D]**2,750**	**63,880**
Outlays	0	55,585	56,472	63,238

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.				
Bureau of the Census—Con.				
Periodic censuses and programs 376				
Appropriation, current	BA	**666,038**	**146,450** **[A] 24,200** **[D] 8,850**	**98,232**
Outlays	0	711,186	176,246 [A] 24,200	111,260
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	0	114	.....	.....
Trust funds				
Special studies, services, and projects 376				
Appropriation, permanent	BA	**7,932**	**9,075**	**7,600**
Outlays	0	6,061	9,075	7,600
Total Federal funds Bureau of the Census	BA	**719,728**	**236,850**	**162,112**
	0	766,885	256,918	174,498
Total Trust funds Bureau of the Census	BA	**7,932**	**9,075**	**7,600**
	0	6,061	9,075	7,600
Economic and Statistical Analysis				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**22,035**	**24,587** **[D] 1,000**	**28,063**
Outlays	0	19,585	25,166	27,622
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	0	1,278	.....	.....
Trust funds				
Special studies, services, and projects 376				
Appropriation, permanent	BA	**133**	**300**	**300**
Outlays	0	176	300	300
Total Federal funds Economic and Statistical Analysis	BA	**22,035**	**25,587**	**28,063**
	0	20,863	25,166	27,622
Total Trust funds Economic and Statistical Analysis	BA	**133**	**300**	**300**
	0	176	300	300
Economic Development Assistance				
Economic Development Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 452				
Appropriation, current	BA	**40,825**	**39,700** **[D] 3,000**	**49,250**
Outlays	0	37,579	42,700	49,250

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.				
Economic Development Assistance—Con.				
Economic Development Administration—Con.				
Economic development assistance programs 452				
Appropriation, current	BA	**512,525**	**624,650**	**624,650**
Outlays	0	545,806	508,713	616,045
Local public works program 452				
Outlays	0	415,508	150,000	60,410
Drought assistance program 453				
Outlays	0	991	1,000	.....
Financial and technical assistance 376				
Outlays	0	298	200	.....
Job opportunities program 504				
Outlays	0	4,623	5,022	1,985
Public Enterprise Funds:				
Economic development revolving fund 452				
Outlays	0	45,324	−93,140	−51,140
Total Federal funds Economic Development Administration	BA	**553,350**	**667,350**	**673,900**
	0	1,050,129	614,495	676,550
Regional Development Program				
Federal funds				
General and Special Funds:				
Regional development programs 452				
Appropriation, current	BA	**62,820**	**43,838**	.....
Outlays	0	65,448	52,944	14,527
Trust funds				
Regional development commissions 452				
Appropriation, permanent, indefinite	BA	**46,599**	**32,853**	.....
Outlays	0	44,241	33,803	18,420
Total Federal funds Economic Development Assistance	BA	**616,170**	**711,188**	**673,900**
	0	1,115,577	667,439	691,077
Total Trust funds Economic Development Assistance	BA	**46,599**	**32,853**	.....
	0	44,241	33,803	18,420
Promotion of Industry and Commerce				
International Trade Administration				
Federal funds				
General and Special Funds:				
Operations and administration 376				
Appropriation, current	BA	**93,362**	**105,682**	**116,958**
				K 15,344
			D 4,500	
Outlays	0	79,781	107,700	132,302
Trust funds				
Miscellaneous trust funds 376				
Appropriation, permanent, indefinite	BA	**9,583**	**9,945**	**13,810**
Outlays	0	6,183	9,945	13,810

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.				
Promotion of Industry and Commerce—Con.				
Minority Business Development Agency				
Federal funds				
General and Special Funds:				
Minority business development 376				
Appropriation, current	BA	**58,950**	**59,600**	**65,405**
			[D] **450**	
Outlays	O	55,574	57,893	61,980
United States Travel Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**7,995**	**8,000**	.....
Outlays	O	9,074	10,482	.....
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	O	81	.....	.....
Total Federal funds United States Travel Service.	BA	**7,995**	**8,000**	.....
	O	9,155	10,482	.....
Total Federal funds Promotion of Industry and Commerce	BA	**160,307**	**178,232**	**197,707**
	O	144,510	176,075	194,282
Total Trust funds Promotion of Industry and Commerce	BA	**9,583**	**9,945**	**13,810**
	O	6,183	9,945	13,810
Science and Technology				
National Oceanic and Atmospheric Administration				
Federal funds				
General and Special Funds:				
Operations, research, and facilities 306				
Appropriation, current	BA	**725,517**	**773,367**	**846,565**
				[K] **8,019**
			[A] **4,677**	
			[C] **2,036**	
			[D] **19,956**	
			[E] **808**	
			[H] **—30,493**	
				[J] **123,800**
Indefinite	BA	**993**	**1,000**	**1,000**
Outlays	O	701,143	770,464	864,726
			[A] 4,677	
			[H] —17,288	[H] —13,205
				[J] 120,000
Construction 306				
Outlays	O	7,827	37,496	27,512

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.				
Science and Technology—Con.				
National Oceanic and Atmospheric Administration—Con.				
Coastal zone management 302				
Appropriation, current	BA	**70,120**	**51,585**	**43,182**
				[K] **2,235**
			[D] **200**	
Outlays	0	44,010	63,023	43,389
Promote and develop fishery products and research pertaining to American fisheries 376				
Appropriation, permanent, indefinite	BA	**21,679**	**19,985**	**20,000**
Outlays	0	15,167	16,985	20,000
Fishing vessel and gear damage compensation fund 376				
Appropriation, current, indefinite	BA	**3,178**	**3,250**	**3,500**
Outlays	0	3,818	3,250	3,500
Fishermen's contingency fund 376				
Appropriation, current	BA	**600**	**500**	**900**
Outlays	0	37	500	900
Foreign fishing observer fund 376				
Appropriation, current	BA			[K] **1,000**
			[A] **350**	
Outlays	0	.....	.....	680
			[A] 280	[A] 70
Fishermen's guaranty fund 376				
Appropriation, current	BA		[A] **1,900**	
Outlays	0	375	100	100
			[A] 1,900	
Public Enterprise Funds:				
Fisheries loan fund 376				
Outlays	0	−253	−100	.....
Coastal energy impact fund 452				
Appropriation, current	BA	**−35,400**	.....	**620**
Outlays	0	28,352	41,172	49,620
Federal ship financing fund, fishing vessels 376				
Outlays	0	−570	600	600
Intragovernmental Funds:				
Consolidated working fund 306				
Outlays	0	11,535	−3	.....
Trust funds				
Miscellaneous trust funds 306				
Appropriation, permanent, indefinite	BA	**13,076**	**14,300**	**14,300**
Outlays	0	12,971	14,300	14,300
Total Federal funds National Oceanic and Atmospheric Administration	BA	**786,687**	**849,121**	**1,050,821**
	0	811,441	923,056	1,117,892
Total Trust funds National Oceanic and Atmospheric Administration	BA	**13,076**	**14,300**	**14,300**
	0	12,971	14,300	14,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.				
Science and Technology—Con.				
Patent and Trademark Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**104,833**	**112,550**	**121,411**
			[C] **60**	
			[D] **4,090**	
Outlays	0	102,702	112,061	120,491
Science and Technical Research				
Federal funds				
General and Special Funds:				
Scientific and technical research and services 376				
Appropriation, current	BA	**93,597**	**106,224**	**130,656**
				[K] **11,488**
			[C] **372**	
			[D] **2,478**	
Outlays	0	93,892	105,708	136,336
Intragovernmental Funds:				
Working capital fund 376				
Appropriation, current	BA	**4,652**	**6,173**	**7,928**
Outlays	0	8,323	4,050	6,850
Consolidated working fund 376				
Outlays	0	1,157	3,258	.....
Trust funds				
Information products and services 376				
Appropriation, current	BA	**—27**	.....	.....
Appropriation, permanent, indefinite	BA	**20,402**	**22,000**	**24,000**
Outlays	0	19,801	22,000	24,000
Total Federal funds Science and Technical Research	BA	**98,249**	**115,247**	**150,072**
	0	103,372	113,016	143,186
Total Trust funds Science and Technical Research	BA	**20,375**	**22,000**	**24,000**
	0	19,801	22,000	24,000
National Telecommunications and Information Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**17,644**	**17,400**	**17,817**
Outlays	0	15,405	16,848	17,566

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.				
Science and Technology—Con.				
National Telecommunications and Information Administration—Con.				
Public telecommunications facilities, planning and construction 503				
Appropriation, current	BA	**23,705**	**25,705**	**21,550**
			[H] **—4,000**	
Outlays	0	20,283	21,845	24,012
			[H] —400	[H] —2,000
Total Federal funds National Telecommunications and Information Administration	BA	**41,349**	**39,105**	**39,367**
	0	35,688	38,293	39,578
Total Federal funds Science and Technology	BA	**1,031,118**	**1,120,173**	**1,361,671**
	0	1,053,203	1,186,426	1,421,147
Total Trust funds Science and Technology	BA	**33,451**	**36,300**	**38,300**
	0	32,772	36,300	38,300
Ocean Shipping				
Maritime Administration				
Federal funds				
General and Special Funds:				
Ship construction 403				
Appropriation, current	BA	**101,000**	**135,000**	.....
				[K] **107,000**
Outlays	0	265,080	274,000	206,000
Operating-differential subsidies 403				
Contract authority, permanent, indefinite	BA	**314,469**	**353,012**	**414,899**
Liquidation of contract authority, current		(300,515)	(333,196)	(417,148)
Outlays	0	341,368	334,854	417,148
Research and development 403				
Appropriation, current	BA	**16,300**	**16,300**	.....
				[K] **17,210**
Outlays	0	22,819	17,000	17,210
Operations and training 403				
Appropriation, current	BA	**66,841**	**65,550**	.....
				[K] **77,063**
			[C] **431**	
			[D] **1,119**	
Outlays	0	65,560	56,867	77,172
Public Enterprise Funds:				
Federal ship financing fund 403				
Outlays	0	—39,163	—44,000	—52,000
Vessel operations revolving fund 403				
Outlays	0	732	.....	.....
War risk insurance revolving fund 403				
Outlays	0	—557	—600	—650
Intragovernmental Funds:				
Consolidated working fund 403				
Outlays	0	—3,944	9,707	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.					
Ocean Shipping—Con.					
Maritime Administration—Con.					
Trust funds					
Special studies, services and projects	403				
Appropriation, permanent, indefinite		BA	**321**	**400**	**400**
Outlays		0	196	400	400
Total Federal funds Maritime Administration		BA	**498,610**	**571,412**	**616,172**
		0	651,895	647,828	664,880
Total Trust funds Maritime Administration		BA	**321**	**400**	**400**
		0	196	400	400
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,109,148**	**2,879,595**	**3,076,315**
		0	3,789,848	3,012,553	3,216,189
Deductions for offsetting receipts:					
Intrafund transactions	902	BA			
		0	*—149*	.....	.....
Proprietary receipts from the public	300	BA			
		0	*—4,274*	*—1,086*	*—1,086*
	370	BA			
		0	*—203*	*—42*	.....
	400	BA			
		0	*—12,494*	*—11,410*	*—6,936*
	450	BA			
		0	*—4,255*	*—322*	*—200*
	806	BA			
		0	*—239*	*—239*	*—239*
	902	BA			
		0	*—4,765*	*—4,786*	*—4,100*
Total Federal funds		BA	**3,082,769**	**2,861,710**	**3,063,754**
		0	3,763,469	2,994,668	3,203,628
Trust funds:					
(As shown in detail above)		BA	**98,305**	**89,073**	**60,610**
		0	89,925	90,023	79,030
Deductions for offsetting receipts:					
Intrafund transactions	376	BA			
		0	*—765*	*—859*	*—859*
Proprietary receipts from the public	306	BA			
		0	*—13,076*	*—14,300*	*—14,300*
	376	BA			
		0	*—34,434*	*—37,191*	*—41,581*
	403	BA			
		0	*—321*	*—400*	*—400*
	452	BA			
		0	*—2,085*	*—1,538*	.....
Total Trust funds		BA	**47,624**	**34,785**	**3,470**
		0	39,244	35,735	21,890
Interfund transactions	376	BA			
		0	**—2,839**	**—3,300**	**—3,300**

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Commerce—Con.					
Summary—Con.					
	452	BA			
		0	−44,513	−31,315	.....
Total Department of Commerce		BA	3,083,041	2,861,880	3,063,924
		0	3,755,361	2,995,788	3,222,218
Department of Defense--Military					
Military Personnel					
Federal funds					
General and Special Funds:					
Military personnel, Army	051				
Appropriation, current		BA	10,496,371	11,060,468 A 43,900 E 1,087,632	12,714,900
Outlays		0	10,469,138	12,180,800 A 43,200	12,697,300 A 700
Military personnel, Navy	051				
Appropriation, current		BA	7,351,152	7,857,423 A 192,744 E 755,283	9,241,000
Outlays		0	7,277,982	8,610,800 A 188,900	9,224,300 A 3,700
Military personnel, Marine Corps	051				
Appropriation, current		BA	2,230,122	2,350,086 A 25,700 E 238,414	2,725,700
Outlays		0	2,227,052	2,588,100 A 24,900	2,719,200 A 800
Military personnel, Air Force	051				
Appropriation, current		BA	8,469,790	8,976,309 A 78,700 E 890,562	10,270,700
Outlays		0	8,491,216	9,837,900 A 77,100	10,251,500 A 1,500
Reserve personnel, Army	051				
Appropriation, current		BA	659,341	790,350 A 10,200 E 71,650	944,100
Outlays		0	630,853	862,800 A 9,500	938,300 A 700
Reserve personnel, Navy	051				
Appropriation, current		BA	268,054	302,003 E 16,397	328,700
Outlays		0	242,012	322,000	327,000
Reserve personnel, Marine Corps	051				
Appropriation, current		BA	95,149	102,767 A 7,400 E 9,333	123,200
Outlays		0	90,756	115,500 A 6,500	122,200 A 800

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Military Personnel—Con.				
Reserve personnel, Air Force 051				
Appropriation, current	BA	**226,253**	**258,974**	**299,500**
			[E] 19,386	
Outlays	0	224,514	277,000	298,000
National Guard personnel, Army 051				
Appropriation, current	BA	**918,050**	**1,043,397**	**1,305,500**
			[A] 33,400	
			[E] 104,803	
Outlays	0	887,947	1,160,900	1,293,700
			[A] 31,100	[A] 2,300
National Guard personnel, Air Force 051				
Appropriation, current	BA	**299,860**	**342,172**	**410,100**
			[A] 4,900	
			[E] 34,437	
Outlays	0	300,263	369,300	408,800
			[A] 4,700	[A] 200
Total Federal funds Military Personnel	BA	**31,014,142**	**36,708,790**	**38,363,400**
	0	30,841,733	36,711,000	38,291,000
Retired Military Personnel				
Federal funds				
General and Special Funds:				
Retired pay, Defense 051				
Appropriation, current	BA	**11,964,700**	**13,887,800**	**16,076,700**
			[A] 29,100	
Outlays	0	11,919,776	13,851,000	16,048,900
			[A] 29,000	[A] 100
Operation and Maintenance				
Federal funds				
General and Special Funds:				
Operation and maintenance, Army 051				
Appropriation, current	BA	**11,007,389**	**12,158,584**	**14,765,800**
			[A] 135,400	
			[C] 87,400	
			[D] 227,200	
Contract authority, permanent, indefinite	BA	**2,985**	.....	.....
Liquidation of contract authority, current			[A] (2,985)	
Outlays	0	10,621,246	12,212,000	14,313,300
			[A] 114,000	[A] 19,700
Operation and maintenance, Navy 051				
Appropriation, current	BA	**14,667,737**	**16,757,794**	**19,593,000**
			[A] 420,200	
			[C] 156,409	
			[D] 196,391	
Contract authority, permanent, indefinite	BA	**153,567**	.....	.....
Liquidation of contract authority, current			[A] (153,567)	
Outlays	0	14,300,074	15,979,500	18,642,700
			[A] 443,500	[A] 109,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Operation and Maintenance—Con.				
Operation and maintenance, Marine Corps 051				
Appropriation, current	BA	**845,490**	**1,006,800** **[A] 6,800** **[C] 9,088** **[D] 5,012**	**1,127,700**
Contract authority, permanent, indefinite	BA	**4,077**	.....	.....
Liquidation of contract authority, current			[A] (4,077)	
Outlays	0	819,249	1,025,500 [A] 9,500	1,102,700 [A] 1,300
Operation and maintenance, Air Force 051				
Appropriation, current	BA	**11,967,735**	**13,531,346** **[A] 424,900** **[C] 101,000** **[D] 103,000**	**16,568,600**
Contract authority, permanent, indefinite	BA	**388,743**	.....	.....
Liquidation of contract authority, current			[A] (388,743)	
Outlays	0	11,874,047	13,106,300 [A] 749,900	16,128,100 [A] 56,900
Operation and maintenance, Defense agencies 051				
Appropriation, current	BA	**3,644,471**	**4,050,393** **[A] 81,500** **[C] 21,672** **[D] 190,676**	**4,672,000**
Outlays	0	3,566,554	4,202,500 [A] 72,500	4,593,700 [A] 7,300
Operation and maintenance, Army Reserve 051				
Appropriation, current	BA	**440,364**	**487,193** **[A] 6,200** **[C] 5,000** **[D] 12,100**	**571,500**
Outlays	0	455,274	485,300 [A] 5,500	560,400 [A] 600
Operation and maintenance, Navy Reserve 051				
Appropriation, current	BA	**422,567**	**531,435** **[A] 15,200**	**578,900**
Contract authority, permanent, indefinite	BA	**8,786**	.....	.....
Liquidation of contract authority, current			[A] (8,786)	
Outlays	0	429,917	500,800 [A] 20,200	557,300 [A] 2,700
Operation and maintenance, Marine Corps Reserve 051				
Appropriation, current	BA	**21,312**	**28,854** **[D] 169**	**31,849**
Outlays	0	20,108	25,400	30,000
Operation and maintenance, Air Force Reserve 051				
Appropriation, current	BA	**496,392**	**558,680** **[A] 26,100** **[C] 7,170** **[D] 5,730**	**671,100**
Contract authority, permanent, indefinite	BA	**14,997**	.....	.....
Liquidation of contract authority, current			[A] (14,997)	
Outlays	0	492,145	552,900 [A] 38,700	660,900 [A] 2,100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Operation and Maintenance—Con.				
Operation and maintenance, Army National Guard 051				
Appropriation, current	BA	**837,306**	**883,420** **[A] 12,500** **[C] 12,900** **[D] 23,900**	**978,800**
Contract authority, permanent, indefinite	BA	**2,663**	.....	.....
Liquidation of contract authority, current			[A] (2,663)	
Outlays	0	817,637	933,200 [A] 13,700	968,600 [A] 1,400
Operation and maintenance, Air National Guard 051				
Appropriation, current	BA	**1,238,377**	**1,418,607** **[A] 72,100** **[C] 16,400**	**1,685,900**
Contract authority, permanent, indefinite	BA	**44,235**	.....	.....
Liquidation of contract authority, current			[A] (44,235)	
Outlays	0	1,248,080	1,372,100 [A] 109,100	1,657,100 [A] 6,900
National Board for the Promotion of Rifle Practice, Army 051				
Appropriation, current	BA	**411**	**825** **[D] 20**	**444**
Outlays	0	330	800	500
Claims, Defense 051				
Appropriation, current	BA	**112,900**	**135,850**	**243,500**
Outlays	0	120,099	140,500	233,000
Contingencies, Defense 051				
Outlays	0	10	.....	.....
Court of Military Appeals, Defense 051				
Appropriation, current	BA	**2,099**	**2,197** **[D] 113**	**2,607**
Outlays	0	1,460	2,500	2,500
Foreign currency fluctuations, Defense 051				
Appropriation, current	BA	**34,550**	**139,300**	.....
XIII olympic winter games 051				
Appropriation, current	BA	**5,735**	.....	.....
Outlays	0	3,897	1,100	.....
Total Federal funds Operation and Maintenance	BA	**46,364,888**	**54,073,528**	**61,491,700**
	0	44,770,127	52,117,000	59,659,000
Procurement				
Federal funds				
General and Special Funds:				
Aircraft procurement, Army 051				
Appropriation, current	BA	**946,167**	**1,076,400**	.....
				[K] 1,361,700
Outlays	0	787,355	925,000	1,017,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.					
Procurement—Con.					
Missile procurement, Army	051				
Appropriation, current		BA	**1,147,924**	**1,519,800**	.....
					[K] **1,650,500**
Reappropriation		BA	**2,400**	.....	.....
Outlays		0	650,558	1,078,000	1,327,000
Procurement of weapons and tracked combat vehicles, Army	051				
Appropriation, current		BA	**1,711,868**	**2,582,200**	.....
					[K] **2,719,800**
Reappropriation		BA	**12,100**	.....	.....
Outlays		0	1,248,564	2,002,000	2,326,000
Procurement of ammunition, Army	051				
Appropriation, current		BA	**1,136,425**	**1,531,000**	**1,755,659**
					[K] **60,541**
Outlays		0	1,271,385	1,239,000	1,444,000
Other procurement, Army	051				
Appropriation, current		BA	**1,432,569**	**2,223,658**	**2,325,700**
				[A] **36,000**	
Reappropriation		BA	**47,000**	.....	.....
Outlays		0	1,456,519	1,674,500	1,873,700
				[A] 2,500	[A] 13,300
Aircraft procurement, Navy	051				
Appropriation, current		BA	**4,345,446**	**6,110,707**	.....
					[K] **6,960,300**
Outlays		0	3,689,128	4,540,000	5,571,000
Weapons procurement, Navy	051				
Appropriation, current		BA	**1,984,314**	**2,738,132**	.....
					[K] **2,717,800**
Reappropriation		BA	**8,300**	.....	.....
Outlays		0	1,973,196	2,089,000	2,325,000
Shipbuilding and conversion, Navy	051				
Appropriation, current		BA	**6,447,951**	**7,455,700**	.....
					[K] **6,639,600**
Reappropriation		BA	**173,000**	**27,900**	.....
Outlays		0	4,221,833	5,378,000	5,588,000
Other procurement, Navy	051				
Appropriation, current		BA	**2,572,756**	**3,037,657**	**3,459,700**
Reappropriation		BA	**34,700**	.....	.....
Outlays		0	2,140,290	2,690,000	2,912,000
Procurement, Marine Corps	051				
Appropriation, current		BA	**283,785**	**486,813**	**746,300**
					[K] **426,100**
				[A] **2,000**	
Outlays		0	366,064	394,800	476,300
				[A] 200	[A] 700
Aircraft procurement, Air Force	051				
Appropriation, current		BA	**7,897,164**	**9,674,143**	.....
					[K] **9,469,900**
Reappropriation		BA	**13,800**	.....	.....
Outlays		0	6,647,237	8,264,000	8,895,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Procurement—Con.				
Missile procurement, Air Force 051				
Appropriation, current	BA	**2,112,131**	**3,140,917**	.....
				[K] **4,274,600**
Reappropriation	BA	**31,400**	.....	.....
Outlays	0	1,810,237	2,074,000	2,805,000
Other procurement, Air Force 051				
Appropriation, current	BA	**2,623,241**	**2,999,372**	**4,013,200**
			[A] **4,000**	
Reappropriation	BA	**29,700**	.....	.....
Outlays	0	2,444,692	2,774,600	3,212,200
			[A] 400	[A] 1,800
Procurement, Defense agencies 051				
Appropriation, current	BA	**288,675**	**305,028**	**483,700**
Outlays	0	301,571	280,000	329,000
Procurement of aircraft and missiles, Navy 051				
Outlays	0	3,678	15,000	.....
Procurement of equipment and missiles, Army 051				
Outlays	0	8,361	1,000	3,000
Total Federal funds Procurement	BA	**35,282,816**	**44,951,427**	**49,065,100**
	0	29,020,668	35,422,000	40,120,000
Research, Development, Test, and Evaluation				
Federal funds				
General and Special Funds:				
Research, development, test, and evaluation, Army 051				
Appropriation, current	BA	**2,844,431**	**3,086,757**	.....
				[K] **3,577,200**
Reappropriation	BA	**2,000**	.....	.....
Outlays	0	2,707,031	2,941,000	3,468,000
Research, development, test, and evaluation, Navy 051				
Appropriation, current	BA	**4,547,433**	**4,889,057**	.....
				[K] **5,866,288**
Reappropriation	BA	**24,703**	**6,052**	.....
Outlays	0	4,381,458	5,199,000	5,573,000
Research, development, test, and evaluation, Air Force 051				
Appropriation, current	BA	**4,945,456**	**6,774,011**	.....
				[K] **8,669,400**
Reappropriation	BA	**110,330**	**1,800**	.....
Outlays	0	5,016,563	6,097,000	7,935,000
Research, development, test, and evaluation, Defense agencies 051				
Appropriation, current	BA	**1,044,122**	**1,254,602**	.....
				[K] **1,674,800**
Outlays	0	981,435	1,165,000	1,465,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Research, Development, Test, and Evaluation—Con.				
Director of test and evaluation, Defense 051				
Appropriation, current	BA	**42,500**	**42,100**	.....
				[K] **53,000**
Outlays	O	40,391	39,000	44,000
Total Federal funds Research, Development, Test, and Evaluation	BA	**13,560,975**	**16,054,379**	**19,840,688**
	O	13,126,878	15,441,000	18,485,000
Military Construction				
Federal funds				
General and Special Funds:				
Military construction, Army 051				
Appropriation, current	BA	**777,849**	**857,834**	**266,434**
				[K] **813,266**
			[A] **28,500**	
Outlays	O	851,187	807,000	835,600
			[A] 4,000	[A] 7,400
Military construction, Navy 051				
Appropriation, current	BA	**576,500**	**775,273**	**353,217**
				[K] **1,074,183**
			[A] **23,000**	
Reappropriation	BA	**8,600**	.....	.....
Outlays	O	785,295	610,400	801,800
			[A] 4,600	[A] 10,400
Military construction, Air Force 051				
Appropriation, current	BA	**582,256**	**861,125**	**480,000**
				[K] **1,668,700**
			[A] **30,000**	
Reappropriation	BA	**3,000**	.....	.....
Outlays	O	643,192	646,000	734,000
			[A] 3,000	[A] 12,000
Military construction, Defense agencies 051				
Appropriation, current	BA	**224,350**	**245,600**	**20,700**
				[K] **248,400**
			[A] **12,000**	
Outlays	O	—10,498	171,600	242,800
			[A] 400	[A] 3,200
North Atlantic Treaty Organization infrastructure 051				
Appropriation, current	BA	.....	**250,000**	.....
				[K] **390,000**
Reappropriation	BA	.....	**16,968**	.....
Outlays	O	.....	126,000	67,000
Military construction, Army National Guard 051				
Appropriation, current	BA	**23,700**	**42,269**	**15,500**
				[K] **31,500**
Outlays	O	57,039	32,000	39,000
Military construction, Air National Guard 051				
Appropriation, current	BA	**36,000**	**83,200**	**10,400**
				[K] **79,500**
Outlays	O	44,933	42,000	71,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Military Construction—Con.				
Military construction, Army Reserve 051				
Appropriation, current	BA	**30,000**	**46,942**	**8,800**
				[K] 31,200
Outlays	O	46,366	32,600	40,800
Military construction, Naval Reserve 051				
Appropriation, current	BA	**18,300**	**33,000**	**3,000**
				[K] 24,100
Outlays	O	19,314	19,000	27,000
Military construction, Air Force Reserve 051				
Appropriation, current	BA	**12,000**	**21,600**	**6,400**
				[K] 28,500
Outlays	O	12,693	27,000	27,000
Total Federal funds Military Construction	BA	**2,292,555**	**3,327,311**	**5,553,800**
	O	2,449,521	2,525,600	2,919,000
Family Housing				
Federal funds				
General and Special Funds:				
Family housing, Defense 051				
Appropriation, current	BA	**1,524,677**	**1,881,837**	.....
				[K] 2,152,008
			[A] 95,600	
			[C] 10,526	
			[D] 7,412	
Reappropriation	BA	.....	**18,651**	.....
				[K] 1,992
Outlays	O	1,678,695	1,784,700	1,951,200
			[A] 74,300	[A] 3,800
Foreign currency fluctuation, Construction, Defense 051				
Appropriation, current	BA	**—25,000**	.....	.....
Reappropriation	BA	**25,000**	.....	.....
Public Enterprise Funds:				
Homeowners assistance fund, Defense 051				
Appropriation, current	BA	**1,000**	.....	**2,000**
Authority to borrow, permanent	BA	**351**	**300**	**286**
Outlays	O	1,479	2,000	4,000
Total Federal funds Family Housing	BA	**1,526,028**	**2,014,326**	**2,156,286**
	O	1,680,174	1,861,000	1,959,000
Special Foreign Currency Program				
Federal funds				
General and Special Funds:				
Special foreign currency program 051				
Appropriation, current	BA	**6,667**	**2,760**	.....
				[K] 3,083
Outlays	O	2,565	11,500	5,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.					
Revolving and Management Funds					
Federal funds					
Public Enterprise Funds:					
Laundry service, Naval Academy	051				
Outlays		0	−44	44	.....
Intragovernmental Funds:					
Army stock fund	051				
Appropriation, current		BA	.....	.....	**211,300**
				[A] **4,000**	
Contract authority, permanent, indefinite		BA	**204,006**	.....	.....
Outlays		0	−47,831	181,900	26,200
				[A] 4,000	
Navy stock fund	051				
Appropriation, current		BA	.....	**309**	**17,435**
Contract authority, permanent, indefinite		BA	**235,759**	.....	.....
Outlays		0	24,098	−31,300	−86,300
Marine Corps stock fund	051				
Appropriation, current		BA	.....	**4,108**	**4,234**
Contract authority, permanent, indefinite		BA	**2,661**	.....	.....
Outlays		0	−8,849	23,100	19,400
Air Force stock fund	051				
Appropriation, current		BA	.....	**28,300**	**42,800**
Contract authority, permanent, indefinite		BA	**442,856**	.....	.....
Outlays		0	6,988	68,000	232,300
Defense stock fund	051				
Appropriation, current		BA	.....	**35,000**	.....
Contract authority, permanent, indefinite		BA	**450,310**	.....	.....
Outlays		0	−3,523	32,700	−462,100
Army industrial fund	051				
Outlays		0	−11,763	14,900	−7,800
Navy industrial fund	051				
Outlays		0	−153,798	72,000	73,600
Marine Corps industrial fund	051				
Outlays		0	−2,581	700	300
Air Force industrial fund	051				
Outlays		0	−35,496	77,800	−32,800
Defense industrial fund	051				
Outlays		0	1;471	3,500	3,800
Army management fund	051				
Outlays		0	5,659	−4,480	.....
Navy management fund	051				
Outlays		0	−19,983	482	6
Air Force management fund	051				
Outlays		0	25	54	94
Army conventional ammunition working capital fund	051				
Outlays		0	.....	.....	−25,000
Total Federal funds Revolving and Management Funds		BA	**1,335,592**	**71,717**	**275,769**
		0	−245,627	443,400	−258,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.				
Allowances				
Federal funds				
General and Special Funds:				
Civilian and military pay raises 051				
Appropriation, current	BA			[1] **3,770,970**
Outlays	0			[1] 3,706,900
Retired pay legislation 051				
Appropriation, current	BA		[J] **—84,600**	[J] **—476,702**
Outlays	0		[J] —84,600	[J] —476,700
Other legislation 051				
Appropriation, current	BA			[J] **219,900**
Outlays	0			[J] 219,900
Total Federal funds Allowances	BA		**—84,600**	**3,514,168**
	0		—84,600	3,450,100
Trust Funds				
Trust funds				
Department of the Army trust funds 051				
Appropriation, permanent, indefinite	BA	**149**	**15**	**14**
Outlays	0	55	100	100
Department of the Navy trust funds 051				
Appropriation, permanent, indefinite	BA	**12,883**	**11,064**	**9,868**
Outlays	0	12,068	11,090	9,980
Department of the Air Force general gift fund 051				
Appropriation, permanent, indefinite	BA	**24**	**21**	**18**
Outlays	0	25	10	20
Surcharge collections, sales of commissary stores, Army 051				
Outlays	0	—9,228	—5,000	—5,000
Department of the Navy trust revolving funds 051				
Outlays	0	—8,768	—6,100	—6,400
Department of the Air Force trust revolving funds 051				
Outlays	0	20,630	14,500	13,000
Total Trust funds Trust Funds	BA	**13,056**	**11,100**	**9,900**
	0	14,782	14,600	11,700
Summary				
Federal funds:				
(As shown in detail above)	BA	**143,348,363**	**171,036,538**	**196,340,694**
	0	133,565,815	158,327,900	180,679,300
Deductions for offsetting receipts:				
Proprietary receipts from the public 051	BA			
	0	*—728,335*	*—732,000*	*—681,500*
Total Federal funds	BA	**142,620,028**	**170,304,538**	**195,659,194**
	0	132,837,480	157,595,900	179,997,800
Trust funds:				
(As shown in detail above)	BA	**13,056**	**11,100**	**9,900**
	0	14,782	14,600	11,700

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Defense--Military—Con.					
Summary—Con.					
Interfund transactions	051	BA			
		0	**−11,953**	**−10,500**	**−9,500**
Total Department of Defense--Military		BA	**142,621,131**	**170,305,138**	**195,659,594**
		0	132,840,309	157,600,000	180,000,000
Department of Defense--Civil					
Cemeterial Expenses, Army					
Federal funds					
General and Special Funds:					
Salaries and expenses	705				
Appropriation, current		BA	**8,326**	**5,032** **[C] 181** **[D] 84** **[E] 9**	**7,386**
Outlays		0	6,380	6,400	7,200
Corps of Engineers--Civil					
Federal funds					
General and Special Funds:					
General investigations	301				
Appropriation, current		BA	**142,145**	**134,013**	**148,000** **[K] 2,000**
Outlays		0	138,836	136,500	148,900
Construction, general	301				
Appropriation, current		BA	**1,659,752**	**1,585,742** **[C] 1,100** **[D] 8,450** **[E] 600**	**1,718,500**
Outlays		0	1,659,333	1,620,000	1,703,300
Operation and maintenance, general	301				
Appropriation, current		BA	**941,580**	**902,605** **[C] 15,300** **[D] 18,750** **[E] 250**	**1,084,800**
Outlays		0	886,333	1,025,700	1,084,600
Flood control and coastal emergencies	301				
Appropriation, current		BA	**170,000**	.....	.....
Outlays		0	156,420	146,000	20,000
General expenses	301				
Appropriation, current		BA	**76,800**	**81,030** **[D] 5,240** **[E] 360**	**98,100**
Outlays		0	71,231	86,300	97,900
Flood control, Mississippi River and tributaries	301				
Appropriation, current		BA	**210,515**	**232,519**	**278,900**
Outlays		0	246,502	248,600	275,000
Special recreation use fees	303				
Appropriation, current		BA	**4,000**	**5,000**	**5,200**
Outlays		0	3,896	5,000	5,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Defense--Civil—Con.					
Corps of Engineers--Civil—Con.					
Permanent appropriations:					
(Water resources)	301				
(Appropriation, permanent, indefinite)		BA	**1,782**	**1,948**	**1,948**
(Outlays)		0	2,306	1,870	1,948
(Other general purpose fiscal assistance)	852				
(Appropriation, permanent, indefinite)		BA	**4,628**	**4,902**	**5,152**
(Outlays)		0	4,617	4,625	4,902
Total Permanent appropriations		BA	**6,410**	**6,850**	**7,100**
		0	6,923	6,495	6,850
Public Enterprise Funds:					
Alaska hydro-electric power development fund	271				
Appropriation, current		BA	**—5,450**	.....	.....
Intragovernmental Funds:					
Revolving fund	301				
Appropriation, current		BA	**50,000**	**43,225**	**22,900**
Outlays		0	67,260	66,270	40,000
Consolidated working fund	301				
Outlays		0	—4,213	17,585	.....
Trust funds					
Rivers and harbors contributed funds	301				
Appropriation, permanent, indefinite		BA	**40,504**	**39,000**	**40,000**
Outlays		0	34,430	39,000	40,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,255,752**	**3,041,034**	**3,365,500**
		0	3,232,521	3,358,450	3,381,750
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*—7*	*—11*	*—12*
	300	BA			
		0	*—18,192*	*—19,559*	*—21,248*
	806	BA			
		0	*—1*	.....	.....
	902	BA			
		0	*—3,811*	*—3,430*	*—3,740*
Total Federal funds		BA	**3,233,741**	**3,018,034**	**3,340,500**
		0	3,210,510	3,335,450	3,356,750
Trust funds:					
(As shown in detail above)		BA	**40,504**	**39,000**	**40,000**
		0	34,430	39,000	40,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—40,504*	*—39,000*	*—40,000*
Total Trust funds		0	—6,074	.....	.....
Total Corps of Engineers--Civil		BA	**3,233,741**	**3,018,034**	**3,340,500**
		0	3,204,436	3,335,450	3,356,750

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Defense--Civil—Con.					
Ryukyu Islands, Army					
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	800	BA			
		0	*—410*	*—410*	*—410*
Total Ryukyu Islands, Army		BA	**—410**	**—410**	**—410**
		0	—410	—410	—410
Soldiers' and Airmen's Home					
Trust funds					
Operation and maintenance	705				
Appropriation, current		BA	**19,506**	**20,326** [A] **755** [C] **385** [D] **689**	**23,825**
Outlays		0	19,224	21,400 [A] 755	23,825
Payment of claims	705				
Appropriation, permanent, indefinite		BA	**16**	**5**	**5**
Outlays		0	16	5	5
Soldiers' and Airmen's Home revolving fund	705				
Outlays		0	3	.....	.....
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	705	BA			
		0	*—1*	.....	.....
Total Federal funds		BA	**—1**	.....	.....
		0	—1	.....	.....
Trust funds:					
(As shown in detail above)		BA	**19,522**	**22,160**	**23,830**
		0	19,243	22,160	23,830
Deductions for offsetting receipts:					
Proprietary receipts from the public	705	BA			
		0	*—2,490*	*—3,215*	*—4,021*
Total Trust funds		BA	**17,032**	**18,945**	**19,809**
		0	16,753	18,945	19,809
Total Soldiers' and Airmen's Home		BA	**17,031**	**18,945**	**19,809**
		0	16,752	18,945	19,809
Wildlife Conservation, Military Reservations					
Federal funds					
General and Special Funds:					
Wildlife conservation, Army	303				
Appropriation, permanent, indefinite		BA	**699**	**643**	**668**
Outlays		0	616	679	666

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Defense--Civil—Con.					
Wildlife Conservation, Military Reservations—Con.					
Wildlife conservation, Navy	303				
Appropriation, permanent, indefinite		BA	**100**	**129**	**151**
Outlays		0	93	123	163
Wildlife conservation, Air Force	303				
Appropriation, permanent, indefinite		BA	**151**	**140**	**150**
Outlays		0	129	140	140
Summary					
Federal funds:					
(As shown in detail above)		BA	**950**	**912**	**969**
		0	838	942	969
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		0	*—950*	*—912*	*—969*
Total Wildlife Conservation, Military Reservations		0	—112	30	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,265,028**	**3,047,252**	**3,373,855**
		0	3,239,739	3,365,792	3,389,919
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*—7*	*—11*	*—12*
	300	BA			
		0	*—19,142*	*—20,471*	*—22,217*
	705	BA			
		0	*—1*	.....	.....
	800	BA			
		0	*—410*	*—410*	*—410*
	806	BA			
		0	*—1*	.....	.....
	902	BA			
		0	*—3,811*	*—3,430*	*—3,740*
Total Federal funds		BA	**3,241,656**	**3,022,930**	**3,347,476**
		0	3,216,367	3,341,470	3,363,540
Trust funds:					
(As shown in detail above)		BA	**60,026**	**61,160**	**63,830**
		0	53,673	61,160	63,830
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—40,504*	*—39,000*	*—40,000*
	705	BA			
		0	*—2,490*	*—3,215*	*—4,021*
Total Trust funds		BA	**17,032**	**18,945**	**19,809**
		0	10,679	18,945	19,809
Total Department of Defense--Civil		BA	**3,258,688**	**3,041,875**	**3,367,285**
		0	3,227,046	3,360,415	3,383,349

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Education				
Office of Elementary and Secondary Education				
Federal funds				
General and Special Funds:				
Compensatory programs for disadvantaged students 501				
Appropriation, current	BA	.....	.....	**3,873,225**
Outlays	0	.....	.....	3,636,958
School assistance in federally affected areas 501				
Appropriation, current	BA	**805,000**	**790,000** H —**148,000**	**401,000**
Indefinite	BA	**20,000**	.....	.....
Outlays	0	690,170	932,384 H —133,200	456,650 H —14,100
Equal educational opportunities 501				
Appropriation, current	BA	**303,501**	**292,008** A **5,000**	**306,043**
Outlays	0	321,987	289,354 A 450	291,217 A 4,095
Special programs and populations 501				
Appropriation, current	BA	.....	.....	**120,300**
Outlays	0	.....	.....	162,933
Indian education 501				
Appropriation, current	BA	**75,900**	**81,680** D **102**	**101,816**
Outlays	0	93,365	55,872	82,416
Elementary and secondary education 501				
Appropriation, current	BA	**3,594,897**	**3,838,135** A **9,326** H —**52,150**	.....
Outlays	0	1,190,105	3,374,246 A 466 H —3,998	..... A 7,088 H —39,384
Elementary and secondary education 501				
Appropriation, current	BA	**1,031**	.....	.....
Outlays	0	2,378,504	.....	.....
Library resources 503				
Appropriation, current	BA	**269**	.....	.....
Outlays	0	136,153	.....	.....
Total Federal funds Office of Elementary and Secondary Education	BA	**4,800,598**	**4,816,101**	**4,802,384**
	0	4,810,284	4,515,574	4,587,873
Office of Special Education and Rehabilitative Services				
Federal funds				
General and Special Funds:				
Education for the handicapped, gifted, and talented 501				
Appropriation, current	BA	**1,049,025**	**1,102,050**	**1,225,235**
Reappropriation	BA	**2,235**	.....	.....
Outlays	0	821,777	1,074,420	1,087,594

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Education—Con.				
Office of Special Education and Rehabilitative Services—Con.				
Rehabilitation services and handicapped research 506				
Appropriation, current	BA	**574,270**	**965,875**	**1,010,716**
Outlays	O	426,886	959,790	1,002,983
Total Federal funds Office of Special Education and Rehabilitative Services	BA	**1,625,530**	**2,067,925**	**2,235,951**
	O	1,248,663	2,034,210	2,090,577
Office of Vocational and Adult Education				
Federal funds				
General and Special Funds:				
Vocational and adult education 501				
Appropriation, current	BA	**902,599**	**925,243**	**897,218**
			H −11,862	
Indefinite	BA	**17,600**	.....	.....
Appropriation, permanent	BA	**7,161**	**7,161**	**7,161**
Outlays	O	863,433	938,994	1,099,603
			H −1,529	H −7,162
Office of Postsecondary Education				
Federal funds				
General and Special Funds:				
Student financial assistance 502				
Appropriation, current	BA	**2,916,935**	**3,356,550**	**4,089,750**
			A 811,000	
Reappropriation	BA	**579,328**	.....	.....
Outlays	O	3,682,789	3,407,048	3,499,395
			A 334,850	A 446,507
Student loan insurance 502				
Appropriation, current	BA	**1,609,344**	**2,312,479**	**2,345,576**
			H −78,728	
Outlays	O	1,407,977	2,168,199	2,369,656
			H −59,046	H −19,682
Higher and continuing education 502				
Appropriation, current	BA	**416,025**	**407,689**	**421,778**
			H −30,989	
Appropriation, permanent	BA	**2,700**	**2,800**	.....
Reappropriation	BA	.....	**374**	.....
Outlays	O	399,787	389,281	397,620
			H −4,412	H −26,271
Higher education facilities loan and insurance 502				
Appropriation, current	BA	**2,189**	**1,656**	**1,350**
Appropriation, permanent, indefinite	BA	**609**	**556**	**529**
Outlays	O	−19,031	37,316	10,933

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Education—Con.				
Office of Postsecondary Education—Con.				
Public Enterprise Funds:				
College housing loans 502				
Appropriation, current	BA	**13,645**	**14,271**	**12,879**
Appropriation, permanent	BA	**212**	**279**	**232**
Outlays	0	14,082	31,779	2,926
Total Federal funds Office of Postsecondary Education	BA	**5,540,987**	**6,797,937**	**6,872,094**
	0	5,485,604	6,305,015	6,681,084
Office of Educational Research and Improvement				
Federal funds				
General and Special Funds:				
Educational improvement 501				
Appropriation, current	BA	.....	.....	**175,896**
Outlays	0	.....	.....	115,879
Educational research and statistics 503				
Appropriation, current	BA	.....	.....	**97,396**
Outlays	0	.....	.....	94,602
Libraries and learning technologies 503				
Appropriation, current	BA	**256,219**	**263,655**	**273,988**
Outlays	0	128,644	256,801	269,691
Institute of Museum Services 503				
Appropriation, current	BA	**10,900**	**12,857**	**16,937**
			[D] 26	
Outlays	0	483	13,000	15,000
Educational development 503				
Outlays	0	10	10	10
School improvement programs 501				
Appropriation, current	BA	**171,468**	**166,973**	.....
			[A] 4,000	
Outlays	0	66,408	171,016	.....
			[A] 600	[A] 2,380
Research and related activities 503				
Appropriation, current	BA	**80,359**	**87,614**	.....
			[A] 8,436	
Outlays	0	32,701	102,019	.....
			[A] 3,880	[A] 4,556
Educational statistics 503				
Appropriation, current	BA	**7,387**	**9,947**	.....
Outlays	0	2,428	16,137	.....
Salaries and expenses, Assistant Secretary for Education 502				
Appropriation, current	BA	**6,788**	.....	.....
Outlays	0	17,229	.....	.....
National Institute of Education 503				
Appropriation, current	BA	**15,309**	.....	.....
Outlays	0	43,613	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Education—Con.				
Office of Educational Research and Improvement—Con.				
Special projects and training 503				
Appropriation, current	BA	1,566	.....	.....
Outlays	0	53,301	.....	.....
Total Federal funds Office of Educational Research and Improvement	BA	**549,996**	**553,508**	**564,217**
	0	344,817	563,463	502,118
Special Institutions				
Federal funds				
General and Special Funds:				
American Printing House for the Blind 501				
Appropriation, current	BA	**4,349**	**4,921**	**5,595**
Outlays	0	4,349	4,921	5,595
National Technical Institute for the Deaf 502				
Appropriation, current	BA	**17,349**	**20,305**	**32,811**
Outlays	0	16,248	21,472	28,191
Gallaudet College 502				
Appropriation, current	BA	**48,341**	**49,768**	**61,532**
Outlays	0	52,940	56,630	64,065
Howard University 502				
Appropriation, current	BA	**121,893**	**133,983**	**153,199**
Outlays	0	123,889	133,810	153,753
Total Federal funds Special Institutions	BA	**191,932**	**208,977**	**253,137**
	0	197,426	216,833	251,604
Office for Civil Rights				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**22,181**	**49,215**	**50,971**
			D 1,341	
Outlays	0	13,882	44,600	49,070
Departmental Management				
Federal funds				
General and Special Funds:				
Salaries and expenses:				
(Research and general education aids) 503				
(Appropriation, current)	BA	**160,826**	**238,524**	**255,017**
			D 9,421	
(Outlays)	0	170,088	234,142	249,438
Office of Inspector General 751				
Appropriation, current	BA	.....	.....	**12,989**
Outlays	0	.....	.....	11,041
Educational, research and training activities overseas:				
(Special foreign currency program) 503				
(Appropriation, current)	BA	**3,000**	**3,000**	**1,000**
(Outlays)	0	3,561	2,500	3,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Education—Con.					
Departmental Management—Con.					
Youth education and training	501				
Appropriation, current		BA			[1] **900,000**
Outlays		0			[1] 50,000
Trust funds					
Special statistical compilations and surveys	503				
Appropriation, permanent, indefinite		BA	**325**	.....	.....
Outlays		0	27	.....	.....
Total Federal funds Departmental Management		BA	**163,826**	**250,945**	**1,169,006**
		0	173,649	236,642	313,479
Total Trust funds Departmental Management		BA	**325**	.....	.....
		0	27	.....	.....
Office of Bilingual Education and Minority Languages Affairs					
Federal funds					
General and Special Funds:					
Bilingual and minority language education	501				
Appropriation, current		BA	.....	.....	**209,000**
Outlays		0	.....	.....	174,818
Summary					
Federal funds:					
(As shown in detail above)		BA	**13,822,410**	**15,666,491**	**17,061,139**
		0	13,137,758	14,853,802	15,743,064
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—24,557*	*—27,009*	*—29,205*
	902	BA			
		0	*—597*	*—860*	*—875*
Total Federal funds		BA	**13,797,256**	**15,638,622**	**17,031,059**
		0	13,112,604	14,825,933	15,712,984
Trust funds:					
(As shown in detail above)		BA	**325**	.....	.....
		0	27	.....	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	503	BA			
		0	*—325*	.....	.....
Total Trust funds		0	—298	.....	.....
Total Department of Education		BA	**13,797,256**	**15,638,622**	**17,031,059**
		0	13,112,306	14,825,933	15,712,984

