



# **Budget of the United States Government**

**Fiscal Year 1986**

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

## THE BUDGET DOCUMENTS

*Budget of the United States Government, 1986* 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 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, 1986* is designed for use by the general public. It provides a more concise, less technical overview of the 1986 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, 1986—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, and proposed general provisions applicable to the appropriations of entire agencies or groups of agencies. Supplementals and rescission proposals for the current year are presented separately. Information is also provided on certain activities whose outlays are not part of the budget-totals.

*Special Analyses, Budget of the United States Government, 1986* 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.

*Historical Tables, Budget of the United States Government, 1986*, is a new volume. It provides data on budget receipts, outlays, surpluses or deficits, and Federal debt covering extended time periods—in many cases from 1940–1990. These are much longer time periods than those covered by similar tables in other budget documents. The tables include various aggregations of budget components in current prices, constant prices, and as percentages of the budget totals and of the gross national product. The document includes, for example, data on receipts by major source from 1940 to 1990; and Federal debt from 1940 to 1990. The data for the years prior to 1986 have, where necessary, been restructured to be consistent with the concepts and presentation used in the 1986 Budget, so these data series are comparable over time.

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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**PART 1**

**THE BUDGET MESSAGE  
OF THE  
PRESIDENT**

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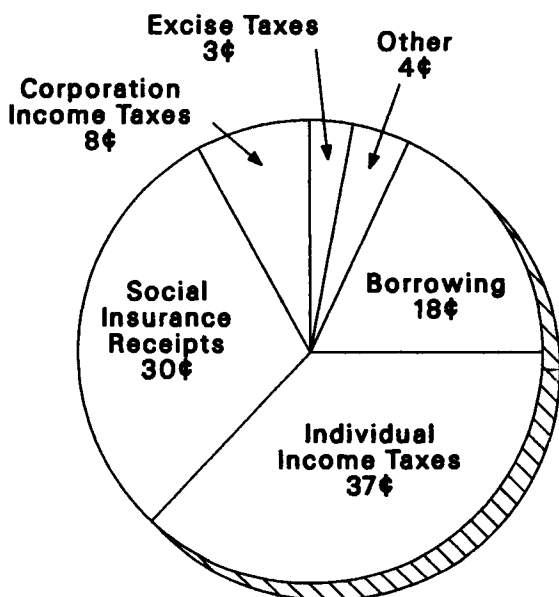
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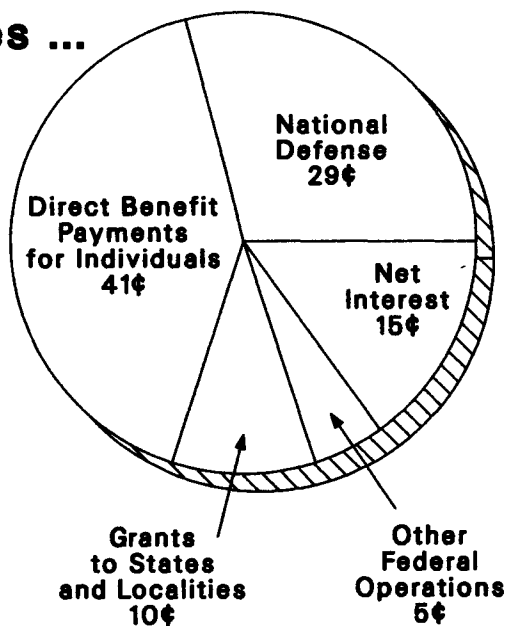
# The Budget Dollar

Fiscal Year 1986 Estimate

## Where It Comes From ...



## Where It Goes ...



## BUDGET MESSAGE OF THE PRESIDENT

*To the Congress of the United States:*

In the past 2 years we have experienced one of the strongest economic recoveries of the post-war period. The prospect of a substantially brighter future for America lies before us. As 1985 begins, the economy is growing robustly and shows considerable upward momentum. Favorable financial conditions presage a continuation of the expansion. Production, productivity, and employment gains have been impressive, and inflation remains well under control. I am proud of the state of our economy. Let me highlight a few points:

- The economy expanded at a 6.8% rate in 1984 and at a 6% annual rate over the 2 years since the recession trough at the end of 1982—faster than any other upturn since 1951.
- Confidence in the economy has prompted business firms to expand their capital facilities. Real investment in new plant and equipment has grown 15.4% annually since the end of 1982—faster than in any other post-war recovery.
- The ratio of real investment to real GNP has reached its highest level in the post-war period.
- Industrial production is 23% above its level at the recession trough in November 1982—a greater advance than in any other recovery since 1958.
- Corporate profits have risen nearly 90% since the recession trough in 1982—the fastest 8-quarter increase in 37 years.
- Civilian employment has grown 7.2 million over the past 25 months and the number of unemployed has fallen by 3.7 million. In the last 4 months alone, more than 1.1 million Americans have found jobs.
- Inflation remains well under control. The December 1984 CPI was 4% higher than a year earlier, about a third of the rate of inflation this administration inherited. The GNP deflator, the broadest measure of inflation, increased only 3.5% last year and at only a 2.4% annual rate in the fourth quarter.
- The prime rate of interest is now only half of what it was when I took office.

Contrast our current circumstances with the situation we faced just 4 years ago. Inflation was raging at double-digit rates. Oil prices had soared. The prime rate of interest was over 20%. The economy was stagnating. Unemployment had risen sharply and

was to rise further. America's standing in world opinion was at low ebb.

All that, mercifully, is behind us now. The tremendous turnaround in our fortunes did not just happen. In February 1981, I presented the four fundamentals of my economic program. They were:

- Reducing the growth of overall Federal spending by eliminating activities that are beyond the proper sphere of Federal Government responsibilities and by restraining the growth of spending for other activities.
- Limiting tax burdens to the minimum levels necessary to finance only essential government services, thereby strengthening incentives for saving, investment, work, productivity, and economic growth.
- Reducing the Federal regulatory burden where the Federal Government intrudes unnecessarily into our private lives, the efficient conduct of private business, or the operations of State and local governments.
- Supporting a sound and steady monetary policy, to encourage economic growth and bring inflation under control.

#### FOUR YEARS OF ACCOMPLISHMENT

These policies were designed to restore economic growth and stability. They succeeded.

The past 4 years have also seen the beginning of a quiet but profound revolution in the conduct of our Federal Government. We have halted what seemed at the time an inexorable set of trends toward greater and greater Government intrusiveness, more and more regulation, higher and higher taxes, more and more spending, higher and higher inflation, and weaker and weaker defense. We have halted these trends in our first 4 years.

- The rate of Federal spending growth was out of control at 17.4% a year in 1980. Under my budget proposals the growth of programmatic spending—that is, total Federal spending except for debt service—will be zero next year—frozen at this year's levels.
- Further, spending will grow only 30% over the 4 years from 1982 to 1986, compared to its record pace of 66% between 1977 and 1981, and this despite legislated additions to my program and the needed rebuilding of our defense capabilities.
- The Federal tax system was changed for the better—marginal tax rates were reduced and depreciation reform introduced. These reforms were designed to increase incentives for work, training and education, saving, business growth, and capital

expansion. Tax loopholes have been closed, improving the equity of the system.

- Domestic spending, which previously grew faster than any other major part of the budget (nearly four-fold in real terms between 1960 and 1980), will have been virtually frozen from 1981 to 1985.
- Our defense capabilities are now getting back to a level where we can protect our citizens, honor our commitments to our allies, and participate in the long-awaited arms control talks from a position of respected strength.
- Federal credit programs, which had also grown out of control, have been cut back, and their management has been vastly improved.
- The rapid growth of regulations and red tape has also been halted. The number of Federal rules published by agencies has fallen by over 35% during the past 4 years, and many unnecessary old rules have been eliminated. For the first time, the Federal Register of new regulatory actions has grown shorter for 4 consecutive years; it is now 41% shorter than it was in 1980.
- Major management improvement initiatives are underway that will fundamentally change the way the Federal Government operates. The President's Private Sector Survey on Cost Control has completed its report, and many of its recommendations are included in this budget. The President's Council on Integrity and Efficiency has reported \$46 billion in improved use of funds through reduction of waste and fraud.
- The Federal nondefense work force has been reduced by over 78,000.

The proposals contained in this budget will build on the accomplishments of the last 4 years and put into action a philosophy of government that is working and that has received the overwhelming endorsement of the American people.