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Energy				
Atomic Energy Defense Activities				
Federal funds				
General and Special Funds:				
Atomic energy defense activities - operating expenses 053				
Appropriation, current	BA	**2,396,147**	**2,937,323**	.....
				[K] **3,696,366**
			[A] **41,000**	
			[D] **4,147**	
Outlays	0	2,391,233	2,855,839	3,566,044
			[A] 35,000	[A] 6,000
Atomic energy defense activities - plant and capital equipment 053				
Appropriation, current	BA	**594,849**	**665,305**	.....
				[K] **1,007,861**
			[B] **10,000**	
Outlays	0	486,501	688,427	903,389
			[B] 7,500	[B] 2,500
Total Federal funds Atomic Energy Defense Activities	BA	**2,990,996**	**3,657,775**	**4,704,227**
	0	2,877,734	3,586,766	4,477,933
Energy Programs				
Federal funds				
General and Special Funds:				
General science and research - operating expenses 251				
Appropriation, current	BA	**339,900**	**378,015**	.....
				[K] **435,970**
Outlays	0	344,573	372,000	434,310
General science and research activities - plant and capital equipment 251				
Appropriation, current	BA	**130,000**	**126,400**	.....
				[K] **171,350**
Outlays	0	124,198	138,347	162,350
Energy supply, R&D activities - operating expenses 271				
Appropriation, current	BA	**2,197,887**	**2,298,754**	.....
				[K] **2,328,513**
			[D] **2,324**	
			[H] **—25,026**	
Outlays	0	2,275,178	2,279,331	2,447,269
			[H] —24,026	[H] —1,000
Energy supply, R&D activities - plant and capital equipment 271				
Appropriation, current	BA	**432,428**	**383,287**	.....
				[K] **435,995**
			[H] **—3,650**	
Outlays	0	456,726	427,534	498,933
			[H] —3,650	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Energy—Con.				
Energy Programs—Con.				
Uranium supply and enrichment activities 271				
Appropriation, current	BA	**245,014**	**31,755**	**568,942**
			[D] **17**	
Contract authority, current	BA	.....	**1,254,045**	.....
Outlays	0	242,809	196,261	272,000
Fossil energy research and development 271				
Appropriation, current	BA	**732,103**	**711,435**	.....
				[K] **761,470**
			[D] **1,518**	
			[H] **—25,450**	
Outlays	0	714,219	730,909	749,343
			[H] —17,750	[H] —7,700
Fossil energy construction 271				
Appropriation, current	BA	**103,250**	**423,300**	.....
				[K] **790,200**
Outlays	0	76,385	244,989	675,150
Energy production, demonstration, and distribution 271				
Appropriation, current	BA	**111,221**	**226,062**	.....
				[K] **253,942**
			[D] **651**	
Outlays	0	138,872	238,644	306,918
Energy conservation:				
(Energy conservation) 272				
(Appropriation, current)	BA	**577,658**	**800,107**	.....
				[K] **871,658**
			[D] **348**	
			[H] **—47,800**	
(Reappropriation)	BA	**158,750**	.....	.....
(Outlays)	0	567,703	722,493	949,041
			[H] —17,800	[H] —18,000
(Area and regional development) 452				
(Appropriation, current)	BA	**43,000**	**62,000**	.....
				[K] **50,000**
(Outlays)	0	6,513	30,000	59,000
Total Energy conservation	BA	**779,408**	**814,655**	**921,658**
	0	574,216	734,693	990,041
Strategic petroleum reserve 274				
Appropriation, current	BA	**—2,000,000**	**1,485,000**	.....
				[K] **3,650,408**
			[D] **507**	
Outlays	0	342,008	2,017,970	2,566,678
Energy information administration 276				
Appropriation, current	BA	**90,773**	**104,117**	.....
				[K] **127,178**
			[D] **557**	
Outlays	0	75,263	102,301	127,206

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Energy—Con.				
Energy Programs—Con.				
Economic regulation:				
(Energy information, policy, and regulation) 276				
(Appropriation, current)	BA	**150,955**	**176,867**	.....
				[K] **184,126**
			[B] **72,000**	
			[D] **6,312**	
(Outlays)	0	132,415	183,232	172,772
			[B] 28,800	[B] 43,200
Federal Energy Regulatory Commission 276				
Appropriation, current	BA	**68,387**	**74,374**	.....
				[K] **85,895**
			[D] **2,031**	
Outlays	0	67,088	79,012	84,672
Geothermal resources development fund 271				
Appropriation, current	BA	**181**	**1,284**	**5,574**
			[D] **17**	
Reappropriation	BA	.....	**41,982**	.....
Outlays	0	660	1,263	1,775
Strategic petroleum reserve entitlements and royalties 274				
Appropriation, current	BA	.....	**1,845,390**	.....
				[K] **248,000**
Outlays	0	.....	1,000,000	1,093,390
Alternative fuels production 271				
Appropriation, current	BA	**5,518,000**	.....	.....
Outlays	0	26,487	200,000	225,000
Payments to states under Federal Power Act 852				
Appropriation, permanent, indefinite	BA	**40**	**85**	**85**
Outlays	0	283	125	85
Public Enterprise Funds:				
Spent fuel storage fund 271				
Authority to borrow, current	BA		[J] **300,000**	
Outlays	0		[J] —100,000	[J] 200,000
Trust funds				
Advances for cooperative work 271				
Appropriation, permanent, indefinite	BA	**5,348**	**44,188**	**39,100**
Outlays	0	—31,807	53,379	39,100
Total Federal funds Energy Programs	BA	**8,899,547**	**10,708,615**	**10,969,306**
	0	5,591,380	8,829,985	11,042,392
Total Trust funds Energy Programs	BA	**5,348**	**44,188**	**39,100**
	0	—31,807	53,379	39,100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Energy—Con.				
Power Marketing Administrations				
Federal funds				
General and Special Funds:				
Operation and maintenance, Alaska Power Administration 271				
Appropriation, current	BA	**2,660**	**3,069**	
				[K] 3,538
			[D] 150	
Outlays	0	2,439	3,211	3,496
Public Enterprise Funds:				
Bonneville Power Administration fund 271				
Authority to borrow, permanent, indefinite	BA			**136,180**
Outlays	0	−19,144	16,700	−189,200
General and Special Funds:				
Operation and maintenance, Southeastern Power Administration 271				
Appropriation, current	BA	**1,400**	**1,552**	
				[K] 7,237
			[D] 95	
Outlays	0	1,337	1,634	6,931
Operation and maintenance, Southwestern Power Administration 271				
Appropriation, current	BA	**32,180**	**28,208**	
				[K] 21,269
			[D] 320	
Outlays	0	16,223	37,512	29,285
Continuing fund, Southwestern Power Administration 271				
Appropriation, current	BA			**300**
Outlays	0	107		
Construction, rehabilitation, operation and maintenance, Western Area Power Administration 271				
Appropriation, current	BA	**122,800**	**138,502**	
				[K] 210,774
			[D] 2,980	
Outlays	0	105,627	141,333	210,923
Emergency fund, Western Area Power Administration 271				
Appropriation, current	BA	**200**	**200**	**500**
Outlays	0	219	347	500
Public Enterprise Funds:				
Colorado river basins power marketing fund, Western Area Power Administration 271				
Appropriation, current	BA	**5,152**	**3,548**	
Outlays	0	−29,976	−9,561	−2,600
Total Federal funds Power Marketing Administrations	BA	**164,392**	**178,624**	**379,798**
	0	76,832	191,176	59,335

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Energy—Con.					
Departmental Administration					
Federal funds					
General and Special Funds:					
Departmental administration:					
(Energy information, policy, and regulation)	276				
(Appropriation, current)		BA	**233,195**	**249,014**	.....
					[K] **401,692**
				[B] **41,000**	
				[D] **13,106**	
(Outlays)		0	224,894	252,452	369,602
				[B] 41,000	
Special foreign currency program	271				
Outlays		0	31	.....	.....
Total Federal funds Departmental Administration		BA	**233,195**	**303,120**	**401,692**
		0	224,925	293,452	369,602
Summary					
Federal funds:					
(As shown in detail above)		BA	**12,288,130**	**14,848,134**	**16,455,023**
		0	8,770,871	12,901,379	15,949,262
Deductions for offsetting receipts:					
Proprietary receipts from the public	270	BA			
		0	*—53,283*	*—57,642*	*—57,642*
	271	BA			
		0	*—2,204,727*	*—1,265,391*	*—1,518,653*
	274	BA			
		0	.....	*—1,845,390*	*—248,000*
	300	BA			
		0	*—12,079*	*—16,300*	*—16,300*
	400	BA			
		0	*—112*	.....	.....
	902	BA			
		0	*—3*	.....	.....
Total Federal funds		BA	**10,017,926**	**11,663,411**	**14,614,428**
		0	6,500,667	9,716,656	14,108,667
Trust funds:					
(As shown in detail above)		BA	**5,348**	**44,188**	**39,100**
		0	—31,807	53,379	39,100
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*—5,348*	*—44,188*	*—39,100*
Total Trust funds		0	—37,155	9,191	.....
Total Department of Energy		BA	**10,017,926**	**11,663,411**	**14,614,428**
		0	6,463,512	9,725,847	14,108,667

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services				
Health Programs				
Public Health Service				
Food and Drug Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**320,852**	**321,035**	**352,974**
			[C] **343**	
			[D] **14,764**	
			[E] **1,242**	
Outlays	0	322,278	335,799	349,015
Buildings and facilities 554				
Appropriation, current	BA	**4,372**	**28,253**	**15,000**
Outlays	0	2,385	11,000	13,680
Public Enterprise Funds:				
Revolving fund for certification and other services 554				
Outlays	0	1,073	.....	.....
Total Federal funds Food and Drug Administration	BA	**325,224**	**365,637**	**367,974**
	0	325,736	346,799	362,695
Health Services Administration				
Federal funds				
General and Special Funds:				
Health services 551				
Appropriation, current	BA	**1,395,044**	**1,312,413**	**904,739**
				[K] **629,413**
			[C] **1,701**	
			[D] **8,289**	
			[E] **2,704**	
			[H] **—13,957**	
				[J] **—5,463**
Outlays	0	1,310,760	1,296,798	1,396,870
			[H] —3,570	[H] —6,952
				[J] —5,463
Indian health services 551				
Appropriation, current	BA	**546;569**	**594,119**	**654,892**
			[C] **951**	
			[D] **8,155**	
			[E] **4,621**	
Outlays	0	549,192	598,999	641,946
Indian health facilities 551				
Appropriation, current	BA	**74,302**	**84,469**	**116,907**
			[A] **23,000**	
Outlays	0	87,426	89,252	85,494
				[A] 12,880
Emergency health 054				
Outlays	0	—1,262	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Health Services Administration—Con.				
Public Enterprise Funds:				
Health professions graduate student loan insurance fund 553				
Outlays	0	−90	−225	−317
Total Federal funds Health Services Administration	BA	**2,015,915**	**2,026,465**	**2,300,488**
	0	1,946,026	1,981,254	2,124,458
Centers for Disease Control				
Federal funds				
General and Special Funds:				
Preventive health services:				
(Health care services) 551				
(Appropriation, current)	BA	**193,439**	**248,260**	**162,148**
				[K] **83,632**
			[A] **3,860**	
			[D] **319**	
			[H] **−27,000**	
(Outlays)	0	198,362	224,934	239,112
			[A] 3,360	[A] 500
			[H] −12,150	[H] −10,150
(Health research) 552				
(Appropriation, current)	BA	**80,035**	**81,181**	**81,500**
			[D] **1,389**	
(Outlays)	0	63,140	76,075	77,926
Total Preventive health services	BA	**273,474**	**308,009**	**327,280**
	0	261,502	292,219	307,388
Total Federal funds Centers for Disease Control	BA	**273,474**	**308,009**	**327,280**
	0	261,502	292,219	307,388
National Institutes of Health				
Federal funds				
General and Special Funds:				
National Cancer Institute:				
(Health research) 552				
(Appropriation, current)	BA	**971,257**	**970,650**	**1,010,463**
			[D] **6,385**	
			[E] **2,129**	
			[H] **−11,006**	
(Outlays)	0	862,709	970,186	986,502
			[H] −4,066	[H] −7,325

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**28,612**	**30,680** **H −2,559**	**31,298**
(Outlays)	O	24,320	26,059 H −2,174	26,290
Total National Cancer Institute	BA	**999,869**	**996,279**	**1,041,761**
	O	887,029	990,005	1,005,467
National Heart, Lung and Blood Institute:				
(Health research) 552				
(Appropriation, current)	BA	**493,395**	**523,115** **D 2,248** **E 1,231** **H −9,588**	**557,127**
(Outlays)	O	475,094	483,302 H −3,811	522,434 H −5,777
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**34,093**	**37,149** **H −736**	**39,327**
(Outlays)	O	32,828	34,095 H −136	36,878 H −600
Total National Heart, Lung and Blood Institute	BA	**527,488**	**553,419**	**596,454**
	O	507,922	513,450	552,935
National Institute of Dental Research:				
(Health research) 552				
(Appropriation, current)	BA	**63,951**	**66,282** **D 726** **E 328** **H −258**	**71,136**
(Outlays)	O	66,024	60,069 H −147	68,454 H −111
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**4,352**	**4,924** **H −44**	**5,311**
(Outlays)	O	4,494	4,407 H −25	5,121 H −19
Total National Institute of Dental Research	BA	**68,303**	**71,958**	**76,447**
	O	70,518	64,304	73,445

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of Arthritis, Metabolism, and Digestive Diseases:				
(Health research) 552				
(Appropriation, current)	BA	**318,269**	**349,579** **[D] 1,347** **[E] 1,427** **[H] −1,871**	**368,124**
(Outlays)	0	319,016	311,909 [H] −468	349,919 [H] −1,403
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**22,937**	**22,414** **[H] −1,361**	**22,412**
(Outlays)	0	17,257	22,580 [H] −340	22,625 [H] −1,021
Total National Institute of Arthritis, Metabolism, and Digestive Diseases	BA	**341,206**	**371,535**	**390,536**
	0	336,273	333,681	370,120
National Institute of Neurological and Communicative Disorders and Stroke:				
(Health research) 552				
(Appropriation, current)	BA	**232,496**	**244,044** **[D] 1,585** **[E] 455** **[H] −2,031**	**271,261**
(Outlays)	0	217,421	226,379 [H] −1,358	256,091 [H] −673
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**9,470**	**9,794**	**9,920**
(Outlays)	0	8,148	9,199	9,706
Total National Institute of Neurological and Communicative Disorders and Stroke	BA	**241,966**	**253,847**	**281,181**
	0	225,569	234,220	265,124
National Institute of Allergy and Infectious Diseases:				
(Health research) 552				
(Appropriation, current)	BA	**205,260**	**222,645** **[D] 1,672** **[E] 610**	**238,448**
(Outlays)	0	178,451	217,320	228,396
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**10,104**	**9,710**	**9,731**
(Outlays)	0	8,781	9,386	9,318
Total National Institute of Allergy and Infectious Diseases	BA	**215,364**	**234,637**	**248,179**
	0	187,232	226,706	237,714

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of General Medical Sciences:				
(Health research) 552				
(Appropriation, current)	BA	**263,387**	**277,867**	**304,104**
			[D] **353**	
			[E] **115**	
(Outlays)	0	246,313	245,734	281,217
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**49,081**	**57,809**	**57,931**
(Outlays)	0	45,940	51,045	55,469
Total National Institute of General Medical Sciences	BA	**312,468**	**336,144**	**362,035**
	0	292,253	296,779	336,686
National Institute of Child Health and Human Development:				
(Health research) 552				
(Appropriation, current)	BA	**197,252**	**213,520**	**225,507**
			[D] **1,300**	
			[E] **325**	
			[H] **—3,285**	
(Outlays)	0	154,569	224,513	219,354
			[H] —1,347	[H] —1,938
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**11,701**	**10,045**	**10,342**
(Outlays)	0	9,250	9,400	9,700
Total National Institute of Child Health and Human Development	BA	**208,953**	**221,905**	**235,849**
	0	163,819	232,566	227,116
National Eye Institute:				
(Health research) 552				
(Appropriation, current)	BA	**108,303**	**115,582**	**130,532**
			[D] **600**	
			[E] **46**	
			[H] **—2,049**	
(Outlays)	0	120,248	100,184	121,418
			[H] —767	[H] —1,282
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**4,686**	**4,672**	**3,869**
			[H] **—304**	
(Outlays)	0	3,983	3,986	3,305
			[H] —258	[H] —46
Total National Eye Institute	BA	**112,989**	**118,547**	**134,401**
	0	124,231	103,145	123,395

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

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Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of Environmental Health Sciences:				
(Health research) 552				
(Appropriation, current)	BA	**76,935**	**90,198**	**105,174**
			[D] 1,062	
			[E] 136	
(Indefinite)	BA		**[H] −3,258**	
(Outlays)	O	71,149	83,358	97,926
			[H] −1,661	[H] −1,597
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**6,958**	**7,071**	**7,324**
(Outlays)	O	6,435	6,449	6,708
Total National Institute of Environmental Health Sciences	BA	**83,893**	**95,209**	**112,498**
	O	77,584	88,146	103,037
National Institute of Aging:				
(Health research) 552				
(Appropriation, current)	BA	**67,000**	**72,911**	**82,884**
			[D] 595	
			[E] 146	
			[H] −588	
(Outlays)	O	54,994	66,147	75,919
			[H] −194	[H] −394
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**2,988**	**3,180**	**3,215**
(Outlays)	O	2,564	2,828	2,561
Total National Institute of Aging	BA	**69,988**	**76,244**	**86,099**
	O	57,558	68,781	78,086
Research resources:				
(Health research) 552				
(Appropriation, current)	BA	**168,519**	**183,709**	**191,323**
			[D] 162	
			[E] 54	
			[H] −10,561	
(Outlays)	O	165,441	158,194	182,210
			[H] −4,477	[H] −6,084
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**677**	**730**	**788**
(Outlays)	O	664	628	747
Total Research resources	BA	**169,196**	**174,094**	**192,111**
	O	166,105	154,345	176,873

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
John E. Fogarty International Center for Advanced Study in the Health Sciences 552				
Appropriation, current	BA	**8,987**	**9,138** **[D] 129** **[E] 24**	**9,612**
Outlays	0	9,641	8,586	9,263
National Library of Medicine:				
(Health research) 552				
(Appropriation, current)	BA	**13,136**	**13,640** **[H] −170**	**13,854**
(Outlays)	0	11,296	14,008 [H] −126	13,695 [H] −44
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**30,843**	**31,090** **[D] 1,076** **[E] 17** **[H] −171**	**33,838**
(Outlays)	0	26,523	33,043 [H] −87	33,488 [H] −84
Total National Library of Medicine	BA	**43,979**	**45,482**	**47,692**
	0	37,819	46,838	47,055
Office of the Director:				
(Health research) 552				
(Appropriation, current)	BA	**19,353**	**20,734** **[D] 1,182** **[E] 57** **[H] −360**	**21,587**
(Outlays)	0	21,554	19,241 [H] −328	21,056 [H] −32
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**1,683**	**1,815**	**1,937**
(Outlays)	0	1,874	1,601	1,874
Total Office of the Director	BA	**21,036**	**23,428**	**23,524**
	0	23,428	20,514	22,898
Buildings and facilities 552				
Appropriation, current	BA	**3,250**	**11,750**	**10,310**
Outlays	0	56,018	27,767	26,041
Intragovernmental Funds:				
National Institutes of Health management fund 552				
Outlays	0	877	.....	.....
Consolidated working fund 552				
Outlays	0	10	63	28

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
Service and supply fund 552				
Outlays	0	−1,581	.....	.....
Total Federal funds National Institutes of Health.	BA	**3,428,935**	**3,593,769**	**3,848,689**
	0	3,222,305	3,409,896	3,655,283
Alcohol, Drug Abuse, and Mental Health Administration				
Federal funds				
General and Special Funds:				
Alcohol, drug abuse, and mental health:				
(Health care services) 551				
(Appropriation, current)	BA	**672,231**	**694,741**	**398,047**
				[K] **273,140**
			[D] **1,358**	
			[E] **610**	
			[H] **−76,500**	
(Outlays)	0	730,261	719,319	689,873
			[H] −7,650	[H] −62,000
(Health research) 552				
(Appropriation, current)	BA	**233,426**	**237,968**	**249,102**
				[K] **27,240**
			[C] **112**	
			[D] **1,740**	
			[E] **213**	
(Outlays)	0	254,660	199,366	236,943
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**113,768**	**115,098**	**91,616**
				[K] **22,410**
			[D] **383**	
			[E] **102**	
(Outlays)	0	121,731	124,568	104,491
Total Alcohol, drug abuse, and mental health	BA	**1,019,425**	**975,825**	**1,061,555**
	0	1,106,652	1,035,603	969,307
Construction and renovation, St. Elizabeths Hospital 551				
Appropriation, current	BA	.....	**1,500**	.....
Outlays	0	4,135	8,525	10,290
Saint Elizabeths Hospital 551				
Appropriation, current	BA	**91,915**	**94,273**	**105,779**
			[C] **1,358**	
			[D] **3,964**	
			[E] **109**	
Outlays	0	102,323	97,900	103,473
Total Federal funds Alcohol, Drug Abuse, and Mental Health Administration	BA	**1,111,340**	**1,077,029**	**1,167,334**
	0	1,213,110	1,142,028	1,083,070

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Health Resources Administration				
Federal funds				
General and Special Funds:				
Health resources:				
(Health care services) 551				
(Appropriation, current)	BA	**78,139**	**155,496**	**158,436**
			[H] **−6,849**	
(Outlays)	0	189,632	207,143	160,495
			[H] −2,055	[H] −1,199
(Health research) 552				
(Outlays)	0	4,756	687	171
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**590,763**	**492,525**	**13,311**
				[K] **169,584**
			[H] **−159,712**	
(Outlays)	0	407,985	433,975	398,967
			[H] −13,601	[H] −75,080
Total Health resources	BA	**668,902**	**481,460**	**341,331**
	0	602,373	626,149	483,354
Payment of sales insufficiencies and interest losses 551				
Appropriation, current	BA	**2,000**	.....	.....
Public Enterprise Funds:				
Health education loans 553				
Outlays	0	−3,055	−1,230	−1,215
Nurse training fund 553				
Outlays	0	−733	−250	−225
Medical facilities guarantee and loan fund 551				
Appropriation, current	BA	**45,000**	.....	**35,000**
Outlays	0	32,163	32,200	31,850
Total Federal funds Health Resources Administration	BA	**715,902**	**481,460**	**376,331**
	0	630,748	656,869	513,764
Office of Assistant Secretary for Health				
Federal funds				
General and Special Funds:				
Salaries and expenses:				
(Health care services) 551				
(Appropriation, current)	BA	**95,629**	**106,541**	**44,160**
			[C] **27**	
			[D] **2,268**	
			[E] **88**	
(Indefinite)	BA			[K] **47,392**
(Outlays)	0	64,046	77,397	76,276

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Office of Assistant Secretary for Health—Con.				
(Health research) 552				
(Appropriation, current)	BA	**81,351**	**73,425** **[D] 2,231** **[E] 163**	**13,648**
(Indefinite)	BA			**[K] 68,639**
(Outlays)	0	59,842	62,016	65,227
Total Salaries and expenses	BA	**176,980**	**184,743**	**173,839**
	0	123,888	139,413	141,503
Retirement pay and medical benefits for commissioned officers 551				
Appropriation, current, indefinite	BA	**75,808**	**91,958**	**106,172**
Outlays	0	71,945	77,054	92,300
Scientific activities overseas (special foreign currency program) 552				
Appropriation, current	BA	**6,520**	.....	.....
Outlays	0	6,181	3,230	3,284
Public Enterprise Funds:				
Health maintenance organization loan and loan guarantee fund 551				
Appropriation, current	BA		**[A] 17,000**	
Authority to borrow, current, indefinite	BA			**[A] −15,644**
Authority to borrow, permanent, indefinite	BA	.....	.....	**15,644**
Outlays	0	6,425	2,839	16,805
Intragovernmental Funds:				
Service and supply fund 551				
Outlays	0	−1,575	.....	.....
Miscellaneous consolidated working funds 552				
Outlays	0	6,694	−400	.....
Trust funds				
Miscellaneous trust funds 551				
Appropriation, permanent, indefinite	BA	**5,686**	**4,620**	**4,620**
Outlays	0	4,766	4,700	4,600
Total Federal funds Office of Assistant Secretary for Health	BA	**259,308**	**293,701**	**280,011**
	0	213,558	222,136	253,892
Total Trust funds Office of Assistant Secretary for Health	BA	**5,686**	**4,620**	**4,620**
	0	4,766	4,700	4,600
Total Federal funds Public Health Service	BA	**8,130,098**	**8,146,070**	**8,668,107**
	0	7,812,985	8,051,201	8,300,550
Total Trust funds Public Health Service	BA	**5,686**	**4,620**	**4,620**
	0	4,766	4,700	4,600

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.					
Health Programs—Con.					
Other Health Programs					
Health Care Financing Administration					
Federal funds					
General and Special Funds:					
Grants to States for Medicaid	551				
Appropriation, current		BA	**14,445,181**	**17,266,823** **[J] —31,000**	**18,896,208** **[J] —94,700**
Outlays		0	13,956,700	16,483,498 [J] —31,000	18,214,808 [J] —94,700
Payments to health care trust funds	551				
Appropriation, current		BA	**7,968,156**	**9,577,120**	**14,555,120** **[J] —36,000**
Outlays		0	7,802,861	9,619,263	14,555,120 [J] —36,000
Program management:					
(Health care services)	551				
(Appropriation, current)		BA	**97,631**	**93,872** **[D] 3,874**	**102,714** **[J] —2,880**
(Outlays)		0	71,404	93,083	97,628 [J] —2,880
(Health research)	552				
(Appropriation, current)		BA	**30,379**	**30,000**	**34,191**
(Outlays)		0	17,733	24,000	27,353
Total Program management		BA	**128,010**	**127,746**	**134,025**
		0	89,137	117,083	122,101
Intragovernmental Funds:					
Miscellaneous consolidated working fund	551				
Outlays		0	—795	.....	.....
Trust funds					
Federal hospital insurance trust fund	551				
Appropriation, current		BA		**[J] 3,000**	**[J] 61,000**
Appropriation, permanent, indefinite		BA	**25,414,753**	**32,486,120**	**39,040,120**
Outlays		0	24,287,539	27,020,951 [J] —66,925	31,850,014 [J] —250,430

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Other Health Programs—Con.				
Health Care Financing Administration—Con.				
Federal supplementary medical insurance trust fund 551				
Appropriation, current	BA			[J] −30,000
Appropriation, permanent, indefinite	BA	**10,275,020**	**12,388,000**	**17,800,000**
Outlays	0	10,746,318	13,001,594	15,194,238
			[J] −17,000	[J] −195,295
Total Federal funds Health Care Financing Administration	BA	**22,541,347**	**26,940,689**	**33,454,653**
	0	21,847,903	26,188,844	32,761,329
Total Trust funds Health Care Financing Administration	BA	**35,689,773**	**44,877,120**	**56,871,120**
	0	35,033,857	39,938,620	46,598,527
Total Federal funds Health Programs	BA	**30,671,445**	**35,086,759**	**42,122,760**
	0	29,660,888	34,240,045	41,061,879
Total Trust funds Health Programs	BA	**35,695,459**	**44,881,740**	**56,875,740**
	0	35,038,623	39,943,320	46,603,127
Social Security Administration				
Federal funds				
General and Special Funds:				
Payments to social security trust funds 601				
Appropriation, current	BA	**676,933**	**672,066**	**848,698**
Outlays	0	675,080	672,066	848,698
Special benefits for disabled coal miners 601				
Appropriation, current	BA	**1,039,501**	**1,092,180**	**1,105,765**
Outlays	0	1,031,670	1,087,180	1,100,765
Supplemental security income program 609				
Appropriation, current	BA	**6,467,557**	**7,240,214**	**7,982,552**
			[D] **38,192**	
				[L] **−45,000**
Outlays	0	6,411,486	7,304,597	8,016,551
				[L] −45,000
Assistance payments program 609				
Appropriation, current	BA	**7,634,821**	**7,727,460**	**6,262,298**
				[J] **−531,000**
Indefinite	BA	**74,000**	.....	.....
Outlays	0	7,308,358	7,793,065	8,215,703
				[J] −531,000
Low income energy assistance 609				
Appropriation, current	BA	.....	**1,850,000**	.....
				[J] **1,850,000**
Outlays	0	.....	1,850,000	.....
				[J] 1,850,000
Refugee assistance 609				
Appropriation, current	BA	**516,900**	**690,457**	**652,157**
Outlays	0	367,785	579,376	658,592

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Social Security Administration—Con.				
Cuban and Haitian Entrants, reception and processing 609				
Appropriation, current	BA	.....	**167,100**	**27,000**
Outlays	0	.....	147,100	27,000
Cuban and Haitian Entrants, domestic assistance 609				
Appropriation, current	BA	**100,000**	**90,000**	**88,000**
Outlays	0	.....	153,000	82,700
Payments to states from receipts for child support 609				
Appropriation, permanent	BA	**222**	**350**	**450**
Outlays	0	133	442	450
Trust funds				
Federal old-age and survivors insurance trust fund 601				
Appropriation, current	BA			[J] **208,000**
Appropriation, permanent, indefinite	BA	**100,050,806**	**119,781,677**	**130,038,463**
Outlays	0	103,227,267	122,431,453	142,164,346
				[J] 17,000
Federal disability insurance trust fund 601				
Appropriation, current	BA			[J] **39,000**
Appropriation, permanent, indefinite	BA	**17,388,408**	**12,890,389**	**22,033,000**
Outlays	0	15,331,828	17,452,825	19,409,554
				[J] —40,000
Limitation on administrative expenses		(2,444,791)	(2,654,864)	(3,125,420)
			[D] (139,700)	
Limitation on research and statistics (Survey of income and program participation)		.....	.....	(15,000)
Total Federal funds Social Security Administration	BA	**16,509,934**	**19,568,019**	**18,240,920**
	0	15,794,512	19,586,826	20,224,459
Total Trust funds Social Security Administration..	BA	**117,439,214**	**132,672,066**	**152,318,463**
	0	118,559,095	139,884,278	161,550,900
Human Development Services				
Federal funds				
General and Special Funds:				
Grants to states for social services 506				
Appropriation, current	BA	**2,888,554**	**2,562,210**	**3,132,100**
				[L] **—41,000**
Outlays	0	2,763,340	3,135,850	3,115,700
				[L] —41,000
Human development services:				
(Social services) 506				
(Appropriation, current)	BA	**1,980,661**	**1,724,533**	**1,874,528**
				[A] **220,000**
			[D] **1,420**	
			[H] **—10,000**	
(Outlays)	0	2,184,710	1,529,476	1,788,437
				[A] 220,000
			[H] —5,500	[H] —4,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.				
Human Development Services—Con.				
(Other income security) 609				
(Appropriation, current)	BA	.....	**306,000**	**346,000**
			[A] **5,000**	
(Outlays)	0	.....	284,000	346,000
			[A] 5,000	
Total Human development services	BA	**1,980,661**	**2,026,953**	**2,440,528**
	0	2,184,710	1,812,976	2,349,937
Work incentives 504				
Appropriation, current	BA	**365,000**	**365,000**	**384,982**
Outlays	0	395,262	365,000	384,982
Total Federal funds Human Development Services	BA	**5,234,215**	**4,954,163**	**5,916,610**
	0	5,343,312	5,313,826	5,809,619
Departmental Management				
Federal funds				
General and Special Funds:				
General Departmental management 609				
Appropriation, current	BA	**132,220**	**126,468**	**150,907**
			[D] **9,416**	
Outlays	0	138,476	133,836	149,391
Office of Inspector General 609				
Appropriation, current	BA	**71,495**	**71,990**	**80,515**
			[D] **2,212**	
Outlays	0	61,623	81,643	79,365
Office for Civil Rights 751				
Appropriation, current	BA	**43,646**	**17,920**	**25,899**
			[D] **1,116**	
Outlays	0	44,939	21,296	25,548
Office of Consumer Affairs 506				
Appropriation, current	BA	**1,904**	**2,156**	**2,649**
			[D] **176**	
Outlays	0	1,928	2,322	2,636
Policy research 609				
Appropriation, current	BA	**24,000**	**22,700**	**21,550**
Outlays	0	22,713	24,641	22,856
Intragovernmental Funds:				
Working capital fund 506				
Outlays	0	90	2,636	.....
Consolidated working fund 506				
Outlays	0	5,006	3,933	200
Grants management fund 552				
Outlays	0	192	.....	.....
Total Federal funds Departmental Management	BA	**273,265**	**254,154**	**281,520**
	0	274,967	270,307	279,996
Summary				
Federal funds:				
(As shown in detail above)	BA	**52,688,859**	**59,863,095**	**66,561,810**
	0	51,073,679	59,411,004	67,375,953

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Health and Human Services—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA	*—1,061*	*—603*	*—603*
		0			
	550	BA	*—16,543*	*—3,256*	*—3,256*
		0			
	902	BA	*—2,226*	*—2,667*	*—2,667*
		0			
Total Federal funds		BA	**52,669,029**	**59,856,569**	**66,555,284**
		0	51,053,849	59,404,478	67,369,427
Trust funds:					
(As shown in detail above)		BA	**153,134,673**	**177,553,806**	**209,194,203**
		0	153,597,718	179,827,598	208,154,027
Deductions for offsetting receipts:					
Intrafund transactions	601	BA	*—1,441,988*	*—1,624,000*	*—1,926,000*
		0			
	902	BA	*—23,734*	*—27,000*	*—46,000*
		0			
Proprietary receipts from the public	551	BA	*—114*	.....	.....
		0			
	554	BA	*—4,897*	*—3,882*	*—3,882*
		0			
	601	BA	*—178*	.....	.....
		0			
	902	BA	*—7*	.....	.....
		0			
Total Trust funds		BA	**151,663,755**	**175,898,924**	**207,218,321**
		0	152,126,800	178,172,716	206,178,145
Interfund transactions	551	BA	**—7,802,869**	**—9,577,120**	**—14,555,120**
		0			
		BA			**[1] 36,000**
		0			
	601	BA	**—675,080**	**—672,066**	**—848,698**
		0			
Total Department of Health and Human Services		BA	**195,854,835**	**225,506,307**	**258,405,787**
		0	194,702,700	227,328,008	258,179,754

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Housing and Urban Development				
Housing Programs				
Federal funds				
General and Special Funds:				
Subsidized housing programs 604				
Contract authority, current	BA	**26,662,599**	**29,469,767**	**—1,037,000**
				[K] 29,782,073
Contract authority, permanent	BA	**39,538**	**32,335**	**30,300**
Liquidation of contract authority, current		(6,252,301)	(7,127,000)	.....
				[K] (8,835,000)
			[A] (256,966)	
Outlays	0	4,529,336	5,548,000	6,918,000
			[A] 89,000	[A] 64,000
Payments for operation of low income housing projects 604				
Appropriation, current	BA	**755,300**	**970,800**	.....
				[K] 1,265,000
			[B] 100,000	
Outlays	0	824,318	928,800	1,084,000
			[B] 43,000	[B] 57,000
Congregate services program 604				
Appropriation, current	BA	**10,000**	**10,000**	.....
			[H] —10,000	
Outlays	0	131	5,000	7,100
				[H] —1,800
Troubled projects operating subsidy 604				
Appropriation, current	BA	**79,500**	.....	.....
			[K] 18,050	**[K] 65,176**
Outlays	0	22,584	113,100	99,500
Public Enterprise Funds:				
Federal Housing Administration fund 371				
Appropriation, current, indefinite	BA	**194,850**	**238,640**	**177,148**
Authority to borrow, permanent	BA	**128,669**	**105,335**	**127,909**
Outlays	0	151,251	60,751	—104,454
				[A] —12,000
Housing for the elderly or handicapped fund 371				
Authority to borrow, current, indefinite	BA	**805,928**	**780,918**	**773,848**
Outlays	0	752,942	800,000	780,000
Low-rent public housing--loans and other expenses 604				
Appropriation, current	BA	.....	.....	**1,100,000**
Authority to borrow, permanent, indefinite	BA	**159,304**	**150,062**	**30,920**
Liquidation of contract authority, current		(1,995,325)	.....	.....
			[A] (1,060,423)	
Outlays	0	33,523	5,822	91,701
Nonprofit sponsor assistance 604				
Outlays	0	—277	315	401
Community disposal operations fund 451				
Outlays	0	—429	—407	—372
Rental housing assistance fund 604				
Outlays	0	467	5,617	.....
Revolving fund (liquidating programs) 451				
Appropriation, current	BA	**1,449**	**1,567**	**84**
Appropriation, permanent, indefinite	BA	**439**	**542**	**6**
Outlays	0	—13,167	—14,769	—21,981

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Housing and Urban Development—Con.				
Housing Programs—Con.				
Intragovernmental Funds:				
Disaster assistance fund 453				
Outlays	0	−7,190	−27,746	
Total Federal funds Housing Programs	BA	**28,837,576**	**31,868,016**	**32,315,464**
	0	6,293,489	7,556,483	8,961,095
Government National Mortgage Association				
Federal funds				
General and Special Funds:				
Mortgage assistance grant program 371				
Appropriation, current	BA			[K] **490,000**
Public Enterprise Funds:				
Special assistance functions fund 371				
Appropriation, current	BA	**1,877**	**3,400**	**1,880**
			[A] **196,575**	
Appropriation, permanent, indefinite	BA	**915**	**877**	**115**
Authority to borrow, permanent, indefinite	BA	**1,866,600**	**1,205,688**	
Outlays	0	395,701	781,600	1,353,000
			[A] −3,425	[A] 4,050
Emergency mortgage purchase assistance 371				
Outlays	0	1,039,294	−184,450	−213,900
Management and liquidating functions fund 371				
Outlays	0	−28,333	−22,000	−20,000
Guarantees of mortgage-backed securities 371				
Outlays	0	−74,318	−81,800	−96,080
			[A] −3,300	[A] −3,600
Participation sales fund:				
(Mortgage credit and thrift insurance) 371				
(Outlays)	0	25,541	34,643	−10,737
(Other advancement and regulation of commerce) 376				
(Outlays)	0	−7,090	−7,087	−7,802
(Community development) 451				
(Outlays)	0	291	819	−165
(Higher education) 502				
(Outlays)	0	−354	−212	176
(Health research) 552				
(Outlays)	0	−409	−371	−340
(Veterans housing) 704				
(Outlays)	0	16,294	55,415	−6,132
Total Participation sales fund	0	34,273	83,207	−25,000
Total Federal funds Government National Mortgage Association	BA	**1,869,392**	**1,406,540**	**491,995**
	0	1,366,617	569,832	998,470

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Housing and Urban Development—Con.				
Solar Energy and Energy Conservation Bank				
Federal funds				
General and Special Funds:				
Assistance for solar and conservation improvements 272				
Appropriation, current	BA	.....	**121,250**	**125,000**
Outlays	0	.....	47,000	134,250
Community Planning and Development				
Federal funds				
General and Special Funds:				
Community development grants 451				
Appropriation, current	BA	**3,752,356**	**3,694,600**	**3,960,000**
Outlays	0	3,901,648	3,937,900	3,997,765
Urban development action grants 451				
Appropriation, current	BA	**675,000**	**675,000**	**675,000**
Outlays	0	224,521	365,000	610,000
Planning assistance 451				
Appropriation, current	BA	**37,500**	**33,750**	**35,000**
Outlays	0	52,112	40,000	35,000
Urban homesteading 451				
Outlays	0	.....	6,533	13,467
Miscellaneous appropriations 451				
Outlays	0	2,016	11,295	.....
Public Enterprise Funds:				
Rehabilitation loan fund 451				
Appropriation, current	BA	**109,500**	**129,980**	**134,000**
Reappropriation	BA	**179**	.....	.....
Outlays	0	164,864	132,880	135,000
Urban renewal programs 451				
Liquidation of contract authority, permanent		.....	(67,453)	(160,754)
Outlays	0	211,893	165,000	150,000
Total Federal funds Community Planning and Development	BA	**4,574,535**	**4,533,330**	**4,804,000**
	0	4,557,054	4,658,608	4,941,232
New Community Development Corporation				
Federal funds				
General and Special Funds:				
New community assistance grants 451				
Outlays	0	320	2,480	895
Public Enterprise Funds:				
New communities fund 451				
Authority to borrow, permanent, indefinite	BA	**46,933**	**49,450**	**36,622**
Outlays	0	45,461	49,240	36,222
Total Federal funds New Community Development Corporation	BA	**46,933**	**49,450**	**36,622**
	0	45,781	51,720	37,117

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Housing and Urban Development—Con.				
Neighborhoods, Voluntary Associations, and Consumer Protection				
Federal funds				
General and Special Funds:				
Housing counseling assistance 506				
Appropriation, current	BA	**9,000**	**10,000**	**10,000**
Outlays	0	7,934	9,420	9,800
Neighborhood self-help development program 451				
Appropriation, current	BA	**10,000**	**9,000**	.....
				[K] **9,000**
Outlays	0	2,209	15,400	8,800
Mobile home standards program 376				
Outlays	0	230	501	.....
Mobile home inspection and monitoring 376				
Appropriation, permanent, indefinite	BA	**6,093**	**4,750**	**5,225**
Outlays	0	2,422	8,421	5,225
Interstate land sales 376				
Appropriation, permanent, indefinite	BA	**198**	**300**	**300**
Outlays	0	.....	498	300
Total Federal funds Neighborhoods, Voluntary Associations, and Consumer Protection	BA	**25,291**	**24,050**	**24,525**
	0	12,795	34,240	24,125
Policy Development and Research				
Federal funds				
General and Special Funds:				
Research and technology 451				
Appropriation, current	BA	**44,650**	**44,650**	.....
				[K] **50,000**
Outlays	0	54,825	48,000	48,600
Fair Housing and Equal Opportunity				
Federal funds				
General and Special Funds:				
Fair housing assistance 751				
Appropriation, current	BA	**3,700**	**5,700**	**5,700**
Outlays	0	.....	7,290	6,100
Management and Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses, Including transfer of funds:				
(Energy conservation) 272				
(Appropriation, current)	BA	.....	.....	**2,255**
(Outlays)	0	.....	.....	1,918
(Other advancement and regulation of commerce) 376				
(Appropriation, current)	BA	**9,224**	**10,847**	**11,843**
			[D] **678**	
(Outlays)	0	7,945	10,981	11,732

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Housing and Urban Development—Con.					
Management and Administration—Con.					
(Community development)	451				
(Appropriation, current)		BA	**194,859**	**215,864**	**224,213**
				D 9,920	
(Outlays)		0	177,437	218,437	223,474
(Public assistance and other income supplements)	604				
(Appropriation, current)		BA	**63,093**	**74,680**	**94,539**
				D 4,529	
(Outlays)		0	61,626	76,655	91,679
(Federal law enforcement activities)	751				
(Appropriation, current)		BA	**18,360**	**21,705**	**23,980**
				D 1,430	
(Outlays)		0	17,823	22,371	23,710
Total Salaries and expenses, Including transfer of funds		BA	**285,536**	**339,653**	**356,830**
		0	264,831	328,444	352,513
Low-income housing demonstration program	451				
Outlays		0	—21	.....	.....
Intragovernmental Funds:					
Working capital fund	451				
Appropriation, current		BA	.....	.....	**600**
Outlays		0	—8,463	5,096	5,634
Trust funds					
Gifts and bequests	451				
Outlays		0	—16	13	.....
Total Federal funds Management and Administration		BA	**285,536**	**339,653**	**357,430**
		0	256,347	333,540	358,147
Total Trust funds Management and Administration		0	—16	13	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**35,687,613**	**38,392,639**	**38,210,736**
		0	12,586,908	13,306,713	15,509,136
Deductions for offsetting receipts:					
Proprietary receipts from the public	376	BA			
		0	*—6,093*	.....	.....
	450	BA			
		0	*—123*	*—469*	*—469*
	902	BA			
		0	*—4,488*	*—1,300*	*—1,300*
Total Federal funds		BA	**35,676,909**	**38,390,870**	**38,208,967**
		0	12,576,204	13,304,944	15,507,367

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Housing and Urban Development—Con.				
Summary—Con.				
Trust funds:				
(As shown in detail above)	0	−16	13	.....
Total Department of Housing and Urban Development	BA	**35,676,909**	**38,390,870**	**38,208,967**
	0	12,576,188	13,304,957	15,507,367
Department of the Interior				
Land and Water Resources				
Bureau of Land Management				
Federal funds				
General and Special Funds:				
Management of lands and resources 302				
Appropriation, current	BA	**353,459**	**343,962**	**404,043**
			[A] 57,979	
			[D] 10,803	
Outlays	0	354,275	324,859	383,835
			[A] 52,111	[A] 5,868
Acquisition, construction and maintenance 302				
Appropriation, current	BA	**16,343**	**14,768**	**19,626**
Outlays	0	20,101	12,670	17,094
Payments in lieu of taxes 852				
Appropriation, current	BA	**108,000**	**103,000**	.....
Outlays	0	103,439	108,006	.....
Oregon and California grant lands 302				
Appropriation, current, indefinite	BA	**48,804**	**57,500**	**73,105**
Outlays	0	62,244	55,000	60,000
Range improvements 302				
Appropriation, current, indefinite	BA	**10,620**	**13,500**	**13,500**
Outlays	0	10,616	13,500	13,500
Recreation development and operation of recreation facilities 302				
Appropriation, current, indefinite	BA	**300**	.....	.....
Outlays	0	398	130	.....
Service charges, deposits, and forfeitures 302				
Appropriation, current, indefinite	BA	**6,102**	**9,600**	**10,000**
Outlays	0	6,674	9,500	9,900
Miscellaneous permanent appropriations:				
(Conservation and land management) 302				
(Appropriation, permanent, indefinite)	BA	**3,389**	**3,000**	**3,000**
(Outlays)	0	2,690	3,000	3,000
(Other general purpose fiscal assistance) 852				
(Appropriation, permanent, indefinite)	BA	**370,570**	**454,200**	**575,800**
(Outlays)	0	370,237	454,200	575,800
Total Miscellaneous permanent appropriations	BA	**373,959**	**457,200**	**578,800**
	0	372,927	457,200	578,800
Intragovernmental Funds:				
Working capital fund 302				
Outlays	0	−2,396	300	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Land and Water Resources—Con.				
Bureau of Land Management—Con.				
Trust funds				
Miscellaneous trust funds 302				
Appropriation, current, indefinite	BA	**100**	**100**	**100**
Appropriation, permanent, indefinite	BA	**1,083**	**600**	**600**
Outlays	0	1,185	700	700
Total Federal funds Bureau of Land Management	BA	**917,587**	**1,068,312**	**1,099,074**
	0	928,278	1,033,276	1,068,997
Total Trust funds Bureau of Land Management...	BA	**1,183**	**700**	**700**
	0	1,185	700	700
Water and Power Resources Service				
Federal funds				
General and Special Funds:				
Loan program 301				
Appropriation, current	BA	**14,116**	**22,924**	**31,165**
Outlays	0	30,349	26,000	31,165
Construction program 301				
Appropriation, current	BA	**437,137**	**572,541**	**652,610**
			[C] 111	
			[D] 7,589	
			[J] 6,800	
Liquidation of contract authority, current		.....	.....	(3,000)
Outlays	0	549,521	616,067	650,295
			[J] 3,000	[J] 3,800
General investigations 301				
Appropriation, current	BA	**33,951**	**38,629**	**40,732**
			[C] 305	
			[D] 1,095	
Outlays	0	32,298	39,358	36,292
			[A] 1,300	
Emergency fund 301				
Outlays	0	1,080	1,000	1,000
Operation and maintenance 301				
Appropriation, current	BA	**101,353**	**101,117**	**136,106**
			[C] 2,250	
			[D] 2,950	
Outlays	0	104,664	101,045	123,685
General administrative expenses 301				
Appropriation, current	BA	**28,600**	**38,150**	**43,400**
			[D] 2,350	
Outlays	0	29,559	37,280	44,370
Miscellaneous permanent appropriations 852				
Appropriation, permanent	BA	**600**	**600**	**600**
Indefinite	BA	**1,806**	**2,100**	**2,100**
Outlays	0	2,452	2,700	2,700
Public Enterprise Funds:				
Colorado River Basin project 301				
Outlays	0	−9,251	.....	.....
Upper Colorado River storage project 301				
Outlays	0	17,873	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Land and Water Resources—Con.				
Water and Power Resources Service—Con.				
Intragovernmental Funds:				
Consolidated working fund 301				
Outlays	0	5,169	.....	.....
Trust funds				
Reclamation trust funds 301				
Appropriation, permanent, indefinite	BA	**7,667**	**5,525**	**6,810**
Outlays	0	8,537	5,300	6,810
Total Federal funds Water and Power Resources Service	BA	**617,563**	**799,511**	**906,713**
	0	763,714	827,750	893,307
Total Trust funds Water and Power Resources Service	BA	**7,667**	**5,525**	**6,810**
	0	8,537	5,300	6,810
Office of Water Research and Technology				
Federal funds				
General and Special Funds:				
Salaries and expenses 301				
Appropriation, current	BA	**32,740**	**30,485**	**32,028**
			[A] **22,852**	
Outlays	0	27,859	28,657	29,224
			[A] 1,150	[A] 6,000
Total Federal funds Land and Water Resources	BA	**1,567,890**	**1,921,160**	**2,037,815**
	0	1,719,851	1,890,833	1,997,528
Total Trust funds Land and Water Resources	BA	**8,850**	**6,225**	**7,510**
	0	9,722	6,000	7,510
Fish and Wildlife and Parks				
Heritage Conservation and Recreation Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 303				
Appropriation, current	BA	**15,640**	**15,980**	**16,842**
			[D] **610**	
Outlays	0	27,087	25,631	16,340
Urban park and recreation grants 303				
Appropriation, current	BA	**110,000**	**20,000**	**75,000**
Outlays	0	3,818	53,200	55,300
Land and water conservation fund 303				
Appropriation, current	BA	**508,794**	**378,593**	**520,365**
Contract authority, permanent	BA	**30,000**	**30,000**	.....
Outlays	0	595,242	518,000	556,200
Historic preservation fund 303				
Appropriation, current	BA	**54,792**	**32,500**	**32,500**
Outlays	0	49,105	49,000	38,400

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
Heritage Conservation and Recreation Service—Con.				
Trust funds				
Donations 303				
Appropriation, permanent, indefinite	BA	.....	**264**	**264**
Outlays	0	48	264	264
Total Federal funds Heritage Conservation and Recreation Service	BA	**719,226**	**477,683**	**644,707**
	0	675,252	645,831	666,240
Total Trust funds Heritage Conservation and Recreation Service	BA	.....	**264**	**264**
	0	48	264	264
United States Fish and Wildlife Service				
Federal funds				
General and Special Funds:				
Resource management 303				
Appropriation, current	BA	**211,349**	**225,566** [A] **6,000** [C] **893** [D] **9,028**	**264,057**
Outlays	0	219,370	230,762 [A] 1,175	259,336 [A] 4,825
Construction and anadromous fish 303				
Appropriation, current	BA	**58,757**	**37,897**	**30,034**
Outlays	0	86,463	55,100	26,000
Migratory bird conservation account 303				
Appropriation, current	BA	**15,000**	**1,250**	.....
Appropriation, permanent, indefinite	BA	**16,917**	**16,500**	**16,500**
Outlays	0	29,991	16,000	16,000
Development and operation of recreation facilities 303				
Appropriation, current	BA	**200**	.....	.....
Outlays	0	168	144	.....
National wildlife refuge fund 852				
Appropriation, current	BA	**1,950**	**8,500**	.....
Appropriation, permanent	BA	**4,624**	**3,700**	**4,100**
Outlays	0	6,960	12,200	4,000
Miscellaneous permanent appropriations (Recreational resources) 303				
Appropriation, permanent, indefinite	BA	**124,188**	**124,485**	**145,213**
Outlays	0	115,393	112,645	127,000
Intragovernmental Funds:				
Consolidated working fund 303				
Outlays	0	−1,016	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
United States Fish and Wildlife Service—Con.				
Trust funds				
Contributed funds 303				
Appropriation, permanent, indefinite	BA	**2,361**	**3,400**	**3,500**
Outlays	0	2,206	3,200	3,200
Total Federal funds United States Fish and Wildlife Service	BA	**432,985**	**433,819**	**459,904**
	0	457,329	428,026	437,161
Total Trust funds United States Fish and Wildlife Service	BA	**2,361**	**3,400**	**3,500**
	0	2,206	3,200	3,200
National Park Service				
Federal funds				
General and Special Funds:				
Operation of the national park system 303				
Appropriation, current	BA	**390,955**	**444,828** **[A] 4,200** **[C] 4,080** **[D] 12,592**	**495,811**
Outlays	0	407,979	446,586 [A] 4,200	478,326
Construction 303				
Appropriation, current	BA	**108,188**	**43,367**	**61,635**
Outlays	0	137,295	123,000	86,795
Road construction 303				
Appropriation, current	BA	**—5,552**	.....	.....
Outlays	0	5,372	7,592	.....
John F. Kennedy Center for the Performing Arts 303				
Appropriation, current	BA	**4,130**	**4,400** **[C] 62** **[D] 79**	**4,544**
Outlays	0	4,897	4,537	4,390
Planning, development, and operation of recreation facilities 303				
Appropriation, current, indefinite	BA	**16,217**	.....	.....
Outlays	0	17,227	5,580	1,730
Commemorative activities fund 303				
Outlays	0	214	316	.....
Miscellaneous permanent appropriations 303				
Appropriation, permanent, indefinite	BA	**409**	**400**	**405**
Outlays	0	412	400	405
Intragovernmental Funds:				
Consolidated working fund 303				
Outlays	0	—260	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.					
Fish and Wildlife and Parks—Con.					
National Park Service—Con.					
Trust funds					
Construction (trust fund)	401				
Contract authority, permanent		BA	**15,500**	.....	.....
Liquidation of contract authority, current			(15,500)	.....	.....
Outlays		0	.....	7,500	7,500
Miscellaneous trust funds	303				
Appropriation, permanent, indefinite		BA	**1,406**	**1,500**	**1,500**
Outlays		0	1,533	1,500	1,500
Total Federal funds National Park Service		BA	**514,347**	**514,008**	**562,395**
		0	573,136	592,211	571,646
Total Trust funds National Park Service		BA	**16,906**	**1,500**	**1,500**
		0	1,533	9,000	9,000
Total Federal funds Fish and Wildlife and Parks		BA	**1,666,558**	**1,425,510**	**1,667,006**
		0	1,705,717	1,666,068	1,675,047
Total Trust funds Fish and Wildlife and Parks		BA	**19,267**	**5,164**	**5,264**
		0	3,787	12,464	12,464
Energy and Minerals					
Geological Survey					
Federal funds					
General and Special Funds:					
Surveys, investigations and research	306				
Appropriation, current		BA	**469,862**	**486,392**	**567,191**
				[A] **17,600**	
				[C] **586**	
				[D] **20,323**	
Outlays		0	466,193	495,282	554,268
				[A] 14,348	[A] 3,252
Exploration of national petroleum reserve in Alaska	271				
Appropriation, current		BA	**175,627**	**107,001**	**2,600**
Outlays		0	154,288	222,183	16,600
Payments from proceeds, sale of water	301				
Appropriation, permanent, indefinite		BA	**3**	.....	.....
Intragovernmental Funds:					
Digitial cartography	306				
Appropriation, current		BA			[K] **6,034**
Outlays		0			[K] 4,800
Consolidated working fund	306				
Outlays		0	4,460	.....	.....
Total Federal funds Geological Survey		BA	**645,492**	**631,902**	**575,825**
		0	624,941	731,813	578,920

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.					
Energy and Minerals—Con.					
Office of Surface Mining Reclamation and Enforcement					
Federal funds					
General and Special Funds:					
Regulation and technology	302				
Appropriation, current		BA	**84,687**	**92,833**	**84,875**
Outlays		0	49,978	96,932	72,372
Abandoned mine reclamation fund	302				
Appropriation, current		BA	**94,843**	**82,485**	**161,542**
Outlays		0	34,843	60,615	62,000
Total Federal funds Office of Surface Mining Reclamation and Enforcement		BA	**179,530**	**175,318**	**246,417**
		0	84,821	157,547	134,372
Bureau of Mines					
Federal funds					
General and Special Funds:					
Mines and minerals	306				
Appropriation, current		BA	**134,033**	**139,428** [D] **3,352**	**149,716**
Outlays		0	159,245	161,751	145,492
Drainage of anthracite mines	306				
Outlays		0	965	700	500
Public Enterprise Funds:					
Helium fund	306				
Contract authority, current		BA	**—47,500**	.....	.....
Contract authority, permanent		BA	**47,500**	.....	.....
Outlays		0	2,878	1,345	.....
Intragovernmental Funds:					
Consolidated working fund	306				
Outlays		0	1,777	.....	.....
Trust funds					
Contributed funds	306				
Appropriation, permanent, indefinite		BA	**506**	**800**	**800**
Outlays		0	651	800	800
Total Federal funds Bureau of Mines		BA	**134,033**	**142,780**	**149,716**
		0	164,865	163,796	145,992
Total Trust funds Bureau of Mines		BA	**506**	**800**	**800**
		0	651	800	800
Total Federal funds Energy and Minerals		BA	**959,055**	**950,000**	**971,958**
		0	874,627	1,053,156	859,284
Total Trust funds Energy and Minerals		BA	**506**	**800**	**800**
		0	651	800	800

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Indian Affairs				
Bureau of Indian Affairs				
Federal funds				
General and Special Funds:				
Operation of Indian programs:				
(Conservation and land management) 302				
(Appropriation, current)	BA	**74,237**	**77,960**	**86,979**
			[A] **15,423**	
			[C] **404**	
			[D] **1,537**	
(Outlays)	0	79,945	73,806	76,860
			[A] 9,603	[A] 5,820
(Area and regional development) 452				
(Appropriation, current)	BA	**460,187**	**469,176**	**514,087**
			[C] **3,405**	
			[D] **7,527**	
(Outlays)	0	506,365	427,758	454,276
(Elementary, secondary, and vocational education) 501				
(Appropriation, current)	BA	**270,060**	**265,603**	**282,043**
			[C] **1,962**	
			[D] **6,156**	
(Outlays)	0	302,042	238,028	249,287
Total Operation of Indian programs	BA	**804,484**	**849,153**	**883,109**
	0	888,352	749,195	786,243
Construction 452				
Appropriation, current	BA	**93,291**	**100,182**	**118,791**
Outlays	0	30,222	130,000	95,644
Road construction 452				
Appropriation, current	BA	**66,479**	**48,625**	**53,492**
Outlays	0	76,421	40,212	42,887
Eastern Indian land claims settlement fund 806				
Appropriation, current	BA	.....	**81,500**	.....
Outlays	0	2,277	82,723	.....
Miscellaneous permanent appropriations:				
(Area and regional development) 452				
(Appropriation, permanent, indefinite)	BA	**27,790**	**23,200**	**24,000**
(Outlays)	0	26,658	22,100	22,100
(Other general government) 806				
(Appropriation, current)	BA	**30,000**	**30,000**	.....
(Appropriation, permanent, indefinite)	BA	**763**	**200**	**200**
(Outlays)	0	30,780	30,200	200
Total Miscellaneous permanent appropriations	BA	**58,553**	**53,400**	**24,200**
	0	57,438	52,300	22,300
Public Enterprise Funds:				
Revolving fund for loans 452				
Outlays	0	4,046	4,958	5,425
Indian loan guaranty and insurance fund 452				
Outlays	0	2,349	3,042	2,575
Liquidation of Hoonah Housing Project revolving fund 452				
Outlays	0	17	24	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Indian Affairs—Con.				
Bureau of Indian Affairs—Con.				
Intragovernmental Funds:				
Consolidated working fund 452				
Outlays	0	−15,003	.....	.....
Trust funds				
Miscellaneous trust funds:				
(Area and regional development) 452				
(Appropriation, current)	BA	**2,874**	**3,000**	**3,000**
(Indefinite)	BA	**28,630**	**25,000**	**25,000**
(Appropriation, permanent, indefinite)	BA	**503,803**	**453,399**	**437,000**
(Outlays)	0	360,072	375,500	323,800
(Other general government) 806				
(Appropriation, permanent)	BA	**30,000**	**30,000**	.....
(Indefinite)	BA	**403,645**	.....	.....
(Outlays)	0	433,645	30,000	.....
Total Miscellaneous trust funds	BA	**968,952**	**511,399**	**465,000**
	0	793,717	405,500	323,800
Total Federal funds Bureau of Indian Affairs	BA	**1,022,807**	**1,132,860**	**1,079,592**
	0	1,046,119	1,062,454	955,074
Total Trust funds Bureau of Indian Affairs	BA	**968,952**	**511,399**	**465,000**
	0	793,717	405,500	323,800
Territorial Affairs				
Office of Territorial Affairs				
Federal funds				
General and Special Funds:				
Administration of territories 806				
Appropriation, current	BA	**90,079**	**72,284**	**104,908**
			[D] 196	
				[J] 1,000
Indefinite	BA		**[A] 6,304**	
Outlays	0	57,713	72,471	91,857
			[A] 6,304	
				[J] 1,000
Trust Territory of the Pacific Islands 806				
Appropriation, current	BA	**120,002**	**94,354**	**93,778**
			[D] 168	
Outlays	0	67,626	117,754	110,398
Micronesian claims fund, Trust Territory of the Pacific Islands 806				
Outlays	0	290	1,661	.....
Payments to the United States territories, fiscal assistance 852				
Appropriation, current	BA	**41,500**	.....	.....
Appropriation, permanent, indefinite	BA	**48,400**	**53,650**	**48,400**
Outlays	0	39,741	103,809	48,400

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.				
Territorial Affairs—Con.				
Office of Territorial Affairs—Con.				
Internal revenue collections for the Virgin Islands 852				
Appropriation, permanent, indefinite	BA	**1,829**	.....	.....
Outlays	0	9,304	258	.....
Total Federal funds Office of Territorial Affairs	BA	**301,810**	**226,956**	**248,086**
	0	174,674	302,257	251,655
Secretarial Offices				
Office of the Solicitor and Office of the Secretary				
Federal funds				
General and Special Funds:				
Office of the Solicitor, salaries and expenses 306				
Appropriation, current	BA	**16,466**	**16,814** **[A] 250** **[D] 1,101**	**19,856**
Outlays	0	16,717	17,546 [A] 250	19,790
Departmental management 306				
Appropriation, current	BA	**53,540**	**46,369** **[A] 2,150** **[D] 2,207**	**49,075**
Outlays	0	43,792	43,873 [A] 2,150	44,374
Youth conservation corps 302				
Appropriation, current	BA	.....	**60,000**	**60,000**
Outlays	0	.....	61,141	63,400
Office of Inspector General, salaries and expenses 306				
Appropriation, current	BA	.....	**8,500** **[A] 800** **[D] 472**	**10,770**
Outlays	0	.....	8,108 [A] 800	9,813
Salaries and expenses (special foreign currency program) 306				
Appropriation, current	BA	**1,000**	.....	**350**
Outlays	0	465	1,900	800
Intragovernmental Funds:				
Working capital fund 306				
Outlays	0	1,268	.....	.....
Consolidated working fund, Office of the Secretary 306				
Outlays	0	−6,008	12,121	.....
Total Federal funds Office of the Solicitor and Office of the Secretary	BA	**71,006**	**138,663**	**140,051**
	0	56,234	147,889	138,177

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of the Interior—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**5,589,126**	**5,795,149**	**6,144,508**
		O	5,577,222	6,122,657	5,876,765
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		O	*—996,010*	*—1,278,802*	*—1,564,442*
	301	BA			
		O	*—51*	*—55*	*—55*
	302	BA			
		O	*—9,523*	*—13,000*	*—13,000*
	450	BA			
		O	*—28,093*	*—23,633*	*—24,433*
	500	BA			
		O	*—32*	*—35*	*—35*
	800	BA			
		O	*—451*	*—950*	.....
	902	BA			
		O	*—6,126*	*—6,696*	*—6,618*
Total Federal funds		BA	**4,548,840**	**4,471,978**	**4,535,925**
		O	4,536,936	4,799,486	4,268,182
Trust funds:					
(As shown in detail above)		BA	**997,575**	**523,588**	**478,574**
		O	807,877	424,764	344,574
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		O	*—7,667*	*—5,525*	*—6,810*
	302	BA			
		O	*—1,183*	*—700*	*—700*
	303	BA			
		O	*—2,361*	*—3,400*	*—3,500*
	306	BA			
		O	*—506*	*—800*	*—800*
	452	BA			
		O	*—252,275*	*—255,100*	*—259,800*
	806	BA			
		O	*—401,313*	.....	.....
	902	BA			
		O	*—80,176*	*—54,800*	*—53,201*
Total Trust funds		BA	**252,094**	**203,263**	**153,763**
		O	62,396	104,439	19,763
Interfund transactions	452	BA			
		O	.....	**—81,500**	.....
	806	BA			
		O	**—222,356**	**—118,000**	**—150,000**
Total Department of the Interior		BA	**4,578,578**	**4,475,741**	**4,539,688**
		O	4,376,976	4,704,425	4,137,945

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Justice				
General Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**32,500**	**40,833**	**40,515**
			[D] **1,472**	
Outlays	0	33,361	40,613	39,246
			[A] 350	
Intragovernmental Funds:				
Consolidated working fund 751				
Outlays	0	−13	441	.....
Working capital fund 751				
Outlays	0	2,537	−132	−246
Total Federal funds General Administration	BA	**32,500**	**42,305**	**40,515**
	0	35,885	41,272	39,000
United States Parole Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**5,500**	**5,840**	**6,541**
			[D] **302**	
Outlays	0	4,999	6,019	6,399
Legal Activities				
Federal funds				
General and Special Funds:				
Salaries and expenses, General Legal Activities 752				
Appropriation, current	BA	**106,347**	**113,650**	**133,552**
			[D] **4,916**	
Outlays	0	107,685	116,205	130,485
			[A] 3,468	[A] 144
Salaries and expenses, Antitrust Division 752				
Appropriation, current	BA	**47,544**	**44,862**	**49,566**
			[D] **1,695**	
Outlays	0	49,420	45,207	47,714
Salaries and expenses, Foreign Claims Settlement Commission 153				
Appropriation, current	BA	.....	.....	**705**
			[D] **22**	
Outlays	0	912	875	723
Payment of Vietnam and U.S.S. Pueblo prisoner of war claims 153				
Outlays	0	33	40	.....
Salaries and expenses, United States Attorneys and Marshals 752				
Appropriation, current	BA	**251,861**	**268,537**	**307,116**
			[D] **11,061**	
				[J] **−13,001**
Outlays	0	245,144	274,234	298,756
			[A] 8,425	[A] 443
				[J] −12,351

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Justice—Con.				
Legal Activities—Con.				
Support of United States prisoners 752				
Appropriation, current	BA	**21,800**	**22,600**	**28,600**
Outlays	0	20,991	21,991	27,885
Fees and expenses of witnesses 752				
Appropriation, current	BA	**27,000**	**27,000**	**29,421**
Outlays	0	23,600	26,462	28,537
Salaries and expenses, Community Relations Service 752				
Appropriation, current	BA	**4,925**	**5,273**	**5,655**
			D 292	
Outlays	0	4,921	5,543	5,565
Total Federal funds Legal Activities	BA	**459,477**	**499,908**	**541,614**
	0	452,706	502,450	527,901
Federal Bureau of Investigation				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**614,294**	**629,720**	**743,566**
			A 12,567	
			D 39,422	
Outlays	0	609,181	665,178	742,875
			A 13,409	A 278
Immigration and Naturalization Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**340,742**	**351,000**	**385,039**
			A 13,132	
			D 11,968	
Outlays	0	336,345	360,075	381,959
			A 13,016	A 116
Drug Enforcement Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**200,540**	**206,800**	**236,254**
			A 8,354	
			D 8,790	
Outlays	0	204,037	213,095	232,276
			A 8,197	A 157
Federal Prison System				
Federal funds				
General and Special Funds:				
Salaries and expenses 753				
Appropriation, current	BA	**314,100**	**334,400**	**364,377**
			D 11,043	
Outlays	0	318,550	344,006	362,944
			A 4,232	A 368

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Justice—Con.					
Federal Prison System—Con.					
National Institute of Corrections	754				
Appropriation, current		BA	**9,884**	**9,894**	**12,890**
Outlays		0	10,277	9,681	11,708
Buildings and facilities	753				
Appropriation, current		BA	**5,960**	**10,020**	**14,731**
Outlays		0	23,119	18,532	15,054
Intragovernmental Funds:					
Federal Prison Industries, Incorporated	753				
Outlays		0	118	.....	.....
Limitation on administrative expenses			(1,709)	(2,091)	(2,264)
Limitation on vocational expenses			(2,761)	(2,645)	(2,701)
Trust funds					
Commissary funds, Federal prisons (trust revolving fund)	753				
Outlays		0	100	.....	.....
Total Federal funds Federal Prison System		BA	**329,944**	**365,357**	**391,998**
		0	352,064	376,451	390,074
Total Trust funds Federal Prison System		0	100	.....	.....
Office of Justice Assistance, Research and Statistics					
Federal funds					
General and Special Funds:					
Law enforcement assistance	754				
Appropriation, current		BA	**444,781**	**127,845**	**159,691**
Outlays		0	640,178	447,962	274,502
Research and statistics	754				
Appropriation, current		BA	**43,768**	**19,000**	**62,465**
				[A] 25,834	
				[D] 808	
Outlays		0	5,813	37,029	53,509
				[A] 6,234	[A] 19,600
Public Enterprise Funds:					
Revolving fund	754				
Outlays		0	—44	.....	.....
Total Federal funds Office of Justice Assistance, Research and Statistics		BA	**488,549**	**173,487**	**222,156**
		0	645,947	491,225	347,611
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,471,546**	**2,368,952**	**2,567,683**
		0	2,641,164	2,690,387	2,668,646
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA	*—8,728*	*—9,600*	*—9,600*
		0			
	806	BA	*—8*	.....	.....
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Justice—Con.				
Summary—Con.				
902	BA			
	0	*—850*	*—709*	*—659*
Total Federal funds	BA	**2,461,960**	**2,358,643**	**2,557,424**
	0	2,631,578	2,680,078	2,658,387
Trust funds:				
(As shown in detail above)	0	100	.....	.....
Total Department of Justice	BA	**2,461,960**	**2,358,643**	**2,557,424**
	0	2,631,678	2,680,078	2,658,387
Department of Labor				
Employment and Training Administration				
Federal funds				
General and Special Funds:				
Program administration 504				
Appropriation, current	BA	**90,034**	**88,762**	**105,349**
			[A] **972**	
			[D] **6,202**	
Outlays	0	89,059	91,442	103,367
			[A] 953	[A] 19
Employment and training assistance 504				
Appropriation, current	BA	**6,493,293**	**7,245,763**	**7,374,110**
				[J] **1,125,000**
Outlays	0	7,065,218	7,400,000	7,347,360
				[J] 875,000
Community service employment for older Americans 504				
Appropriation, current	BA	**266,900**	**277,100**	.....
				[K] **277,100**
Outlays	0	234,862	265,200	277,100
Temporary employment assistance 504				
Appropriation, current	BA	**1,627,000**	**729,000**	**1,141,884**
Outlays	0	1,796,466.	974,428	1,095,518
Federal unemployment benefits and allowances 603				
Appropriation, current	BA	**1,250,000**	**2,952,000**	**1,893,000**
Outlays	0	1,304,457	2,995,500	1,893,000
Grants to States for unemployment insurance and employment services 504				
Appropriation, current	BA	**22,300**	**24,500**	**26,300**
Outlays	0	23,968	24,996	26,300
Advances to the unemployment trust fund and other funds:				
(General retirement and disability insurance) 601				
(Appropriation, current)	BA	**481,000**	**582,646**	**478,000**
(Outlays)	0	535,837	647,000	478,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Labor—Con.				
Employment and Training Administration—Con.				
(Unemployment compensation) 603				
(Appropriation, current)	BA	**1,260,000**	**2,352,354**	**3,770,000**
				[J] **—1,300,000**
(Appropriation, permanent)	BA	.....	**400,000**	.....
(Outlays)	O	1,260,000	2,752,354	3,770,000
				[J] —1,300,000
Total Advances to the unemployment trust fund and other funds	BA	**1,741,000**	**3,335,000**	**2,948,000**
	O	1,795,837	3,399,354	2,948,000
Intragovernmental Funds:				
Consolidated working fund 504				
Outlays	O	1,726	2,432	.....
Trust funds				
Gifts and bequests 504				
Appropriation, permanent, indefinite	BA	.....	**100**	**100**
Outlays	O	1,440	100	100
Unemployment trust fund:				
(Training and employment) 504				
(Appropriation, permanent, indefinite)	BA	**758,348**	**820,585**	**877,559**
(Outlays)	O	731,953	820,585	877,559
			[A] —15,012	
(Unemployment compensation) 603				
(Appropriation, current)	BA			[J] **—1,357,000**
(Appropriation, permanent, indefinite)	BA	**15,436,443**	**19,179,415**	**24,222,441**
(Outlays)	O	15,708,331	22,566,890	22,322,441
			[A] 127,537	
				[J] —1,610,000
Total Unemployment trust fund	BA	**16,194,791**	**20,000,000**	**23,743,000**
	O	16,440,284	23,500,000	21,590,000
Total Federal funds Employment and Training Administration	BA	**11,490,527**	**14,659,299**	**14,890,743**
	O	12,311,593	15,154,305	14,565,664
Total Trust funds Employment and Training Administration	BA	**16,194,791**	**20,000,100**	**23,743,100**
	O	16,441,724	23,500,100	21,590,100
Labor-Management Services Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**56,164**	**59,161**	**67,056**
			[D] **3,373**	
Outlays	O	52,473	60,037	64,374

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Labor—Con.				
Pension Benefit Guaranty Corporation				
Federal funds				
Public Enterprise Funds:				
Pension Benefit Guaranty Corporation fund 601				
Outlays	0	−26,868	−37,394	−28,840
Employment Standards Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**168,805**	**171,057** **[A] 1,300** **[D] 4,803**	**181,787**
Outlays	0	165,462	171,869 [A] 1,300	177,685
Special benefits:				
(General retirement and disability insurance) 601				
(Appropriation, current)	BA	**3,369**	**3,672**	**3,966**
(Outlays)	0	2,467	3,672	3,966
(Federal employee retirement and disability) 602				
(Appropriation, current)	BA	**265,843**	**310,858**	**352,689**
(Outlays)	0	232,889	310,858	352,689
Total Special benefits	BA	**269,212**	**314,530**	**356,655**
	0	235,356	314,530	356,655
Trust funds				
Black lung disability trust fund 601				
Appropriation, current	BA	**859,323**	**864,936** **[A] 4,000** **[D] 1,244**	**769,244**
Indefinite	BA	**756**	**756**	**756**
Outlays	0	808,481	918,261 [A] 4,000	770,000
Special workers' compensation expenses 601				
Appropriation, permanent, indefinite	BA	**13,167**	**14,100**	**15,400**
Outlays	0	12,435	13,600	14,900
Total Federal funds Employment Standards Administration	BA	**438,017**	**491,690**	**538,442**
	0	400,818	487,699	534,340
Total Trust funds Employment Standards Administration	BA	**873,246**	**885,036**	**785,400**
	0	820,916	935,861	784,900

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Labor—Con.				
Occupational Safety and Health Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**186,394**	**207,206**	**242,608**
			D 6,438	
Outlays	0	174,903	205,098	235,330
Intragovernmental Funds:				
Consolidated working fund 554				
Outlays	0	3,326	633	.....
Total Federal funds Occupational Safety and Health Administration	BA	**186,394**	**213,644**	**242,608**
	0	178,229	205,731	235,330
Mine Safety and Health Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**143,637**	**148,398**	**166,798**
			D 8,582	
Outlays	0	142,257	154,813	159,984
Intragovernmental Funds:				
Consolidated working fund 554				
Outlays	0	13	3	.....
Trust funds				
Contributed funds 554				
Outlays	0	.....	19	.....
Total Federal funds Mine Safety and Health Administration	BA	**143,637**	**156,980**	**166,798**
	0	142,270	154,816	159,984
Total Trust funds Mine Safety and Health Administration	0	.....	19	.....
Bureau of Labor Statistics				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**102,890**	**106,324**	**123,437**
			D 5,556	
Outlays	0	106,085	107,586	121,079
Intragovernmental Funds:				
Consolidated working fund 505				
Outlays	0	281	703	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Labor—Con.					
Bureau of Labor Statistics—Con.					
Trust funds					
Special statistical work	505				
Outlays		0	22	22	.....
Total Federal funds Bureau of Labor Statistics		BA	**102,890**	**111,880**	**123,437**
		0	106,366	108,289	121,079
Total Trust funds Bureau of Labor Statistics		0	22	22	.....
Departmental Management					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**103,486**	**113,490**	**147,386**
				[D] **6,183**	[K] **1,113**
Outlays		0	90,468	109,592	134,964
Special foreign currency program	505				
Appropriation, current		BA	**70**	**70**	**200**
Outlays		0	111	133	200
Intragovernmental Funds:					
Working capital fund	505				
Outlays		0	−1,580	.....	.....
Consolidated working fund	505				
Outlays		0	348	2,034	.....
Total Federal funds Departmental Management		BA	**103,556**	**119,743**	**148,699**
		0	89,347	111,759	135,164
Summary					
Federal funds:					
(As shown in detail above)		BA	**12,521,185**	**15,815,770**	**16,177,783**
		0	13,254,228	16,245,242	15,787,095
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA	*−1,849*	*−1,817*	*−1,817*
		0			
	550	BA	*−158*	*−158*	*−158*
		0			
	609	BA	*−887*	*−925*	*−925*
		0			
	902	BA	*−4,090*	*−4,100*	*−4,100*
		0			
Total Federal funds		BA	**12,514,201**	**15,808,770**	**16,170,783**
		0	13,247,244	16,238,242	15,780,095
Trust funds:					
(As shown in detail above)		BA	**17,068,037**	**20,885,136**	**24,528,500**
		0	17,262,662	24,436,002	22,375,000
Interfund transactions	601	BA	**−535,837**	**−647,000**	**−478,000**
		0			
	603	BA	**−250,067**	**−2,439,354**	**−3,898,000**
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Labor—Con.				
Summary—Con.				
	BA			[J] 700,000
	0			
Total Department of Labor	BA	28,796,334	33,607,552	37,023,283
	0	29,724,002	37,587,890	34,479,095
Department of State				
Administration of Foreign Affairs				
Federal funds				
General and Special Funds:				
Salaries and expenses 153				
Appropriation, current	BA	723,399	810,000	
				[K] 942,995
			[A] 27,750	
			[C] 196	
			[D] 20,038	
Outlays	0	726,453	727,406	915,093
			[A] 25,530	[A] 2,220
Representation allowances 153				
Appropriation, current	BA	3,034	3,125	
				[K] 3,570
Outlays	0	3,233	3,100	3,509
Acquisition, operation, and maintenance of buildings abroad 153				
Appropriation, current	BA	64,000	114,127	
				[K] 252,890
			[D] 292	
Outlays	0	91,228	123,610	156,185
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 153				
Appropriation, current	BA	18,150	5,505	
				[K] 42,775
Outlays	0	10,574	19,460	27,375
Emergencies in the diplomatic and consular service 153				
Appropriation, current	BA	5,350	5,000	
				[K] 5,000
Outlays	0	4,170	5,200	4,850
Buying power maintenance 153				
Appropriation, current	BA			[K] 20,000
Payment to the American Institute in Taiwan 153				
Appropriation, current	BA	5,954	6,282	
				[K] 7,884
			[A] 275	
Outlays	0	5,689	6,546	7,804
			[A] 275	
Payment to the Asia Foundation 153				
Appropriation, current	BA		4,100	
				[K] 4,256
Outlays	0		4,100	4,256

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of State—Con.				
Administration of Foreign Affairs—Con.				
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current	BA	**47,546**	**42,346**	.....
				[K] **73,197**
			[A] **12,251**	
Appropriation, permanent, indefinite	BA	**147,100**	**161,800**	**177,000**
Outlays	0	194,646	204,146	250,197
			[A] 12,251	
Intragovernmental Funds:				
Working capital fund 153				
Outlays	0	−760	−185	.....
Consolidated working fund 153				
Outlays	0	471	266	.....
Trust funds				
Foreign Service retirement and disability fund 602				
Appropriation, current, indefinite	BA		[A] **14,427**	
Appropriation, permanent, indefinite	BA	**310,517**	**327,722**	**382,349**
Outlays	0	141,801	173,749	206,874
			[J] −12,321	[J] −20,614
Miscellaneous trust funds 153				
Appropriation, permanent, indefinite	BA	**1,499**	**1,500**	**1,500**
Outlays	0	876	900	900
Total Federal funds Administration of Foreign Affairs	BA	**1,014,533**	**1,213,087**	**1,529,567**
	0	1,035,704	1,131,705	1,371,489
Total Trust funds Administration of Foreign Affairs	BA	**312,016**	**343,649**	**383,849**
	0	142,677	162,328	187,160
International Organizations and Conferences				
Federal funds				
General and Special Funds:				
Contributions to international organizations 153				
Appropriation, current	BA	**411,500**	**459,941**	.....
				[K] **654,591**
Outlays	0	400,996	485,716	598,884
Contributions for international peacekeeping activities 153				
Appropriation, current	BA	**64,987**	**50,000**	.....
				[K] **60,938**
		[F] **−12,000**		
Outlays	0	69,016	45,000	60,391
Missions to international organizations 153				
Appropriation, current	BA	**14,454**	.....	.....
Outlays	0	14,123	.....	.....
International conferences and contingencies 153				
Appropriation, current	BA	**6,700**	**7,000**	.....
				[K] **8,277**
Outlays	0	7,214	7,699	8,228
International trade negotiations 153				
Outlays	0	632	133	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of State—Con.				
International Organizations and Conferences—Con.				
Trust funds				
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation 153				
Appropriation, permanent, indefinite	BA	14	50	50
Outlays	O	60	40	50
Total Federal funds International Organizations and Conferences	BA	485,641	516,941	723,806
	O	491,981	538,548	667,503
Total Trust funds International Organizations and Conferences	BA	14	50	50
	O	60	40	50
International Commissions				
Federal funds				
General and Special Funds:				
International Boundary and Water Commission, United States and Mexico:				
Salaries and expenses 301				
Appropriation, current	BA	7,924	7,923 [C] 155 [D] 274	8,727
Outlays	O	7,747	8,343	8,728
Construction 301				
Appropriation, current	BA	8,200	5,752	1,186
Outlays	O	3,890	15,052	10,844
American sections, international commissions 301				
Appropriation, current	BA	3,271	3,000 [D] 102	[K] 3,235
Outlays	O	2,685	3,433	3,344
International fisheries commissions 302				
Appropriation, current	BA	7,500	8,038	[K] 9,360
Outlays	O	7,456	8,042	9,260
Total Federal funds International Commissions	BA	26,895	25,244	22,508
	O	21,778	34,870	32,176
Other				
Federal funds				
General and Special Funds:				
Migration and refugee assistance 151				
Appropriation, current	BA	456,241	456,241	[K] 585,600
Outlays	O	412,446	457,646	559,728
United States emergency refugee and migration assistance fund 151				
Appropriation, current	BA	26,700	35,000	25,000
Outlays	O	33,988	28,627	25,266

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of State—Con.					
Other—Con.					
International narcotics control	151				
Appropriation, current		BA	**38,500**	**48,758**	**40,200**
				[H] −10,185	
Outlays		0	26,875	40,948	45,946
				[H] −3,000	[H] −7,185
U.S. bilateral science and technology agreements	153				
Appropriation, current		BA	**500**	**1,400**	
					[K] **3,700**
Outlays		0	500	1,400	3,700
Special assistance to refugees from Cambodia and Vietnam	609				
Outlays		0	−5	1,120	
Eighth Pan American games	154				
Outlays		0	500		
International Center, Washington, D.C.	153				
Appropriation, permanent, indefinite		BA	**2,464**		**800**
Outlays		0	110	2,071	1,051
Total Federal funds Other		BA	**524,405**	**531,214**	**655,300**
		0	474,414	528,812	628,506
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,051,474**	**2,286,486**	**2,931,181**
		0	2,023,877	2,233,935	2,699,674
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*−1,212*	*−4,681*	*−3,508*
	271	BA			
		0	*−1,800*	*−1,800*	*−1,800*
	300	BA			
		0	*−16*	*−16*	*−16*
	400	BA			
		0	*−1,515*	*−850*	*−850*
	902	BA			
		0	*−1,168*	*−1,020*	*−1,020*
Total Federal funds		BA	**2,045,763**	**2,278,119**	**2,923,987**
		0	2,018,166	2,225,568	2,692,480
Trust funds:					
(As shown in detail above)		BA	**312,030**	**343,699**	**383,899**
		0	142,737	162,368	187,210
Deductions for offsetting receipts:					
Intrafund transactions	602	BA			
		0	*−1,157*	*−1,200*	*−1,200*
Total Trust funds		BA	**310,873**	**342,499**	**382,699**
		0	141,580	161,168	186,010

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of State—Con.					
Summary—Con.					
Interfund transactions	153	BA			
		0	−221,342	−244,249	−282,749
Total Department of State		BA	**2,135,294**	**2,376,369**	**3,023,937**
		0	1,938,404	2,142,487	2,595,741
Department of Transportation					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Salaries and expenses	407				
Appropriation, current		BA	**31,790**	**35,680**	**40,072**
				[D] **1,027**	
Outlays		0	32,773	37,320	39,500
Transportation planning, research, and development	407				
Appropriation, current		BA	**9,425**	**10,789**	**12,030**
Outlays		0	14,881	14,470	12,000
Transportation research activities overseas (special foreign currency program)	407				
Outlays		0	2	22	.....
Intragovernmental Funds:					
Limitation on Working capital fund	407				
Outlays		0	3,400	−1,200	−1,000
Total Federal funds Office of the Secretary		BA	**41,215**	**47,496**	**52,102**
		0	51,056	50,612	50,500
Coast Guard					
Federal funds					
General and Special Funds:					
Operating expenses	403				
Appropriation, current		BA	**1,115,209**	**1,192,878**	.....
					[K] **1,411,589**
				[A] **95,575**	
				[E] **51,269**	
Outlays		0	1,090,679	1,223,950	1,396,097
				[A] 95,575	
Acquisition, construction, and improvements	403				
Appropriation, current		BA	**286,011**	**333,985**	.....
					[K] **375,000**
				[A] **2,000**	
Outlays		0	252,954	255,934	334,730
				[A] 890	[A] 1,110
Alteration of bridges	403				
Appropriation, current		BA	**7,650**	**15,850**	.....
					[K] **17,500**
Outlays		0	11,191	16,000	17,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.					
Coast Guard—Con.					
Retired pay	403				
Appropriation, current		BA	**206,900**	**232,000**	**288,000**
				[A] 15,000	
				[J] −1,000	**[J] −9,000**
Outlays		0	207,479	232,000	288,000
				[A] 15,000	
				[J] −1,000	[J] −9,000
Reserve training	403				
Appropriation, current		BA	**42,855**	**45,007**	**12,598**
					[K] 38,490
				[A] 1,000	
				[D] 176	
				[E] 3,300	
Outlays		0	41,821	48,483	51,088
				[A] 1,000	
Research, development, test, and evaluation	403				
Appropriation, current		BA	**22,000**	**25,000**	.....
					[K] 30,000
Outlays		0	23,188	28,000	30,000
State boating safety assistance	403				
Outlays		0	1,844	242	.....
Pollution fund	304				
Appropriation, current		BA	**30,500**	.....	**8,000**
				[A] 15,000	
Appropriation, permanent, indefinite		BA	**5,473**	**7,000**	**7,000**
Outlays		0	23,603	23,500	15,000
				[A] 3,500	
Offshore oil pollution compensation fund	304				
Appropriation, current, indefinite		BA	**1,070**	**10,000**	**10,000**
Outlays		0	−117	10,000	10,000
Deepwater port liability fund	304				
Appropriation, current		BA	.....	.....	**10,000**
				[A] 5,000	
Outlays		0	.....	.....	10,000
				[A] 5,000	
Intragovernmental Funds:					
Coast Guard supply fund	403				
Appropriation, current		BA	.....	**1,500**	**1,500**
Outlays		0	−3,891	1,300	1,500
Coast Guard yard fund	403				
Outlays		0	−12,434	9,934	2,000
Trust funds					
Coast Guard general gift fund	403				
Appropriation, permanent, indefinite		BA	**21**	**30**	**30**
Outlays		0	11	30	30
Special statistical work	403				
Outlays		0	.....	11	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.				
Coast Guard—Con.				
Miscellaneous trust revolving funds 403				
Outlays	0	−73	25	25
Total Federal funds Coast Guard	BA	**1,717,668**	**2,050,540**	**2,200,677**
	0	1,636,317	1,969,308	2,148,025
Total Trust funds Coast Guard	BA	**21**	**30**	**30**
	0	−62	66	55
Federal Aviation Administration				
Federal funds				
General and Special Funds:				
Operations 402				
Appropriation, current	BA	**1,844,544**	**1,708,520** **[A] 6,700** **[D] 118,700**	**1,053,717**
Outlays	0	1,860,621	1,785,000 [A] 6,000	1,034,088 [A] 700
Facilities, engineering and development 402				
Appropriation, current	BA	**20,500**	**21,155**	**23,500**
Outlays	0	20,650	23,300	30,310
Operation and maintenance, Metropolitan Washington Airports 402				
Appropriation, current	BA	**27,327**	**28,585** **[D] 750**	**31,656**
Outlays	0	26,321	28,955	31,022
Construction, Metropolitan Washington Airports 402				
Appropriation, current	BA	**6,785**	**16,200**	**39,500**
Outlays	0	6,406	12,181	18,505
Civil supersonic aircraft development termination 402				
Outlays	0	545	.....	.....
Safety regulations 402				
Outlays	0	29	418	.....
Public Enterprise Funds:				
Aviation insurance revolving fund 402				
Outlays	0	−1,912	−1,492	−1,581
Trust funds				
Grants-in-aid for airports (Airport and airway trust fund) 402				
Appropriation, current	BA	**10,000**	.....	.....
Contract authority, current	BA	**57,000**	**700,000**	.....
Contract authority, permanent	BA	**610,000**	.....	**750,000**
Reappropriation	BA	.....	**21,961**	.....
Liquidation of contract authority, current		(610,000)	(595,000)	(535,000)
Outlays	0	590,344	524,000	535,000
Facilities and equipment (Airport and airway trust fund) 402				
Appropriation, current	BA	**249,815**	**350,000**	**400,000**
Reappropriation	BA	**43,000**	.....	.....
Outlays	0	230,348	270,000	280,000

See footnotes at end of table.

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Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.				
Federal Aviation Administration—Con.				
Research, engineering and development (Airport and airway trust fund) 402				
Appropriation, current	BA	**75,000**	**85,000**	**95,000**
Outlays	0	77,834	87,000	92,000
Operations (Airport and airway trust fund) 402				
Appropriation, current	BA	**325,000**	**525,000**	**1,450,000**
Outlays	0	325,028	525,000	1,450,000
Total Federal funds Federal Aviation Administration	BA	**1,899,156**	**1,900,610**	**1,148,373**
	0	1,912,660	1,854,362	1,113,044
Total Trust funds Federal Aviation Administration	BA	**1,369,815**	**1,681,961**	**2,695,000**
	0	1,223,554	1,406,000	2,357,000
Federal Highway Administration				
Federal funds				
General and Special Funds:				
Motor carrier safety 401				
Appropriation, current	BA	**13,804**	**14,350**	**16,316**
			[D] **686**	
Outlays	0	10,248	18,559	16,254
Highway beautification 401				
Appropriation, current	BA	**8,500**	**6,600**	.....
Liquidation of contract authority, current		(25,283)	.....	.....
Outlays	0	25,952	28,000	15,300
Darien Gap Highway 151				
Appropriation, current	BA		[A] **7,500**	
Outlays	0	1,670	2,600	.....
			[A] 7,500	
Territorial highways 401				
Appropriation, current	BA	**6,600**	**6,600**	**7,200**
Liquidation of contract authority, current		(4,168)	.....	.....
Outlays	0	3,512	6,000	7,600
Railroad-highway crossings demonstration projects 401				
Appropriation, current	BA	**6,667**	.....	.....
Outlays	0	2,283	4,000	7,000
National scenic and recreational highway 401				
Liquidation of contract authority, current		(6,000)	(5,000)	(2,100)
Outlays	0	8,304	3,181	4,000
Alaska Highway 401				
Appropriation, current	BA	**2,500**	.....	.....
Outlays	0	8,943	9,000	4,700
Safer off-system roads 401				
Appropriation, current	BA	**55,000**	.....	.....
Outlays	0	99,056	59,200	39,000
Access highways to public recreation areas on certain lakes 401				
Appropriation, current	BA	**9,650**	**11,323**	.....
Outlays	0	8,256	13,000	8,000
Bicycle program 401				
Appropriation, current	BA	**2,000**	.....	.....
Outlays	0	.....	800	300

See footnotes at end of table.

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Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.				
Federal Highway Administration—Con.				
Miscellaneous appropriations 401				
Appropriation, current	BA	**14,000**	.....	.....
Liquidation of contract authority, current		(10,000)	.....	.....
Outlays	0	82,283	35,421	38,923
Trust funds				
Federal-aid highways (trust fund) 401				
Appropriation, current	BA	**2,000**	.....	.....
Contract authority, current	BA	**250,000**	**50,000**	.....
				[K] **2,363,667**
Contract authority, permanent	BA	**8,428,391**	**9,048,040**	**7,836,333**
Liquidation of contract authority, current		(8,200,000)	(7,500,000)	(8,300,000)
			[A] (1,250,000)	
Outlays	0	8,838,279	7,611,187	8,160,000
			[A] 788,813	
Limitation on general operating expenses		(193,300)	(191,282)	(216,560)
			[D] (7,318)	
Interstate transfer grants - highways 401				
Appropriation, current	BA	.....	.....	**300,000**
Outlays	0	.....	.....	50,000
Highway-related safety grants 401				
Contract authority, permanent	BA	**24,673**	**24,673**	.....
Liquidation of contract authority, current		(26,500)	(17,500)	(28,300)
			[A] (12,000)	
Outlays	0	28,435	19,412	28,000
			[A] 8,588	
Baltimore-Washington Parkway 401				
Outlays	0	203	1,600	600
Trust fund share of other highway programs 401				
Appropriation, current	BA	**15,333**	.....	.....
Contract authority, permanent	BA	**25,000**	**25,000**	.....
Liquidation of contract authority, current		(19,800)	(9,000)	(33,900)
			[A] (12,000)	
Outlays	0	38,742	31,694	51,278
			[A] 12,000	
Highway safety research and development 401				
Appropriation, current	BA	**9,500**	**9,000**	**9,500**
Outlays	0	8,311	9,300	9,700
Overseas highway 401				
Outlays	0	35,975	35,810	14,509
Carpool and vanpool projects 401				
Appropriation, current	BA	**7,000**	**1,000**	.....
Outlays	0	127	2,400	2,200
Miscellaneous trust funds 151				
Appropriation, permanent	BA	**2,919**	**2,713**	**2,525**
Contract authority, permanent	BA	**9**	.....	.....
Liquidation of contract authority, permanent		(600)	(844)	.....
Outlays	0	5,834	2,881	3,525
Miscellaneous trust funds - Demonstration projects 401				
Outlays	0	18,330	11,214	1,065

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Department of Transportation—Con.				
Federal Highway Administration—Con.				
Right-of-way revolving fund (trust revolving fund) 401				
Liquidation of contract authority, current		.....	.....	(45,000)
Outlays	0	26,162	40,000	45,000
Total Federal funds Federal Highway Administration	BA	**118,721**	**47,059**	**23,516**
	0	250,507	187,261	141,077
Total Trust funds Federal Highway Administration	BA	**8,764,825**	**9,160,426**	**10,512,025**
	0	9,000,398	8,574,899	8,365,877
National Highway Traffic Safety Administration				
Federal funds				
General and Special Funds:				
Operations and research 401				
Appropriation, current	BA	**57,400**	**58,913**	**23,130**
			[D] **500**	[K] **58,372**
Outlays	0	61,175	60,710	62,055
State and community highway safety 401				
Appropriation, current	BA	**2,297**	**12,593**	**2,580**
Outlays	0	856	5,000	6,000
Trust funds				
Trust fund share of highway safety programs 401				
Appropriation, current	BA	**46,113**	**52,963**	**72,775**
			[D] **200**	
Contract authority, permanent	BA	**175,203**	**199,907**	**199,920**
Liquidation of contract authority, current		(171,000)	(163,800)	(159,832)
Outlays	0	213,904	191,989	244,748
Gifts and donations 401				
Outlays	0	.....	6	.....
Total Federal funds National Highway Traffic Safety Administration	BA	**59,697**	**72,006**	**84,082**
	0	62,031	65,710	68,055
Total Trust funds National Highway Traffic Safety Administration	BA	**221,316**	**253,070**	**272,695**
	0	213,904	191,995	244,748
Federal Railroad Administration				
Federal funds				
General and Special Funds:				
Office of the administrator 401				
Appropriation, current	BA	**7,943**	**7,970**	**8,860**
			[D] **550**	
Outlays	0	8,648	8,786	8,780
Railroad safety 401				
Appropriation, current	BA	**28,000**	**27,250**	**27,650**
			[D] **1,200**	
Outlays	0	27,973	29,027	29,248

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.				
Federal Railroad Administration—Con.				
Railroad research and development 401				
Appropriation, current	BA	**54,750**	**50,000**	**59,100**
Outlays	O	63,528	45,162	47,935
Rail service assistance 401				
Appropriation, current	BA	**105,579**	**124,423**	**101,150**
			[A] 59,619	
Authority to borrow, current	BA	**57,193**	**384**	**150,000**
Outlays	O	141,292	66,138	146,143
			[A] 14,619	[A] 45,000
Rail labor assistance 603				
Appropriation, current	BA	**6,500**	**9,000**	.....
			[A] 60,000	
Appropriation, permanent	BA	.....	**61,600**	.....
Outlays	O	.....	77,100	.....
			[A] 60,000	
Settlements of railroad litigation 401				
Appropriation, current	BA		**[A] 207,000**	
Authority to borrow, current	BA	.....	**2,113,000**	.....
Outlays	O	.....	2,113,000	.....
			[A] 207,000	
Northeast corridor improvement program 401				
Appropriation, current	BA	**381,000**	**350,000**	**488,000**
Outlays	O	240,858	373,200	465,000
Grants to National Railroad Passenger Corporation 401				
Appropriation, current	BA	**873,400**	**881,000**	**106,000**
				[K] 721,000
			[A] 24,900	
Appropriation, permanent	BA	.....	.....	**166,000**
Outlays	O	823,400	744,000	943,000
			[A] 24,900	
Public Enterprise Funds:				
Alaska Railroad revolving fund 401				
Appropriation, current	BA	**6,500**	**10,640**	**7,000**
			[A] 2,000	
Outlays	O	8,084	4,500	5,000
			[A] 2,000	
Railroad rehabilitation and improvement financing funds 401				
Authority to borrow, current	BA	**40,000**	.....	.....
Outlays	O	105,893	100,000	35,487
Total Federal funds Federal Railroad Administration	BA	**1,560,865**	**3,990,536**	**1,834,760**
	O	1,419,676	3,869,432	1,725,593

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.				
Urban Mass Transportation Administration				
Federal funds				
General and Special Funds:				
Urban mass transportation fund 401				
Appropriation, current	BA	**3,212,259**	**4,615,200**	**4,110,000**
			[A] **250,000**	[K] **1,035,050**
			[D] **1,326**	
Contract authority, current	BA	**—713,100**	.....	.....
Liquidation of contract authority, current		(1,500,000)	(1,500,000)	(1,200,000)
Outlays	0	3,206,720	3,606,280	3,676,646
			[A] 25,000	[A] 75,000
Saint Lawrence Seaway Development Corporation				
Federal funds				
Public Enterprise Funds:				
Saint Lawrence Seaway Development Corporation 403				
Outlays	0	—1,076	1,129	—43
			[A] 225	
Limitation on administrative expenses		(1,410)	(1,460)	(1,601)
			[D] (54)	
Research and Special Programs Administration				
Federal funds				
General and Special Funds:				
Research and special programs 407				
Appropriation, current	BA	**25,951**	**31,420**	**25,722**
				[K] **9,079**
Outlays	0	23,611	27,731	29,539
Cooperative automotive research 401				
Appropriation, current	BA	.....	**12,000**	**17,000**
Outlays	0	.....	6,000	12,000
Intragovernmental Funds:				
Working capital fund, Transportation Systems Center 407				
Outlays	0	449	.....	.....
Total Federal funds Research and Special Programs Administration	BA	**25,951**	**43,420**	**51,801**
	0	24,060	33,731	41,539
Office of the Inspector General				
Federal funds				
General and Special Funds:				
Salaries and expenses 407				
Appropriation, current	BA	**12,363**	**13,657**	**15,496**
			[A] **1,000**	
			[D] **630**	
Outlays	0	10,431	14,265	15,169
			[A] 980	[A] 20

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of Transportation—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**7,934,795**	**13,033,480**	**10,555,857**
		O	8,572,382	11,678,295	9,054,625
Deductions for offsetting receipts:					
Proprietary receipts from the public	304	BA		*—6,020*	*—6,020*
		O			
	400	BA	*—43,175*	*—42,376*	*—43,202*
		O			
	806	BA	*—303*		
		O			
	902	BA	*—245*	*—171*	*—171*
		O			
Total Federal funds		BA	**7,891,072**	**12,984,913**	**10,506,464**
		O	8,528,659	11,629,728	9,005,232
Trust funds:					
(As shown in detail above)		BA	**10,355,977**	**11,095,487**	**13,479,750**
		O	10,437,794	10,172,960	10,967,680
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA	*—3,618*	*—3,042*	*—2,025*
		O			
	902	BA	*—33*		
		O			
Total Trust funds		BA	**10,352,326**	**11,092,445**	**13,477,725**
		O	10,434,143	10,169,918	10,965,655
Total Department of Transportation		BA	**18,243,398**	**24,077,358**	**23,984,189**
		O	18,962,802	21,799,646	19,970,887
Department of the Treasury					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	**31,121**	**33,500**	**37,265**
				D 1,507	
Outlays		O	33,346	34,847	36,439
International affairs	803				
Appropriation, current		BA	**22,388**	**23,500**	**23,478**
				D 402	
Outlays		O	21,592	23,850	22,765
Presidential election campaign fund	806				
Appropriation, permanent, indefinite		BA	**38,832**	**37,500**	**38,000**
Outlays		O	96,743	9,867	
Public Enterprise Funds:					
Exchange stabilization fund	155				
Outlays		O	—481,503	—482,868	—475,851
Intragovernmental Funds:					
Working capital fund	803				
Outlays		O	—394	248	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.				
Office of the Secretary—Con.				
Trust funds				
Pershing Hall memorial fund 705				
Appropriation, permanent, indefinite	BA	**4**	**7**	**7**
Outlays	0	4	7	7
Total Federal funds Office of the Secretary	BA	**92,341**	**96,409**	**98,743**
	0	−330,216	−414,056	−416,647
Total Trust funds Office of the Secretary	BA	**4**	**7**	**7**
	0	4	7	7
Office of Revenue Sharing				
Federal funds				
General and Special Funds:				
Salaries and expenses 851				
Appropriation, current	BA	**6,237**	**6,484**	**7,186**
			D **293**	
Outlays	0	6,421	7,246	7,157
Antirecession financial assistance fund 852				
Outlays	0		2,224	
Payments to State and local government fiscal assistance trust fund 851				
Appropriation, current	BA	**6,854,924**	**4,569,949**	**4,569,949**
Outlays	0	6,854,924	4,569,949	4,569,949
Trust funds				
State and local government fiscal assistance trust fund 851				
Appropriation, permanent, indefinite	BA	**6,854,924**	**4,569,949**	**4,569,949**
Outlays	0	6,828,835	5,155,785	4,558,876
Total Federal funds Office of Revenue Sharing	BA	**6,861,161**	**4,576,726**	**4,577,135**
	0	6,861,345	4,579,419	4,577,106
Total Trust funds Office of Revenue Sharing	BA	**6,854,924**	**4,569,949**	**4,569,949**
	0	6,828,835	5,155,785	4,558,876
Federal Law Enforcement Training Center				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**13,267**	**13,400**	**15,546**
			D **470**	
Outlays	0	14,584	12,969	15,136
Construction, Federal Law Enforcement Training Center 751				
Outlays	0	4,637	5,699	600
Total Federal funds Federal Law Enforcement Training Center	BA	**13,267**	**13,870**	**15,546**
	0	19,221	18,668	15,736

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Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.				
Bureau of Government Financial Operations				
Federal funds				
General and Special Funds:				
Salaries and expenses 803				
Appropriation, current	BA	**187,452**	**188,000** **[A] 4,168** **[D] 3,826**	**210,090**
Outlays	0	188,056	189,908 [A] 4,126	207,754 [A] 42
Special payment to recipients of certain retirement and survivor benefits 601				
Outlays	0	−10	.....	.....
New York City loan guarantee program 852				
Appropriation, current	BA	**1,022**	**903** **[D] 31**	**1,044**
Outlays	0	744	1,145	1,150
Chrysler Corporation loan guarantee program 376				
Appropriation, current	BA	**1,518**	**1,320** **[D] 29**	**1,356**
Outlays	0	1,388	1,378	1,355
Claims, judgments, and relief acts 806				
Appropriation, permanent, indefinite	BA	**438,285**	**302,500**	**377,500**
Outlays	0	438,167	302,775	377,500
Payments to the Governments of Guam, Virgin Islands and American Samoa 806				
Appropriation, current	BA	.....	**2,173**	.....
Outlays	0	.....	2,173	.....
Interest on uninvested funds 902				
Appropriation, permanent, indefinite	BA	**14,382**	**10,924**	**10,543**
Outlays	0	10,416	15,654	10,543
Payment of Government losses in shipment 803				
Appropriation, current	BA	**200**	.....	.....
Outlays	0	83	100	100
Energy security reserve 271				
Appropriation, current	BA	**12,212,000**	.....	.....
Outlays	0	.....	27,500	52,000
Biomass energy development 271				
Appropriation, current	BA	**1,270,000**	.....	.....
Outlays	0	39	163,000	132,000
Public Enterprise Funds:				
Check forgery insurance fund 803				
Outlays	0	-	10	10
Intragovernmental Funds:				
Fishermen's protective fund 376				
Outlays	0	903	.....	.....

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Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.				
Bureau of Government Financial Operations—Con.				
Trust funds				
Miscellaneous trust funds 806				
Appropriation, permanent, indefinite	BA	**18**	**18**	**18**
Outlays	0	18	18	18
Total Federal funds Bureau of Government Financial Operations	BA	**14,124,859**	**513,874**	**600,533**
	0	639,789	707,769	782,454
Total Trust funds Bureau of Government Financial Operations	BA	**18**	**18**	**18**
	0	18	18	18
Bureau of Alcohol, Tobacco and Firearms				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**142,892**	**144,300**	**160,000**
			[D] **8,092**	
Outlays	0	145,723	150,658	158,393
United States Customs Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**458,836**	**472,000**	**510,259**
			[C] **220**	
			[D] **23,380**	
Outlays	0	480,038	488,929	483,709
Miscellaneous permanent appropriations 852				
Appropriation, permanent, indefinite	BA	**273,130**	**86,000**	**92,000**
Outlays	0	289,762	86,000	92,000
Intragovernmental Funds:				
Consolidated working fund 803				
Outlays	0	44	.....	.....
Trust funds				
Refunds, transfers and expenses, unclaimed, abandoned and seized goods 803				
Appropriation, permanent, indefinite	BA	**4,320**	**6,970**	**7,480**
Outlays	0	2,170	6,970	7,480
Total Federal funds United States Customs Service	BA	**731,966**	**581,600**	**602,259**
	0	769,844	574,929	575,709
Total Trust funds United States Customs Service	BA	**4,320**	**6,970**	**7,480**
	0	2,170	6,970	7,480

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Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.					
Bureau of Engraving and Printing					
Federal funds					
Intragovernmental Funds:					
Bureau of Engraving and Printing fund	803				
Outlays		0	4,544	3,717	2,950
Bureau of the Mint					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	**58,247**	**60,500**	**53,613**
				[D] **1,301**	
Outlays		0	51,630	60,484	52,469
Expansion and improvements	803				
Appropriation, current		BA			[K] **6,134**
Outlays		0			[K] 5,684
Construction of mint facilities	803				
Outlays		0		2,800	
Coinage profit fund	803				
Appropriation, permanent, indefinite		BA	**2,499**	**4,600**	**5,300**
Outlays		0	2,375	4,600	5,300
Total Federal funds Bureau of the Mint		BA	**60,746**	**66,401**	**65,047**
		0	54,005	67,884	63,453
Bureau of the Public Debt					
Federal funds					
General and Special Funds:					
Administering the public debt	803				
Appropriation, current		BA	**206,696**	**196,625**	**229,571**
				[C] **67**	
				[D] **2,960**	
Outlays		0	200,584	206,101	228,287
Internal Revenue Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	**148,408**	**157,000**	**175,232**
				[D] **7,854**	
Outlays		0	150,808	164,253	174,220
Taxpayer service and returns processing	803				
Appropriation, current		BA	**791,803**	**811,000**	**903,693**
				[A] **8,115**	
				[D] **34,929**	
Outlays		0	797,905	842,745	898,391
				[A] 8,079	[A] 36
Examinations and appeals	803				
Appropriation, current		BA	**841,400**	**853,000**	**966,966**
				[A] **5,175**	
				[D] **54,679**	
Outlays		0	867,336	904,263	961,291
				[A] 5,158	[A] 17

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.				
Internal Revenue Service—Con.				
Investigations and collections 803				
Appropriation, current	BA	**506,421**	**536,500**	**603,389**
			[D] **34,359**	
Outlays	0	518,833	568,724	599,859
Payments in excess of business tax liabilities 376				
Appropriation, current	BA		[J] **227,000**	[J] **3,493,000**
Outlays	0		[J] 227,000	[J] 3,493,000
Payment where energy credit exceeds liability for tax 271				
Appropriation, current	BA	**1,900**	**900**	**500**
Outlays	0	2,337	900	500
Payments to nonprofit institutions related to the 8% social security tax credit 506				
Appropriation, current	BA			[J] **237,000**
Outlays	0			[J] 237,000
Payments to State and local governments related to the 8% social security tax credit 852				
Appropriation, current	BA			[J] **495,000**
Outlays	0			[J] 495,000
Payment where credit exceeds liability for tax 609				
Appropriation, permanent, indefinite	BA	**1,275,231**	**1,203,000**	**1,115,000**
Outlays	0	1,275,231	1,203,000	1,115,000
Refunding internal revenue collections, interest 902				
Appropriation, permanent, indefinite	BA	**502,409**	**708,000**	**600,000**
Outlays	0	502,409	708,000	600,000
Internal revenue collections for Puerto Rico 852				
Appropriation, permanent, indefinite	BA	**228,459**	**225,000**	**230,000**
Outlays	0	216,574	225,000	230,000
Public Enterprise Funds:				
Federal tax lien revolving fund 803				
Outlays	0	510	.....	.....
Total Federal funds Internal Revenue Service	BA	**4,296,031**	**4,866,511**	**8,819,780**
	0	4,331,943	4,857,122	8,804,314
United States Secret Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**173,825**	**157,000**	**178,463**
			[A] **10,600**	
			[D] **9,710**	
				[J] **950**
Outlays	0	173,601	163,881	175,597
			[A] 9,500	[A] 1,100
				[J] 950
Contribution for annuity benefits 751				
Appropriation, permanent, indefinite	BA	**5,035**	**8,000**	**9,000**
Outlays	0	5,865	8,000	9,000
Total Federal funds United States Secret Service	BA	**178,860**	**185,310**	**188,413**
	0	179,466	181,381	186,647

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.					
Comptroller of the Currency					
Trust funds					
Assessment funds	376				
Outlays		0	145	−2,263	−5,945
Interest on the Public Debt					
Federal funds					
General and Special Funds:					
Interest on the public debt	901				
Appropriation, permanent		BA	**74,860,226**	**94,100,000**	**106,500,000**
Outlays		0	74,860,226	94,100,000	106,500,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**101,569,045**	**105,352,745**	**121,857,027**
		0	87,736,474	105,033,592	121,478,402
Deductions for offsetting receipts:					
Intrafund transactions	803	BA			
		0	*−425*	*−390*	*−350*
	806	BA			
		0	*−468*	.....	.....
	902	BA			
		0	*−3,086,300*	*−3,467,494*	*−3,244,399*
Receipts from off-budget Federal entities	803	BA			
		0	*−252,918*	*−116,039*	*−127,695*
	902	BA			
		0	*−5,949,888*	*−8,945,974*	*−12,130,619*
Proprietary receipts from the public	050	BA			
		0	*−4,231*	*−3,000*	*−3,000*
	150	BA			
		0	*−93,907*	*−75,119*	*−75,123*
	151	BA			
		0	*−22,187*	*−13,025*	*−13,063*
	152	BA			
		0	*−27,985*	*−12,988*	*−13,234*
	155	BA			
		0	*−77,190*	*−78,734*	*−80,309*
	800	BA			
		0	*−85,280*	*−145,711*	*−87,334*
	806	BA			
		0	.....	*−5,000*	*−10,000*
	901	BA			
		0	*−78,728*	.....	.....
	902	BA			
		0	*−1,226,251*	*−1,372,109*	*−1,091,460*
Total Federal funds		BA	**90,663,287**	**91,117,162**	**104,980,441**
		0	76,830,716	90,798,009	104,601,816
Trust funds:					
(As shown in detail above)		BA	**6,859,266**	**4,576,944**	**4,577,454**
		0	6,831,172	5,160,517	4,560,436
Interfund transactions	803	BA			
		0	**−63,749**	**−93,889**	**−95,522**

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Department of the Treasury—Con.					
Summary—Con.					
	851	BA			
		O	**−6,854,925**	**−4,569,950**	**−4,569,950**
	902	BA			
		O	**−52,497**	**−128,831**	**−165,700**
Total Department of the Treasury		BA	**90,551,382**	**90,901,436**	**104,726,723**
		O	76,690,717	91,165,856	104,331,080
Environmental Protection Agency					
Federal funds					
General and Special Funds:					
Salaries and expenses	304				
Appropriation, current		BA	**524,773**	**547,558**	**410,748**
					[K] **234,870**
				[D] **25,599**	
				[E] **335**	
Outlays		O	471,062	558,573	661,561
Research and development:					
(Energy supply)	271				
(Appropriation, current)		BA	**89,933**	**98,993**	.....
					[K] **84,055**
(Outlays)		O	119,908	81,459	80,880
(Pollution control and abatement)	304				
(Appropriation, current)		BA	**143,548**	**154,527**	.....
					[K] **145,300**
(Outlays)		O	157,310	151,126	150,006
Total Research and development		BA	**233,481**	**253,520**	**229,355**
		O	277,218	232,585	230,886
Abatement, control, and compliance	304				
Appropriation, current		BA	**506,430**	**545,183**	**260,888**
					[K] **231,184**
Outlays		O	477,606	500,880	504,133
Buildings and facilities	304				
Appropriation, current		BA	**2,177**	**4,115**	**6,646**
Outlays		O	1,592	2,500	3,965
Construction grants	304				
Appropriation, current		BA	**3,400,000**	**3,304,837**	**3,700,000**
Liquidation of contract authority, current			(1,500,000)	(1,700,000)	(1,000,000)
Outlays		O	4,343,010	4,200,000	4,230,000
Scientific activities overseas (Special foreign currency program)	304				
Outlays		O	2,053	2,700	1,300
United States Regulatory Council	304				
Appropriation, current		BA	**2,538**	**2,500**	**2,580**
				[D] **60**	
Outlays		O	1,869	2,110	3,000
Operations, research, and facilities	304				
Outlays		O	2,890	3,200	2,000
Enforcement	304				
Outlays		O	25,411	6,812	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Environmental Protection Agency—Con.					
Payment to the hazardous substance response trust fund	304				
Appropriation, current		BA	.....	.....	**35,000**
				[A] **11,000**	
Outlays		0	.....	.....	35,000
				[A] 11,000	
Public Enterprise Funds:					
Revolving fund for certification and other services	304				
Outlays		0	−92	50	100
Intragovernmental Funds:					
Consolidated working fund	304				
Outlays		0	.....	17	.....
Trust funds					
Hazardous substance response trust fund	304				
Appropriation, current		BA	.....	.....	**250,000**
				[A] **78,000**	
Outlays		0	.....	.....	125,000
				[A] 39,000	[A] 39,000
Miscellaneous trust funds	304				
Appropriation, permanent, indefinite		BA	**16**	.....	.....
Outlays		0	7	20	20
Summary					
Federal funds:					
(As shown in detail above)		BA	**4,669,399**	**4,694,707**	**5,111,271**
		0	5,602,619	5,520,427	5,671,945
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		0	*−540*	*−537*	*−537*
	304	BA			
		0	*−172*	.....	.....
	902	BA			
		0	*−14*	*−14*	*−14*
Total Federal funds		BA	**4,668,673**	**4,694,156**	**5,110,720**
		0	5,601,893	5,519,876	5,671,394
Trust funds:					
(As shown in detail above)		BA	**16**	**78,000**	**250,000**
		0	7	39,020	164,020
Deductions for offsetting receipts:					
Proprietary receipts from the public	304	BA			
		0	*−16*	.....	*−1,000*
Total Trust funds		BA	.....	**78,000**	**249,000**
		0	−9	39,020	163,020
Interfund transactions	304	BA			
		0	.....	**−17,000**	**−35,000**
Total Environmental Protection Agency		BA	**4,668,673**	**4,755,156**	**5,324,720**
		0	5,601,884	5,541,896	5,799,414

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
National Aeronautics and Space Administration				
Federal funds				
General and Special Funds:				
Research and development:				
(Space flight) 253				
(Appropriation, current)	BA	**2,385,000**	**2,681,100**	.....
				[K] **3,304,200**
(Outlays)	0	2,140,714	2,502,200	3,176,000
(Space science, applications, and technology) 254				
(Appropriation, current)	BA	**1,062,686**	**1,042,438**	.....
				[K] **1,389,600**
(Outlays)	0	983,632	957,000	1,240,950
(Supporting space activities) 255				
(Appropriation, current)	BA	**332,100**	**341,100**	.....
				[K] **435,200**
(Outlays)	0	320,382	325,900	376,800
(Air transportation) 402				
(Appropriation, current)	BA	**308,300**	**276,150**	.....
				[K] **323,600**
(Outlays)	0	256,724	269,100	279,650
Total Research and development	BA	**4,088,086**	**4,340,788**	**5,452,600**
	0	3,701,452	4,054,200	5,073,400
Construction of facilities:				
(Space flight) 253				
(Appropriation, current)	BA	**27,750**	**10,100**	.....
				[K] **20,050**
(Outlays)	0	38,423	32,400	26,900
(Space science, applications, and technology) 254				
(Appropriation, current)	BA	**7,250**	**1,617**	.....
				[K] **1,400**
(Outlays)	0	4,863	3,100	3,000
(Supporting space activities) 255				
(Appropriation, current)	BA	**61,600**	**59,992**	.....
				[K] **73,040**
(Outlays)	0	37,390	55,300	67,000
(Air transportation) 402				
(Appropriation, current)	BA	**62,500**	**43,291**	.....
				[K] **42,310**
(Outlays)	0	59,629	65,600	59,800
Total Construction of facilities	BA	**159,100**	**115,000**	**136,800**
	0	140,305	156,400	156,700
Research and program management:				
(Space flight) 253				
(Appropriation, current)	BA	**407,239**	**431,600**	.....
				[K] **477,300**
			[D] **20,200**	
(Outlays)	0	414,540	449,000	475,700

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
National Aeronautics and Space Administration—Con.					
(Space science, applications, and technology)	254				
(Appropriation, current)		BA	**354,866**	**353,400**	.....
					[K] **391,400**
				[D] **18,400**	
(Outlays)		0	357,152	369,700	390,700
(Supporting space activities)	255				
(Appropriation, current)		BA	**45,085**	**47,100**	.....
					[K] **50,200**
				[D] **2,400**	
(Outlays)		0	46,025	49,500	50,000
(Air transportation)	402				
(Appropriation, current)		BA	**188,996**	**197,900**	.....
					[K] **217,400**
				[D] **10,400**	
(Outlays)		0	192,163	207,200	216,900
Total Research and program management		BA	**996,186**	**1,081,400**	**1,136,300**
		0	1,009,880	1,075,400	1,133,300
Trust funds					
Miscellaneous trust funds	255				
Outlays		0	1,286	143	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**5,243,372**	**5,537,188**	**6,725,700**
		0	4,851,637	5,286,000	6,363,400
Deductions for offsetting receipts:					
Proprietary receipts from the public	250	BA			
		0	*−2,996*	*−3,600*	*−3,900*
Total Federal funds		BA	**5,240,376**	**5,533,588**	**6,721,800**
		0	4,848,641	5,282,400	6,359,500
Trust funds:					
(As shown in detail above)		0	1,286	143	.....
Total National Aeronautics and Space Administration		BA	**5,240,376**	**5,533,588**	**6,721,800**
		0	4,849,927	5,282,543	6,359,500
Veterans Administration					
Federal funds					
General and Special Funds:					
Compensation	701				
Appropriation, current		BA	**7,353,000**	**7,542,900**	**8,657,900**
				[A] **1,040,600**	
					[J] **1,038,800**
Outlays		0	7,433,501	7,537,700	8,557,000
				[A] 954,700	[A] 85,900
					[J] 952,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Veterans Administration—Con.				
Pensions 701				
Appropriation, current	BA	**3,608,100**	**3,860,500**	**4,106,000**
Outlays	0	3,585,368	3,839,500	4,085,000
Burial benefits and miscellaneous assistance 701				
Appropriation, current	BA	**185,700**	**198,600**	**204,000**
Outlays	0	183,213	198,100	203,600
Readjustment benefits 702				
Appropriation, current	BA	**2,373,535**	**1,822,308** **[A] 217,500**	**1,658,000** **[J] 30,790**
Outlays	0	2,416,976	1,853,150 [A] 217,500	1,668,000 [J] 30,790
Veterans insurance and indemnities 701				
Appropriation, current	BA	**5,400**	**1,360** **[A] 4,740**	**8,500**
Outlays	0	3,919	4,960 [A] 4,740	8,500
Medical care 703				
Appropriation, current	BA	**5,832,039**	**6,020,013** **[A] 79,967** **[C] 31,162** **[D] 234,043**	**7,004,945** **[J] —46,913**
Outlays	0	5,981,288	6,226,106 [A] 79,967	6,983,227 [J] —46,913
Medical and prosthetic research 703				
Appropriation, current	BA	**125,847**	**132,153** **[D] 7,917**	**155,381**
Outlays	0	130,912	139,816	155,381
Medical administration and miscellaneous operating expenses 703				
Appropriation, current	BA	**48,205**	**51,218** **[A] 1,508** **[D] 1,591**	**64,572**
Outlays	0	50,052	52,759 [A] 1,508	64,572
General operating expenses 705				
Appropriation, current	BA	**611,609**	**627,592** **[C] 1,250** **[D] 27,017**	**670,028** **[J] 948**
Outlays	0	629,972	654,260	668,313 [J] 948
Construction, major projects 703				
Appropriation, current	BA	**321,292**	**423,774**	**500,930**
Outlays	0	189,506	276,965	443,143
Construction, minor projects 703				
Appropriation, current	BA	**73,233**	**108,908** **[D] 1,303**	**148,979**
Outlays	0	105,168	101,536	101,453

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Veterans Administration—Con.				
Grants for construction of state extended care facilities 703				
Appropriation, current	BA	**7,500**	**15,000**	**18,000**
Outlays	0	14,223	5,905	9,153
Grants to the Republic of the Philippines 703				
Appropriation, current	BA	**1,350**	**1,200**	.....
Outlays	0	1,330	1,200	320
Assistance for health manpower training institutions 703				
Outlays	0	42,406	49,529	22,005
Grants for the construction of state veterans cemeteries 705				
Appropriation, current	BA	**5,000**	**5,000**	.....
Outlays	0	234	5,000	3,000
Public Enterprise Funds:				
Construction and operation of garage and parking facilities 703				
Appropriation, current	BA	.....	.....	**4,692**
Outlays	0	−122	−160	4,692
Loan guaranty revolving fund 704				
Outlays	0	27,557	−42,346	25,258
Direct loan revolving fund 704				
Outlays	0	−67,154	−119,240	−72,133
Canteen service revolving fund 705				
Outlays	0	−887	−143	−1,550
Service-disabled veterans insurance fund 701				
Outlays	0	2,789	−2,700	−100
Veterans reopened insurance fund 701				
Outlays	0	−17,227	−17,600	−17,000
Education loan fund 702				
Outlays	0	3,338	2,850	1,500
Vocational rehabilitation revolving fund 702				
Appropriation, current	BA		[A] **1,250**	
Outlays	0	8	−5	−9
			[A] 969	[A] 281
Servicemen's group life insurance fund 701				
Outlays	0	−146	145	.....
Special therapeutic and rehabilitation activities fund 703				
Outlays	0	−191	−255	−257
Intragovernmental Funds:				
Supply fund 705				
Outlays	0	−4,249	5,000	.....
Consolidated working fund 705				
Outlays	0	1,369	.....	.....
Trust funds				
Post-Vietnam era veterans education account 702				
Appropriation, current	BA			[J] **30,500**
Appropriation, permanent, indefinite	BA	**111,302**	**153,327**	**121,100**
Outlays	0	32,653	34,700	39,600
General post fund, national homes 705				
Appropriation, permanent, indefinite	BA	**7,414**	**7,500**	**7,800**
Outlays	0	6,186	6,800	7,100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Veterans Administration—Con.					
National service life insurance fund	701				
Appropriation, permanent, indefinite		BA	**1,044,166**	**1,134,700**	**1,161,900**
Outlays		0	928,228	1,035,700	1,062,500
United States government life insurance fund	701				
Appropriation, permanent, indefinite		BA	**37,968**	**34,000**	**31,600**
Outlays		0	76,683	66,700	62,500
Veterans special life insurance fund	701				
Outlays		0	—44,317	—45,000	—45,700
Summary					
Federal funds:					
(As shown in detail above)		BA	**20,551,810**	**22,460,374**	**24,225,552**
		0	20,713,153	22,031,416	23,936,374
Deductions for offsetting receipts:					
Proprietary receipts from the public	700	BA			
		0	*—2,283*	*—2,906*	*—2,906*
	806	BA			
		0	*—17*	*—17*	*—17*
	902	BA			
		0	*—150*	*—150*	*—150*
Total Federal funds		BA	**20,549,360**	**22,457,301**	**24,222,479**
		0	20,710,703	22,028,343	23,933,301
Trust funds:					
(As shown in detail above)		BA	**1,200,850**	**1,329,527**	**1,352,900**
		0	999,433	1,098,900	1,126,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	701	BA			
		0	*—462,207*	*—471,788*	*—475,628*
	702	BA			
		0	*—110,380*	*—145,827*	*—108,900*
		BA			
		0			[1] *—30,500*
Total Trust funds		BA	**628,263**	**711,912**	**737,872**
		0	426,846	481,285	510,972
Interfund transactions	701	BA			
		0	**—2,092**	**—1,975**	**—1,924**
	702	BA			
		0	**—922**	**—7,500**	**—12,200**
Total Veterans Administration		BA	**21,174,609**	**23,159,738**	**24,946,227**
		0	21,134,535	22,500,153	24,430,149

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies				
ACTION				
Federal funds				
General and Special Funds:				
Operating expenses, domestic programs 506				
Appropriation, current	BA	**145,542**	**158,047**	**185,521**
			[A] 5,210	
			[D] 1,788	
Outlays	0	133,193	155,463	178,155
			[A] 521	[A] 4,689
Trust funds				
Donations and contributions, domestic programs 506				
Appropriation, permanent	BA	.....	**2**	**2**
Outlays	0	.....	2	2
Summary				
Federal funds:				
(As shown in detail above)	BA	**145,542**	**165,045**	**185,521**
	0	133,193	155,984	182,844
Deductions for offsetting receipts:				
Proprietary receipts from the public 506	BA			
	0	*126*	.....	.....
Total Federal funds	BA	**145,668**	**165,045**	**185,521**
	0	133,319	155,984	182,844
Trust funds:				
(As shown in detail above)	BA	.....	**2**	**2**
	0	.....	2	2
Total ACTION	BA	**145,668**	**165,047**	**185,523**
	0	133,319	155,986	182,846
Administrative Conference of the United States				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**1,119**	**1,100**	**1,244**
			[A] 341	
			[D] 67	
Outlays	0	1,067	1,142	1,229
			[A] 303	[A] 38
Advisory Committee on Federal Pay				
Federal funds				
General and Special Funds:				
Salaries and expenses 805				
Appropriation, current	BA	**232**	**192**	**218**
Outlays	0	94	190	216

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Advisory Council on Historic Preservation				
Federal funds				
General and Special Funds:				
Salaries and expenses 303				
Appropriation, current	BA	1,375	1,523 [D] 67	1,865
Outlays	0	1,277	1,598	1,880
American Battle Monuments Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 705				
Appropriation, current	BA	8,200	8,788 [C] 681 [D] 79 [E] 37	10,507
Outlays	0	8,987	9,507	10,419
Trust funds				
Contributions 705				
Appropriation, permanent, indefinite	BA	36	30	30
Outlays	0	27	30	30
Summary				
Federal funds:				
(As shown in detail above)	BA	8,200	9,585	10,507
	0	8,987	9,507	10,419
Deductions for offsetting receipts:				
Proprietary receipts from the public 700	BA			
	0	*—1*	*—3*	*—3*
Total Federal funds	BA	8,199	9,582	10,504
	0	8,986	9,504	10,416
Trust funds:				
(As shown in detail above)	BA	36	30	30
	0	27	30	30
Total American Battle Monuments Commission	BA	8,235	9,612	10,534
	0	9,013	9,534	10,446
Architectural and Transportation Barriers Compliance Board				
Federal funds				
General and Special Funds:				
Architectural and Transportation Barriers Compliance Board 751				
Appropriation, current	BA	.....	.....	2,374
Outlays	0	.....	.....	2,326

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Arms Control and Disarmament Agency				
Federal funds				
General and Special Funds:				
Arms control and disarmament activities 153				
Appropriation, current	BA	**17,550**	**18,500**	**19,323**
			[D] **500**	
Outlays	0	17,256	17,321	17,630
Board for International Broadcasting				
Federal funds				
General and Special Funds:				
Grants and expenses 154				
Appropriation, current	BA	**89,470**	**99,700**	.....
				[K] **94,317**
Outlays	0	98,372	102,159	94,817
Central Intelligence Agency				
Federal funds				
General and Special Funds:				
Payment to the Central Intelligence Agency retirement and disability fund 054				
Appropriation, current	BA	**51,600**	**55,300**	**84,600**
Outlays	0	51,600	55,300	84,600
Civil Aeronautics Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 402				
Appropriation, current	BA	**29,492**	**28,419**	**30,868**
			[D] **1,625**	
Outlays	0	27,906	30,123	30,803
Payments to air carriers 402				
Appropriation, current	BA	**95,769**	**86,300**	**113,600**
			[A] **27,900**	
Outlays	0	88,868	92,616	111,325
			[A] 25,600	[A] 2,300
Summary				
Federal funds:				
(As shown in detail above)	BA	**125,261**	**144,244**	**144,468**
	0	116,774	148,339	144,428
Deductions for offsetting receipts:				
Proprietary receipts from the public 400	BA			
	0	*—117*	*—143*	*—148*
Total Civil Aeronautics Board	BA	**125,144**	**144,101**	**144,320**
	0	116,657	148,196	144,280

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Commission of Fine Arts					
Federal funds					
General and Special Funds:					
Salaries and expenses	451				
Appropriation, current		BA	**268**	**285** D **13**	**347**
Outlays		0	281	296	347
Commission on Civil Rights					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**11,719**	**11,853** D **514**	**12,958**
Outlays		0	12,035	13,053	13,347
Committee for Purchase from the Blind and other Severely Handicapped					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**490**	**500** A **44** D **26**	**629**
Outlays		0	459	525 A 44	630
Commodity Futures Trading Commission					
Federal funds					
General and Special Funds:					
Commodity Futures Trading Commission	376				
Appropriation, current		BA	**16,617**	**17,966** D **815**	**21,017**
Outlays		0	16,217	18,763	20,710
Summary					
Federal funds:					
(As shown in detail above)		BA	**16,617**	**18,781**	**21,017**
		0	16,217	18,763	20,710
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*—8*	*—7*	*—7*
Total Commodity Futures Trading Commission		BA	**16,609**	**18,774**	**21,010**
		0	16,209	18,756	20,703

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Community Services Administration					
Federal funds					
General and Special Funds:					
Community services program:					
(Social services)	506				
(Appropriation, current)		BA	**550,356**	**541,500** D **800** H **−6,000**	**541,500**
(Outlays)		0	592,320	541,972 H −4,000	546,000 H −2,000
(Public assistance and other income supplements)	609				
(Appropriation, current)		BA	**1,618,200**	.....	.....
(Outlays)		0	1,577,217	45,528	.....
Total Community services program		BA	**2,168,556**	**536,300**	**541,500**
		0	2,169,537	583,500	544,000
Public Enterprise Funds:					
Rural Development loan fund	452				
Outlays		0	−1,397	23,000	6,000
Community development credit unions revolving fund	452				
Appropriation, current		BA	**6,000**	.....	.....
Outlays		0	.....	5,400	−1,145
Trust funds					
Gifts and contributions	506				
Outlays		0	.....	12	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,174,556**	**536,300**	**541,500**
		0	2,168,140	611,900	548,855
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*−11*	*−10*	*−10*
	902	BA			
		0	*−1,848*	*−290*	*−290*
Total Federal funds		BA	**2,172,697**	**536,000**	**541,200**
		0	2,166,281	611,600	548,555
Trust funds:					
(As shown in detail above)		0	.....	12	.....
Total Community Services Administration		BA	**2,172,697**	**536,000**	**541,200**
		0	2,166,281	611,612	548,555
Consumer Product Safety Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**41,328**	**42,140** D **1,609**	**44,559**
Outlays		0	44,176	43,740	46,508

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Consumer Product Safety Commission—Con.				
Summary				
Federal funds:				
(As shown in detail above)	BA	**41,328**	**43,749**	**44,559**
	O	44,176	43,740	46,508
Deductions for offsetting receipts:				
Proprietary receipts from the public 550	BA			
	O	*2*	*—11*	*—12*
Total Consumer Product Safety Commission	BA	**41,330**	**43,738**	**44,547**
	O	44,178	43,729	46,496
Corporation for Public Broadcasting				
Federal funds				
General and Special Funds:				
Public broadcasting fund 503				
Appropriation, permanent	BA	**152,000**	**162,000**	**172,000**
Outlays	O	152,000	162,000	172,000
District of Columbia				
Federal funds				
General and Special Funds:				
Federal payment to the District of Columbia 852				
Appropriation, current	BA	**339,070**	**360,215**	**415,170**
Outlays	O	339,070	360,215	415,170
Loans to the District of Columbia for capital investment 852				
Appropriation, current	BA	**103,870**	**130,568**	.....
				[K] **193,634**
Outlays	O	90,000	133,312	219,528
Repayable advances to the District of Columbia general fund 852				
Appropriation, permanent, indefinite	BA	**40,000**	**40,000**	.....
Outlays	O	40,000	40,000	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**482,940**	**530,783**	**608,804**
	O	469,070	533,527	634,698
Deductions for offsetting receipts:				
Proprietary receipts from the public 852	BA			
	O	*—44,376*	*—65,780*	*—28,214*
Total District of Columbia	BA	**438,564**	**465,003**	**580,590**
	O	424,694	467,747	606,484
Equal Employment Opportunity Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**124,562**	**140,000**	**160,000**
			[D] **4,610**	
Outlays	O	130,841	143,815	156,135

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Equal Employment Opportunity Commission—Con.				
Summary				
Federal funds:				
(As shown in detail above)	BA	**124,562**	**144,610**	**160,000**
	0	130,841	143,815	156,135
Deductions for offsetting receipts:				
Proprietary receipts from the public 750	BA			
	0	*—54*	*—52*	*—53*
Total Equal Employment Opportunity Commission	BA	**124,508**	**144,558**	**159,947**
	0	130,787	143,763	156,082
Export-Import Bank of the United States				
Federal funds				
Public Enterprise Funds:				
Export-Import Bank of the United States 155				
Authority to borrow, current, indefinite	BA	**1,841,822**	**7,023,038**	**4,594,287**
			[A] **—2,000**	
Outlays	0	1,836,003	2,352,054	2,656,782
			[A] —2,000	
Limitation on administrative expenses		(13,690)	(14,358)	(15,435)
		[D] (400)	[D] (537)	
Limitation on program activity		(5,873,095)	.....	.....
Farm Credit Administration				
Federal funds				
Public Enterprise Funds:				
Revolving fund for administrative expenses 351				
Outlays	0	—1,003	777	.....
Limitation on administrative expenses		(11,897)	(13,444)	(16,226)
		[D] (531)	[D] (688)	
Summary				
Federal funds:				
(As shown in detail above)	0	—1,003	777	.....
Deductions for offsetting receipts:				
Proprietary receipts from the public 350	BA			
	0	.....	*—2*	*—2*
Total Farm Credit Administration	BA	.....	**—2**	**—2**
	0	—1,003	775	—2
Federal Communications Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**75,992**	**76,926**	**82,167**
			[C] **57**	
			[D] **4,064**	
Indefinite	BA	.....	**700**	.....
Outlays	0	75,825	80,840	82,051

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Federal Communications Commission—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**75,992**	**81,747**	**82,167**
		0	75,825	80,840	82,051
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*—20*	*—20*	*—20*
Total Federal Communications Commission		BA	**75,972**	**81,727**	**82,147**
		0	75,805	80,820	82,031
Federal Deposit Insurance Corporation					
Trust funds					
Federal Deposit Insurance Corporation	371				
Outlays		0	—922,130	—1,450,000	—1,500,000
Federal Election Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	806				
Appropriation, current		BA	**8,946**	**9,283**	**10,339**
				[D] **429**	
Outlays		0	9,843	9,032	9,615
Summary					
Federal funds:					
(As shown in detail above)		BA	**8,946**	**9,712**	**10,339**
		0	9,843	9,032	9,615
Deductions for offsetting receipts:					
Proprietary receipts from the public	806	BA			
		0	*—47*	.....	.....
Total Federal Election Commission		BA	**8,899**	**9,712**	**10,339**
		0	9,796	9,032	9,615
Federal Emergency Management Agency					
Federal funds					
General and Special Funds:					
Emergency planning, preparedness, and mobilization	054				
Appropriation, current		BA	**131,521**	**160,841**	**185,620**
				[C] **171**	
				[D] **1,318**	
Outlays		0	132,967	149,142	168,755
Hazard mitigation and disaster assistance	453				
Appropriation, current		BA	**118,709**	**108,803**	**115,000**
				[D] **1,473**	
Outlays		0	121,340	102,454	118,130
Public Enterprise Funds:					
National insurance development fund	451				
Authority to borrow, permanent, indefinite		BA	.....	.....	**29,205**
Outlays		0	23,586	26,302	28,722

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Federal Emergency Management Agency—Con.				
National flood insurance fund 453				
Authority to borrow, permanent	BA	.....	**561,085**	**214,009**
Outlays	0	382,214	229,769	213,766
Total Federal funds Federal Emergency Management Agency	BA	**250,230**	**833,691**	**543,834**
	0	660,107	507,667	529,373
Federal Home Loan Bank Board				
Federal funds				
General and Special Funds:				
Interest adjustment payments 371				
Outlays	0	45	50	50
Public Enterprise Funds:				
Federal Home Loan Bank Board revolving fund 371				
Outlays	0	−1,063	−2	.....
Limitation on administrative and nonadministrative expenses		(17,904)	(20,030) D (3,480)	(22,320)
Limitation on nonadministrative expenses		.....	(33,105)	(37,540)
Federal Savings and Loan Insurance Corporation fund 371				
Outlays	0	553,064	415,234	−649,809
Limitation on administrative expenses		(33,288)	(1,000) D (50)	(1,030)
Total Federal funds Federal Home Loan Bank Board	0	552,046	415,282	−649,759
Federal Labor Relations Authority				
Federal funds				
General and Special Funds:				
Salaries and expenses 805				
Appropriation, current	BA	**12,632**	**14,000** A **2,219** D **745**	**17,996**
Outlays	0	14,185	15,736 A 2,219	18,075
Summary				
Federal funds:				
(As shown in detail above)	BA	**12,632**	**16,964**	**17,996**
	0	14,185	17,955	18,075
Deductions for offsetting receipts:				
Proprietary receipts from the public 805	BA			
	0	*−2*	.....	.....
Total Federal Labor Relations Authority	BA	**12,630**	**16,964**	**17,996**
	0	14,183	17,955	18,075

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Federal Maritime Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	403				
Appropriation, current		BA	**11,300**	**12,000** [D] **492**	**12,525**
Outlays		0	11,253	12,392	12,424
Summary					
Federal funds:					
(As shown in detail above)		BA	**11,300**	**12,492**	**12,525**
		0	11,253	12,392	12,424
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		0	*—39*	*—50*	*—50*
Total Federal Maritime Commission		BA	**11,261**	**12,442**	**12,475**
		0	11,214	12,342	12,374
Federal Mediation and Conciliation Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**23,820**	**25,919** [D] **757**	**28,728**
Outlays		0	24,028	25,216	28,601
Summary					
Federal funds:					
(As shown in detail above)		BA	**23,820**	**26,676**	**28,728**
		0	24,028	25,216	28,601
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—1*	*—1*	*—1*
Total Federal Mediation and Conciliation Service		BA	**23,819**	**26,675**	**28,727**
		0	24,027	25,215	28,600
Federal Mine Safety and Health Review Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**4,582**	**4,617** [H] **—240**	**4,493**
Outlays		0	3,784	4,311	4,483

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Federal Trade Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**66,059**	**71,000**	**77,941**
			[C] **37**	
			[D] **3,255**	
Outlays	0	68,516	73,289	76,465
Summary				
Federal funds:				
(As shown in detail above)	BA	**66,059**	**74,292**	**77,941**
	0	68,516	73,289	76,465
Deductions for offsetting receipts:				
Proprietary receipts from the public 370	BA			
	0	*—43*	*—42*	*—42*
Total Federal Trade Commission	BA	**66,016**	**74,250**	**77,899**
	0	68,473	73,247	76,423
General Services Administration				
Real Property Activities				
Federal funds				
General and Special Funds:				
Real property miscellaneous accounts: (General property and records management) 804				
(Outlays)	0	.....	36	.....
Intragovernmental Funds:				
Federal buildings fund 804				
Appropriation, current	BA	**115**	.....	.....
Authority to borrow, current	BA			[K] **121,304**
Outlays	0	—54,425	—12,231	22,544
			[A] 37,920	[A] 6,000
Construction services fund 804				
Outlays	0	9,175	—200	—800
Consolidated working fund, real property activities 804				
Outlays	0	—1,644	1,988	.....
Total Federal funds Real Property Activities	BA	**115**	.....	**121,304**
	0	—46,894	27,513	27,744
Personal Property Activities				
Federal funds				
General and Special Funds:				
Federal Supply Service, operating expenses 804				
Appropriation, current	BA	**130,672**	**127,955**	**143,555**
			[C] **1,397**	
			[D] **5,691**	
Outlays	0	130,691	135,043	143,555

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
General Services Administration—Con.				
Intragovernmental Funds:				
General supply fund 804				
Appropriation, current	BA		[A] **425,200**	
Outlays	0	6,010	5,100	2,800
			[A] 89,685	[A] —18,800
Total Federal funds Personal Property Activities.	BA	**130,672**	**560,243**	**143,555**
	0	136,701	229,828	127,555
Transportation and Public Service Activities				
Federal funds				
General and Special Funds:				
Operating expenses 804				
Appropriation, current	BA	**14,182**	**16,970**	**18,358**
			[D] **1,169**	
Outlays	0	13,806	18,139	18,358
Records Activities				
Federal funds				
General and Special Funds:				
National Archives and Records Service, operating expenses 804				
Appropriation, current	BA	**85,250**	**85,773**	**97,746**
			[A] **1,100**	
			[C] **73**	
			[D] **3,583**	
Outlays	0	81,691	89,764	97,746
			[A] 1,100	
Automated Data and Telecommunications Activities				
Federal funds				
General and Special Funds:				
Automated Data and Telecommunications Service, operating expenses 804				
Appropriation, current	BA	**11,464**	**12,902**	**14,080**
			[D] **761**	
Outlays	0	10,495	13,663	14,080
Intragovernmental Funds:				
Federal telecommunications fund 804				
Appropriation, current	BA	**5,000**	**2,500**	.....
Outlays	0	14,080	—1,556	10,444
Automatic data processing fund 804				
Outlays	0	—5,561	—65	—303
Total Federal funds Automated Data and Telecommunications Activities	BA	**16,464**	**16,163**	**14,080**
	0	19,014	12,042	24,221

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
General Services Administration—Con.				
Federal Property Resources Activities				
Federal funds				
General and Special Funds:				
Operating expenses:				
(Defense-related activities) 054				
(Appropriation, current)	BA	**21,189**	**22,216** **[C]62** **[D]539**	**24,452**
(Outlays)	0	17,812	22,817	24,452
(General property and records management) 804				
(Appropriation, current)	BA	**22,106**	**22,671** **[C]8** **[D]1,370**	**25,124**
(Outlays)	0	23,136	24,049	25,124
Total Operating expenses	BA	**43,295**	**46,866**	**49,576**
	0	40,948	46,866	49,576
Rare silver dollar program:				
(General property and records management) 804				
(Outlays)	0	1,213	1,072	.....
National defense stockpile transaction fund 054				
Appropriation, current	BA	.....	**100,000**	**120,000**
Outlays	0	.....	100,000	84,000
Expenses, disposal of surplus real and related personal property 804				
Appropriation, permanent, indefinite	BA	**869**	**1,000**	**1,000**
Outlays	0	559	1,000	1,000
Public Enterprise Funds:				
William Langer Jewel bearing plant revolving fund 054				
Outlays	0	175	.....	.....
Intragovernmental Funds:				
Emergency health activities, consolidated working fund 054				
Outlays	0	1,271	.....	.....
Total Federal funds Federal Property Resources Activities	BA	**44,164**	**147,866**	**170,576**
	0	44,166	148,938	134,576
General Activities				
Federal funds				
General and Special Funds:				
General management and administration, salaries and expenses:				
(General property and records management) 804				
(Appropriation, current)	BA	**118,337**	**121,065** **[D]7,378**	**144,237**
(Outlays)	0	118,164	128,443	144,237

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
General Services Administration—Con.					
Office of Inspector General	804				
Appropriation, current		BA	**18,245**	**21,250**	**22,582**
				[D] **975**	
Outlays		0	15,244	22,225	22,582
Allowances and office staff for former Presidents	802				
Appropriation, current		BA	**760**	**823**	**1,114**
Outlays		0	731	823	1,114
Expenses, presidential transition	802				
Appropriation, current		BA	.....	**3,000**	.....
Outlays		0	.....	3,000	.....
Consumer information center	376				
Appropriation, current		BA	**1,312**	**1,381**	**1,581**
				[D] **44**	
Outlays		0	1,484	1,425	1,581
Refunds under Renegotiation Act	902				
Appropriation, current		BA	**2,500**	.....	.....
Outlays		0	1,851	837	.....
Public Enterprise Funds:					
Virgin Islands Corporation liquidation fund	804				
Outlays		0	−594	−608	−351
Intragovernmental Funds:					
Working capital fund	804				
Appropriation, current		BA	.....	**750**	.....
Outlays		0	357	528	90
Total Federal funds General Activities		BA	**141,154**	**156,666**	**169,514**
		0	137,237	156,673	169,253
Records Activities					
Trust funds					
National archives gift fund	804				
Appropriation, permanent		BA	**75**	**184**	**184**
Outlays		0	−218	356	357
National archives trust fund	804				
Outlays		0	2,044	−1,946	−1,316
Total Trust funds Records Activities		BA	**75**	**184**	**184**
		0	1,826	−1,590	−959
Summary					
Federal funds:					
(As shown in detail above)		BA	**432,001**	**989,606**	**735,133**
		0	385,721	683,997	599,453
Deductions for offsetting receipts:					
Intrafund transactions	054	BA	*8*	*−13,400*	*−13,400*
		0			
		BA		[J] *−10,500*	[J] *−10,500*
		0			
	902	BA	*−121*	.....	.....
		0			
Proprietary receipts from the public	054	BA	*−81,556*	*−253,900*	*−253,900*
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
General Services Administration—Con.				
	BA		*[J] —199,300*	*[J] —199,300*
	0			
800	BA	*—136,540*	*—118,764*	*—103,764*
	0			
902	BA	*—4*	*—200*	*—200*
	0			
Total Federal funds	BA	**213,788**	**393,542**	**154,069**
	0	167,508	87,933	18,389
Trust funds:				
(As shown in detail above)	BA	**75**	**184**	**184**
	0	1,826	—1,590	—959
Total General Services Administration	BA	**213,863**	**393,726**	**154,253**
	0	169,334	86,343	17,430
Harry S Truman Scholarship Foundation				
Trust funds				
Harry S Truman memorial scholarship trust fund 502				
Outlays	0	—1,895	—1,351	—1,298
Historical and Memorial Agencies				
American Revolution Bicentennial Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Outlays	0	.....	25	.....
Other Historical and Memorial Agencies				
Federal funds				
General and Special Funds:				
Franklin Delano Roosevelt Memorial Commission: Salaries and expenses 806				
Appropriation, current	BA	**40**	**30**	**40**
Outlays	0	41	50	49
Total Federal funds Historical and Memorial Agencies	BA	**40**	**30**	**40**
	0	41	75	49
Indian Claims Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Outlays	0	17	—20	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Intelligence Community Staff					
Federal funds					
General and Special Funds:					
Intelligence community staff	054				
Appropriation, current		BA	**11,923**	**17,824** **[D] 500**	**15,413**
Outlays		0	11,546	19,017	15,013
Intragovernmental Agencies					
Advisory Commission on Intergovernmental Relations					
Federal funds					
General and Special Funds:					
Salaries and expenses	806				
Appropriation, current		BA	**1,704**	**1,750** **[D] 77**	**1,998**
Outlays		0	1,717	2,141	1,966
Trust funds					
Contributions	806				
Appropriation, permanent, indefinite		BA	**73**	**100**	**100**
Outlays		0	93	139	100
Appalachian Regional Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	452				
Appropriation, current		BA	**3,105**	**3,192** **[D] 196**	**3,580**
Outlays		0	3,076	3,388	3,580
Intragovernmental Funds:					
Consolidated working fund	452				
Outlays		0	—306	500	.....
Trust funds					
Miscellaneous trust funds	452				
Appropriation, permanent, indefinite		BA	**5,206**	**5,676**	**6,034**
Outlays		0	5,027	5,817	6,675
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,105**	**3,388**	**3,580**
		0	2,770	3,888	3,580
Trust funds:					
(As shown in detail above)		BA	**5,206**	**5,676**	**6,034**
		0	5,027	5,817	6,675
Deductions for offsetting receipts:					
Proprietary receipts from the public	452	BA			
		0	*—2,603*	*—2,838*	*—3,017*
Total Trust funds		BA	**2,603**	**2,838**	**3,017**
		0	2,424	2,979	3,658

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Intragovernmental Agencies—Con.					
Appalachian Regional Commission—Con.					
Interfund transactions	452	BA			
		0	**−2,603**	**−2,838**	**−3,017**
Total Appalachian Regional Commission		BA	**3,105**	**3,388**	**3,580**
		0	2,591	4,029	4,221
Delaware River Basin Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	301				
Appropriation, current		BA	**111**	**116**	**121**
				D 3	
Outlays		0	100	119	121
Contribution to Delaware River Basin Commission	301				
Appropriation, current		BA	**257**	**269**	**269**
Outlays		0	257	269	269
Total Federal funds Delaware River Basin Commission		BA	**368**	**388**	**390**
		0	357	388	390
Interstate Commission on the Potomac River Basin					
Federal funds					
General and Special Funds:					
Contribution to Interstate Commission on the Potomac River Basin	304				
Appropriation, current		BA	**55**	**55**	**55**
Outlays		0	55	55	55
Susquehanna River Basin Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	301				
Appropriation, current		BA	**107**	**112**	**120**
				D 3	
Outlays		0	96	115	120
Contribution to Susquehanna River Basin Commission	301				
Appropriation, current		BA	**210**	**200**	**217**
Outlays		0	210	200	217
Total Federal funds Susquehanna River Basin Commission		BA	**317**	**315**	**337**
		0	306	315	337

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Intragovernmental Agencies—Con.				
Washington Metropolitan Area Transit Authority				
Federal funds				
General and Special Funds:				
Interest payments 401				
Appropriation, current	BA	**65,774**	**65,910**	**51,586**
Outlays	0	99,806	73,254	75,014
Total Federal funds Intragovernmental Agencies	BA	**71,323**	**71,883**	**57,946**
	0	105,011	80,041	81,342
Total Trust funds Intragovernmental Agencies	BA	**2,676**	**2,938**	**3,117**
	0	2,517	3,118	3,758
International Communication Agency				
Federal funds				
General and Special Funds:				
Salaries and expenses 154				
Appropriation, current	BA	**396,891**	**419,000**	.....
				[K] **478,442**
			[A] **3,933**	
			[C] **399**	
			[D] **10,395**	
Outlays	0	397,191	423,465	466,664
			[A] 3,738	[A] 195
Salaries and expenses (special foreign currency program) 154				
Appropriation, current	BA	**13,012**	**10,603**	.....
				[K] **12,451**
Outlays	0	12,187	12,967	13,757
Center for Cultural and Technical Interchange Between East and West 154				
Appropriation, current	BA	**14,667**	**15,750**	.....
				[K] **18,338**
Outlays	0	15,115	15,773	18,338
Acquisition and construction of radio facilities 154				
Appropriation, current	BA	**2,400**	**2,562**	.....
				[K] **80,884**
Outlays	0	8,446	15,254	13,587
Miscellaneous expired special foreign currency programs 154				
Outlays	0	42	79	79
Educational exchange fund, payments by Finland, World War I debt 154				
Outlays	0	[2]	8	.....
Public Enterprise Funds:				
Information media guarantee fund 154				
Appropriation, current	BA		[B] **11,951**	
Outlays	0		[B] 11,951	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
International Communication Agency—Con.					
Trust funds					
Miscellaneous trust funds	154				
Appropriation, permanent, indefinite		BA	**901**	**750**	**750**
Outlays		0	241	1,183	849
Summary					
Federal funds:					
(As shown in detail above)		BA	**426,970**	**474,593**	**590,115**
		0	432,984	483,235	512,620
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*54*	*−320*	*−320*
	902	BA			
		0	*−25*	*−25*	*−25*
Total Federal funds		BA	**426,999**	**474,248**	**589,770**
		0	433,013	482,890	512,275
Trust funds:					
(As shown in detail above)		BA	**901**	**750**	**750**
		0	241	1,183	849
Deductions for offsetting receipts:					
Proprietary receipts from the public	154	BA			
		0	*−502*	*−350*	*−350*
Total Trust funds		BA	**399**	**400**	**400**
		0	−261	833	499
Total International Communication Agency		BA	**427,398**	**474,648**	**590,170**
		0	432,752	483,723	512,774
International Trade Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	153				
Appropriation, current		BA	**15,530**	**16,715**	**18,501**
				D 996	
Outlays		0	13,842	17,711	18,501
Interstate Commerce Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	401				
Appropriation, current		BA	**79,063**	**82,400**	**85,400**
				D 3,100	
Outlays		0	79,461	85,283	84,500
Payments for directed rail service	401				
Appropriation, current		BA	**66,000**	.....	.....
Outlays		0	78,473	3,117	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**145,063**	**85,500**	**85,400**
		0	157,934	88,400	84,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Interstate Commerce Commission—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		0	*—2,250*	*—4,964*	*—4,964*
Total Interstate Commerce Commission		BA	**142,813**	**80,536**	**80,436**
		0	155,684	83,436	79,536
Japan-United States Friendship Commission					
Trust funds					
Japan-United States friendship trust fund	154				
Appropriation, current		BA	**1,500**	**1,998**	**1,998**
Outlays		0	2,294	1,998	1,998
Legal Services Corporation					
Federal funds					
General and Special Funds:					
Payment to the Legal Services Corporation	752				
Appropriation, current		BA	**300,000**	**321,300**	.....
					[K] **347,000**
Outlays		0	320,308	328,311	346,517
Marine Mammal Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	302				
Appropriation, current		BA	**940**	**734**	**690**
Outlays		0	847	725	681
Merit Systems Protection Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	**12,575**	**15,000**	**15,840**
Outlays		0	12,444	16,109	15,790
Limitation payable under transfers from trust funds			(255)	(500)	(700)
Office of the Special Counsel	805				
Appropriation, current		BA	**2,516**	**4,250**	**4,664**
				[D] **214**	
Outlays		0	2,772	4,730	4,655
Total Federal funds Merit Systems Protection Board		BA	**15,091**	**19,464**	**20,504**
		0	15,216	20,839	20,445
National Capital Planning Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	451				
Appropriation, current		BA	**2,150**	**2,270**	**2,381**
				[D] **130**	
Outlays		0	2,274	2,400	2,381

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
National Center for Productivity and Quality of Working Life				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Outlays	0	−161	151	
National Commission on Libraries and Information Science				
Federal funds				
General and Special Funds:				
Salaries and expenses 503				
Appropriation, current	BA	**686**	**691** D **18**	**750**
Outlays	0	2,090	928	785
National Consumer Cooperative Bank				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**7,395**	**8,700**	**8,700**
Outlays	0	3,422	12,798	8,700
Self-help development and technical assistance 376				
Appropriation, current	BA	**10,500**	**26,190**	**27,000**
Outlays	0		12,839	31,300
Public Enterprise Funds:				
National Consumer Cooperative Bank fund 376				
Appropriation, current	BA	**49,050**	**87,220**	**100,000**
Outlays	0	5,154	110,000	88,020
Total Federal funds National Consumer Cooperative Bank	BA	**66,945**	**122,110**	**135,700**
	0	8,576	135,637	128,020
National Credit Union Administration				
Federal funds				
Public Enterprise Funds:				
Operating fund 371				
Appropriation, current	BA	**−36**		
Outlays	0	5,778	−1,037	
Credit union share insurance fund 371				
Outlays	0	−10,602	−11,122	−12,631
Central liquidity facility 371				
Authority to borrow, current	BA	**1,200,000**	**197,386**	**309,950**
Outlays	0	89,924	210,066	300,000
Total Federal funds National Credit Union Administration	BA	**1,199,964**	**197,386**	**309,950**
	0	85,100	197,907	287,369

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
National Foundation on the Arts and the Humanities					
National Endowment for the Arts					
Federal funds					
General and Special Funds:					
National endowment for the arts: Salaries and expenses	503				
Appropriation, current		BA	**154,610**	**158,560**	.....
					[K] **175,000**
				[D] **505**	
Outlays		0	152,478	153,077	167,669
Trust funds					
Gifts and donations (arts)	503				
Appropriation, permanent, indefinite		BA	.....	.....	**15**
Outlays		0	−394	461	15
Summary					
Federal funds:					
(As shown in detail above)		BA	**154,610**	**159,065**	**175,000**
		0	152,478	153,077	167,669
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA	*−1*	.....	.....
		0			
	902	BA	*−10*	*−1*	*−1*
		0			
Total Federal funds		BA	**154,599**	**159,064**	**174,999**
		0	152,467	153,076	167,668
Trust funds:					
(As shown in detail above)		BA	.....	.....	**15**
		0	−394	461	15
Total National Endowment for the Arts		BA	**154,599**	**159,064**	**175,014**
		0	152,073	153,537	167,683
National Endowment for the Humanities					
Federal funds					
General and Special Funds:					
National endowment for the humanities: Salaries and expenses	503				
Appropriation, current		BA	**150,100**	**151,299**	.....
					[K] **169,483**
				[D] **420**	
Outlays		0	157,198	154,500	166,120
Intragovernmental Funds:					
Consolidated working fund (humanities)	503				
Outlays		0	19	7	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
National Foundation on the Arts and the Humanities—Con.					
National Endowment for the Humanities—Con.					
Trust funds					
Gifts and donations (humanities)	503				
Appropriation, permanent, indefinite		BA	**13,092**	**9,500**	**12,000**
Outlays		0	11,414	9,500	12,000
Total Federal funds National Endowment for the Humanities		BA	**150,100**	**151,719**	**169,483**
		0	157,217	154,507	166,120
Total Trust funds National Endowment for the Humanities		BA	**13,092**	**9,500**	**12,000**
		0	11,414	9,500	12,000
National Institute of Building Sciences					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**750**	**613**	**500**
Outlays		0	750	613	500
National Labor Relations Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**112,261**	**116,635**	**132,831**
				D **6,391**	
Outlays		0	109,014	121,796	131,503
Summary					
Federal funds:					
(As shown in detail above)		BA	**112,261**	**123,026**	**132,831**
		0	109,014	121,796	131,503
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—147*	*—155*	*—169*
Total National Labor Relations Board		BA	**112,114**	**122,871**	**132,662**
		0	108,867	121,641	131,334
National Mediation Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**4,444**	**4,780**	**5,044**
				D **103**	
Outlays		0	4,157	4,449	4,610

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
National Mediation Board—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**4,444**	**4,883**	**5,044**
		O	4,157	4,449	4,610
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		O	*—10*	*—15*	*—15*
Total National Mediation Board		BA	**4,434**	**4,868**	**5,029**
		O	4,147	4,434	4,595
National Science Foundation					
Federal funds					
General and Special Funds:					
Research and related activities	251				
Appropriation, current		BA	**903,793**	**987,900**	.....
					[K] **1,238,100**
				[D] **2,759**	
				[E] **1,500**	
Outlays		O	844,840	922,927	1,096,132
Scientific activities overseas (special foreign currency program)	251				
Appropriation, current		BA	**5,500**	**5,000**	.....
					[K] **3,500**
Outlays		O	2,909	5,000	3,500
Science and engineering education activities	251				
Appropriation, current		BA	**77,239**	**80,700**	.....
					[K] **111,900**
Outlays		O	64,583	72,800	85,500
Intragovernmental Funds:					
Consolidated working fund	251				
Outlays		O	—997	1,368	.....
Trust funds					
Donations	251				
Appropriation, permanent, indefinite		BA	**4,211**	**5,200**	**5,200**
Outlays		O	916	5,000	5,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**986,532**	**1,077,859**	**1,353,500**
		O	911,335	1,002,095	1,185,132
Deductions for offsetting receipts:					
Proprietary receipts from the public	250	BA			
		O	*—330*	*—270*	*—270*
	902	BA			
		O	*—14*	*—30*	*—30*
Total Federal funds		BA	**986,188**	**1,077,559**	**1,353,200**
		O	910,991	1,001,795	1,184,832

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
National Science Foundation—Con.				
Trust funds:				
(As shown in detail above)	BA	**4,211**	**5,200**	**5,200**
	0	916	5,000	5,000
Total National Science Foundation	BA	**990,399**	**1,082,759**	**1,358,400**
	0	911,907	1,006,795	1,189,832
National Transportation Safety Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 407				
Appropriation, current	BA	**17,322**	**18,200**	**19,825**
			[D] **340**	
Outlays	0	17,760	18,000	19,300
Summary				
Federal funds:				
(As shown in detail above)	BA	**17,322**	**18,540**	**19,825**
	0	17,760	18,000	19,300
Deductions for offsetting receipts:				
Proprietary receipts from the public 400	BA			
	0	*—6*	*—30*	*—30*
Total National Transportation Safety Board	BA	**17,316**	**18,510**	**19,795**
	0	17,754	17,970	19,270
Neighborhood Reinvestment Corporation				
Federal funds				
General and Special Funds:				
Payment to the Neighborhood Reinvestment Corporation 451				
Appropriation, current	BA	**12,000**	.....	.....
			[K] **12,459**	[K] **14,950**
Outlays	0	12,000	12,459	14,950
Nuclear Regulatory Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	**400,100**	**447,520**	.....
				[K] **500,700**
			[D] **6,820**	
Outlays	0	377,889	436,640	484,200
Summary				
Federal funds:				
(As shown in detail above)	BA	**400,100**	**454,340**	**500,700**
	0	377,889	436,640	484,200

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Nuclear Regulatory Commission—Con.				
Deductions for offsetting receipts:				
Proprietary receipts from the public 270	BA			
	0	*—18*	.....	.....
Total Nuclear Regulatory Commission	BA	**400,082**	**454,340**	**500,700**
	0	377,871	436,640	484,200
Occupational Safety and Health Review Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**7,450**	**7,860**	**8,202**
			[D] **91**	
Outlays	0	7,773	7,951	8,256
Office of the Federal Inspector for the Alaska Natural Gas Transportation System				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	**7,900**	**21,483**	**36,568**
			[D] **296**	
Outlays	0	4,777	20,635	35,506
Office of Personnel Management				
Federal funds				
General and Special Funds:				
Salaries and expenses 805				
Appropriation, current	BA	**117,530**	**121,500**	**129,500**
			[D] **4,500**	
Outlays	0	116,335	126,287	129,002
Limitation payable under trust funds		(35,154)	(37,785)	(43,641)
			[D] (1,808)	
Government payment for annuitants, employees health benefits 551				
Appropriation, current	BA	**626,509**	**757,617**	**792,754**
Outlays	0	630,808	764,997	833,061
Payment to civil service retirement and disability fund 805				
Appropriation, current	BA	**2,787,858**	**2,784,767**	**3,297,670**
			[A] **513,007**	
Indefinite	BA			[J] **—712,274**
Appropriation, permanent, indefinite	BA	**8,444,000**	**9,667,231**	**10,872,073**
Outlays	0	11,231,858	12,451,998	14,169,743
			[A] 513,007	
				[J] —712,274
Intergovernmental personnel assistance 806				
Appropriation, current	BA	**20,000**	**20,000**	**20,000**
Outlays	0	18,876	20,550	21,541

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Office of Personnel Management—Con.					
Intragovernmental Funds:					
Revolving fund	805				
Appropriation, current		BA		[A] 3,600	
Outlays		0	8,006	—900	—3,100
				[A] 3,600	
Joint grants management fund	805				
Outlays		0	132	.....	.....
Trust funds					
Civil service retirement and disability fund	602				
Appropriation, current		BA		[A] 513,007	
Indefinite		BA			[J] —698,468
Appropriation, permanent, indefinite		BA	24,183,799	27,121,125	30,295,731
Outlays		0	14,718,995	17,632,589	20,559,875
					[J] —633,954
Employees health benefits fund	551				
Outlays		0	—23,668	—62,210	—134,467
Employees life insurance fund	602				
Outlays		0	—383,870	—481,924	—549,250
Retired employees health benefits fund	551				
Outlays		0	1,310	1,829	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	11,995,897	13,872,222	14,399,723
		0	12,006,015	13,879,539	14,437,973
Deductions for offsetting receipts:					
Proprietary receipts from the public	800	BA			
		0	*—1,060*	*—1,131*	*—1,131*
	902	BA			
		0	*—2*	*—3*	*—3*
Total Federal funds		BA	11,994,835	13,871,088	14,398,589
		0	12,004,953	13,878,405	14,436,839
Trust funds:					
(As shown in detail above)		BA	24,183,799	27,634,132	29,597,263
		0	14,312,767	17,090,284	19,242,204
Deductions for offsetting receipts:					
Intrafund transactions	602	BA			
		0	*—5,449*	*—9,400*	*—9,700*
Total Trust funds		BA	24,178,350	27,624,732	29,587,563
		0	14,307,318	17,080,884	19,232,504
Interfund transactions	602	BA			
		0	—30,011	—23,529	—23,529
	805	BA			
		0	—11,231,858	—12,965,005	—14,169,743
		BA			
		0			[J] 712,274
Total Office of Personnel Management		BA	24,911,316	28,507,286	30,505,154
		0	15,050,402	17,970,755	20,188,345

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Panama Canal Commission					
Federal funds					
General and Special Funds:					
Panama Canal Commission fund	403				
Appropriation, current		BA	**463,783**	**751,884**	.....
					[K] **424,966**
				[A] **27,699**	
				[D] **1,200**	
Outlays		0	344,928	760,591	429,011
				[A] 2,699	
General and Special Funds:					
Miscellaneous expired accounts	806				
Outlays		0	—644	.....	.....
Public Enterprise Funds:					
Corporation: Panama Canal Company	403				
Outlays		0	71,216	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**463,783**	**780,783**	**424,966**
		0	415,500	763,290	429,011
Deductions for offsetting receipts:					
Intrafund transactions	403	BA			
		0	*—74,645*	.....	.....
Proprietary receipts from the public	403	BA			
		0	*—380,894*	*—412,877*	*—440,041*
	800	BA			
		0	*—1*	.....	.....
Total Panama Canal Commission		BA	**8,243**	**367,906**	**—15,075**
		0	—40,040	350,413	—11,030
Pennsylvania Avenue Development Corporation					
Federal funds					
General and Special Funds:					
Salaries and expenses	451				
Appropriation, current		BA	**1,906**	**2,443**	**2,562**
Outlays		0	1,642	2,438	2,400
Public development	451				
Appropriation, current		BA	**20,610**	**14,169**	**15,750**
Outlays		0	21,704	14,169	16,200
Public Enterprise Funds:					
Land acquisition and development fund	451				
Authority to borrow, current		BA	**17,000**	**15,000**	**12,500**
Outlays		0	672	19,840	15,063

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Pennsylvania Avenue Development Corporation—Con.				
Trust funds				
Gifts and donations 451				
Appropriation, permanent, indefinite	BA	.....	**35**	.....
Outlays	0	—2	37	.....
Total Federal funds Pennsylvania Avenue Development Corporation	BA	**39,516**	**31,612**	**30,812**
	0	24,018	36,447	33,663
Total Trust funds Pennsylvania Avenue Development Corporation	BA	.....	**35**	.....
	0	—2	37	.....
Postal Service				
Federal funds				
General and Special Funds:				
Payment to the Postal Service fund 372				
Appropriation, current	BA	**1,676,810**	**1,593,217**	**1,119,151**
			[H] **—250,000**	
Outlays	0	1,676,878	1,593,217	1,119,151
			[H] —250,000	
Railroad Retirement Board				
Federal funds				
General and Special Funds:				
Federal windfall subsidy to Railroad retirement 601				
Appropriation, current	BA	**313,000**	**350,000**	**500,000**
				[L] **—150,000**
Outlays	0	313,000	350,000	500,000
				[L] —150,000
Regional rail transportation protective account 609				
Outlays	0	28,339	.....	.....
Milwaukee railroad restructuring, administration 603				
Appropriation, current	BA	**300**	.....	**250**
Outlays	0	.....	266	266
Trust funds				
Railroad retirement account 601				
Appropriation, current	BA	**—53**	.....	.....
Indefinite	BA			[J] **268,000**
Appropriation, permanent, indefinite	BA	**4,399,675**	**4,848,000**	**5,234,000**
Outlays	0	4,737,253	5,295,000	5,863,000
				[J] —36,000
Limitation on administration		(39,230)	(36,723)	(53,576)
			[D] (1,044)	
Summary				
Federal funds:				
(As shown in detail above)	BA	**313,300**	**350,000**	**350,250**
	0	341,339	350,266	350,266

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Railroad Retirement Board—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	609	BA			
		0	*—26*	.....	.....
Total Federal funds		BA	**313,274**	**350,000**	**350,250**
		0	341,313	350,266	350,266
Trust funds:					
(As shown in detail above)		BA	**4,399,622**	**4,848,000**	**5,502,000**
		0	4,737,253	5,295,000	5,827,000
Deductions for offsetting receipts:					
Intrafund transactions	902	BA			
		0	*22,480*	*27,000*	*46,000*
Total Trust funds		BA	**4,422,102**	**4,875,000**	**5,548,000**
		0	4,759,733	5,322,000	5,873,000
Interfund transactions	601	BA			
		0	**—313,000**	**—350,000**	**—350,000**
Total Railroad Retirement Board		BA	**4,422,376**	**4,875,000**	**5,548,250**
		0	4,788,046	5,322,266	5,873,266
Renegotiation Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	054				
Outlays		0	197	.....	.....
Securities and Exchange Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**72,739**	**76,350**	.....
					[K] **88,560**
				[D] **4,425**	
Outlays		0	74,149	79,362	87,236
Summary					
Federal funds:					
(As shown in detail above)		BA	**72,739**	**80,775**	**88,560**
		0	74,149	79,362	87,236
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*—8*	*—5*	*—5*
Total Securities and Exchange Commission		BA	**72,731**	**80,770**	**88,555**
		0	74,141	79,357	87,231

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Selective Service System				
Federal funds				
General and Special Funds:				
Salaries and expenses 054				
Appropriation, current	BA	**21,465**	**26,594**	**22,804**
			[D] **370**	
			[E] **570**	
Outlays	0	9,456	34,800	24,360
Summary				
Federal funds:				
(As shown in detail above)	BA	**21,465**	**27,534**	**22,804**
	0	9,456	34,800	24,360
Deductions for offsetting receipts:				
Proprietary receipts from the public 054	BA			
	0	*—1*	.....	.....
Total Selective Service System	BA	**21,464**	**27,534**	**22,804**
	0	9,455	34,800	24,360
Small Business Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**218,768**	**232,645**	**231,880**
			[D] **5,600**	
Outlays	0	215,550	241,552	242,580
White House Conference on Small Business 376				
Outlays	0	2,064	235	.....
Public Enterprise Funds:				
Business loan and investment fund 376				
Appropriation, current	BA	**565,000**	**609,000**	.....
Authority to borrow, current	BA	.....	.....	**531,000**
Outlays	0	720,830	560,000	603,000
Disaster loan fund 453				
Appropriation, current	BA	**1,208,350**	**—10,000**	.....
Authority to borrow, current	BA	.....	**700,000**	.....
			[A] **780,000**	
Outlays	0	949,268	1,520,000	—29,000
			[A] 780,000	[A] —70,000
Lease guarantees revolving fund 376				
Appropriation, current	BA	**4,000**	**4,000**	**4,000**
Outlays	0	3,430	4,000	4,000
Surety bond guarantees revolving fund 376				
Appropriation, current	BA	.....	**30,000**	**35,000**
Outlays	0	14,390	40,000	40,000
Pollution control equipment contract guarantee revolving fund 376				
Outlays	0	—6,575	—7,720	—8,650
Summary				
Federal funds:				
(As shown in detail above)	BA	**1,996,118**	**2,351,245**	**801,880**
	0	1,898,957	3,138,067	781,930

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Small Business Administration—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*—25*	.....	.....
Total Small Business Administration		BA	**1,996,093**	**2,351,245**	**801,880**
		0	1,898,932	3,138,067	781,930
Smithsonian Institution					
Federal funds					
General and Special Funds:					
Salaries and expenses	503				
Appropriation, current		BA	**107,764**	**117,665** **[C] 1,069** **[D] 4,276**	**136,886**
Outlays		0	106,188	121,824	135,430
Museum programs and related research (special foreign currency program)	503				
Appropriation, current		BA	**4,200**	**3,650**	**5,500**
Outlays		0	3,254	2,052	3,578
Science information exchange	251				
Outlays		0	26	.....	.....
Construction and improvements, National Zoological Park	503				
Appropriation, current		BA	**6,250**	**3,290**	**7,150**
Outlays		0	3,701	7,233	6,974
Restoration and renovation of buildings	503				
Appropriation, current		BA	**5,250**	**7,539**	**8,500**
Outlays		0	3,349	5,400	6,000
Construction	503				
Appropriation, current		BA	**20,600**	**5,000**	**24,135**
Outlays		0	1,022	6,357	20,000
Salaries and expenses, National Gallery of Art	503				
Appropriation, current		BA	**22,091**	**24,314** **[C] 247** **[D] 637**	**33,277**
Outlays		0	19,759	25,028	31,144
Salaries and expenses, Woodrow Wilson International Center for Scholars	503				
Appropriation, current		BA	**1,621**	**1,795** **[D] 39**	**2,260**
Outlays		0	1,473	1,834	2,260
Trust funds					
Smithsonian Institution trust funds	251				
Appropriation, permanent		BA	**101**	**110**	**110**
Outlays		0	86	100	112
Summary					
Federal funds:					
(As shown in detail above)		BA	**167,776**	**169,521**	**217,708**
		0	138,772	169,728	205,386

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Smithsonian Institution—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—101*	*—4*	*—4*
Total Federal funds		BA	**167,675**	**169,517**	**217,704**
		0	138,671	169,724	205,382
Trust funds:					
(As shown in detail above)		BA	**101**	**110**	**110**
		0	86	100	112
Total Smithsonian Institution		BA	**167,776**	**169,627**	**217,814**
		0	138,757	169,824	205,494
Temporary Study Commissions					
Joint Federal-State Land Use Planning Commission for Alaska					
Federal funds					
General and Special Funds:					
Salaries and expenses	452				
Outlays		0	114	3	.....
Trust funds					
Cooperative funds	452				
Appropriation, permanent		BA	**—367**	.....	.....
Outlays		0	—14	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		0	114	3	.....
Trust funds:					
(As shown in detail above)		BA	**—367**	.....	.....
		0	—14	.....	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	452	BA			
		0	*367*	.....	.....
Total Trust funds		0	353	.....	.....
Total Joint Federal-State Land Use Planning Commission for Alaska		0	467	3	.....
Other Temporary Commissions					
Federal funds					
General and Special Funds:					
Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses	805				
Appropriation, current		BA	.....	**160**	.....
Outlays		0	.....	160	.....
Commission on Federal Paperwork: Salaries and Expenses	804				
Outlays		0	.....	131	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Temporary Study Commissions—Con.				
Other Temporary Commissions—Con.				
Commission on Wartime Relocation and Internment of Civilians: Salaries and expenses 752				
Appropriation, current	BA	.....	**1,000**	.....
Outlays	0	.....	1,000	.....
Motor Carrier Ratemaking Study Commission: Salaries and expenses 401				
Appropriation, current	BA		[A] **1,500**	
Outlays	0		[A] 198	[A] 834
National Alcohol Fuels Commission: Salaries and expenses 271				
Appropriation, current	BA	**1,500**	.....	.....
Outlays	0	1,772	1,228	.....
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance: Salaries and 751				
Outlays	0	—2	.....	.....
National Commission on Air Quality: Salaries and expenses 304				
Appropriation, current	BA	**5,500**	**2,000**	.....
Outlays	0	3,856	4,794	.....
National Commission on Social Security: Salaries and expenses 601				
Outlays	0	1,014	1,179	.....
National Commission on Student Financial Assistance: Salaries and expenses 502				
Appropriation, current	BA	.....	.....	**1,000**
			[A] **1,000**	
Outlays	0	.....	.....	750
			[A] 750	[A] 250
National Transportation Policy Study Commission: Salaries and expenses 407				
Appropriation, current	BA	**66**	.....	.....
Outlays	0	197	56	.....
Navajo and Hopi Indian Relocation Commission: Salaries and expenses 806				
Appropriation, current	BA	**985**	**2,680**	**15,061**
			[D] **57**	
Outlays	0	8,791	10,112	12,814
President's Commission for the Study of Ethical Problems in Medicine: Salaries and expenses 551				
Appropriation, current	BA	.....	**1,500**	**2,501**
			[D] **56**	
Outlays	0	.....	1,556	2,100
President's Commission on Pension Policy: Salaries and expenses 601				
Appropriation, current	BA	**2,000**	.....	.....
Outlays	0	224	1,676	100
Presidential Commission on World Hunger: Salaries and expenses 806				
Appropriation, current	BA	**975**	.....	.....
Outlays	0	1,164	85	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Temporary Study Commissions—Con.				
Other Temporary Commissions—Con.				
Select Commission on Immigration and Refugee Policy: Salaries and expenses 751				
Appropriation, current	BA	**1,600**	**550**	.....
Outlays	0	1,153	1,177	.....
Total Federal funds Other Temporary Commissions	BA	**12,626**	**10,503**	**18,562**
	0	18,169	24,102	16,848
National Commission on the International Year of the Child				
Federal funds				
General and Special Funds:				
Salaries and expenses 506				
Outlays	0	624	12	.....
Trust funds				
Contributions 506				
Outlays	0	47	10	.....
National Commission on the Observance of International Women's Year, 1975				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Outlays	0	−1	7	.....
Total Federal funds Temporary Study Commissions	BA	**12,626**	**10,503**	**18,562**
	0	18,906	24,124	16,848
Total Trust funds Temporary Study Commissions.	0	400	10	.....
Nuclear Safety Oversight Committee				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	.....	**1,500**	.....
Outlays	0	.....	1,400	100
Tennessee Valley Authority				
Federal funds				
Public Enterprise Funds:				
Tennessee Valley Authority fund:				
(Energy supply) 271				
(Authority to borrow, current)	BA	**15,000,000**	.....	.....
(Authority to borrow, permanent)	BA	.....	.....	**2,025,927**
(Outlays)	0	1,710,429	2,000,000	2,000,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.				
Tennessee Valley Authority—Con.				
(Area and regional development) 452				
(Appropriation, current)	BA	**222,475**	**287,563**	**150,593**
			H —177,000	
(Outlays)	0	158,829	227,000	208,000
			H —48,452	H —50,000
Total Tennessee Valley Authority fund	BA	**15,222,475**	**110,563**	**2,176,520**
	0	1,869,258	2,178,548	2,158,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**15,222,475**	**110,563**	**2,176,520**
	0	1,869,258	2,178,548	2,158,000
Deductions for offsetting receipts:				
Proprietary receipts from the public 270	BA			
	0	*—24*	*—24*	*—24*
Total Tennessee Valley Authority	BA	**15,222,451**	**110,539**	**2,176,496**
	0	1,869,234	2,178,524	2,157,976
United States Holocaust Memorial Council				
Federal funds				
General and Special Funds:				
Holocaust Memorial Council 806				
Appropriation, current	BA	.....	**722**	**800**
Outlays	0	.....	722	800
Trust funds				
Gifts and donations 806				
Appropriation, permanent	BA	.....	**100**	**100**
Outlays	0	.....	100	100
United States Metric Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**2,547**	**2,708**	**3,855**
			D 71	
Outlays	0	2,024	2,579	3,793
Trust funds				
Gifts and donations 376				
Appropriation, permanent, indefinite	BA	.....	**10**	**10**
Outlays	0	—5	18	10
United States Railway Association				
Federal funds				
General and Special Funds:				
Administrative expenses 401				
Appropriation, current	BA	**28,000**	**29,000**	.....
				K 19,000
Outlays	0	31,055	30,000	19,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
United States Railway Association—Con.					
Payments for purchase of Conrail securities	401				
Appropriation, current		BA	**550,000**	**185,000**	**50,000**
				[A] **350,000**	
Outlays		0	641,000	185,000	50,000
				[A] 350,000	
Total Federal funds United States Railway Association		BA	**578,000**	**564,000**	**69,000**
		0	672,055	565,000	69,000
Water Resources Council					
Federal funds					
General and Special Funds:					
Water resources planning	301				
Appropriation, current		BA	**23,183**	**24,777**	.....
					[K] **39,781**
Outlays		0	25,154	22,600	37,150
Trust funds					
River Basin Commissions	301				
Appropriation, permanent, indefinite		BA	**13,928**	**10,627**	**8,952**
Outlays		0	10,002	16,660	9,133
Summary					
Federal funds:					
(As shown in detail above)		BA	**23,183**	**24,777**	**39,781**
		0	25,154	22,600	37,150
Trust funds:					
(As shown in detail above)		BA	**13,928**	**10,627**	**8,952**
		0	10,002	16,660	9,133
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—1,457*	*—1,545*	*—1,603*
Total Trust funds		BA	**12,471**	**9,082**	**7,349**
		0	8,545	15,115	7,530
Interfund transactions	301	BA			
		0	**—12,470**	**—9,082**	**—7,349**
Total Water Resources Council		BA	**23,184**	**24,777**	**39,781**
		0	21,229	28,633	37,331
Summary					
Federal funds:					
(As shown in detail above)		BA	**42,868,542**	**34,102,348**	**31,979,059**
		0	29,145,600	32,097,586	28,971,856
Deductions for offsetting receipts:					
Intrafund transactions	054	BA			
		0	*8*	*—13,400*	*—13,400*
		BA			
		0		[J] *—10,500*	[J] *—10,500*
	403	BA			
		0	*—74,645*	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Summary—Con.					
	902	BA	*—121*	.....	.....
		0			
Proprietary receipts from the public	054	BA	*—81,557*	*—253,900*	*—253,900*
		0			
		BA		*[1] —199,300*	*[1] —199,300*
		0			
	150	BA	*54*	*—320*	*—320*
		0			
	250	BA	*—330*	*—270*	*—270*
		0			
	270	BA	*—42*	*—24*	*—24*
		0			
	350	BA	.....	*—2*	*—2*
		0			
	370	BA	*—104*	*—74*	*—74*
		0			
	400	BA	*—2,412*	*—5,187*	*—5,192*
		0			
	403	BA	*—380,894*	*—412,877*	*—440,041*
		0			
	500	BA	*—271*	*—185*	*—199*
		0			
	506	BA	*126*	.....	.....
		0			
	550	BA	*2*	*—11*	*—12*
		0			
	609	BA	*—26*	.....	.....
		0			
	700	BA	*—1*	*—3*	*—3*
		0			
	750	BA	*—54*	*—52*	*—53*
		0			
	800	BA	*—137,601*	*—119,895*	*—104,895*
		0			
	805	BA	*—2*	.....	.....
		0			
	806	BA	*—47*	.....	.....
		0			
	852	BA	*—44,376*	*—65,780*	*—28,214*
		0			
	902	BA	*—1,903*	*—549*	*—549*
		0			
Total Federal funds		BA	**42,144,346**	**33,020,019**	**30,922,111**
		0	28,421,404	31,015,257	27,914,908
Trust funds:					
(As shown in detail above)		BA	**28,622,177**	**32,516,454**	**35,134,748**
		0	18,157,553	20,973,410	23,602,971
Deductions for offsetting receipts:					
Intrafund transactions	602	BA	*—5,449*	*—9,400*	*—9,700*
		0			
	902	BA	*22,480*	*27,000*	*46,000*
		0			

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Other Independent Agencies—Con.					
Summary—Con.					
Proprietary receipts from the public	154	BA	*—502*	*—350*	*—350*
		0			
	301	BA	*—1,457*	*—1,545*	*—1,603*
		0			
	452	BA	*—2,236*	*—2,838*	*—3,017*
		0			
Total Trust funds		BA	**28,635,013**	**32,529,321**	**35,166,078**
		0	18,170,389	20,986,277	23,634,301
Interfund transactions	301	BA	**—12,470**	**—9,082**	**—7,349**
		0			
	452	BA	**—2,603**	**—2,838**	**—3,017**
		0			
	601	BA	**—313,000**	**—350,000**	**—350,000**
		0			
	602	BA	**—30,011**	**—23,529**	**—23,529**
		0			
	805	BA	**—11,231,858**	**—12,965,005**	**—14,169,743**
		0			
		BA			[1] **712,274**
		0			
Total Other Independent Agencies		BA	**59,189,417**	**52,198,886**	**52,246,825**
		0	35,001,851	38,651,080	37,707,845
Allowances					
Allowances for:					
Federal funds					
General and Special Funds:					
Civilian agency pay raises					
Appropriation, current		BA			[1] **958,000**
Outlays		0			[1] 920,000
Contingencies for:					
Relatively uncontrollable programs					
Appropriation, current		BA	.....	.....	**0**
Outlays		0	.....	.....	0
Other requirements					
Appropriation, current		BA			[1] **2,000,000**
Outlays		0			[1] 1,000,000
Total Federal funds Allowances for:		BA	.....	.....	**2,958,000**
		0	.....	.....	1,920,000
Summary					
Federal funds:					
Total Allowances		BA	.....	.....	**2,958,000**
		0	.....	.....	1,920,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Budget Totals					
Federal funds:					
(As shown in detail above)		BA	**506,321,443**	**559,828,906**	**615,925,290**
		O	440,438,172	505,580,609	565,652,649
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions		BA	*−3,301,046*	*−3,632,408*	*−3,420,972*
		O		[J] *−10,500*	[J] *−10,500*
Receipts from off-budget Federal entities		BA	*−6,202,806*	*−9,062,013*	*−12,258,314*
		O			
Proprietary receipts from the public		BA	*−7,619,783*	*−9,944,748*	*−9,046,457*
		O		[J] *−199,300*	[J] *−199,300*
(Undistributed by agency and function):					
Proprietary receipts from the public:					
Rents and royalties on the Outer Continental Shelf	953	BA	*−4,100,870*	*−7,800,000*	*−9,900,000*
		O			
Total deductions		BA	*−21,224,505*	*−30,648,969*	*−34,835,543*
		O			
Federal fund totals		BA	**485,096,938**	**529,179,937**	**581,089,747**
		O	419,213,667	474,931,640	530,817,106
Trust funds:					
(As shown in detail above)		BA	**230,626,997**	**261,816,183**	**302,865,801**
		O	217,333,478	252,330,351	282,605,703
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions		BA	*−1,450,613*	*−1,635,459*	*−1,937,759*
		O			
Proprietary receipts from the public		BA	*−9,320,471*	*−10,896,550*	*−11,984,650*
		O			[J] *−30,500*
(Undistributed by agency and function):					
Receipts from off-budget Federal entities:					
Employer share, employee retirement	951	BA	*−1,488,772*	*−1,730,468*	*−1,736,598*
		O			
Total deductions		BA	*−12,259,856*	*−14,262,477*	*−15,689,507*
		O			
Trust fund totals		BA	**218,367,141**	**247,553,706**	**287,176,294**
		O	205,073,622	238,067,874	266,916,196
Interfund transactions (−):					
Employer share, employee retirement	951	BA	**−4,297,813**	**−4,830,598**	**−5,061,119**
		O			
Interest received by trust funds	952	BA	**−12,045,354**	**−13,428,544**	**−14,713,507**
		O			

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Budget Totals—Con.				
	BA		[J] —6,000	[J] —451,411
	O			
Applied by agency above	BA	—28,330,983	—31,994,003	—38,211,027
	O			
Total interfund transactions	BA	—44,674,150	—50,259,145	—58,437,064
	O			
Budget totalsΔ	BA	658,789,929	726,474,498	809,828,977
	O	579,613,139	662,740,369	739,296,238

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1980 actual	1981 estimate	1982 estimate

Budget Totals—Continued

△Budget totals are distributed as follows:

	1981		1982	
	BA	Outlays	BA	Outlays
Federal funds:				
Enacted, pending and initial requests:				
Appropriations	543,775,739	492,136,927	603,258,784	554,801,585
Appropriation action proposed (L)	.....	.....	−621,400	−601,000
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (A)	8,045,453	6,685,331	204,356	1,239,728
Needs authorizing legislation (B)	2,688,729	1,464,973	.....	242,556
Pay:				
Wage-board pay raises (C)	509,920	500,070	.....	9,849
Civilian pay raises (D)	2,333,769	2,267,309	.....	67,153
Military pay raises (E)	3,303,887	3,303,446	.....	441
Rescission proposals (H)	−1,255,791	−654,847	.....	−397,800
To be proposed separately:				
Under proposed legislation (J)	427,200	−122,600	6,354,580	4,663,237
Allowances	.....	.....	6,728,970	5,626,900
Deductions for offsetting receipts	−30,439,169	−30,439,169	−34,625,743	−34,625,743
Under proposed legislation (J)	−209,800	−209,800	−209,800	−209,800
Total Federal funds	529,179,937	474,931,640	581,089,747	530,817,106
Trust funds:				
Enacted, pending and initial requests:				
Appropriations	261,200,476	251,458,503	304,344,769	285,335,891
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (A)	610,189	965,681	.....	39,000
Pay:				
Wage-board pay raises (C)	385	363	.....	22
Civilian pay raises (D)	2,133	2,050	.....	83
To be proposed separately:				
Under proposed legislation (J)	3,000	−96,246	−1,478,968	−2,769,293
Deductions for offsetting receipts	−14,262,477	−14,262,477	−15,659,007	−15,659,007
Under proposed legislation (J)	.....	.....	−30,500	−30,500
Total Trust funds	247,553,706	238,067,874	287,176,294	266,916,196
Interfund transactions (−)	−50,259,145	−50,259,145	−58,437,064	−58,437,064
Budget totals	726,474,498	662,740,369	809,828,977	739,296,238

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Off-Budget Federal Entities				
Department of Agriculture				
Federal funds				
Public Enterprise Funds:				
Rural electrification and telephone revolving fund 271				
Authority to borrow, permanent	BA	.....	**33,984**	.....
Outlays	0	−29,939	.....	.....
Rural telephone bank 452				
Appropriation, current	BA	**30,000**	**22,500**	.....
				[J] **22,500**
Authority to borrow, permanent, indefinite	BA	**95,761**	**129,704**	**149,044**
Outlays	0	157,644	171,241	142,818
				[J] 22,500
Total Federal funds Department of Agriculture	BA	**125,761**	**186,188**	**171,544**
	0	127,705	171,241	165,318
Department of the Treasury—Federal Financing Bank [M†]				
Funds Appropriated to the President				
International Security Assistance				
Federal funds				
General and Special Funds:				
Foreign military credit sales 152				
Authority to borrow, permanent, indefinite	BA	**2,380,109**	**2,600,000**	**3,000,000**
Outlays	0	1,931,938	2,010,000	2,220,000
International Development Assistance				
Federal funds				
Public Enterprise Funds:				
Overseas Private Investment Corporation 151				
Outlays	0	−4,333	−5,051	−5,356
Total Federal funds Funds Appropriated to the President	BA	**2,380,109**	**2,600,000**	**3,000,000**
	0	1,927,605	2,004,949	2,214,644
Department of Agriculture				
Rural Electrification Administration				
Federal funds				
Public Enterprise Funds:				
Rural electrification and telephone revolving fund [N] 271				
Authority to borrow, permanent, indefinite	BA	**3,187,619**	**4,774,038**	**5,752,304**
Outlays	0	3,187,616	4,774,038	5,752,304
Farmers Home Administration				
Federal funds				
Public Enterprise Funds:				
Agricultural credit insurance fund 351				
Authority to borrow, permanent, indefinite	BA	**5,257,000**	**7,120,540**	**2,305,235**
Outlays	0	3,982,000	6,095,540	1,570,235
Rural housing insurance fund 371				
Authority to borrow, permanent, indefinite	BA	**4,681,000**	**7,341,130**	**4,161,380**
Outlays	0	1,906,000	5,341,130	3,421,380

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Off-Budget Federal Entities—Con.				
Department of the Treasury—Federal Financing Bank—Con.				
Department of Agriculture—Con.				
Rural development insurance fund 452				
Authority to borrow, permanent, indefinite	BA	**1,443,000**	**1,608,130**	**1,064,100**
Outlays	0	993,000	983,130	1,064,100
Total Federal funds Farmers Home Administration	BA	**11,381,000**	**16,069,800**	**7,530,715**
	0	6,881,000	12,419,800	6,055,715
Total Federal funds Department of Agriculture	BA	**14,568,619**	**20,843,838**	**13,283,019**
	0	10,068,616	17,193,838	11,808,019
Department of Education				
Federal funds				
Public Enterprise Funds:				
Student loan insurance fund [o] 502				
Authority to borrow, permanent, indefinite	BA	**1,070,000**	**1,095,000**	**1,923,000**
Outlays	0	1,070,000	1,095,000	1,923,000
Department of Energy				
Federal funds				
General and Special Funds:				
Energy conservation 272				
Authority to borrow, permanent, indefinite	BA	**1,125**	.....	.....
Outlays	0	1,125	.....	.....
Department of Health and Human Services				
Federal funds				
Public Enterprise Funds:				
Medical facilities guarantee and loan fund 551				
Outlays	0	−4,161	−4,426	−4,741
Health maintenance organization loan and loan guarantee fund 551				
Authority to borrow, permanent, indefinite	BA	**39,376**	**51,500**	**75,500**
Outlays	0	25,916	51,000	59,081
Total Federal funds Department of Health and Human Services	BA	**39,376**	**51,500**	**75,500**
	0	21,755	46,574	54,340
Department of Housing and Urban Development				
Housing Programs				
Federal funds				
Public Enterprise Funds:				
Low-rent public housing--loans and other expenses 604				
Authority to borrow, permanent, indefinite	BA	**118,524**	**1,458,140**	**957,100**
Outlays	0	118,524	1,456,989	941,729

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Off-Budget Federal Entities—Con.				
Department of the Treasury--Federal Financing Bank—Con.				
Department of Housing and Urban Development—Con.				
Community Planning and Development				
Federal funds				
General and Special Funds:				
Community development grants 451				
Authority to borrow, permanent, indefinite	BA	**45,470**	**270,000**	**270,000**
Outlays	0	34,433	249,200	232,000
New Community Development Corporation				
Federal funds				
Public Enterprise Funds:				
New communities fund 451				
Outlays	0	—5,000	.....	.....
Total Federal funds Department of Housing and Urban Development	BA	**163,994**	**1,728,140**	**1,227,100**
	0	147,957	1,706,189	1,173,729
Department of Interior				
Territorial Affairs				
Federal funds				
General and Special Funds:				
Administration of territories 806				
Authority to borrow, permanent, indefinite	BA	**9,000**	.....	.....
Outlays	0	8,678	—346	—374
Department of Transportation				
Federal Railroad Administration				
Federal funds				
General and Special Funds:				
Rail service assistance 401				
Authority to borrow, permanent, indefinite	BA	**97,273**	**94,975**	**34,023**
Outlays	0	46,504	—234,280	34,023
Grants to National Railroad Passenger Corporation 401				
Authority to borrow, permanent, indefinite	BA	**1,072,686**	**236,581**	**55,729**
Outlays	0	65,871	236,581	55,729
Public Enterprise Funds:				
Railroad rehabilitation and improvement financing fund 401				
Authority to borrow, permanent, indefinite	BA	**52,378**	**213,700**	**235,000**
Outlays	0	48,557	208,013	228,313
Total Federal funds Federal Railroad Administration	BA	**1,222,337**	**545,256**	**324,752**
	0	160,932	210,314	318,065
Total Federal funds Department of Transportation	BA	**1,222,337**	**545,256**	**324,752**
	0	160,932	210,314	318,065

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1980 actual	1981 estimate	1982 estimate
Off-Budget Federal Entities—Con.					
Department of the Treasury—Federal Financing Bank—Con.					
Department of the Treasury					
Federal funds					
Intragovernmental Funds:					
Federal Financing Bank [P]	803				
Outlays		0	148,345	−6,349	−23,276
National Aeronautics and Space Administration					
Federal funds					
General and Special Funds:					
Research and development	255				
Authority to borrow, permanent, indefinite		BA	**106,505**	**102,300**	**144,300**
Outlays		0	106,505	102,300	144,300
Other Independent Agencies					
General Services Administration					
Federal funds					
Intragovernmental Funds:					
Federal buildings fund	804				
Authority to borrow, permanent, indefinite		BA	**42,499**	**110,143**	**6,455**
Outlays		0	39,810	108,689	−928
Small Business Administration					
Federal funds					
Public Enterprise Funds:					
Business loan and investment fund	376				
Authority to borrow, permanent, indefinite		BA	**148,837**	**360,000**	**360,000**
Outlays		0	126,622	327,000	315,000
Tennessee Valley Authority					
Federal funds					
Public Enterprise Funds:					
Tennessee Valley Authority fund	271				
Authority to borrow, permanent, indefinite		BA	**2,435,860**	**3,437,000**	**4,501,700**
Outlays		0	684,989	277,300	256,700
Total Federal funds Other Independent Agencies		BA	**2,627,196**	**3,907,143**	**4,868,155**
		0	851,421	712,989	570,772
Total Federal funds Department of the Treasury--Federal Financing Bank		BA	**22,188,261**	**30,873,177**	**24,845,826**
		0	14,512,939	23,065,458	18,183,219
Postal Service					
Federal funds					
Public Enterprise Funds:					
Postal Service	372				
Outlays		0	−431,327	219,411	−69,957

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1980 actual	1981 estimate	1982 estimate
Off-Budget Federal Entities—Con.				
United States Railway Association				
Federal funds				
Public Enterprise Funds:				
Regional rail reorganization program 401				
Authority to borrow, permanent, indefinite	BA	**38,465**	**—257,620**	**30,448**
Outlays	0	35,945	—257,620	30,448
Synthetic Fuels Corporation				
Federal funds				
Public Enterprise Funds:				
Synthetic Fuels Corporation 271				
Contract authority, permanent	BA	.....	**2,035,500**	**6,062,000**
Summary				
Federal funds:				
(As shown in detail above)	BA	**22,352,487**	**32,837,245**	**31,109,818**
	0	14,245,262	23,198,490	18,309,028
Budget totals	BA	**658,789,929**	**726,474,498**	**809,828,977**
	0	579,613,139	662,740,369	739,296,238
Total, including off-budget entities	BA	**681,142,416**	**759,311,743**	**840,938,795**
	0	593,858,401	685,938,859	757,605,266

[A] Supplemental under existing legislation.
[B] Supplemental. Additional authorizing legislation required.
[C] Supplemental for wage-board pay raises.
[D] Supplemental for civilian pay raises.
[E] Supplemental for military pay raises.
[F] Proposed transfer to other accounts for pay raises (—)
[G] Proposed transfer from other accounts for pay raises.
[H] Rescission proposal.
[I] Proposed for later transmittal under existing legislation.
[J] Proposed for later transmittal under proposed legislation.
[K] Additional authorizing legislation required.
[L] Appropriation action proposed.
[M] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.
[N] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).
[O] Guaranteed for Government-sponsored enterprise (Student Loan Marketing Association).
[P] Miscellaneous outlays not attributed to any single program.

†In order to reflect the transactions of the Federal Financing Bank (FFB) account on behalf of other agencies, budget authority and outlays of the FFB account are shown by agency, account title, and subfunction of the account being serviced. The non-lending FFB transactions are shown in subfunction 803 (central fiscal operations).

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PART 9

SUMMARY TABLES

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EXPLANATORY NOTE RELATING TO THE SUMMARY TABLES

Types of tables.—This part of the budget consists of tables as follows:

- Tables 1 through 9 are short summary tables of the budget.
- Tables 10 through 13 provide greater detail in support of financial data in the first three tables.
- Table 14 presents 5-year projections of the estimated costs of proposed legislation pursuant to section 221(a) of the Legislative Reorganization Act of 1970.
- Tables 15 and 16 provide detailed information on direct loan and loan guarantee activity within the Federal credit control system.
- Tables 17 through 23 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also giving information on the national income accounts, the gross national product over a longer period, and the budget in constant (fiscal year 1972) prices.

Periods covered.—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns or stub entries:

- July 1 through June 30 for the 1976 and prior fiscal periods.
- July 1 through September 30, 1976, for the transition quarter (TQ).
- October 1 through September 30 for the 1977 and subsequent fiscal periods.

Concepts followed.—The concepts used in the current and historical tables are discussed in Part 7 of this volume. Budget authority and outlays for off-budget Federal entities are included in selected tables.

Other sources of summary data.—The Special Analyses volume presents data covering alternative views of the budget and Government finances and operations as a whole.

NOTES

The 1980 budget outlay totals exceed Treasury outlay totals by $602 million because (a) certain receipts from Outer Continental Shelf leasing sales and from sales of gold are not shown as offsets to budget outlays ($616 million) and (b) the Pension Benefit Guaranty Corporation and an adjustment for exchange valuation for the IMF Quota Subscription are included in the budget totals (−$14 million).

The transactions of the Pension Benefit Guaranty Corporation have been excluded from the budget by law since its establishment. This provision was repealed effective October 1, 1980. Accordingly, all budget totals for past years have been adjusted retroactively to include these transactions. This adjustment decreases the budget outlays and budget deficit by: $34 million in 1975; $22 million in 1976; less than $500 thousand in TQ; $16 million in 1977; $32 million in 1978; $39 million in 1979; $27 million in 1980; $37 million in 1981; and $29 million in 1982.

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Table 1. **BUDGET SUMMARY**

(In millions of dollars)

Description	1980 actual	1981 estimate	1982 estimate
THE BUDGET			
Budget authority (largely appropriations):			
Available through current action by Congress:			
Enacted and pending	411,748	433,217	.....
Proposed in this budget	.....	16,239	479,787
To be requested separately	.....	430	11,605
Available without current action by Congress	325,201	371,759	427,400
Deductions for offsetting receipts [1]	−78,159	−95,171	−108,962
Total budget authority	**658,790**	**726,474**	**809,829**
Budget authority, off-budget Federal entities	(22,352)	(32,837)	(31,110)
Budget authority including off-budget Federal entities	(681,142)	(759,312)	(840,939)
Receipts, outlays, and surplus or deficit:			
Receipts:			
Total budget receipts	**520,050**	**607,525**	**711,780**
Outlays:			
Total budget outlays	**579,613**	**662,740**	**739,296**
Outlays, off-budget Federal entities	(14,245)	(23,198)	(18,309)
Outlays, including off-budget Federal entities	(593,858)	(685,939)	(757,605)
Surplus or deficit(−):			
Total budget deficit (−)	**−59,563**	**−55,215**	**−27,516**
Deficit, off-budget Federal entities	(−14,245)	(−23,198)	(−18,309)
Total deficit (−)	(−73,808)	(−78,414)	(−45,825)
THE CREDIT BUDGET [2]			
New obligations and commitments:			
New direct loan obligations:			
On-budget	37,776	42,073	34,071
Off-budget	23,583	32,165	26,132
New loan guarantee commitments [3]	69,806	91,120	92,438
Total	**131,165**	**165,358**	**152,641**
Net new loans and loan guarantees:			
Net new direct loans:			
On-budget	8,761	3,381	5,944
Off-budget	14,722	23,219	18,531
Net new loan guarantees [3]	25,072	41,371	38,824
Total	**48,555**	**67,971**	**63,299**
FEDERAL DEBT			
	1979 actual		
Debt outstanding, end of period:			
Gross Federal debt	833,751	914,317	992,398	1,057,664
Held by:				
Government agencies	189,162	199,212	205,293	225,559
The public	644,589	715,105	787,105	832,105
Federal Reserve System	115,594	120,846		
Others	528,996	594,259		

[1] These consist of intragovernmental transactions and proprietary receipts from the public.

[2] The amounts shown below are consistent with the concepts and definitions used in the Federal credit program control system that was introduced in the 1981 Budget. They measure the net lending and loan guarantees covered by the credit control system. (See the introduction to Part 5 of the Budget for a discussion of these concepts and of the coverage of the credit control system.)

[3] To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed and guarantees (or commitments) by one Government account of direct loans made by another Government account.

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Table 2. **BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY**

(In millions of dollars)

Description	1980 actual	1981 estimate	1982 estimate
Budget receipts by source:			
Individual income taxes	244,069	284,013	331,677
Corporation income taxes	64,600	66,009	64,648
Social insurance taxes and contributions	160,747	184,824	214,664
Excise taxes	24,329	44,393	69,633
Estate and gift taxes	6,389	6,909	7,668
Customs duties	7,174	7,439	7,800
Miscellaneous receipts	12,742	13,938	15,690
Total budget receipts	**520,050**	**607,525**	**711,780**
Budget outlays by function:			
National defense [1]	135,856	161,088	184,399
International affairs	10,733	11,314	12,152
General science, space, and technology	5,722	6,258	7,590
Energy	6,313	8,739	11,973
Natural resources and environment	13,812	14,110	14,039
Agriculture	4,762	1,112	4,803
Commerce and housing credit	7,782	3,456	8,058
Transportation	21,120	24,054	21,551
Community and regional development	10,068	11,144	9,084
Education, training, employment, and social services	30,767	31,773	34,511
Health	58,165	66,032	74,636
Income security	193,100	231,650	255,006
(Social security)	(117,117)	(138,260)	(159,625)
(Other)	(75,983)	(93,389)	(95,382)
Veterans benefits and services	21,183	22,591	24,462
Administration of justice	4,570	4,786	4,882
General government	4,505	5,170	5,246
General purpose fiscal assistance	8,584	6,854	6,902
Interest	64,504	80,405	89,946
Allowances [2]			1,920
Undistributed offsetting receipts	−21,933	−27,796	−31,863
Total budget outlays	**579,613**	**662,740**	**739,296**
Budget surplus or deficit (−)	−59,563	−55,215	−27,516
Budget authority by function:			
National defense [1]	145,764	173,869	200,337
International affairs	15,519	25,153	19,639
General science, space, and technology	6,141	6,593	8,104
Energy	36,447	8,289	12,075
Natural resources and environment	13,051	12,705	13,572
Agriculture	4,945	5,640	5,559
Commerce and housing credit	10,497	6,979	10,711
Transportation	20,210	26,251	25,509
Community and regional development	10,110	10,230	9,184
Education, training, employment, and social services	30,622	31,859	36,336
Health	59,844	71,884	86,075
Income security	224,198	255,154	279,551
(Social security)	(115,997)	(131,048)	(150,392)
(Other)	(108,201)	(124,106)	(129,159)
Veterans benefits and services	21,208	23,194	24,984
Administration of justice	4,391	4,458	4,825
General government	4,602	5,405	5,439
General purpose fiscal assistance	8,667	6,208	6,887
Interest	64,508	80,400	89,946
Allowances [2]			2,958
Undistributed offsetting receipts	−21,933	−27,796	−31,863
Total budget authority	**658,790**	**726,474**	**809,829**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowances for civilian agency pay raises and contingencies.

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Table 3. **BUDGET AUTHORITY AND OUTLAYS BY AGENCY**

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1980 actual	1981 estimate	1982 estimate	1980 actual	1981 estimate	1982 estimate
Legislative branch	1,312	1,327	1,456	1,218	1,448	1,423
The Judiciary	606	670	749	564	673	734
Executive Office of the President	100	110	111	95	108	111
Funds appropriated to the President	12,457	14,657	10,903	7,523	6,212	6,348
Agriculture	24,897	26,654	30,069	24,555	20,897	28,038
Commerce	3,083	2,862	3,064	3,755	2,996	3,222
Defense—Military [1]	142,621	170,305	195,660	132,840	157,600	180,000
Defense—Civil	3,259	3,042	3,367	3,227	3,360	3,383
Education	13,797	15,639	17,031	13,112	14,826	15,713
Energy	10,018	11,663	14,614	6,464	9,726	14,109
Health and Human Services	195,855	225,506	258,406	194,703	227,328	258,180
Housing and Urban Development	35,677	38,391	38,209	12,576	13,305	15,507
Interior	4,579	4,476	4,540	4,377	4,704	4,138
Justice	2,462	2,359	2,557	2,632	2,680	2,658
Labor	28,796	33,608	37,023	29,724	37,588	34,479
State	2,135	2,376	3,024	1,938	2,142	2,596
Transportation	18,243	24,077	23,984	18,963	21,800	19,971
Treasury	90,551	90,901	104,727	76,691	91,166	104,331
Environmental Protection Agency	4,669	4,755	5,325	5,602	5,542	5,799
National Aeronautics and Space Administration	5,240	5,534	6,722	4,850	5,283	6,360
Veterans Administration	21,175	23,160	24,946	21,135	22,500	24,430
Other independent agencies	59,189	52,199	52,247	35,002	38,651	37,708
Allowances [2]			2,958			1,920
Undistributed offsetting receipts:						
Employer share, employee retirement	−5,787	−6,561	−6,798	−5,787	−6,561	−6,798
Interest received by trust funds	−12,045	−13,435	−15,165	−12,045	−13,435	−15,165
Rents and royalties on the Outer Continental Shelf lands	−4,101	−7,800	−9,900	−4,101	−7,800	−9,900
Total budget authority and outlays	**658,790**	**726,474**	**809,829**	**579,613**	**662,740**	**739,296**
MEMORANDUM						
Portion available through current action by Congress	411,748	449,886	491,391	236,436	273,909	307,911
Portion available without current action by Congress	325,201	371,759	427,400	251,384	304,749	362,769
Outlays from obligated balances [3]				131,165	141,641	161,796
Outlays from unobligated balances [3]				38,787	37,612	15,782
Deductions for offsetting receipts:						
Intragovernmental transactions	−57,117	−66,330	−77,801	−57,117	−66,330	−77,801
Proprietary receipts from the public	−21,041	−28,841	−31,161	−21,041	−28,841	−31,161
Total budget authority and outlays	**658,790**	**726,474**	**809,829**	**579,613**	**662,740**	**739,296**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowances for civilian agency pay raises and contingencies.
[3] Outlays from appropriations to liquidate contract authority are included as outlays from balances.

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Table 4. **BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS**

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1980 actual	1981 estimate	1982 estimate	1980 actual	1981 estimate	1982 estimate
Legislative branch	1,297	1,312	1,442	1,072	1,200	1,292
The Judiciary	600	663	741	521	607	680
Executive Office of the President	101	110	111	82	95	95
Funds appropriated to the President	8,456	12,789	9,638	2,442	2,460	2,823
Agriculture	21,280	24,906	27,159	19,245	19,164	23,348
Commerce	2,773	2,507	2,641	1,769	1,399	1,648
Defense—Military [1]	141,392	171,036	196,340	93,922	110,327	127,759
Defense—Civil	3,277	3,062	3,390	2,252	2,331	2,657
Education	13,812	15,656	17,053	3,419	7,456	4,786
Energy	12,288	14,848	16,319	2,761	4,582	5,954
Health and Human Services	52,689	59,866	66,824	40,478	47,767	55,507
Housing and Urban Development	33,439	36,843	37,979	1,002	1,376	1,708
Interior	4,942	5,111	5,352	2,958	3,466	3,306
Justice	2,472	2,369	2,568	1,874	1,964	2,105
Labor	13,381	16,287	15,591	10,192	13,529	13,740
State	1,902	2,139	2,753	1,581	1,714	2,071
Transportation	9,019	14,760	15,074	4,955	7,623	5,954
Treasury	23,931	8,667	12,880	10,161	8,388	12,549
Environmental Protection Agency	4,669	4,773	5,361	715	823	1,003
National Aeronautics and Space Administration	5,243	5,537	6,726	3,705	3,900	4,668
Veterans Administration	20,552	22,460	24,256	18,425	20,064	21,583
Other independent agencies	34,233	24,186	18,236	12,905	13,675	10,754
Allowances [2]	.....	.....	2,958	.....	.....	1,920
Total budget authority and outlays from budget authority available through current action by Congress	**411,748**	**449,886**	**491,391**	**236,436**	**273,909**	**307,911**
MEMORANDUM						
Appropriations and outlays from appropriations to liquidate contract authority: [3]						
Legislative Branch	.....	.....	2	.....	.....	.....
Commerce	301	333	417	301	333	417
Defense—Military	.....	620	.....	.....	−620	.....
Housing and Urban Development	8,248	8,444	8,835	3,356	.....	.....
Interior	16	.....	3	.....	.....	.....
Transportation	10,573	11,064	10,304	7,408	7,598	7,756
Environmental Protection Agency	1,500	1,700	1,000	1,500	1,700	1,000
Total appropriations and outlays from appropriations to liquidate contract authority	**20,636**	**22,162**	**20,561**	**12,565**	**9,011**	**9,173**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowances for civilian agency pay raises and contingencies.
[3] Excluded from budget authority and outlays above.

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Table 5. **RELATION OF BUDGET AUTHORITY TO OUTLAYS**

(In millions of dollars)

Description	1980 actual	1981 estimate	1982 estimate
Budget authority available through current action by Congress:			
Enacted, pending, or recommended herein:			
Appropriations [1]	365,256	406,201	442,199
Contract authority	26,209	31,474	31,109
Authority to borrow	18,962	11,608	6,477
Reappropriations and reauthorizations	1,321	173	2
To be requested separately:			
Appropriations [1]		130	11,069
Contract authority			
Authority to borrow		300	535
Total budget authority available through current action by Congress (table 4)	**411,748**	**449,886**	**491,391**
Budget authority available without current action by Congress (permanent authorizations):			
Appropriations [1]	297,455	347,284	400,722
Contract authority	23,552	22,216	22,323
Authority to borrow	4,193	2,260	4,354
Deductions for offsetting receipts (table 11):			
Intragovernmental transactions	−57,117	−66,330	−77,801
Proprietary receipts from the public	−21,041	−28,841	−31,161
Total budget authority for the year (table 3)	**658,790**	**726,474**	**809,829**
Unobligated balances and adjustments:			
Unobligated balances:			
Brought forward at start of year (table 7)	260,084	296,031	264,650
Recovery of prior year obligations	8,764	6,580	7,422
Written off (withdrawn, lapsed, etc.) [2]	−5,746	−30,038	−5,944
Carried forward at end of year (table 7)	−296,031	−264,650	−279,595
Obligations incurred, net (table 6)	**625,861**	**734,398**	**796,361**
Obligated balances:			
Brought forward at start of year, funded (table 7)	440,929	478,112	543,204
Adjustments in expired accounts	−301	14	11
Adjustments in unexpired accounts	−8,764	−6,580	−7,422
Deficiency appropriations	1	*	
Carried forward at end of year (table 7)	−478,112	−543,204	−592,858
Budget outlays (table 3)	**579,613**	**662,740**	**739,296**
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	409,745	446,559	487,105
Budget authority [3]	485,097	529,180	581,090
Obligations incurred, net [3]	461,254	541,323	580,444
Budget outlays [3]	419,214	474,932	530,817

[1] Excludes appropriations to liquidate contract authority:

	1980 actual	*1981 estimate*	*1982 estimate*
Enacted, pending, or recommended herein	28,291	31,842	31,436

[2] Includes redemption of agency debt and capital transfers to the general fund.
[3] Amounts are net of intrafund transactions, receipts from off-budget Federal entities, and proprietary receipts from the public.

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Table 6. **OBLIGATIONS INCURRED, NET**

(In millions of dollars)

Department or other unit	1980 actual	1981 estimate	1982 estimate
Legislative branch	1,266	1,431	1,467
The Judiciary	578	676	743
Executive Office of the President	99	110	111
Funds appropriated to the President:			
International Security Assistance	6,827	5,455	5,307
International Development Assistance	2,744	2,903	4,361
Other	2,074	5,326	1,135
Agriculture	25,616	21,677	27,491
Commerce	3,145	3,140	2,985
Defense—Military [1]	140,386	169,355	192,601
Defense—Civil	3,168	3,275	3,519
Education	14,156	16,708	17,045
Energy	6,993	14,803	14,499
Health and Human Services	197,072	230,241	259,087
Housing and Urban Development	39,607	47,548	44,282
Interior	4,499	4,949	4,468
Justice	2,532	2,422	2,560
Labor	29,046	37,411	34,939
State	2,002	2,243	2,742
Transportation	19,504	24,489	24,028
Treasury	76,595	91,247	104,353
Environmental Protection Agency	6,010	5,349	6,578
National Aeronautics and Space Administration	5,058	6,160	6,733
Veterans Administration	21,151	22,917	24,821
Other independent agencies:			
Export-Import Bank	4,004	5,959	3,314
Federal Deposit Insurance Corporation	−959	−1,436	−1,483
Federal Home Loan Bank Board	647	314	−648
General Services Administration	100	−43	66
Office of Personnel Management	15,701	18,569	21,012
U.S. Postal Service	1,677	1,343	1,119
Railroad Retirement Board	4,814	5,000	5,873
All other independent agencies	11,684	12,651	10,157
Allowances [2]			2,958
Undistributed offsetting receipts	−21,933	−27,796	−31,863
Total	**625,861**	**734,398**	**796,361**
MEMORANDUM			
Federal funds	461,254	541,323	580,444
Trust funds	209,281	243,335	274,354
Interfund transactions	−44,674	−50,259	−58,437
Total	**625,861**	**734,398**	**796,361**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowances for civilian agency pay raises and contingencies.

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Table 7. **BALANCES OF BUDGET AUTHORITY**

(In millions of dollars)

Department or other unit	Start 1980		End 1980		End 1981		End 1982	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch	194	149	202	184	184	80	229	68
The Judiciary	53	66	58	76	60	71	70	76
Executive Office of the President	13	*	16	.....	17	.....	17	.....
Funds appropriated to the President:								
International Security Assistance	19,814	346	22,781	125	25,324	2	27,742	2
International Development Assistance	6,441	12,247	7,318	13,124	8,094	13,093	10,105	13,107
Other	11,194	5,169	11,298	5,479	15,444	6,587	15,463	6,572
Agriculture	10,485	5,191	11,499	4,446	12,253	823	11,705	1,800
Commerce	3,090	660	2,458	605	2,598	329	2,360	408
Defense—Military [1]	60,888	23,008	67,939	24,230	79,695	25,140	92,296	28,196
Defense—Civil	889	305	830	395	745	161	880	10
Education	9,430	3,217	10,357	2,878	12,231	1,803	13,574	1,763
Energy	7,520	4,964	8,047	7,817	13,124	2,757	13,515	2,539
Health and Human Services	21,259	42,829	23,314	41,577	26,227	36,839	27,134	36.157
Housing and Urban Development	223,742	9,642	244,151	9,729	272,448	5,583	294,520	4,502
Interior	2,665	1,621	2,732	1,649	2,977	1,150	3,294	1,232
Justice	957	231	831	134	572	71	474	68
Labor	3,929	15,881	3,182	15,583	3,006	11,780	3,466	13,864
State	413	606	462	725	562	858	708	1,140
Transportation	22,972	11,329	23,412	7,588	26,101	7,171	30,158	7,125
Treasury	2,189	9,348	2,039	25,544	2,121	25,198	2,143	25,572
Environmental Protection Agency	12,684	4,088	12,772	3,050	12,579	2,456	13,357	1,203
National Aeronautics and Space Administration	1,007	523	1,212	705	2,090	79	2,463	68
Veterans Administration	2,880	11,362	2,872	11,263	3,289	11,420	3,679	11,516
Other independent agencies:								
Export-Import Bank	4,014	1,936	5,737	184	8,772	.....	8,728	.....
Federal Deposit Insurance Corporation	437	11,819	401	12,778	415	14,214	432	15,697
Federal Home Loan Bank Board	—22	10,333	73	9,686	—28	9,372	—26	10,020
General Services Administration	568	309	473	432	344	795	393	883
Office of Personnel Management	4,723	63,441	5,372	72,651	5,971	82,589	6,795	92,081
Railroad Retirement Board	779	2,306	805	1,914	483	1,789	483	1,464
All other independent agencies	5,721	7,159	5,469	21,481	5,507	2,441	5,661	2,460
Allowances [2]	.....	.....	.....	.....	.....	.....	1,038	.....
Total	**440,929**	**260,084**	**478,112**	**296,031**	**543,204**	**264,650**	**592,858**	**279,595**
MEMORANDUM								
Federal funds	394,175	111,689	427,185	138,638	487,008	103,038	529,224	105,161
Trust funds	46,753	148,395	50,927	157,393	56,196	161,612	63,634	174,435
Total	**440,929**	**260,084**	**478,112**	**296,031**	**543,204**	**264,650**	**592,858**	**279,595**

*$500 thousand or less.
[1] Includes balances of allowances for civilian and military pay raises for Department of Defense.
[2] Includes balances of allowances for civilian agency pay raises and contingencies.

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Table 8. **SUMMARY OF FULL-TIME PERMANENT CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH** [1]

(Excluding the Postal Service)
(Full-time equivalent basis)

Agency	Fiscal year			Change 1981–82
	1980 actual	1981 estimate	1982 estimate	
Agriculture	85,400	86,500	87,000	500
Commerce	29,300	32,300	32,700	400
Defense—military functions [2]	880,000	865,000	865,000	.....
Defense—civil functions	27,700	27,800	27,600	−200
Education	6,400	6,100	6,100	.....
Energy	19,600	19,700	20,200	500
Health and Human Services	136,400	135,700	136,100	400
Housing and Urban Development	15,600	16,000	16,300	300
Interior	53,800	53,600	55,000	1,400
Justice	53,400	54,200	54,400	200
Labor	22,100	22,300	22,600	300
State	21,800	22,000	22,000	.....
Transportation	68,800	68,800	69,100	300
Treasury	109,400	110,400	113,600	3,200
Environmental Protection Agency	10,700	11,200	11,700	500
National Aeronautics and Space Administration	22,600	22,300	22,300	.....
Veterans Administration	193,100	195,600	195,800	200
Other:				
General Services Administration	32,300	32,200	32,200	.....
International Communication Agency	8,000	7,900	7,900	.....
International Development Cooperation Agency	5,700	5,700	5,700	.....
Nuclear Regulatory Commission	2,800	3,200	3,400	200
Office of Personnel Management	6,400	6,200	6,200	.....
Panama Canal Commission	7,700	8,300	8,400	100
Small Business Administration	4,400	4,700	4,700	.....
Tennessee Valley Authority	16,500	16,600	16,600	.....
Miscellaneous	42,400	43,300	44,000	700
Subtotal	1,882,300	1,877,600	1,886,600	9,000
Contingencies [3]	.....	2,000	2,000	.....
Total	1,882,300	1,879,600	1,888,600	9,000

[1] Excludes developmental employees under the worker-trainee opportunity program (WTOP) as well as certain statutory exemptions.
[2] Entries for Department of Defense, military functions do not reflect a tehnical change in conversion to the FTE system that will result in a decrease of about 25,000.
[3] Subject to later distribution.

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Table 9. **BUDGET FINANCING AND OUTSTANDING DEBT**

(In millions of dollars)

BUDGET FINANCING

	1980 actual	1981 estimate	1982 estimate
Budget surplus or deficit (—)	—59,563	—55,215	—27,516
Deficit (—), off-budget Federal entities	—14,245	—23,198	—18,309
Total deficit (—)	—73,808	—78,414	—45,825
Means of financing other than borrowing from the public:			
Decrease or increase (—) in cash and other monetary assets	643	5,110	.....
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc.[1]	—490	227	15
Deposit fund balances	2,478	633	161
Seigniorage on coins	663	444	649
Total, means of financing other than borrowing from the public	3,293	6,414	825
Total requirements for borrowing from the public	—70,515	—72,000	—45,000
Change in debt held by the public	**70,515**	**72,000**	**45,000**
Nonbank investors	56,681		
Commercial banks	8,581		
Federal Reserve System	5,253		

OUTSTANDING DEBT, END OF YEAR

	1979 actual			
Gross Federal debt:				
Debt issued by Treasury	826,519	907,701	986,294	1,052,705
Debt issued by other agencies	7,232	6,616	6,104	4,959
Total gross Federal debt	833,751	914,317	992,398	1,057,664
Held by:				
Government agencies	189,162	199,212	205,293	225,559
The public	644,589	715,105	787,105	832,105
Federal Reserve System	115,594	120,846		
Others	528,996	594,259		

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

Debt issued by Treasury	826,519	907,701	986,294	1,052,705
Treasury debt not subject to limitation	—609	—608	—608	—608
Agency debt subject to limitation	1,684	1,629	1,582	1,531
Notes not part of gross Federal debt but included in debt limit[2]	20	.....	.....	.....
Total debt subject to statutory limitation[3]	**827,615**	**908,723**	**987,268**	**1,053,628**

[1] Includes military payment certificates, accrued interest (less unamortized discount) on Treasury debt, and as an offsetting change in assets, certain collections in transit.

[2] Almost entirely District of Columbia stadium bonds in 1979. See Special Analysis E for further explanation.

[3] The statutory debt limit is permanently established at $400 billion. Public Law 96–556 temporarily increased the statutory debt limit to $935.1 billion through September 30, 1981. Legislation is required to change the limitation.

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Table 10. **BUDGET RECEIPTS BY SOURCE**

(In millions of dollars)

Source	1980 actual	1981 estimate	1982 estimate
Individual income taxes:			
Withheld	223,763	261,783	307,304
Other	63,785	70,449	81,532
Proposed legislation		−529	−2,799
Gross individual income taxes	287,548	331,703	386,037
Refunds	−43,479	−47,690	−54,360
Net individual income taxes	**244,069**	**284,013**	**331,677**
Corporation income taxes:			
Existing law	72,380	74,988	81,979
Proposed legislation		−825	−8,617
Refunds	−7,780	−8,154	−8,714
Net corporation income taxes	**64,600**	**66,009**	**64,648**
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions:			
Old-age and survivors insurance	96,581	116,342	126,781
Proposed legislation			203
Disability insurance	16,639	12,202	21,357
Proposed legislation			38
Hospital insurance	23,233	29,915	35,526
Proposed legislation			42
Railroad retirement	2,312	2,592	2,784
Proposed legislation			268
Total employment taxes and contributions	138,765	161,051	186,999
Unemployment insurance:			
State taxes deposited in Treasury[1]	11,915	12,606	15,517
Proposed legislation			−57
Federal unemployment tax receipts[1]	3,246	3,558	3,975
Railroad unemployment tax receipts[1]	175	174	207
Total unemployment insurance	15,336	16,338	19,642
Contributions for other insurance and retirement:			
Supplementary medical insurance	2,928	3,314	3,873
Federal employees' retirement—employee contributions	3,660	4,043	4,073
Other retirement contributions[2]	59	77	78
Total contributions for other insurance and retirement	6,646	7,435	8,023
Total social insurance taxes and contributions	**160,747**	**184,824**	**214,664**
Excise taxes:			
Federal funds:			
Alcohol taxes:			
Distilled spirits	3,919	3,850	4,020
Beer	1,545	1,590	1,615
Rectification tax	8		
Wines	211	202	222
Special taxes in connection with liquor occupations	21	21	21
Administrative action		90	125
Refunds	−104	−110	−114
Total alcohol taxes	5,601	5,643	5,889
Tobacco taxes:			
Cigarettes	2,403	2,553	2,587
Cigars	40	40	40
Cigarette papers and tubes	1	1	1
Other	3	3	3
Administrative action		106	1
Refunds	−4	−3	−3

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Table 10. **BUDGET RECEIPTS BY SOURCE—Continued**

(In millions of dollars)

Source	1980 actual	1981 estimate	1982 estimate
Total tobacco taxes	2,443	2,700	2,629
Manufacturers' excise taxes:			
Gasoline	31	31	29
Firearms, shells, and cartridges	75	81	88
Fishing rods, creels, etc	34	38	44
Pistols and revolvers	22	28	31
Bows and arrows	6	7	7
Gas guzzler tax	2	45	50
Windfall profit tax	5,959	22,231	34,677
Other	*	.....	.....
Proposed legislation	.....	3,470	11,188
Refunds	−6	−18	−18
Total manufacturers' excise taxes	6,122	25,913	46,096
Miscellaneous excise taxes:			
General and toll telephone and teletype service	1,118	1,013	790
Wagering taxes, including occupational taxes	12	14	17
Employee pension plans	3	3	3
Tax on foundations	68	75	77
Foreign insurance policies	75	99	125
Other	2	1	1
Refunds	−32	−24	−20
Total miscellaneous excise taxes	1,246	1,181	993
General fund collections associated with expiration of airport and airway trust fund:			
Existing law	.....	1,281	1,377
Proposed legislation	.....	−144	−1,377
Total general fund collections associated with expiration of airport and airway trust fund taxes	.....	1,137	.....
Undistributed Federal tax deposits and unapplied collections	152	188	229
Total Federal fund excise taxes	15,563	36,762	55,836
Trust funds:			
Highway:			
Gasoline	4,011	4,183	3,895
Trucks, buses, and trailers	912	891	1,176
Tires, innertubes, and tread rubber	680	725	742
Diesel fuel used on highways	523	528	554
Use-tax on certain vehicles	277	286	282
Truck parts and accessories	253	316	346
Lubricating oils	105	115	112
Proposed legislation	.....	−9	3,402
Refunds	−142	−154	−147
Total highway trust fund	6,620	6,881	10,362
Airport and airway:			
Transportation of persons	1,601	.....	.....
Waybill tax	92	.....	.....
Tax on fuels	70	.....	.....
International departure tax	92	.....	.....
Aircraft registration fees	21	.....	.....
Tires and innertubes	1	.....	.....
Proposed legislation	.....	316	2,795
Refunds	−3	.....	.....
Total airport and airway trust fund	1,874	316	2,795
Black lung disability insurance trust fund	272	275	292
Inland waterway trust fund	.....	30	58
Hazardous substances response trust fund	.....	129	290

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Table 10. **BUDGET RECEIPTS BY SOURCE—Continued**

(In millions of dollars)

Source	1980 actual	1981 estimate	1982 estimate
Total trust fund excise taxes	8,766	7,631	13,797
Total excise taxes	**24,329**	**44,393**	**69,633**
Estate and gift taxes	**6,389**	**6,909**	**7,668**
Customs duties	**7,174**	**7,439**	**7,800**
Miscellaneous receipts:[3]			
Miscellaneous taxes	288	103	110
Deposit of earnings, Federal Reserve System	11,767	13,069	14,710
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees	65	70	74
Proposed legislation	.....	.....	45
Administrative action	.....	19	35
Patent and copyright fees	27	27	26
Registration and filing fees	122	131	136
Import fees on crude oil and petroleum products	−11	.....	.....
Coal mining reclamation fees	199	211	223
Miscellaneous fees for permits, licenses, etc	41	38	21
Miscellaneous fees for regulatory and judicial services	71	75	81
Fees for legal and judicial services	2	.....	.....
Total fees for permits and regulatory and judicial services	516	570	642
Fines, penalties, and forfeitures	190	196	197
War reparations and recoveries under military occupation	5	5	5
Gifts and contributions	31	25	27
Refunds and recoveries	−55	−30	.....
Total miscellaneous receipts	**12,742**	**13,938**	**15,690**
Total budget receipts	**520,050**	**607,525**	**711,780**
MEMORANDUM			
Federal funds	350,849	415,239	484,105
Trust funds	213,875	242,545	286,113
Interfund transactions	−44,674	−50,259	−58,437

*$500 thousand or less.

[1] Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

[2] Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

[3] Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1980, $54 million; 1981, $54 million; and 1982, $76 million.

Note.—Estimates for 1981 and 1982 include effects of proposed legislation and administrative action.

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Table 11. **OFFSETTING RECEIPTS BY TYPE**

(In millions of dollars)

Type	1980 actual	1981 estimate	1982 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Intrabudgetary transactions:			
Federal intrafund transactions:			
Interest on Government capital in enterprises	3,086	3,467	3,244
Other	215	175	187
Total Federal intrafunds	3,301	3,643	3,431
Trust intrafund transactions: [1]			
Railroad retirement/social security	1,442	1,624	1,926
Other	9	11	12
Total trust intrafunds	1,451	1,635	1,938
Total intrafund transactions	4,752	5,278	5,369
Interfund transactions:			
Distributed by agency and function:			
Federal fund payments to trust funds:			
Contributions to insurance programs:			
Old-age and survivors insurance	164	150	140
Military service credits, various programs	652	662	910
Supplementary medical insurance	6,932	8,737	13,464
Hospital insurance	730	699	848
Railroad dual benefits	313	350	350
Supplementary retirement contributions	11,453	13,209	13,740
Unemployment insurance	*	2,439	2,598
Other	568	674	509
Miscellaneous contributions:			
State and local government fiscal assistance	6,855	4,570	4,570
Other	298	281	220
Subtotal	27,965	31,771	37,350
Trust fund payments to Federal funds:			
Repayment of loans or advances to trust funds	250	.....	600
Charges for services to trust funds	64	94	96
Other	52	129	166
Subtotal	366	223	861
Total interfunds distributed by agency and function	28,331	31,994	38,211
Undistributed by agency and function:			
Employer share, employee retirement:			
Civil service retirement and disability insurance	2,822	3,105	3,127
Old-age, survivors, disability, and hospital insurance (contribution as employer) [2]	1,453	1,702	1,910
Other Federal employees retirement	23	24	24
Total employer share, employee retirement	4,298	4,831	5,061
Interest received by trust funds	12,045	13,435	15,165
Total interfunds undistributed by agency and function	16,343	18,265	20,226
Total interfund transactions	44,674	50,259	58,437
Total intrabudgetary transactions	49,426	55,538	63,806
Receipts from off-budget Federal entities:			
Distributed by agency and function:			
Interest on loans to Government-owned enterprises	5,950	8,946	12,131
Surplus income, Federal Financing Bank	253	116	128
Total distributed by agency and function	6,203	9,062	12,258
Undistributed by agency and function:			
Employer share, employee retirement	1,489	1,730	1,737

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Table 11. **OFFSETTING RECEIPTS BY TYPE—Continued**

(In millions of dollars)

Type	1980 actual	1981 estimate	1982 estimate
INTRAGOVERNMENTAL TRANSACTIONS—Continued			
Total receipts from off-budget Federal entities	7,692	10,792	13,995
Total intragovernmental transactions	**57,117**	**66,330**	**77,801**
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency and function:			
Interest:			
Interest on loans, Foreign Assistance Act	329	381	411
Interest on foreign military credit sales	63	60	60
Interest on loans to United Kingdom	55	54	52
Other interest on foreign loans and deferred foreign collections	10	37	37
Other interest (domestic-civil) [3]	1,244	1,343	1,062
Other interest (domestic-national defense)	14	14	15
Total interest	1,716	1,891	1,638
Dividends and other earnings	85	4	4
Rents:			
Rent and bonuses from land leases, etc	16	33	42
Rent of land and other real property [3]	129	130	136
Rent of equipment and other personal property	24	23	26
Total rents	169	186	204
Royalties [3]	779	2,812	1,403
Sale of products:			
Sale of timber and other natural land products [3]	1,019	1,216	1,781
Sale of minerals and mineral products [3]	2,347	970	1,217
Sale of power and other utilities	−377	423	425
Sale of other products	14	14	17
Recovery of mint manufacturing expense	57	66	63
Total sale of products	3,060	2,689	3,502
Fees and other charges for services and special benefits:			
Veterans life insurance (trust funds)	462	472	476
Tolls and other revenues, Panama Canal	381	413	440
Other [3]	674	711	728
Total fees and other charges	1,517	1,595	1,643
Sale of Government property:			
Sale of land and other real property [3]	85	117	102
Sale of equipment and other personal property:			
Sale from the stockpile of strategic and critical materials	82	453	453
Military assistance program sales (trust fund)	7,654	9,612	10,714
Other	138	186	132
Sale of scrap and salvage material [3]	33	3	3
Total sale of property	7,992	10,370	11,404
Realization upon loans and investments:			
Dollar repayments of loans, Agency for International Development	303	335	385
Foreign military credit sales	302	257	267
Dollar conversion of foreign currency	95	74	74
Repayment of loans to United Kingdom	77	79	80
Other	194	181	145
Total realization upon loans and investments	972	926	952
Recoveries and refunds [3]	497	568	510
Deposits in clearing accounts	153	.....	.....
Total proprietary receipts from the public distributed by agency and function	16,940	21,041	21,261

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Table 11. **OFFSETTING RECEIPTS BY TYPE—Continued**

(In millions of dollars)

Type	1980 actual	1981 estimate	1982 estimate
PROPRIETARY RECEIPTS FROM THE PUBLIC—Continued			
Undistributed by agency and function:			
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses	2,261	5,227	6,088
Royalties	1,840	2,573	3,812
Total proprietary receipts from the public undistributed by agency and function	4,101	7,800	9,900
Total proprietary receipts from the public [4]	**21,041**	**28,841**	**31,161**
Total offsetting receipts	**78,159**	**95,171**	**108,962**

*$500 thousand or less.

[1] Interchange receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system. Interchange receipts between Federal retirement funds occur when an employee transfers from coverage by one system to coverage by another system.

[2] Includes provision for covered Federal civilian employees and military personnel.

[3] Includes both Federal funds and trust funds.

[4] Consists of:

	1980 actual	*1981 estimate*	*1982 estimate*
Federal funds	11,721	17,944	19,146
Trust funds	9,320	10,897	12,015

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	31,014	36,709	38,363
Retired military personnel	11,965	13,917	16,077
Operation and maintenance	46,365	54,074	61,492
Procurement	35,283	44,951	49,065
Research, development, test, and evaluation	13,561	16,054	19,841
Military construction	2,293	3,327	5,554
Other [1]	2,881	2,100	2,445
Allowances	.....	−85	3,514
Deductions for offsetting receipts	−740	−742	−691
Total 051	142,621	170,305	195,660
053 Atomic energy defense activities:			
Department of Energy	2,991	3,658	4,704
054 Defense-related activities:			
Other independent agencies:			
Central Intelligence Agency	52	55	85
Federal Emergency Management Agency	132	162	186
General Services Administration	21	123	144
Intelligence Community Staff	12	18	15
Selective Service System	21	28	23
Deductions for offsetting receipts	−82	−477	−477
Total 054	156	−91	−24
Deductions for offsetting receipts [2]	−4	−3	−3
Total national defense	145,764	173,869	200,337
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [1]	6,248	5,838	7,736
Department of Agriculture	886	1,305	1,263
Department of State	521	530	651
Department of Transportation [1]	3	10	3
Deductions for offsetting receipts	−350	−376	−431
Total 151	7,310	7,306	9,222
152 Military assistance:			
Funds appropriated to the President	1,016	639	919
Deductions for offsetting receipts	−333	−276	−286
Total 152	682	363	633
153 Conduct of foreign affairs:			
Funds appropriated to the President	27	28	33
Department of Justice	.....	*	1
Department of State [1]	1,505	1,733	2,259
Other independent agencies:			
Arms Control and Disarmament Agency	18	19	19
International Trade Commission	16	18	19
Deductions for offsetting receipts	−221	−244	−283
Total 153	1,343	1,553	2,048
154 Foreign information and exchange activities:			
Other independent agencies:			
Board for International Broadcasting	89	100	94
International Communication Agency [1]	428	475	591
Japan-United States Friendship Commission (trust funds)	2	2	2
Deductions for offsetting receipts	−1	−*	−*

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Total 154	518	577	687
155 International financial programs:			
Funds appropriated to the President[1]	11,651	18,105	13,329
Other independent agencies: Export-Import Bank of the United States	1,842	7,021	4,594
Deductions for offsetting receipts	−7,731	−9,691	−10,794
Total 155	5,761	15,435	7,129
Deductions for offsetting receipts[2]	−96	−81	−79
Total international affairs	15,519	25,153	19,639
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy	470	504	607
Other independent agencies:			
National Science Foundation[1]	991	1,083	1,359
Smithsonian Institution (trust funds)	*	*	*
Total 251	1,461	1,588	1,966
253 Space flight:			
National Aeronautics and Space Administration	2,820	3,143	3,802
254 Space, science, applications, and technology:			
National Aeronautics and Space Administration	1,425	1,416	1,782
255 Supporting space activities:			
National Aeronautics and Space Administration[1]	439	451	558
Deductions for offsetting receipts[2]	−3	−4	−4
Total general science, space, and technology	6,141	6,593	8,104
270 ENERGY			
271 Energy supply:			
Department of Agriculture	27	29	30
Department of Defense—Civil	−5	.....	.....
Department of Energy[1]	9,510	5,845	5,564
Department of the Interior	176	107	3
Department of the Treasury	13,484	1	*
Environmental Protection Agency	90	99	84
Other independent agencies:			
Other temporary commissions	2	.....	.....
Tennessee Valley Authority	15,000	.....	2,026
Deductions for offsetting receipts	−1,469	−1,311	−1,560
Total 271	36,813	4,770	6,147
272 Energy conservation:			
Department of Energy	736	753	872
Department of Housing and Urban Development	.....	121	127
Total 272	736	874	999
274 Emergency energy preparedness:			
Department of Energy	−2,000	3,331	3,898
Deductions for offsetting receipts	.....	−1,845	−248
Total 274	−2,000	1,486	3,650
276 Energy information, policy, and regulation:			
Department of Energy	543	739	799
Other independent agencies:			
Nuclear Regulatory Commission	400	454	501
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	8	22	37

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Nuclear Safety Oversight Committee		2	
Total 276	951	1,217	1,336
Deductions for offsetting receipts[2]	−53	−58	−58
Total energy	36,447	8,289	12,075
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture[1]	214	224	198
Department of Defense—Civil[1]	3,293	3,070	3,395
Department of the Interior[1]	656	856	943
Department of State	19	17	13
Other independent agencies:			
Delaware River Basin Commission	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council[1]	37	35	49
Deductions for offsetting receipts	−62	−55	−56
Total 301	4,157	4,148	4,543
302 Conservation and land management:			
Department of Agriculture[1]	2,505	2,526	2,619
Department of Commerce	70	52	45
Department of the Interior[1]	694	842	917
Department of State	8	8	9
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−691	−805	−1,121
Total 302	2,586	2,624	2,471
303 Recreational resources:			
Department of Agriculture	5		
Department of Defense—Civil	5	6	6
Department of the Interior[1]	1,664	1,418	1,668
Other independent agencies: Advisory Council on Historic Preservation	1	2	2
Deductions for offsetting receipts	−2	−3	−4
Total 303	1,672	1,423	1,673
304 Pollution control and abatement:			
Department of Agriculture	50	20	20
Department of Transportation	37	37	35
Environmental Protection Agency[1]	4,579	4,674	5,277
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	*
Other temporary commissions	6	2	
Deductions for offsetting receipts	−*	−23	−42
Total 304	4,672	4,710	5,290
306 Other natural resources:			
Department of Commerce[1]	740	786	994
Department of the Interior[1]	675	747	804
Deductions for offsetting receipts	−14	−15	−15
Total 306	1,401	1,518	1,782
Deductions for offsetting receipts[2]	−1,439	−1,717	−2,187
Total natural resources and environment	13,051	12,705	13,572
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture	3,637	4,073	3,894

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
352 Agricultural research and services:			
Department of Agriculture[1]	1,468	1,641	1,742
Deductions for offsetting receipts	−66	−70	−72
Total 352	1,402	1,572	1,670
Deductions for offsetting receipts[2]	−95	−5	−5
Total agriculture	4,945	5,640	5,559
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	2,282	618	2,218
Department of Housing and Urban Development	2,999	2,531	1,571
Other independent agencies: National Credit Union Administration	1,200	197	310
Total 371	6,481	3,347	4,098
372 Postal Service:			
Other independent agencies: Postal Service	1,677	1,343	1,119
376 Other advancement and regulation of commerce:			
Legislative branch	29	29	29
Department of Commerce[1]	1,248	794	785
Department of Housing and Urban Development	16	17	17
Department of the Treasury	2	228	3,494
Other independent agencies:			
Commodity Futures Trading Commission	17	19	21
Federal Communications Commission	76	82	82
Federal Trade Commission	66	74	78
General Services Administration	1	1	2
National Consumer Cooperative Bank	67	122	136
National Institute of Building Sciences	1	1	*
Securities and Exchange Commission	73	81	89
Small Business Administration	788	881	802
United States Metric Board[1]	3	3	3
Deductions for offsetting receipts	−44	−41	−46
Total 376	2,340	2,290	5,494
Deductions for offsetting receipts[2]	−*	−*	−*
Total commerce and housing credit	10,497	6,979	10,711
400 TRANSPORTATION			
401 Ground transportation:			
Department of the Interior (trust funds)	16	.....	.....
Department of Transportation[1]	13,215	18,261	17,887
Other independent agencies:			
Washington Metropolitan Area Transit Authority	66	66	52
Interstate Commerce Commission	145	86	85
Other temporary commissions	.....	2	.....
United States Railway Association	578	564	69
Total 401	14,019	18,978	18,093
402 Air transportation:			
Department of Transportation[1]	3,269	3,583	3,843
National Aeronautics and Space Administration	560	528	583
Other independent agencies: Civil Aeronautics Board	125	144	144
Total 402	3,954	4,255	4,571
403 Water transportation:			
Department of Commerce[1]	499	572	617
Department of Transportation[1]	1,681	2,014	2,166

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Other independent agencies:			
Federal Maritime Commission	11	12	13
Panama Canal Commission	464	781	425
Deductions for offsetting receipts	−456	−413	−440
Total 403	2,199	2,965	2,779
407 Other transportation:			
Department of Transportation	80	94	102
Other independent agencies:			
National Transportation Safety Board	17	19	20
Other temporary commissions	*		
Total 407	97	113	122
Deductions for offsetting receipts[2]	−60	−60	−56
Total transportation	20,210	26,251	25,509
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development	4,873	4,864	5,125
Other independent agencies:			
Commission of Fine Arts	*	*	*
Federal Emergency Management Agency			29
National Capital Planning Commission	2	2	2
Neighborhood Reinvestment Corporation	12	12	15
Pennsylvania Avenue Development Corporation[1]	40	32	31
Total 451	4,927	4,911	5,202
452 Area and regional development:			
Funds appropriated to the President	356	339	340
Department of Agriculture	647	803	1,134
Department of Commerce[1]	627	744	675
Department of Energy	43	62	50
Department of the Interior[1]	1,183	1,134	1,175
Other independent agencies:			
Community Services Administration	6		
Appalachian Regional Commission[1]	8	9	10
Joint Federal-State Land Use Planning Commission for Alaska (trust funds)	−*		
Tennessee Valley Authority	222	111	151
Deductions for offsetting receipts	−304	−375	−266
Total 452	2,790	2,826	3,268
453 Disaster relief and insurance:			
Funds appropriated to the President	1,064	366	400
Department of Agriculture	35	10	10
Other independent agencies:			
Federal Emergency Management Agency	119	671	329
Small Business Administration	1,208	1,470	
Total 453	2,426	2,518	739
Deductions for offsetting receipts[2]	−32	−25	−25
Total community and regional development	10,110	10,230	9,184
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Education	6,955	7,015	8,222
Department of the Interior	270	274	282

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Total 501	7,225	7,288	8,505
502 Higher education:			
Department of Education	5,735	7,002	7,120
Other independent agencies: Other temporary commissions	.....	1	1
Total 502	5,735	7,003	7,121
503 Research and general education aids:			
Legislative branch[1]	150	152	160
Department of Commerce	24	22	22
Department of Education[1]	536	633	644
Other independent agencies:			
Corporation for Public Broadcasting	152	162	172
National Commission on Libraries and Information Science	1	1	1
National Endowment for the Arts[1]	155	159	175
National Endowment for the Humanities[1]	163	161	181
Smithsonian Institution	168	170	218
Deductions for offsetting receipts	−4	−4	−4
Total 503	1,344	1,456	1,569
504 Training and employment:			
Department of Health and Human Services	365	365	385
Department of Labor[1]	9,258	9,193	10,927
Total 504	9,623	9,558	11,312
505 Other labor services:			
Department of Labor	431	471	521
Other independent agencies:			
Committee for Purchase from the Blind and Other Severely Handicapped	*	1	1
Federal Mediation and Conciliation Service	24	27	29
National Labor Relations Board	112	123	133
National Mediation Board	4	5	5
Total 505	572	626	688
506 Social services:			
Department of Education	574	966	1,011
Department of Health and Human Services	4,871	4,280	5,188
Department of Housing and Urban Development	9	10	10
Department of the Treasury	.....	.....	237
Other independent agencies:			
ACTION[1]	146	165	186
Community Services Administration	550	536	542
Deductions for offsetting receipts	*	.....	.....
Total 506	6,150	5,958	7,173
Deductions for offsetting receipts[2]	−28	−30	−32
Total education, training, employment, and social services	30,622	31,859	36,336
550 HEALTH			
551 Health care services:			
Department of Health and Human Services[1]	61,477	75,132	94,011
Other independent agencies:			
Office of Personnel Management	627	758	793
Other temporary commissions	.....	2	3
Deductions for offsetting receipts	−7,803	−9,577	−14,519
Total 551	54,300	66,314	80,287
552 Health research:			
Department of Health and Human Services	3,642	3,795	4,086

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
553 Education and training of health care work force:			
Department of Health and Human Services	923	675	534
554 Consumer and occupational health and safety:			
Department of Agriculture	291	314	341
Department of Health and Human Services	325	366	368
Department of Labor	330	371	409
Other independent agencies:			
Consumer Product Safety Commission	41	44	45
Federal Mine Safety and Health Review Commission	5	4	4
Occupational Safety and Health Review Commission	7	8	8
Deductions for offsetting receipts	−5	−4	−4
Total 554	995	1,102	1,172
Deductions for offsetting receipts[2]	−17	−3	−3
Total health	59,844	71,884	86,075
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health and Human Services[1]	119,156	134,436	154,273
Department of Labor[1]	1,358	1,471	1,267
Other independent agencies:			
Railroad Retirement Board[1]	4,713	5,198	5,852
Other temporary commissions	2	.....	.....
Deductions for offsetting receipts	−2,966	−3,293	−3,603
Total 601	122,262	137,813	157,790
602 Federal employee retirement and disability:			
Legislative branch (trust funds)	*	*	*
The Judiciary (trust funds)	9	10	10
Department of Labor	266	311	353
Department of State (trust funds)	311	342	382
Other independent agencies: Office of Personnel Management (trust funds)	24,184	27,634	29,597
Deductions for offsetting receipts	−37	−34	−34
Total 602	24,732	28,263	30,308
603 Unemployment compensation:			
Department of Labor[1]	17,946	24,884	27,228
Department of Transportation	6	131	.....
Other independent agencies: Railroad Retirement Board	*	.....	*
Deductions for offsetting receipts	−250	−2,439	−3,198
Total 603	17,703	22,575	24,031
604 Housing assistance:			
Department of Agriculture	44	50	55
Department of Housing and Urban Development	27,769	30,820	31,331
Total 604	27,813	30,870	31,386
605 Food and nutrition assistance:			
Department of Agriculture	13,775	16,084	18,038
Deductions for offsetting receipts	−1	−1	−1
Total 605	13,774	16,083	18,037
609 Other income security:			
Department of Health and Human Services	15,021	18,348	16,885
Department of the Treasury	1,275	1,203	1,115
Other independent agencies: Community Services Administration	1,618	.....	.....
Deductions for offsetting receipts	−1	−1	−1
Total 609	17,914	19,550	18,000

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Total income security	224,198	255,154	279,551
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [1]	12,234	13,817	15,209
Deductions for offsetting receipts	−464	−474	−478
Total 701	11,770	13,344	14,731
702 Veterans education, training, and rehabilitation:			
Veterans Administration [1]	2,485	2,194	1,840
Deductions for offsetting receipts	−111	−153	−152
Total 702	2,374	2,041	1,689
703 Hospital and medical care for veterans:			
Veterans Administration	6,409	7,110	7,851
705 Other veterans benefits and services:			
Department of Defense—Civil [1]	28	27	31
Department of the Treasury (trust funds)	*	*	*
Veterans Administration [1]	624	668	679
Other independent agencies: American Battle Monuments Commission [1]	8	10	11
Deductions for offsetting receipts	−2	−3	−4
Total 705	658	702	717
Deductions for offsetting receipts [2]	−2	−3	−3
Total veterans benefits and services	21,208	23,194	24,984
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Education	22	51	64
Department of Health and Human Services	44	19	26
Department of Housing and Urban Development	22	29	30
Department of Justice	1,194	1,330	1,412
Department of the Treasury	794	847	874
Other independent agencies:			
Administrative Conference of the United States	1	2	1
Architectural and Transportation Barriers Compliance Board			2
Commission on Civil Rights	12	12	13
Equal Employment Opportunity Commission	125	145	160
Other temporary commissions	2	1	
Total 751	2,214	2,435	2,582
752 Federal litigative and judicial activities:			
Legislative branch	10	11	12
The Judiciary	600	663	741
Department of Justice	459	500	541
Other independent agencies:			
Legal Services Corporation	300	321	347
Other temporary commissions		1	
Total 752	1,370	1,496	1,641
753 Federal correctional activities:			
Department of Justice	320	355	379
754 Criminal justice assistance:			
Department of Justice	498	183	235
Deductions for offsetting receipts [2]	−11	−12	−12
Total administration of justice	4,391	4,458	4,825

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch[1]	1,111	1,120	1,214
Deductions for offsetting receipts	−6	−6	−6
Total 801	1,106	1,114	1,208
802 Executive direction and management:			
Executive Office of the President	101	110	111
Funds appropriated to the President	1	1	1
Other independent agencies: General Services Administration	1	4	1
Deductions for offsetting receipts	−*		
Total 802	102	114	113
803 Central fiscal operations:			
Department of the Treasury[1]	2,801	3,031	3,222
Deductions for offsetting receipts	−317	−211	−224
Total 803	2,484	2,820	2,998
804 General property and records management:			
Other independent agencies: General Services Administration[1]	406	862	588
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Federal Labor Relations Authority	13	17	18
Merit Systems Protection Board	15	19	21
Office of Personnel Management	11,349	13,095	13,587
Other temporary commissions		*	
Deductions for offsetting receipts	−11,232	−12,965	−13,457
Total 805	145	166	168
806 Other general government:			
Legislative branch	23	26	52
Department of the Interior[1]	674	315	200
Department of the Treasury[1]	477	342	416
Other independent agencies:			
Federal Election Commission	9	10	10
Other historical and memorial agencies	*	*	*
Advisory Commission on Intergovernmental Relations[1]	2	2	2
Office of Personnel Management	20	20	20
Other temporary commissions	2	3	15
United States Holocaust Memorial Council[1]		1	1
Deductions for offsetting receipts	−625	−123	−160
Total 806	583	596	555
Deductions for offsetting receipts[2]	−224	−267	−193
Total general government	4,602	5,405	5,439
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury[1]	13,716	9,147	9,147
Deductions for offsetting receipts	−6,855	−4,570	−4,570
Total 851	6,861	4,577	4,577
852 Other general purpose fiscal assistance:			
Department of Agriculture	280	223	275
Department of Defense—Civil	5	5	5
Department of Energy	*	*	*
Department of the Interior	579	626	631
Department of the Treasury	503	312	818

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Other independent agencies: District of Columbia	483	531	609
Deductions for offsetting receipts	−44	−66	−28
Total 852	1,805	1,631	2,310
Total general purpose fiscal assistance	8,667	6,208	6,887
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	74,860	94,100	106,500
Deductions for offsetting receipts	−79	.....	.....
Total 901	74,781	94,100	106,500
902 Other interest:			
Department of the Treasury	517	719	611
Other independent agencies: General Services Administration	2	.....	.....
Deductions for offsetting receipts	−10,793	−14,419	−17,164
Total 902	−10,273	−13,700	−16,554
Total interest	64,508	80,400	89,946
Allowances for:			
Civilian agency pay raises	.....	.....	**958**
Contingencies for other requirements	.....	.....	**2,000**
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	**−4,298**	**−4,831**	**−5,061**
Receipts from off-budget Federal agencies	**−1,489**	**−1,730**	**−1,737**
Total, employer share, employee retirement	**−5,787**	**−6,561**	**−6,798**
Interest received by trust funds	**−12,045**	**−13,435**	**−15,165**
Rents and royalties on the Outer Continental Shelf	**−4,101**	**−7,800**	**−9,900**
Total budget authority	**658,790**	**726,474**	**809,829**
MEMORANDUM			
Federal funds	485,097	529,180	581,090
Trust funds	218,367	247,554	287,176
Interfund transactions	−44,674	−50,259	−58,437

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY**—Continued

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
ADDENDUM			
Budget authority of off-budget Federal entities:			
150 INTERNATIONAL AFFAIRS			
152 Military assistance:			
Federal Financing Bank (Funds appropriated to the President)	2,380	2,600	3,000
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
255 Supporting space activities:			
Federal Financing Bank (National Aeronautics and Space Administration)	107	102	144
270 ENERGY			
271 Energy supply:			
Department of Agriculture		34	
Federal Financing Bank (Department of Agriculture) [3]	3,188	4,774	5,752
Federal Financing Bank (Tennessee Valley Authority)	2,436	3,437	4,502
Synthetic Fuels Corporation		2,036	6,062
Total energy supply	5,623	10,281	16,316
272 Energy conservation:			
Federal Financing Bank (Department of Energy)	1		
Total energy	5,625	10,281	16,316
350 AGRICULTURE			
351 Farm income stabilization:			
Federal Financing Bank (Department of Agriculture)	5,257	7,121	2,305
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Federal Financing Bank (Department of Agriculture)	4,681	7,341	4,161
376 Other advancement and regulation of commerce:			
Federal Financing Bank (Small Business Administration)	149	360	360
Total commerce and housing credit	4,830	7,701	4,521
400 TRANSPORTATION			
401 Ground transportation:			
Federal Financing Bank (Department of Transportation)	1,222	545	325
United States Railway Association	38	−258	30
Total ground transportation	1,261	288	355
Total transportation	1,261	288	355
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Federal Financing Bank (Department of Housing and Urban Development	45	270	270
452 Area and regional development:			
Department of Agriculture	126	152	172
Federal Financing Bank (Department of Agriculture)	1,443	1,608	1,064
Total area and regional development	1,569	1,760	1,236
Total community and regional development	1,614	2,030	1,506
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
502 Higher education:			
Federal Financing Bank (Department of Education) [4]	1,070	1,095	1,923

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
550 HEALTH			
551 Health care services:			
Federal Financing Bank (Department of Health and Human Services)	39	52	76
600 INCOME SECURITY			
604 Housing assistance:			
Federal Financing Bank (Department of Housing and Urban Development)	119	1,458	957
800 GENERAL GOVERNMENT			
804 General property and records management:			
Federal Financing Bank (General Services Administration)	42	110	6
806 Other general government:			
Federal Financing Bank (Department of the Interior)	9	.....	.....
Total general government	51	110	6
Budget authority, off-budget Federal entities	22,352	32,837	31,110
Budget authority including off-budget Federal entities	**681,142**	**759,312**	**840,939**

*$500 thousand or less.

[1] Includes both Federal and trust funds.
[2] Excludes offsetting receipts which have been distributed by subfunction above.
[3] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).
[4] Guaranteed for government-sponsored enterprise (Student Loan Marketing Association).

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	30,842	36,711	38,291
Retired military personnel	11,920	13,880	16,049
Operation and maintenance	44,770	52,117	59,659
Procurement	29,021	35,422	40,120
Research, development, test, and evaluation	13,127	15,441	18,485
Military construction	2,450	2,526	2,919
Other [1]	1,452	2,330	1,718
Allowances		−85	3,450
Deductions for offsetting receipts	−740	−742	−691
Total 051	132,840	157,600	180,000
053 Atomic energy defense activities:			
Department of Energy	2,878	3,587	4,478
054 Defense-related activities:			
Department of Health and Human Services	−1		
Other independent agencies:			
Central Intelligence Agency	52	55	85
Federal Emergency Management Agency	133	149	169
General Services Administration	19	123	108
Intelligence Community Staff	12	19	15
Renegotiation Board	*		
Selective Service System	9	35	24
Deductions for offsetting receipts	−82	−477	−477
Total 054	142	−96	−76
Deductions for offsetting receipts [2]	−4	−3	−3
Total national defense	135,856	161,088	184,399
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [1]	4,405	5,033	5,578
Department of Agriculture	1,071	1,471	1,263
Department of State	473	524	624
Department of Transportation [1]	8	13	4
Deductions for offsetting receipts	−350	−376	−431
Total 151	5,607	6,664	7,038
152 Military assistance:			
Funds appropriated to the President	1,228	1,130	908
Deductions for offsetting receipts	−333	−276	−286
Total 152	894	854	622
153 Conduct of foreign affairs:			
Funds appropriated to the President	27	28	33
Department of Justice	1	1	1
Department of State [1]	1,529	1,675	2,045
Other independent agencies:			
Arms Control and Disarmament Agency	17	17	18
International Trade Commission	14	18	19
Deductions for offsetting receipts	−221	−244	−283
Total 153	1,367	1,494	1,831
154 Foreign information and exchange activities:			
Department of State	*		
Other independent agencies:			
Board for International Broadcasting	98	102	95
International Communication Agency [1]	433	484	513

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Japan-United States Friendship Commission (trust funds)	2	2	2
Deductions for offsetting receipts	−1	−*	−*
Total 154	534	588	610
155 International financial programs:			
Funds appropriated to the President[1]	8,804	9,617	10,744
Department of the Treasury	−482	−483	−476
Other independent agencies: Export-Import Bank of the United States	1,836	2,350	2,657
Deductions for offsetting receipts	−7,731	−9,691	−10,794
Total 155	2,427	1,793	2,131
Deductions for offsetting receipts[2]	−96	−81	−79
Total international affairs	10,733	11,314	12,152
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy	469	510	597
Other independent agencies:			
National Science Foundation[1]	912	1,007	1,190
Smithsonian Institution[1]	*	*	*
Total 251	1,381	1,518	1,787
253 Space flight:			
National Aeronautics and Space Administration	2,594	2,984	3,679
254 Space, science, applications, and technology:			
National Aeronautics and Space Administration	1,346	1,330	1,635
255 Supporting space activities:			
National Aeronautics and Space Administration[1]	405	431	494
Deductions for offsetting receipts[2]	−3	−4	−4
Total general science, space, and technology	5,722	6,258	7,590
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President	51	95	15
Department of Agriculture	27	29	30
Department of Energy[1]	3,976	4,418	5,466
Department of the Interior	154	222	17
Department of the Treasury	2	191	184
Environmental Protection Agency	120	81	81
Other independent agencies:			
Other temporary commissions	2	1	.....
Tennessee Valley Authority	1,710	2,000	2,000
Deductions for offsetting receipts	−1,469	−1,311	−1,560
Total 271	4,574	5,727	6,234
272 Energy conservation:			
Department of Energy	568	705	931
Department of Housing and Urban Development	.....	47	136
Total 272	568	752	1,067
274 Emergency energy preparedness:			
Department of Energy	342	3,018	3,660
Deductions for offsetting receipts	.....	−1,845	−248
Total 274	342	1,173	3,412

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
276 Energy information, policy, and regulation:			
Department of Energy	500	687	797
Other independent agencies:			
Nuclear Regulatory Commission	378	437	484
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	5	21	36
Nuclear Safety Oversight Committee		1	*
Total 276	882	1,145	1,317
Deductions for offsetting receipts[2]	−53	−58	−58
Total energy	6,313	8,739	11,973
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture[1]	250	259	220
Department of Defense—Civil[1]	3,258	3,388	3,412
Department of the Interior[1]	798	860	933
Department of State	14	27	23
Other independent agencies:			
Delaware River Basin Commission	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council[1]	35	39	46
Deductions for offsetting receipts	−62	−55	−56
Total 301	4,294	4,518	4,578
302 Conservation and land management:			
Department of Agriculture[1]	2,346	2,537	2,718
Department of Commerce	44	63	43
Department of the Interior[1]	621	774	774
Department of State	7	8	9
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−691	−805	−1,121
Total 302	2,328	2,578	2,425
303 Recreational resources:			
Department of Agriculture	1	*	
Department of Defense—Civil	5	6	6
Department of the Interior[1]	1,703	1,659	1,676
Other independent agencies: Advisory Council on Historic Preservation	1	2	2
Deductions for offsetting receipts	−2	−3	−4
Total 303	1,707	1,663	1,681
304 Pollution control and abatement:			
Department of Agriculture		10	12
Department of Transportation	23	42	35
Environmental Protection Agency[1]	5,483	5,478	5,755
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	*
Other temporary commissions	4	5	
Deductions for offsetting receipts	−*	−23	−42
Total 304	5,510	5,512	5,760
306 Other natural resources:			
Department of Commerce[1]	733	810	1,013
Department of the Interior[1]	692	761	784
Deductions for offsetting receipts	−14	−15	−15
Total 306	1,412	1,556	1,782
Deductions for offsetting receipts[2]	−1,439	−1,717	−2,187

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Total natural resources and environment	13,812	14,110	14,039
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture[1]	3,460	−454	3,148
Other independent agencies: Farm Credit Administration	−1	1	
Total 351	3,459	−454	3,148
352 Agricultural research and services:			
Department of Agriculture[1]	1,463	1,640	1,732
Deductions for offsetting receipts	−66	−70	−72
Total 352	1,398	1,571	1,659
Deductions for offsetting receipts[2]	−95	−5	−5
Total agriculture	4,762	1,112	4,803
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	1,719	−739	1,571
Department of Housing and Urban Development	2,262	1,382	1,676
Other independent agencies:			
Federal Deposit Insurance Corporation (trust funds)	−922	−1,450	−1,500
Federal Home Loan Bank Board	552	415	−650
National Credit Union Administration	85	198	287
Total 371	3,696	−194	1,385
372 Postal Service:			
Other independent agencies: Postal Service	1,677	1,343	1,119
376 Other advancement and regulation of commerce:			
Legislative branch	8	60	28
Department of Commerce[1]	1,242	818	792
Department of Housing and Urban Development	4	13	9
Department of the Treasury[1]	2	226	3,488
Other independent agencies:			
Commodity Futures Trading Commission	16	19	21
Federal Communications Commission	76	81	82
Federal Trade Commission	69	73	76
General Services Administration	1	1	2
National Center for Productivity and Quality of Working Life	−*	*	
National Consumer Cooperative Bank	9	136	128
National Institute of Building Sciences	1	1	*
Securities and Exchange Commission	74	79	87
Small Business Administration	950	838	881
United States Metric Board[1]	2	3	4
Deductions for offsetting receipts	−44	−41	−46
Total 376	2,409	2,307	5,554
Deductions for offsetting receipts[2]	−*	−*	−*
Total commerce and housing credit	7,782	3,456	8,058
400 TRANSPORTATION			
401 Ground transportation:			
Department of Agriculture (trust funds)	4	1	
Department of the Interior (trust funds)		8	8
Department of Transportation[1]	14,146	16,376	14,305
Other independent agencies:			
Washington Metropolitan Area Transit Authority	100	73	75
Interstate Commerce Commission	158	88	84

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Other temporary commissions		*	1
United States Railway Association	672	565	69
Total 401	15,079	17,112	14,542
402 Air transportation:			
Department of Transportation [1]	3,136	3,260	3,470
National Aeronautics and Space Administration	509	542	556
Other independent agencies: Civil Aeronautics Board	117	148	144
Total 402	3,762	3,951	4,171
403 Water transportation:			
Department of Commerce [1]	652	648	665
Department of Transportation [1]	1,612	1,929	2,113
Other independent agencies:			
Federal Maritime Commission	11	12	12
Panama Canal Commission	416	763	429
Deductions for offsetting receipts	−456	−413	−440
Total 403	2,235	2,939	2,779
407 Other transportation:			
Department of Transportation	86	94	95
Other independent agencies:			
National Transportation Safety Board	18	18	19
Other temporary commissions	*	*	
Total 407	104	112	115
Deductions for offsetting receipts [2]	−60	−60	−56
Total transportation	21,120	24,054	21,551
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development [1]	4,816	4,983	5,242
Other independent agencies:			
Commission of Fine Arts	*	*	*
Federal Emergency Management Agency	24	26	29
National Capital Planning Commission	2	2	2
Neighborhood Reinvestment Corporation	12	12	15
Pennsylvania Avenue Development Corporation [1]	24	36	34
Total 451	4,878	5,061	5,322
452 Area and regional development:			
Funds appropriated to the President	341	327	321
Department of Agriculture	798	897	944
Department of Commerce [1]	1,182	736	757
Department of Energy	7	30	59
Department of the Interior [1]	991	1,004	947
Other independent agencies:			
Community Services Administration	−1	28	5
Appalachian Regional Commission [1]	8	10	10
Joint Federal-State Land Use Planning Commission for Alaska [1]	*	*	
Tennessee Valley Authority	159	179	158
Deductions for offsetting receipts	−304	−375	−266
Total 452	3,180	2,835	2,935
453 Disaster relief and insurance:			
Funds appropriated to the President	574	640	604
Department of Agriculture	22	28	15
Department of Commerce	1	1	
Department of Housing and Urban Development	−7	−28	
Other independent agencies:			
Federal Emergency Management Agency	504	332	332

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Small Business Administration	949	2,300	−99
Total 453	2,043	3,273	852
Deductions for offsetting receipts[2]	−32	−25	−25
Total community and regional development	10,068	11,144	9,084
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Education	6,430	6,704	7,117
Department of the Interior	302	238	249
Total 501	6,732	6,942	7,366
502 Higher education:			
Department of Education	5,696	6,517	6,927
Department of Housing and Urban Development	−*	−*	*
Other independent agencies:			
Harry S. Truman Scholarship Foundation (*trust funds*)	−2	−1	−1
Other temporary commissions		1	1
Total 502	5,694	6,516	6,927
503 Research and general education aids:			
Legislative branch[1]	156	177	161
Department of Commerce	20	21	22
Department of Education[1]	571	628	636
Other independent agencies:			
Corporation for Public Broadcasting	152	162	172
National Commission on Libraries and Information Science	2	1	1
National Endowment for the Arts[1]	152	154	168
National Endowment for the Humanities[1]	169	164	178
Smithsonian Institution	139	170	205
Deductions for offsetting receipts	−4	−4	−4
Total 503	1,357	1,473	1,539
504 Training and employment:			
Department of Commerce	5	5	2
Department of Health and Human Services	395	365	385
Department of Labor[1]	9,945	9,565	10,602
Total 504	10,345	9,935	10,989
505 Other labor services:			
Department of Labor[1]	414	453	498
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped	*	1	1
Federal Mediation and Conciliation Service	24	25	29
National Labor Relations Board	109	122	132
National Mediation Board	4	4	5
Total 505	551	605	664
506 Social services:			
Department of Education	427	960	1,003
Department of Health and Human Services	4,955	4,669	5,081
Department of Housing and Urban Development	8	9	10
Department of the Treasury			237
Other independent agencies:			
ACTION[1]	133	156	183
Community Services Administration[1]	592	538	544
National Commission on the International Year of the Child[1]	1	*	
Deduction for offsetting receipts	*		

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Total 506	6,116	6,332	7,058
Deductions for offsetting receipts [2]	−28	−30	−32
Total education, training, employment, and social services	30,767	31,773	34,511
550 HEALTH			
551 Health care services:			
Department of Health and Human Services [1]	60,214	69,518	82,810
Other independent agencies:			
Office of Personnel Management [1]	608	705	699
Other temporary commissions		2	2
Deductions for offsetting receipts	−7,803	−9,577	−14,519
Total 551	53,019	60,648	68,991
552 Health research:			
Department of Health and Human Services	3,442	3,563	3,844
Department of Housing and Urban Development	−*	−*	−*
Total 552	3,442	3,563	3,844
553 Education and training of health care work force:			
Department of Health and Human Services	719	755	649
554 Consumer and occupational health and safety:			
Executive Office of the President	*	*	
Department of Agriculture	304	310	343
Department of Health and Human Services	326	347	363
Department of Labor [1]	320	361	395
Other independent agencies:			
Consumer Product Safety Commission	44	44	47
Federal Mine Safety and Health Review Commission	4	4	4
Occupational Safety and Health Review Commission	8	8	8
Deductions for offseting receipts	−5	−4	−4
Total 554	1,001	1,070	1,156
Deductions for offsetting receipts [2]	−17	−3	−3
Total health	58,165	66,032	74,636
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health and Human Services [1]	120,266	141,644	163,500
Department of Labor [1]	1,332	1,549	1,238
Department of the Treasury	−*		
Other independent agencies:			
Railroad Retirement Board [1]	5,050	5,645	6,177
Other temporary commissions	1	3	*
Deductions for offsetting receipts	−2,966	−3,293	−3,603
Total 601	123,684	145,547	167,313
602 Federal employee retirement and disability:			
Legislative branch (trust funds)	*	*	*
The Judiciary (trust funds)	1	2	2
Department of Labor	233	311	353
Department of State (trust funds)	142	161	186
Other independent agencies: Office of Personnel Management (trust funds)	14,335	17,151	19,377
Deductions for offsetting receipts	−37	−34	−34
Total 602	14,675	17,591	19,883
603 Unemployment compensation:			
Department of Labor [1]	18,273	28,442	25,075

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Department of Transportation		137	
Other independent agencies: Railroad Retirement Board		*	*
Deductions for offsetting receipts	−250	−2,439	−3,198
Total 603	18,023	26,140	21,878
604 Housing assistance:			
Department of Agriculture	42	45	53
Department of Housing and Urban Development	5,472	6,815	8,412
Total 604	5,514	6,861	8,465
605 Food and nutrition assistance:			
Department of Agriculture	14,016	15,906	17,482
Deductions for offsetting receipts	−1	−1	−1
Total 605	14,015	15,905	17,481
609 Other income security:			
Department of Health and Human Services	14,311	18,357	18,873
Department of State	−*	1	
Department of the Treasury	1,275	1,203	1,115
Other independent agencies:			
Community Services Administration	1,577	46	
Railroad Retirement Board	28		
Deductions for offsetting receipts	−1	−1	−1
Total 609	17,190	19,605	19,987
Total income security	193,100	231,650	255,006
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration[1]	12,152	13,577	14,954
Deductions for offsetting receipts	−464	−474	−478
Total 701	11,688	13,103	14,477
702 Veterans education, training, and rehabilitation:			
Veterans Administration[1]	2,453	2,109	1,740
Deductions for offsetting receipts	−111	−153	−152
Total 702	2,342	1,956	1,589
703 Hospital and medical care for veterans:			
Veterans Administration	6,515	6,935	7,737
704 Veterans housing:			
Department of Housing and Urban Development	16	55	−6
Veterans Administration	−40	−162	−47
Total 704	−23	−106	−53
705 Other veterans benefits and services:			
Department of Defense—Civil[1]	26	29	31
Department of the Treasury (trust funds)	*	*	*
Veterans Administration[1]	633	671	678
Other independent agencies: American Battle Monuments Commission[1]	9	10	10
Deductions for offsetting receipts	−2	−3	−4
Total 705	665	706	715
Deductions for offsetting receipts[2]	−2	−3	−3
Total veterans benefits and services	21,183	22,591	24,462

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Education	14	45	60
Department of Health and Human Services	45	21	26
Department of Housing and Urban Development	18	30	30
Department of Justice	1,190	1,320	1,403
Department of the Treasury	824	840	844
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Architectural and Transportation Barriers Compliance Board			2
Commission on Civil Rights	12	13	13
Equal Employment Opportunity Commission	131	144	156
Other temporary commissions	1	1	
Total 751	2,237	2,415	2,536
752 Federal litigative and judicial activities:			
Legislative branch	10	11	12
The Judiciary	565	674	734
Department of Justice	452	502	527
Other independent agencies:			
Indian Claims Commission	*	—*	
Legal Services Corporation	320	328	347
Other temporary commissions		1	
Total 752	1,347	1,515	1,620
753 Federal correctional activities:			
Department of Justice[1]	342	367	378
754 Criminal justice assistance:			
Department of Justice	656	501	359
Deductions for offsetting receipts[2]	—11	—12	—12
Total administration of justice	4,570	4,786	4,882
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch[1]	1,038	1,180	1,179
Deductions for offsetting receipts	—6	—6	—6
Total 801	1,032	1,174	1,173
802 Executive direction and management:			
Executive Office of the President	95	108	111
Funds appropriated to the President	1	1	1
Other independent agencies: General Services Administration	1	4	1
Deductions for offsetting receipts	—*		
Total 802	97	113	113
803 Central fiscal operations:			
Department of the Treasury[1]	2,839	3,031	3,203
Deductions for offsetting receipts	—317	—211	—224
Total 803	2,522	2,820	2,979
804 General property and records management:			
Other independent agencies:			
General Services Administration[1]	364	554	487
Other temporary commissions		*	
Total 804	364	554	487
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Federal Labor Relations Authority	14	18	18
Merit Systems Protection Board	15	21	20
Office of Personnel Management	11,356	13,094	13,583
Other temporary commissions		*	
Deductions for offsetting receipts	−11,232	−12,965	−13,457
Total 805	154	168	165
806 Other general government:			
Legislative branch	17	32	54
The Judiciary	*	*	
Department of the Interior [1]	592	341	203
Department of the Treasury [1]	535	315	378
Other independent agencies:			
Federal Election Commission	10	9	10
American Revolution Bicentennial Administration		*	
Other historical and memorial agencies	*	*	*
Advisory Commission on Intergovernmental Relations [1]	2	2	2
Office of Personnel Management	19	21	22
Panama Canal Commission	−1		
Other temporary commissions	10	10	13
National Commission on the Observance of International Women's Year, 1975	−*	*	
United States Holocaust Memorial Council [1]		1	1
Deductions for offsetting receipts	−625	−123	−160
Total 806	559	608	522
Deductions for offsetting receipts [2]	−224	−267	−193
Total general government	4,505	5,170	5,246
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [1]	13,690	9,733	9,136
Deductions for offsetting receipts	−6,855	−4,570	−4,570
Total 851	6,835	5,163	4,566
852 Other general purpose fiscal assistance:			
Department of Agriculture	280	223	275
Department of Defense—Civil	5	5	5
Department of Energy	*	*	*
Department of the Interior	532	681	631
Department of the Treasury	507	314	818
Other independent agencies: District of Columbia	469	534	635
Deductions for offsetting receipts	−44	−66	−28
Total 852	1,749	1,691	2,336
Total general purpose fiscal assistance	8,584	6,854	6,902
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	74,860	94,100	106,500
Deductions for offsetting receipts	−79		
Total 901	74,781	94,100	106,500
902 Other interest:			
Department of the Treasury	513	724	611
Other independent agencies: General Services Administration	2	1	
Deductions for offsetting receipts	−10,793	−14,419	−17,164
Total 902	−10,278	−13,695	−16,554

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Total interest	64,504	80,405	89,946
Allowances for:			
Civilian agency pay raises			**920**
Contingencies for other requirements			**1,000**
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	**−4,298**	**−4,831**	**−5,061**
Receipts from off-budget Federal agencies	**−1,489**	**−1,730**	**−1,737**
Total, employer share, employee retirement	**−5,787**	**−6,561**	**−6,798**
Interest received by trust funds	**−12,045**	**−13,435**	**−15,165**
Rents and royalties on the Outer Continental Shelf	**−4,101**	**−7,800**	**−9,900**
Total outlays	**579,613**	**662,740**	**739,296**
MEMORANDUM			
Federal funds	419,214	474,932	530,817
Trust funds	205,074	238,068	266,916
Interfund transactions	−44,674	−50,259	−58,437

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
ADDENDUM			
Outlays of off-budget Federal entities: [3]			
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Federal Financing Bank (Funds appropriated to the President)	−4	−5	−5
152 Military assistance:			
Federal Financing Bank (Funds appropriated to the President)	1,932	2,010	2,220
Total, international affairs	1,928	2,005	2,215
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
255 Supporting space activities:			
Federal Financing Bank (National Aeronautics and Space Administration)	107	102	144
270 ENERGY			
271 Energy supply:			
Department of Agriculture	−30		
Federal Financing Bank (Department of Agriculture) [4]	3,188	4,774	5,752
Federal Financing Bank (Tennessee Valley Authority)	685	277	257
Total energy supply	3,843	5,051	6,009
272 Energy conservation:			
Federal Financing Bank (Department of Energy)	1		
Total energy	3,844	5,051	6,009
350 AGRICULTURE			
351 Farm income stabilization:			
Federal Financing Bank (Department of Agriculture)	3,982	6,096	1,570
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Federal Financing Bank (Department of Agriculture)	1,906	5,341	3,421
372 Postal Service:			
Postal Service	−431	219	−70
376 Other advancement and regulation of commerce:			
Federal Financing Bank (Small Business Administration)	127	327	315
Total commerce and housing credit	1,601	5,888	3,666
400 TRANSPORTATION			
401 Ground transportation:			
Federal Financing Bank (Department of Transportation)	161	210	318
United States Railway Association	36	−258	30
Total ground transportation	197	−47	349
Total transportation	197	−47	349
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Federal Financing Bank (Department of Housing and Urban Development)	29	249	232
452 Area and regional development:			
Department of Agriculture	158	171	165

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1980 actual	1981 estimate	1982 estimate
Federal Financing Bank (Department of Agriculture)	993	983	1,064
Total area and regional development	1,151	1,154	1,229
Total community and regional development	1,180	1,404	1,461
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
502 Higher education:			
Federal Financing Bank (Department of Education) [5]	1,070	1,095	1,923
550 HEALTH			
551 Health care services:			
Federal Financing Bank (Department of Health and Human Services)	22	47	54
600 INCOME SECURITY			
604 Housing assistance:			
Federal Financing Bank (Department of Housing and Urban Development)	119	1,457	942
800 GENERAL GOVERNMENT			
803 Central fiscal operations:			
Federal Financing Bank (Department of the Treasury) [6]	148	−6	−23
804 General property and records management:			
Federal Financing Bank (General Services Administration)	40	109	−1
806 Other general government:			
Federal Financing Bank (Department of the Interior)	9	−*	−*
Total general government	197	102	−25
Outlays, off-budget Federal entities	14,245	23,198	18,309
Outlays including off-budget Federal entities	**593,858**	**685,939**	**757,605**

*$500 thousand or less.

[1] Includes both Federal and trust funds.
[2] Excludes offsetting receipts which have been distributed by subfunction above.
[3] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.
[4] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).
[5] Guaranteed for government-sponsored enterprise (Student Loan Marketing Association).
[6] Miscellaneous outlays not attributed to any single program.

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Table 14. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1982 BUDGET, PROJECTION OF COSTS ***

(In millions of dollars)

Agency		Estimates				Projections		Explanation
		1981	1982	1983	1984	1985	1986	
FAP:								
World Bank General capital increase	BA	.....	658	.....	.....	.....	.....	The proposal would fund a U.S. subscription of $8.8 billion to a total World Bank general capital increase of $40 billion. This increase will enable the Bank to help developing countries adjust to their serious financial and economic problems.
	0	.....	66	84	84	94	110	
Bilateral foreign assistance	BA	1,275	1,971	2,243	2,543	2,852	3,179	This proposal fulfills a U.S. commitment to meet the terms of the 1980 Venice Summit agreement that the major industrial countries should increase bilateral aid for food production, energy production and conservation, and family planning in developing countries.
	0	1,125	1,218	1,590	1,911	2,220	2,513	
Commerce:								
Land remote satellite sensing (LANDSAT)	BA	.....	124	174	165	149	131	This proposal would provide the National Oceanic and Atmospheric Administration with the authority to assume operational responsibility of the LANDSAT satellite system from NASA. The funding requested would assure land resources data continuity through the 1980's.
	0	.....	120	169	167	149	131	
Defense:								
Uniformed Services Retirement Benefits Act	BA	.....	.....	661	677	687	669	This proposal is designed to correct problems in the retirement program that were highlighted in the April 1978 Report of the President's Commission on Military Compensation. The proposed retirement reform would provide major improvements over the current system in achieving more management flexibility, fairness, and cost effectiveness.
	0	.....	.....	661	677	687	669	
Military personnel dental care	BA	.....	123	138	155	174	195	This proposal would provide full dental care benefits on a cost-sharing basis to dependents of active duty military personnel under the civilian health and medical program of the uniformed services.
	0	.....	123	138	155	174	195	

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Table 14. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1982 BUDGET, PROJECTION OF COSTS *—Continued**

(In millions of dollars)

Agency		Estimates				Projections		Explanation
		1981	1982	1983	1984	1985	1986	
Education and Labor:								
Youth education, training, and employment initiative.	BA	.....	2,025	2,825	2,825	2,285	2,825	Problems stemming from excessive youth employment would be addressed through a new program of grants to assist secondary schools to provide compensatory education in basic literacy and arithmetic skills to educationally disadvantaged youth and through a consolidation and expansion of three youth training and employment programs emphasizing training and basic skills acquisition for disadvantaged, older, out-of-school youth.
	O	.....	925	2,260	2,785	2,825	2,825	
Energy:								
Energy Management Partnership Act	BA	.....	102	102	102	102	102	This proposal would consolidate existing State conservation grant programs and give States broader authority and more flexibility in the use of these funds.
	O	.....	20	75	102	102	102	
Spent Nuclear Fuel Act	BA	300	.....	.....	.....	.....	.....	This proposal would authorize the Secretary of Energy to enter into contracts for spent nuclear fuel storage and disposal.
	O	−100	200	−36	−98	34	.....	
Uranium enrichment revolving fund	BA	−79	423	135	101	201	259	This proposal would establish a fund consisting of Department of Energy's cash receipts from the sale of uranium enrichment services as well as proceeds from the sale of bonds. All operations and capital projects of the uranium enrichment enterprise would be financed from the fund.
	O	76	124	−178	−134	227	247	
General Services Administration:								
Federal buildings fund	BA	.....	121	.....	.....	.....	.....	Proposal would provide for borrowing from the Treasury to construct a Federal office building for the Nuclear Regulatory Commission.
	O	.....	6	4	21	62	21	
Health and Human Services:								
Child health assurance program	BA	.....	50	374	719	953	1,158	This proposal would make an additional 2 million low income children and pregnant women eligible for medicaid.
	O	.....	50	374	719	953	1,158	
Services for the chronically ill under medicaid.	BA	.....	20	40	50	60	70	This proposal would require States to provide case management services to chronically mentally ill medicaid clients.
	O	.....	20	40	50	60	70	
Medicare outpatient psychiatric care	BA	.....	9	39	48	58	72	This proposal would expand the outpatient psychiatric benefit under medicare by lowering the copayment rate from 50% to 20% and raising the annual reimbursement limit from $250 to $750.
	O	.....	20	37	45	55	68	

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Medicare mental health benefits	BA	.....	−44	−184	−214	−244	−287	This proposal would reimburse under hospital insurance certain mental health services now covered under supplementary medical insurance, thus reducing the beneficiary's share of the costs for these services.
	0	.....	24	34	40	39	54	
Housing and Urban Development:								
GNMA mortgage assistance grant program	BA	.....	490	490	490	490	490	This proposal would replace a substantial portion of the current Government National Mortgage Association tandem programs, which provide mortgage interests subsidies, with grants that would offset the cost to lenders of issuing below-market interest rate mortgages.
	0	.....	.....	.....	490	490	490	
Treasury:								
Internal Revenue Service	BA	227	4,225	6,437	7,202	7,980	8,749	Several of the tax provisions of the proposed economic revitalization program are refundable to taxpayers with no tax liability. Payments in excess of liability are treated as outlays in the budget.
	0	227	4,225	6,437	7,202	7,980	8,749	
Veterans Administration:								
Compensation	BA	.....	1,039	2,125	3,118	4,070	5,022	This proposal would provide a 12.3% cost-of-living increase to compensation beneficiaries.
	0	.....	952	2,034	3,035	3,991	4,943	

*This table is supplied pursuant to the requirements of sec. 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510). Estimates are shown for programs that involve at least $50 million in outlays a year over a period of years. They are not intended to predict future economic conditions; they do not reflect possible changes in the scope and quality of the proposal that might result from experience gained in actual practice; and they do not reflect in all cases reductions in the costs of other programs that may come about as a result of the adoption of the proposals. Since the economic assumptions and circumstances that these programs are based upon may change, the estimates do not represent a commitment to the amounts to be included in future years.

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Table 15. **NEW DIRECT LOAN OBLIGATIONS BY AGENCY**

(In millions of dollars)

Department or other unit	1980 actual	1981 estimate	1982 estimate
ON-BUDGET AGENCIES			
Funds Appropriated to the President	1,797	1,781	2,506
Agriculture	21,537	21,729	16,877
Commerce	161	179	131
Education	689	638	836
Energy	5	12	16
Health and Human Services	66	66	93
Housing and Urban Development	4,967	3,534	1,960
Interior	31	40	50
Labor		2	3
State	1	1	1
Transportation	154	122	174
Treasury		100	80
Veterans Administration	626	718	744
Other independent agencies:			
Export-Import Bank	4,365	5,900	5,000
National Credit Union Administration	327	2,227	3,671
Small Business Administration	1,998	3,639	1,365
All other independent agencies	1,053	1,384	564
Subtotal, on-budget agencies	**37,776**	**42,073**	**34,071**
OFF-BUDGET AGENCIES			
Rural Electrification Administration	1,175	1,100	1,100
Federal Financing Bank	22,188	30,873	24,846
All other off-budget agencies	219	192	186
Subtotal, off-budget agencies	**23,583**	**32,165**	**26,132**
Total	**61,359**	**74,238**	**60,203**

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Table 16. **NEW LOAN GUARANTEE COMMITMENTS BY AGENCY**

(In millions of dollars)

Department or other unit	1980 actual	1981 estimate	1982 estimate
Funds Appropriated to the President	1,800	2,866	3,361
Agriculture [1]	19,161	24,402	15,591
Commerce	1,345	1,725	1,925
Defense	1	30	30
Education	5,820	8,280	7,620
Energy	84	4,746	204
Health and Human Services	65	100	176
Housing and Urban Development	109,441	129,673	136,691
Interior	9	2	59
Transportation	525	719	704
Treasury	1,100	1,054	791
Veterans Administration	6,310	7,422	7,383
Other Independent Agencies:			
Synthetic Fuels Corporation [2]		1,500	2,000
Export-Import Bank	8,031	8,560	9,420
Small Business Administration	4,812	5,878	5,925
All other independent agencies	80	51	25
Less: Secondary guarantees of loans that are already guaranteed	−64,393	−73,190	−74,317
Less: Guaranteed loans held as direct loans	−24,383	−32,697	−25,151
Total	**69,806**	**91,120**	**92,438**

[1] Includes Rural Electrification Administration off-budget activities as follows: 1980, $5,687 million; 1980, $5,145 million; 1981, $5,145 million.
[2] This is an off-budget Federal entity.

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Table 17. **CONTROLLABILITY OF BUDGET OUTLAYS, 1972–82**

(Dollars in billions)

	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement	41.4	50.6	57.5	68.3	76.0	20.7	87.5	96.1	106.7	121.8	143.5	165.4
Federal employees' retirement and insurance	11.4	13.0	15.0	18.4	21.2	5.7	24.0	26.7	30.0	34.7	40.8	46.2
(Military retired pay)	(3.9)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.2)	(10.3)	(11.9)	(13.9)	(16.0)
(Other)	(7.5)	(8.6)	(9.9)	(12.1)	(13.9)	(3.7)	(15.8)	(17.5)	(19.7)	(22.8)	(26.9)	(30.1)
Unemployment assistance	7.1	5.4	6.1	13.5	19.5	4.0	15.3	11.8	10.7	18.0	26.0	24.1
Medical care	13.4	14.1	17.2	21.6	26.3	7.0	31.4	35.9	41.6	49.0	56.5	65.3
Assistance to students [1]	2.0	2.8	3.3	4.7	5.7	.8	3.8	3.9	3.7	3.9	4.3	4.1
Housing assistance	1.1	1.6	1.8	2.1	2.5	.6	2.9	3.6	4.2	5.4	6.6	8.1
Food and nutrition assistance	1.9	2.2	2.8	6.2	7.5	1.7	8.2	8.2	9.8	13.2	14.9	17.3
Public assistance and related programs	9.1	8.5	10.2	12.6	14.6	3.7	15.7	16.6	16.4	18.6	20.1	21.4
All other relatively uncontrollable payments for individuals	1.3	1.6	1.8	2.0	1.9	.5	2.0	2.0	2.7	3.1	3.3	3.2
Subtotal, payments for individuals	88.7	99.9	115.7	149.3	175.1	44.7	190.8	204.7	225.8	267.6	316.0	355.1
Net interest [2]	15.5	17.3	21.4	23.2	26.7	6.9	29.9	35.4	42.6	52.5	67.0	75.2
General revenue sharing	.....	6.6	6.1	6.1	6.2	1.6	6.8	6.8	6.8	6.8	5.2	4.6
Farm price supports (CCC)	4.0	3.6	1.0	.6	.6	.7	3.5	5.5	3.7	2.9	.1	2.2
Other open-ended programs and fixed costs	6.1	6.1	6.6	7.7	8.4	2.6	8.3	9.6	8.0	13.1	13.4	10.5
Total, open-ended programs and fixed costs	114.3	133.4	150.9	187.0	217.0	56.6	239.2	262.1	287.0	342.9	401.7	447.6
(National defense)	(3.9)	(4.4)	(5.2)	(6.3)	(7.4)	(2.0)	(8.2)	(9.2)	(10.4)	(12.1)	(14.0)	(16.3)
(Civilian programs)	(110.4)	(129.1)	(145.7)	(180.6)	(209.7)	(54.6)	(231.0)	(252.9)	(276.6)	(330.8)	(387.7)	(431.3)
Outlays from prior-year contracts and obligations: [3]												
National defense	19.4	17.7	20.4	22.3	17.9	7.7	18.5	28.2	30.9	36.5	45.9	51.8
Civilian programs	19.9	21.9	23.3	28.4	32.9	12.3	36.8	44.1	48.9	60.0	55.4	66.9
Total, outlays from prior-year contracts and obligations	39.2	39.6	43.8	50.6	50.9	20.0	55.2	72.3	79.8	96.5	101.3	118.8

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Total, relatively uncontrollable outlays	**153.5**	**173.1**	**194.6**	**237.6**	**267.9**	**76.5**	**294.5**	**334.4**	**366.8**	**439.4**	**503.0**	**566.4**
Relatively controllable outlays:												
National defense	53.2	52.5	52.2	57.0	64.2	12.7	70.8	67.8	76.4	87.3	101.2	116.3
Civilian programs [4]	28.0	24.5	26.1	35.6	38.6	6.5	42.0	53.6	55.8	58.7	65.1	63.4
(Under current law) [5]	(81.3)	(76.9)	(78.3)	(92.5)	(102.8)	(19.2)	(112.9)	(121.4)	(132.1)	(146.0)	(166.8)	(175.8)
Under proposed legislation in:												
(Open-ended programs and fixed costs) [5]											(−.2)	(−.9)
(Relatively controllable and new programs) [5]											(−.3)	(4.8)
Total, relatively controllable outlays	**81.3**	**76.9**	**78.3**	**92.5**	**102.8**	**19.2**	**112.8**	**121.4**	**132.1**	**146.0**	**166.3**	**179.7**
Undistributed employer share, employee retirement	**−2.8**	**−2.9**	**−3.3**	**−4.0**	**−4.2**	**−1.0**	**−4.5**	**−5.0**	**−5.3**	**−5.8**	**−6.6**	**−6.8**
Total budget outlays	**232.0**	**247.1**	**269.6**	**326.2**	**366.4**	**94.7**	**402.7**	**450.8**	**493.6**	**579.6**	**662.7**	**739.3**
MEMORANDUM—Percent of total outlays:												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals	38.2%	40.4%	42.9%	45.8%	47.8%	47.2%	47.4%	45.4%	45.7%	46.2%	47.7%	48.0%
Other	11.0	13.6	13.0	11.5	11.4	12.5	12.0	12.7	12.3	13.0	12.9	12.5
Total open-ended programs and fixed costs	49.3	54.0	55.9	57.3	59.2	59.7	59.4	58.1	58.1	59.2	60.6	60.5
Outlays from prior-year contracts and obligations	16.9	16.0	16.2	15.5	13.9	21.1	13.7	16.0	16.2	16.6	15.3	16.1
Total relatively uncontrollable outlays	**66.2**	**70.0**	**72.2**	**72.8**	**73.1**	**80.8**	**73.1**	**74.2**	**74.3**	**75.8**	**75.9**	**76.6**
Relatively controllable outlays	**35.0**	**31.2**	**29.0**	**28.4**	**28.1**	**20.3**	**28.0**	**26.9**	**26.8**	**25.2**	**25.1**	**24.3**
Undistributed employer share, employee retirement	**−1.2**	**−1.2**	**−1.2**	**−1.2**	**−1.2**	**−1.0**	**−1.1**	**−1.1**	**−1.1**	**−1.0**	**−1.0**	**−0.9**
Total budget outlays	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] This subcategory now contains elements that were previously classified as relatively controllable civilian programs.
[2] Proposed legislation decreases net interest by $6 million in 1981 and $451 million in 1982.
[3] Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs".
[4] Student loan insurance fund, Food donations programs, and Funds for strengthening markets, income and supply (section 32), which were previously classified as relatively controllable and are now classified as relatively uncontrollable payments for individuals.
[5] The national defense portion of these are as follows: For outlays under current law, $101.5 billion in 1981 and $116.7 billion in 1982; for proposed legislation affecting open-ended programs and fixed costs, −$0.1 billion in 1981 and −$0.5 billion in 1982, for proposed legislation affecting relatively controllable and new program, −$0.2 billion in 1981 and $10 million in 1982.

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Table 18. BUDGET RECEIPTS BY SOURCE, 1972–82

(In millions of dollars)

Source	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Individual income taxes	94,737	103,246	118,952	122,386	131,603	38,801	157,626	180,988	217,841	224,069	284,013	331,677
Corporation income taxes	32,166	36,153	38,620	40,621	41,409	8,460	54,892	59,952	65,677	64,600	65,099	64,648
Social insurance taxes and contributions (trust funds):												
Employment taxes and contributions:												
Old-age and survivors insurance	35,132	40,703	47,778	55,207	58,703	15,886	68,032	73,141	83,410	96,581	116,342	126,984
Disability insurance	4,775	5,381	6,147	7,250	7,686	2,130	8,786	12,250	14,584	16,639	12,202	21,395
Hospital insurance	5,205	7,603	10,556	11,258	11,995	3,459	13,484	16,680	19,891	23,233	29,915	35,568
Railroad retirement	1,008	1,189	1,411	1,489	1,525	328	1,908	1,822	2,190	2,312	2,592	3,052
Total employment taxes and contributions	46,120	54,876	65,892	75,204	79,909	21,803	92,210	103,893	120,074	138,765	161,051	186,999
Unemployment insurance	4,357	6,051	6,837	6,771	8,054	2,698	11,312	13,850	15,387	15,336	16,338	19,642
Contributions for other insurance and retirement:												
Supplementary medical insurance	1,340	1,427	1,704	1,901	1,937	539	2,193	2,431	2,636	2,928	3,314	3,873
Federal employees' retirement—employee contributions	2,058	2,146	2,302	2,513	2,760	707	2,915	3,174	3,428	3,660	4,043	4,073
Other retirement contributions	39	41	45	52	54	13	59	62	66	59	77	78
Total contributions for other insurance and retirement	3,437	3,614	4,051	4,466	4,752	1,259	5,167	5,668	6,130	6,646	7,435	8,023
Total social insurance taxes and contributions	53,914	64,542	76,780	86,441	92,714	25,760	108,688	123,410	141,591	160,747	184,824	214,664

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Excise taxes:												
Federal funds:												
Alcohol	5,004	5,040	5,248	5,238	5,318	1,279	5,295	5,492	5,531	5,601	5,643	5,889
Tobacco	2,205	2,274	2,435	2,312	2,484	622	2,393	2,444	2,492	2,443	2,700	2,629
Windfall profit tax										5,959	22,231	34,677
Other	2,297	2,522	2,060	1,850	2,810	620	1,960	2,118	1,785	1,560	6,188	12,641
Total Federal fund excise taxes	9,506	9,836	9,743	9,400	10,612	2,520	9,648	10,054	9,808	15,563	36,762	55,836
Trust funds:												
Highway	5,322	5,665	6,260	6,188	5,413	1,676	6,709	6,904	7,189	6,620	6,881	10,362
Airport and airway	649	758	840	962	938	277	1,191	1,326	1,526	1,874	316	2,795
Black lung disability insurance								92	222	272	275	292
Inland waterway											30	58
Hazardous substances response											129	290
Total trust fund excise taxes	5,971	6,424	7,100	7,151	6,351	1,953	7,900	8,323	8,937	8,766	7,631	13,797
Total excise taxes	15,477	16,260	16,844	16,551	16,963	4,473	17,548	18,376	18,745	24,329	44,393	69,633
Estate and gift taxes	5,436	4,917	5,035	4,611	5,216	1,455	7,327	5,285	5,411	6,389	6,909	7,668
Custom duties	3,287	3,188	3,334	3,676	4,074	1,212	5,150	6,573	7,439	7,174	7,439	7,800
Miscellaneous receipts:												
Deposit of earnings by Federal Reserve System	3,252	3,495	4,845	5,777	5,451	1,500	5,908	6,641	8,327	11,767	13,069	14,710
Other miscellaneous receipts	381	426	524	934	2,575	112	622	722	910	975	869	980
Total miscellaneous receipts [1]	3,633	3,921	5,369	6,711	8,026	1,612	6,531	7,413	9,237	12,742	13,938	15,690
Total budget receipts	**208,649**	**232,225**	**264,932**	**280,997**	**300,005**	**81,773**	**357,762**	**401,997**	**465,940**	**520,050**	**607,525**	**711,780**
MEMORANDUM												
Federal funds	148,846	161,357	181,219	187,505	201,099	54,085	241,312	270,484	316,351	350,849	415,239	484,105
Trust funds	72,959	92,193	104,846	118,590	133,695	32,071	152,763	168,012	189,641	213,875	242,545	286,113
Interfund transactions	−13,156	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−36,498	−40,052	−44,674	−50,259	−58,437

[1] Includes both Federal and trust funds.

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Table 19. BUDGET OUTLAYS BY FUNCTION, 1972–82

(In millions of dollars)

Function	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
050 National defense:												
051 Department of Defense—Military:												
Military personnel	23,036	23,246	23,728	24,968	25,064	6,358	25,715	27,075	28,407	30,842	36,711	38,291
Retired military personnel	3,885	4,390	5,128	6,242	7,296	1,947	8,216	9,171	10,279	11,920	13,795	15,572
Operation and maintenance	21,675	21,069	22,478	26,297	27,837	7,232	30,587	33,578	36,424	44,770	52,117	59,659
Procurement	17,131	15,654	15,241	16,042	15,964	3,766	18,178	19,976	25,404	29,021	35,422	40,120
Research and development	7,881	8,157	8,582	8,866	8,923	2,206	9,795	10,508	11,152	13,127	15,441	18,485
Military construction and other [1]	1,468	707	2,393	2,486	2,809	370	3,065	2,734	3,346	3,161	4,114	7,873
Subtotal, 051	75,076	73,223	77,550	84,900	87,891	21,880	95,557	103,042	115,013	132,840	157,600	180,000
053 Atomic energy defense activities	1,373	1,409	1,486	1,506	1,565	435	1,936	2,070	2,541	2,878	3,587	4,478
054 Defense-related activities	103	−88	−1,242	−850	−23	−9	8	76	129	142	−96	−76
Deductions for offsetting receipts	**−2**	**−4**	**−13**	**−4**	**−3**	**1**	**−***	**−2**	**−3**	**−4**	**−3**	**−3**
Total national defense	**76,550**	**74,541**	**77,781**	**85,552**	**89,430**	**22,307**	**97,501**	**105,186**	**117,681**	**135,856**	**161,088**	**184,399**
150 International affairs:												
151 Foreign economic and financial assistance	3,118	2,415	2,852	3,598	3,345	1,410	3,907	4,629	4,743	5,607	6,664	7,038
152 Military assistance	693	834	1,341	1,915	1,142	925	562	484	563	894	854	622
153 Conduct of foreign affairs	451	475	606	658	726	262	981	1,128	1,310	1,367	1,494	1,831
154 Foreign information and exchange activities	274	295	320	348	382	115	386	423	465	534	588	610
155 International financial programs	205	97	617	505	73	−492	−914	−641	−879	2,427	1,793	2,131
Deductions for offsetting receipts	**−50**	**−50**	**−56**	**−103**	**−115**	**−27**	**−108**	**−100**	**−110**	**−96**	**−81**	**−79**
Total international affairs	**4,693**	**4,066**	**5,681**	**6,922**	**5,552**	**2,193**	**4,813**	**5,922**	**6,091**	**10,733**	**11,314**	**12,152**

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250 General science, space, and technology:												
251 General science and basic research	979	961	1,017	1,038	1,035	292	1,078	1,160	1,298	1,381	1,518	1,787
253 Space flight	1,906	1,726	1,694	1,661	2,000	525	2,252	2,260	2,217	2,594	2,984	3,679
254 Space, science, applications, and technology	953	1,041	947	958	980	251	1,006	972	1,153	1,346	1,330	1,635
255 Supporting space activities	338	304	322	334	358	94	343	354	383	405	431	494
Deductions for offsetting receipts	−2	−2	−3	−2	−3	−1	−2	−4	−10	−3	−4	−4
Total general science, space, and technology	**4,173**	**4,030**	**3,977**	**3,989**	**4,370**	**1,161**	**4,677**	**4,742**	**5,041**	**5,722**	**6,258**	**7,590**
270 Energy:												
271 Energy supply	1,107	975	517	1,742	2,508	603	3,265	3,970	4,900	4,574	5,727	6,234
272 Energy conservation			3	48	51	38	143	221	252	568	752	1,067
274 Emergency energy preparedness				33	65	32	123	897	1,021	342	1,173	3,412
276 Energy information, policy, and regulation	207	231	331	389	558	146	664	798	742	882	1,145	1,317
Deductions for offsetting receipts	−43	−26	−14	−43	−55	−25	−23	−25	−59	−53	−58	−58
Total energy	**1,270**	**1,179**	**837**	**2,169**	**3,127**	**794**	**4,172**	**5,861**	**6,856**	**6,313**	**8,739**	**11,973**
300 Natural resources and environment:												
301 Water resources	1,975	2,249	2,228	2,634	2,773	813	3,242	3,468	3,897	4,294	4,518	4,578
302 Conservation and land management	784	725	740	1,300	1,245	477	1,279	1,984	1,884	2,328	2,578	2,425
303 Recreational resources	521	566	665	825	895	256	1,014	1,439	1,513	1,707	1,663	1,681
304 Pollution control and abatement	764	1,122	2,035	2,523	3,067	1,091	4,279	3,964	4,706	5,510	5,512	5,760
306 Other natural resources	571	570	673	762	897	229	973	1,157	1,273	1,412	1,556	1,782
Deductions for offsetting receipts	−380	−469	−672	−707	−752	−334	−786	−1,087	−1,183	−1,439	−1,717	−2,187
Total natural resources and environment	**4,235**	**4,763**	**5,670**	**7,336**	**8,124**	**2,532**	**10,000**	**10,925**	**12,091**	**13,812**	**14,110**	**14,039**
350 Agriculture:												
351 Farm income stabilization	4,553	4,099	1,458	785	1,574	343	4,485	6,588	4,850	3,459	−454	3,148

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1972–82—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
352 Agricultural research and services	729	755	772	876	923	237	1,058	1,129	1,340	1,398	1,571	1,659
Deductions for offsetting receipts	**−2**	**−3**	**−3**	**−2**	**7**	**1**	**−11**	**14**	**48**	**−95**	**−5**	**−5**
Total agriculture	**5,280**	**4,852**	**2,227**	**1,659**	**2,504**	**581**	**5,532**	**7,731**	**6,238**	**4,762**	**1,112**	**4,803**
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance	−43	−1,198	1,513	2,791	1,209	271	−3,280	210	−677	3,696	−194	1,385
372 Postal Service	1,772	1,567	1,698	1,877	1,720	938	2,267	1,778	1,787	1,677	1,343	1,119
376 Other advancement and regulation of commerce	493	562	721	944	868	183	1,115	1,342	1,454	2,409	2,307	5,554
Deductions for offsetting receipts	**−6**	**−6**	**−7**	**−5**	**−4**	**−***	**−4**	**−6**	*****	**−***	**−***	**−***
Total commerce and housing credit	**2,216**	**924**	**3,925**	**5,607**	**3,792**	**1,392**	**98**	**3,324**	**2,565**	**7,782**	**3,456**	**8,058**
400 Transportation:												
401 Ground transportation	5,353	5,640	5,583	6,501	9,305	2,284	10,037	10,355	12,064	15,079	17,112	14,542
402 Air transportation	1,925	2,177	2,236	2,408	2,557	587	2,816	3,277	3,392	3,762	3,951	4,171
403 Water transportation	1,111	1,231	1,354	1,459	1,558	417	1,749	1,854	1,977	2,235	2,939	2,779
407 Other transportation	36	56	57	74	65	28	76	61	93	104	112	115
Deductions for offsetting receipts	**−37**	**−39**	**−57**	**−55**	**−48**	**−11**	**−42**	**−102**	**−67**	**−60**	**−60**	**−56**
Total transportation	**8,388**	**9,065**	**9,172**	**10,388**	**13,435**	**3,304**	**14,636**	**15,445**	**17,459**	**21,120**	**24,054**	**21,551**
450 Community and regional development:												
451 Community development	2,100	2,044	2,108	2,297	2,765	886	3,406	3,302	3,995	4,878	5,061	5,322
452 Area and regional development	937	983	1,263	1,059	1,496	350	2,309	4,921	3,959	3,180	2,835	2,935
453 Disaster relief and insurance	396	1,580	782	398	522	111	649	2,871	1,611	2,043	3,273	852

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Deductions for offsetting receipts	−11	−12	−19	−17	−15	−6	−16	−23	−23	−32	−25	−25
Total community and regional development	**3,422**	**4,595**	**4,134**	**3,737**	**4,767**	**1,340**	**6,348**	**11,070**	**9,542**	**10,068**	**11,144**	**9,084**
500 Education, training, employment, and social services:												
501 Elementary, secondary, and vocational education	3,962	3,745	3,771	4,634	4,690	1,207	5,078	5,686	6,688	6,732	6,942	7,366
502 Higher education	1,447	1,532	1,349	2,050	2,663	739	3,104	3,486	4,528	5,694	6,516	6,927
503 Research and general education aids	516	661	860	947	774	186	927	1,082	1,233	1,357	1,473	1,539
504 Training and employment	2,894	3,283	2,910	4,063	6,288	1,912	6,877	10,784	10,833	10,345	9,935	10,989
505 Other labor services	184	202	219	259	301	83	374	410	488	551	605	664
506 Social services	3,519	3,315	3,241	3,923	4,026	1,036	4,632	5,027	5,923	6,116	6,332	7,058
Deductions for offsetting receipts	−3	−3	−5	−5	−5	−1	−7	−12	−8	−28	−30	−32
Total education, training, employment, and social services	**12,519**	**12,735**	**12,344**	**15,870**	**18,737**	**5,162**	**20,985**	**26,463**	**29,685**	**30,767**	**31,773**	**34,511**
550 Health:												
551 Health care services	15,024	16,005	19,053	24,242	29,448	7,743	34,524	39,103	45,121	53,019	60,648	68,991
552 Health research	1,338	1,566	1,652	1,923	2,341	536	2,543	2,822	3,023	3,442	3,563	3,844
553 Education and training of health care work force	747	858	844	856	982	275	981	930	583	719	755	649
554 Consumer and occupational health and safety	360	406	529	632	685	168	747	838	896	1,001	1,070	1,156
Deductions for offsetting receipts	−3	−3	−6	−5	−8	−1	−10	−18	−10	−17	−3	−3
Total health	**17,467**	**18,832**	**22,073**	**27,648**	**33,448**	**8,721**	**38,785**	**43,676**	**49,614**	**58,165**	**66,032**	**74,636**
600 Income security:												
601 General retirement and disability insurance:												
Social security	39,409	48,288	54,936	63,648	72,664	19,763	83,861	92,242	102,595	117,117	138,260	159,625
Other	2,557	3,396	3,678	5,700	4,486	1,166	4,765	4,984	5,858	6,567	7,287	7,665

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1972–82—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Subtotal, 601	41,966	51,684	58,614	69,348	77,150	20,929	88,626	97,225	108,453	123,684	145,547	167,313
602 Federal employee retirement and disability	3,790	4,502	5,645	6,980	8,174	2,319	9,503	10,665	12,379	14,675	17,591	19,883
603 Unemployment compensation	7,076	5,356	6,065	13,459	19,452	3,994	15,258	11,769	10,742	18,023	26,140	21,878
604 Housing assistance	1,125	1,631	1,825	2,058	2,499	662	2,968	3,677	4,367	5,514	6,861	8,465
605 Food and nutrition assistance	3,218	3,641	4,433	6,642	7,958	1,824	8,527	8,927	10,786	14,015	15,905	17,481
609 Other income security	6,738	6,151	7,855	10,088	12,157	3,069	13,017	13,916	13,432	17,190	19,605	19,987
Total income security	**63,913**	**72,965**	**84,437**	**108,576**	**127,390**	**32,797**	**137,900**	**146,180**	**160,159**	**193,100**	**231,650**	**255,006**
700 Veterans benefits and services:												
701 Income security for veterans	6,344	6,533	6,789	7,860	8,350	2,082	9,216	9,745	10,780	11,688	13,103	14,477
702 Veterans education, training, and rehabilitation	1,960	2,801	3,249	4,593	5,531	784	3,710	3,365	2,760	2,342	1,956	1,589
703 Hospital and medical care for veterans	2,425	2,711	3,006	3,665	4,046	1,039	4,708	5,254	5,611	6,515	6,935	7,737
704 Veterans housing	−317	−381	−15	24	−72	−50	−145	28	154	−23	−106	−53
705 Other veterans benefits and services	320	350	359	458	578	110	549	585	627	665	706	715
Deductions for offsetting receipts	−2	−2	−2	−2	−2	−1	−1	−3	−4	−2	−3	−3
Total veterans benefits and services	**10,730**	**12,013**	**13,386**	**16,597**	**18,432**	**3,962**	**18,038**	**18,974**	**19,928**	**21,183**	**22,591**	**24,462**
750 Administration of justice:												
751 Federal law enforcement activities	810	984	1,091	1,349	1,498	407	1,673	1,831	1,992	2,237	2,415	2,536
752 Federal litigative and judicial activities	347	390	426	549	697	213	842	943	1,130	1,347	1,515	1,620
753 Federal correctional activities	115	140	179	200	208	57	240	307	337	342	367	378

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754 Criminal justice assistance	380	624	770	853	921	213	847	729	710	656	501	359
Deductions for offsetting receipts	−2	−7	−5	−9	−4	−31	−2	−8	−17	−11	−12	−12
Total administration of justice	**1,650**	**2,131**	**2,462**	**2,942**	**3,320**	**859**	**3,600**	**3,802**	**4,153**	**4,570**	**4,786**	**4,882**
800 General government:												
801 Legislative functions	400	433	516	588	673	181	841	900	914	1,032	1,174	1,173
802 Executive direction and management	59	71	117	63	68	16	76	73	81	97	113	113
803 Central fiscal operations	1,183	1,209	1,329	1,752	1,819	435	1,804	2,124	2,330	2,522	2,820	2,979
804 General property and records management	719	910	1,030	418	95	67	141	214	235	364	554	487
805 Central personnel management	57	66	74	88	107	25	100	129	127	154	168	165
806 Other general government	172	158	365	423	396	228	393	453	526	559	608	522
Deductions for offsetting receipts	−174	−278	−189	−199	−210	−68	−186	−188	−120	−224	−267	−193
Total general government	**2,415**	**2,568**	**3,243**	**3,133**	**2,948**	**883**	**3,169**	**3,706**	**4,093**	**4,505**	**5,170**	**5,246**
850 General purpose fiscal assistance:												
851 General revenue sharing	.....	6,636	6,106	6,130	6,240	1,588	6,762	6,830	6,854	6,835	5,163	4,566
852 Other general purpose fiscal assistance	673	715	784	1,057	994	504	2,737	2,772	1,518	1,749	1,691	2,336
Total general purpose fiscal assistance	**673**	**7,351**	**6,890**	**7,187**	**7,235**	**2,092**	**9,499**	**9,601**	**8,372**	**8,584**	**6,854**	**6,902**
900 Interest:												
901 Interest on the public debt	21,849	24,167	29,319	32,665	37,063	8,102	41,900	48,695	59,837	74,781	94,100	106,500
902 Other interest	−1,286	−1,385	−1,287	−1,754	−2,552	−885	−3,891	−4,729	−7,281	−10,278	−13,695	−16,554
Total interest	**20,563**	**22,782**	**28,032**	**30,911**	**34,511**	**7,216**	**38,009**	**43,966**	**52,556**	**64,504**	**80,405**	**89,946**
Allowances:												
Civilian agency pay raises	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	920
Contingencies for:												
Relatively uncontrollable programs	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other requirements	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,000

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1972–82—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Total allowances												**1,920**
950 Undistributed offsetting receipts:												
951 Employer share, employee retirement	−2,768	−2,927	−3,319	−3,980	−4,242	−985	−4,548	−4,983	−5,271	−5,787	−6,561	−6,798
952 Interest received by trust funds	−5,089	−5,436	−6,583	−7,667	−7,800	−270	−8,131	−8,530	−9,950	−12,045	−13,435	−15,165
953 Rents and royalties on the Outer Continental Shelf	−279	−3,956	−6,748	−2,428	−2,662	−1,311	−2,374	−2,259	−3,267	−4,101	−7,800	−9,900
Total undistributed offsetting receipts	**−8,137**	**−12,318**	**−16,651**	**−14,075**	**−14,704**	**−2,567**	**−15,053**	**−15,772**	**−18,488**	**−21,933**	**−27,796**	**−31,863**
Total budget outlays	**232,021**	**247,074**	**269,620**	**326,151**	**366,418**	**94,728**	**402,710**	**450,804**	**493,635**	**579,613**	**662,740**	**739,296**
MEMORANDUM												
Federal Funds	178,110	186,951	199,918	240,081	269,921	65,088	295,756	331,985	362,381	419,214	474,932	530,817
Trust Funds	67,067	81,448	90,835	111,168	131,286	34,023	143,267	155,318	171,305	205,074	238,068	266,916
Interfund transactions	−13,156	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−36,498	−40,052	−44,674	−50,259	−58,437
OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES [2]												
150 International affairs:												
151 Foreign economic and financial assistance				*5*			*39*	*−4*	*−4*	*−4*	*−5*	*−5*
152 Military assistance				*112*	*787*	*208*	*1,409*	*1,462*	*1,293*	*1,932*	*2,010*	*2,220*
Total international affairs				*117*	*787*	*208*	*1,448*	*1,458*	*1,289*	*1,928*	*2,005*	*2,215*

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250 General science, space, and technology:											
255 Supporting space activities							*57*	*180*	*184*	*107*	*102*	*144*
Total general science, space, and technology							*57*	*180*	*184*	*107*	*102*	*144*
270 Energy:												
271 Energy supply		*51*	*484*	*731*	*1,072*	*319*	*1,616*	*2,155*	*2,317*	*3,843*	*5,051*	*6,009*
272 Energy conservation										*1*		
Total energy		*51*	*484*	*731*	*1,072*	*319*	*1,616*	*2,155*	*2,317*	*3,844*	*5,051*	*6,009*
350 Agriculture:												
351 Farm income stabilization				*1,375*	*675*	*400*	*1,250*	*3,640*	*5,045*	*3,982*	*6,096*	*1,570*
Total agriculture				*1,375*	*675*	*400*	*1,250*	*3,640*	*5,045*	*3,982*	*6,096*	*1,570*
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance				*3,175*	*2,550*	*250*	*3,105*	*3,360*	*2,930*	*1,906*	*5,341*	*3,421*
372 Postal Service			*773*	*1,112*	*1,085*	*—726*	*—173*	*—496*	*—891*	*—431*	*219*	*—70*
376 Other advancement and regulation of commerce				*47*	*188*	*15*	*58*	*54*	*68*	*127*	*327*	*315*
Total commerce and housing credit			*773*	*4,335*	*3,823*	*—461*	*2,990*	*2,917*	*2,107*	*1,601*	*5,888*	*3,666*
400 Transportation:												
401 Ground transportation				*528*	*302*	*52*	*189*	*76*	*64*	*197*	*—47*	*349*
Total transportation				*528*	*302*	*52*	*189*	*76*	*64*	*197*	*—47*	*349*
450 Community and regional development:												
451 Community development				*21*	*6*	*10*	*5*	*—4*	*5*	*29*	*249*	*232*
452 Area and regional development		*9*	*88*	*560*	*668*	*217*	*669*	*773*	*931*	*1,151*	*1,154*	*1,229*

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1972–82—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Total community and regional development		9	88	581	675	227	674	769	936	1,180	1,404	1,461
500 Education, training, employment, and social services:												
502 Higher education			100	140	160	5	105	235	530	1,070	1,095	1,923
Total education, training, employment, and social services			100	140	160	5	105	235	530	1,070	1,095	1,923
550 Health:												
551 Health care services			2	60	56	7	56	39	17	22	47	54
Total health			2	60	56	7	56	39	17	22	47	54
600 Income security:												
604 Public assistance and other income supplements										119	1,457	942
Total income security										119	1,457	942
800 General government:												
803 Central fiscal operations				175	−268	−60	114	−81	−110	148	−6	−23
804 General property and records management				45	24	6	67	128	90	40	109	−1
806 Other general government							58	−*	−*	9	−*	−*
Total general government				221	−244	−53	239	47	−21	197	102	−25

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850 General purpose fiscal assistance:												
852 Other general fiscal assistance						*1,082*	*75*	*—1,157*				
Total general purpose fiscal assistance						*1,082*	*75*	*—1,157*				
Total outlays of off-budget Federal entities		*60*	*1,447*	*8,088*	*7,307*	*1,785*	*8,700*	*10,359*	*12,467*	*14,245*	*23,198*	*18,309*
Total outlays including off-budget Federal entities	*232,021*	*247,134*	*271,067*	*334,239*	*373,724*	*96,514*	*411,409*	*461,163*	*506,102*	*593,858*	*685,939*	*757,605*

*$500 thousand or less.

[1] Includes allowances for civilian and military pay raises for Department of Defense.

[2] Off-budget entities begin in 1973. Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.

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Table 20. **FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1971–82**

(In billions of dollars)

Description	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
RECEIPTS, NATIONAL INCOME BASIS												
Personal tax and nontax receipts	87.9	100.5	107.4	122.7	127.5	137.2	166.4	186.4	223.1	249.7	290.5	339.3
Corporate profits tax accruals	31.9	34.2	41.2	43.4	41.8	52.5	58.8	67.2	75.8	70.6	67.9	78.8
Indirect business tax and nontax accruals	20.0	19.9	20.7	21.4	22.2	24.3	24.5	27.2	29.1	35.7	61.2	83.8
Contributions for social insurance	52.6	58.9	71.5	84.2	91.9	101.0	116.2	133.4	152.7	171.3	194.8	226.3
Total receipts, national income basis	**192.4**	**213.4**	**240.7**	**271.6**	**283.4**	**314.9**	**365.9**	**414.2**	**480.7**	**527.3**	**614.4**	**728.2**
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	94.9	100.6	101.1	104.5	117.9	125.1	140.3	150.7	163.4	190.2	218.5	248.7
Defense	(72.2)	(72.2)	(72.8)	(73.6)	(80.2)	(84.4)	(91.9)	(98.0)	(107.4)	(126.1)	(148.0)	(167.5)
Nondefense	(22.7)	(28.4)	(28.4)	(30.9)	(37.7)	(40.7)	(48.4)	(52.7)	(56.0)	(64.1)	(70.5)	(81.2)
Transfer payments	70.1	79.0	89.8	104.8	134.5	156.8	169.8	182.2	201.8	239.3	281.5	313.9
Domestic ("to persons")	(67.7)	(76.1)	(87.2)	(101.8)	(131.4)	(153.8)	(166.6)	(178.7)	(197.8)	(234.7)	(276.8)	(308.7)
Foreign	(2.3)	(2.8)	(2.7)	(3.0)	(3.1)	(3.0)	(3.2)	(3.5)	(4.0)	(4.6)	(4.7)	(5.2)
Grants-in-aid to State and local governments	26.8	32.6	40.4	41.6	48.4	57.5	66.3	74.7	79.1	86.7	90.3	94.6
Net interest paid	14.0	14.0	15.7	19.6	21.7	25.2	28.4	33.5	40.6	51.2	67.3	75.1
Subsidies less current surplus of Government enterprises	7.0	6.5	9.2	7.6	6.0	6.2	7.0	9.6	9.8	10.8	13.4	14.0
Wage disbursements less accruals	.1	.....	−.5	.2	.4	.....	.....	−*	*	.....	.....	.....
Total expenditures, national income basis	**212.9**	**232.7**	**255.7**	**278.2**	**328.8**	**370.7**	**411.7**	**450.5**	**494.7**	**578.2**	**671.0**	**746.3**
Excess of receipts (+) or expenditures (−), national income basis	**−20.5**	**−19.2**	**−14.9**	**−6.6**	**−45.4**	**−55.8**	**−45.8**	**−36.3**	**−14.0**	**−50.9**	**−56.6**	**−18.1**

Note.—Excludes the transition quarter. *$50 million or less.

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Table 21. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1964–84

(Dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts		Outlays						Surplus or deficit (–)				Federal debt, end of year			
				Budget		Off-budget Federal entities		Total		Budget		Total (including off-budget) [1]		Total		Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1964	618.4	112.7	18.2	118.6	19.2	.....	.....	118.6	19.2	—5.9	1.0	—5.9	1.0	316.8	51.2	257.6	41.7
1965	660.5	116.8	17.7	118.4	17.9	.....	.....	118.4	17.9	—1.6	.2	—1.6	.2	323.2	48.9	261.6	39.6
1966	725.5	130.9	18.0	134.7	18.6	.....	.....	134.7	18.6	—3.8	.5	—3.8	.5	329.5	45.4	264.7	36.5
1967	776.2	149.6	19.3	158.3	20.4	.....	.....	158.3	20.4	—8.7	1.1	—8.7	1.1	341.3	44.0	267.5	34.5
1968	834.4	153.7	18.4	178.8	21.4	.....	.....	178.8	21.4	—25.2	3.0	—25.2	3.0	369.8	44.3	290.6	34.8
1969	911.0	187.8	20.6	184.5	20.3	.....	.....	184.5	20.3	3.2	.4	3.2	.4	367.1	40.3	279.5	30.7
1970	968.9	193.7	20.0	196.6	20.3	.....	.....	196.6	20.3	—2.8	.3	—2.8	.3	382.6	39.5	284.9	29.4
1971	1,032.7	188.4	18.2	211.4	20.5	.....	.....	211.4	20.5	—23.0	2.2	—23.0	2.2	409.5	39.7	304.3	29.5
1972	1,126.6	208.6	18.5	232.0	20.6	.....	.....	232.0	20.6	—23.4	2.1	—23.4	2.1	437.3	38.8	323.8	28.7
1973	1,255.2	232.2	18.5	247.1	19.7	.1	*	247.1	19.7	—14.8	1.2	—14.9	1.2	468.4	37.3	343.0	27.3
1974	1,381.5	264.9	19.2	269.6	19.5	1.4	.1	271.1	19.6	—4.7	.3	—6.1	.4	486.2	35.2	346.1	25.1
1975	1,480.5	281.0	19.0	326.2	22.0	8.1	.6	334.2	22.6	—45.2	3.1	—53.2	3.6	544.1	36.8	396.9	26.8
1976	1,642.7	300.0	18.3	366.4	22.3	7.3	.4	373.7	22.7	—66.4	4.0	—73.7	4.5	631.9	38.5	480.3	29.2
1977	1,864.0	357.8	19.2	402.7	21.6	8.7	.5	411.4	22.1	—44.9	2.4	—53.6	2.9	709.1	38.0	551.8	29.6
1978	2,085.3	402.0	19.3	450.8	21.6	10.4	.5	461.2	22.1	—48.8	2.3	—59.2	2.8	780.4	37.4	610.9	29.3
1979	2,357.8	465.9	19.8	493.6	20.9	12.5	.5	506.1	21.5	—27.7	1.2	—40.2	1.7	833.8	35.4	644.6	27.3
1980	2,567.5	520.0	20.3	579.6	22.6	14.2	.6	593.9	23.1	—59.6	2.3	—73.8	2.9	914.3	35.6	715.1	27.9
1981 estimate	2,843.7	607.5	21.4	662.7	23.3	23.2	.8	685.9	24.1	—55.2	1.9	—78.4	2.8	992.4	34.9	787.1	27.7
1982 estimate	3,214.8	711.8	22.1	739.3	23.0	18.3	.6	757.6	23.6	—27.5	.9	—45.8	1.4	1,057.7	32.9	832.1	25.9
1983 estimate	3,612.5	809.2	22.4	817.3	22.6	15.3	.4	832.6	23.1	—8.0	.2	—23.4	.7	1,094.4	30.3	854.4	23.7
1984 estimate	4,044.0	922.3	22.8	890.3	22.0	14.7	.4	905.0	22.4	32.0	.8	17.3	.4	1,084.1	26.8	836.1	20.7

*0.05% or less.

[1] The off-budget deficits are equal to the off-budget outlays but with the opposite sign.

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Table 22. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1959–84

(In billions of dollars)

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
	Total outlays	National defense	Nondefense				Total outlays	National defense	Nondefense			
			Total non-defense	Payments for individuals	Net interest	All other			Total non-defense	Payments for individuals	Net interest	All other
1959	92.1	46.0	46.1	22.3	5.8	18.1	154.1	75.6	78.5	31.7	16.5	30.3
1960	92.2	45.2	47.1	23.6	6.9	16.5	150.8	73.7	77.1	33.1	16.3	27.6
1961	97.8	46.6	51.2	27.3	6.7	17.1	157.0	74.8	82.2	37.8	16.3	28.1
1962	106.8	49.0	57.8	28.7	6.9	22.2	168.5	77.2	91.3	39.2	16.6	35.4
1963	111.3	50.1	61.2	30.4	7.7	23.1	170.0	76.8	93.1	41.1	16.7	35.4
1964	118.6	51.5	67.1	31.6	8.2	27.3	176.6	77.0	99.6	42.1	16.6	40.9
1965	118.4	47.5	71.0	32.3	8.6	30.1	173.0	69.3	103.7	42.5	16.7	44.5
1966	134.7	54.9	79.8	36.2	9.4	34.2	188.1	76.6	111.5	46.7	16.4	48.4
1967	158.3	68.2	90.0	43.1	10.3	36.7	212.3	92.3	119.9	53.8	16.1	50.0
1968	178.8	78.8	100.1	48.7	11.1	40.3	229.8	101.7	128.1	58.9	16.9	52.3
1969	184.5	79.4	105.1	55.3	12.7	37.2	223.3	98.1	125.2	63.8	15.5	45.9
1970	196.6	78.6	118.0	63.2	14.4	40.5	220.6	90.3	130.3	68.8	15.0	46.5
1971	211.4	75.8	135.6	78.7	14.8	42.1	223.3	81.5	141.8	81.5	15.2	45.0
1972	232.0	76.6	155.5	90.8	15.5	49.2	232.0	76.6	155.5	90.8	15.5	49.2
1973	247.1	74.5	172.5	102.1	17.3	53.1	233.3	69.9	163.4	98.1	15.4	49.9
1974	269.6	77.8	191.8	117.5	21.4	52.9	232.9	68.1	164.7	103.7	14.4	46.7
1975	326.2	85.6	240.6	150.4	23.2	67.0	255.4	68.4	187.0	119.5	14.8	52.8
1976	366.4	89.4	277.0	176.6	26.7	73.7	268.4	66.9	201.6	131.0	16.6	54.0
1977	402.7	97.5	305.2	192.4	29.9	83.0	273.9	67.3	206.6	132.7	17.6	56.3
1978	450.8	105.2	345.6	206.5	35.4	103.7	284.4	67.5	216.9	133.1	18.1	65.7
1979	493.6	117.7	376.0	227.5	42.6	105.8	282.6	70.1	212.5	132.8	17.2	62.5
1980	579.6	135.9	443.8	271.2	52.5	120.1	294.9	72.5	222.4	139.4	17.4	65.6
1981 estimate	662.7	161.1	501.7	319.2	67.0	115.5	297.3	77.0	220.3	145.7	17.0	57.6
1982 estimate	739.3	184.4	554.9	353.4	74.8	126.8	300.3	80.4	219.8	145.3	16.1	58.5
1983 estimate	817.3	210.4	606.9	393.3	74.5	139.0	306.6	84.4	222.2	148.2	15.0	59.0
1984 estimate	890.3	237.8	652.5	431.1	72.9	148.5	310.7	88.2	222.5	150.5	13.9	58.2

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Table 23. **BUDGET RECEIPTS AND OUTLAYS, 1789–1984 (in millions of dollars)**

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (–)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	–991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	–52
1911–1915	3,517	3,568	–49
1916–1920	17,286	40,195	–22,909
1921	5,571	5,062	+509
1922	4,026	3,289	+736
1923	3,853	3,140	+713
1924	3,871	2,908	+963
1925	3,641	2,924	+717
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	–462
1932	1,924	4,659	–2,735
1933	1,997	4,598	–2,602
1934	3,015	6,645	–3,630
1935	3,706	6,497	–2,791
1936	3,997	8,442	–4,425
1937	4,956	7,733	–2,777
1938	5,588	6,765	–1,177
1939	4,979	8,841	–3,862
1940	6,361	9,456	–3,095
1941	8,621	13,634	–5,013
1942	14,350	35,114	–20,764
1943	23,649	78,533	–54,884
1944	44,276	91,280	–47,004
1945	45,216	92,690	–47,474
1946	39,327	55,183	–15,856
1947	38,394	34,532	+3,862
1948	41,774	29,773	+12,001
1949	39,437	38,834	+603
1950	39,485	42,597	–3,112
1951	51,646	45,546	+6,100
1952	66,204	67,721	–1,517
1953	69,574	76,107	–6,533
1954	69,719	70,890	–1,170
1955	65,469	68,509	–3,041
1956	74,547	70,460	+4,087
1957	79,990	76,741	+3,249
1958	79,636	82,575	–2,939
1959	79,249	92,104	–12,855
1960	92,492	92,223	+269
1961	94,389	97,795	–3,406
1962	99,676	106,813	–7,137
1963	106,560	111,311	–4,751
1964	112,662	118,584	–5,922
1965	116,833	118,430	–1,596
1966	130,856	134,652	–3,796
1967	149,552	158,254	–8,702
1968	153,671	178,833	–25,161
1969	187,784	184,548	+3,236
1970	193,743	196,588	–2,845
1971	188,392	211,425	–23,033
1972	208,649	232,021	–23,373
1973	232,225	247,074	–14,849
1974	264,932	269,620	–4,688
1975	280,997	326,151	–45,154
1976	300,005	366,418	–66,413
TQ	81,773	94,728	–12,956
1977	357,762	402,710	–44,948
1978	401,997	450,804	–48,807
1979	465,940	493,635	–27,694
1980	520,050	579,613	–59,563
1981 est	607,525	662,740	–55,215
1982 est	711,780	739,296	–27,516
1983 est	809,209	817,254	–8,045
1984 est	922,266	890,258	+32,008

Totals, including outlays of off-budget Federal entities

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total surplus or deficit (–)
1973	60	247,134	–14,908
1974	1,447	271,067	–6,135
1975	8,088	334,239	–53,242
1976	7,307	373,724	–73,719
TQ	1,785	96,514	–14,741
1977	8,700	411,409	–53,647
1978	10,359	461,163	–59,166
1979	12,467	506,102	–40,162
1980	14,245	593,858	–73,808
1981 est	23,198	685,939	–78,414
1982 est	18,309	757,605	–45,825
1983 est	15,326	832,580	–23,371
1984 est	14,726	904,983	+17,283

Data for 1789–1939 are for the administrative budget: data for 1940 and all following years are for the unified budget.

In calendar year 1976, the Federal fiscal year was converted from a July 1–June 30 basis to an Oct. 1–Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Off-budget Federal entity outlays begin in 1973.

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