### THE 1986 BUDGET PROGRAM

If we took no action to curb the growth of spending, Federal outlays would rise to over a trillion dollars in 1986. This would result in deficits exceeding \$200 billion in each of the next 5 years. This is unacceptable. The budget I propose, therefore, will reduce spending by \$51 billion in 1986, \$83 billion in 1987, and \$105 billion in 1988. Enactment of these measures would reduce the deficit projected for 1988 to \$144 billion—still a far cry from our goal of a balanced budget, but a significant step in the right direction and a 42% reduction from the current services level projected for that year.

Last year my administration worked with Congress to come up with a downpayment on reducing the deficit. This budget commits the Government to a second installment. With comparable commitments to further reductions in the next two budgets, and, I hope, other spending reduction ideas advanced by the Congress, we can achieve our goal in an orderly fashion.

The budget proposes a 1-year freeze in total spending other than debt service. This will be achieved through a combination of freezes, reforms, terminations, cutbacks, and management improvements in individual programs. For a number of reasons, a line-by-line budget freeze is not possible or desirable. Further, such an approach would assume that all programs are of equal importance. Taken together, the specific proposals in this budget hold total Federal spending excluding debt service constant in 1986 at its 1985 level.

The budget proposals provide for substantial cost savings in the medicare program, in Federal payroll costs, in agricultural and other subsidies to business and upper-income groups, in numerous programs providing grants to State and local governments, and in credit programs. A freeze is proposed in the level of some entitlement program benefits, other than social security, means-tested programs, and programs for the disabled, that have hitherto received automatic "cost-of-living adjustments" every year. The budget proposes further reductions in defense spending below previously reduced mid-year levels.

Despite the reforms of the past 4 years, our Federal tax system remains complex and inequitable. Tax rates are still so high that they distort economic decisions, and this reduces economic growth from what it otherwise could be. I will propose, after further consultation with the Congress, further tax simplification and reform. The proposals will not be a scheme to raise taxes—only to distribute their burden more fairly and to simplify the entire system. By broadening the base, we can lower rates.

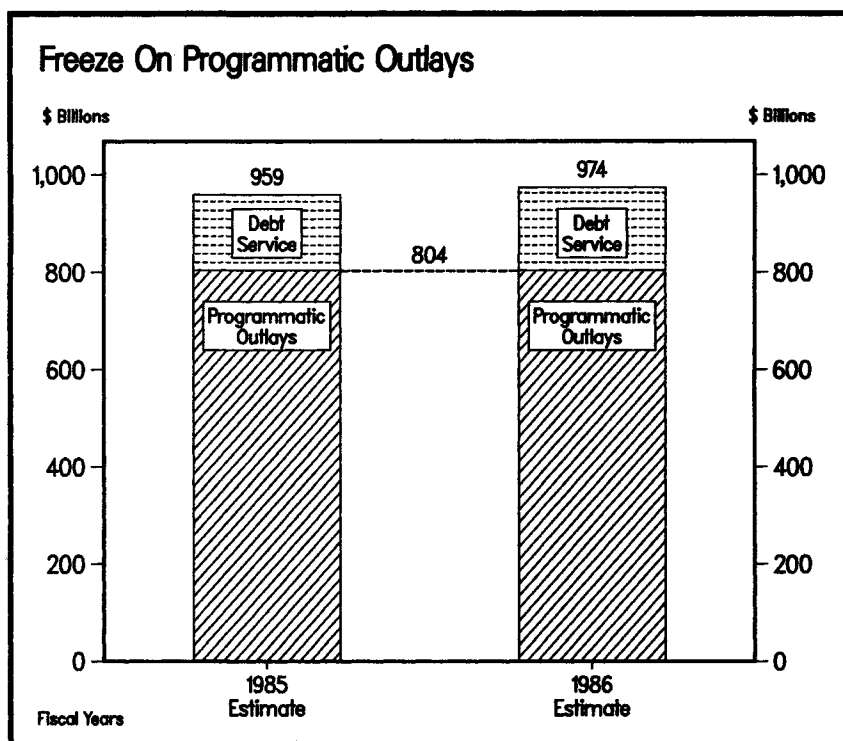
#### THE BUDGET TOTALS

(In billions of dollars)

|                   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|-------------------|----------------|------------------|------------------|------------------|------------------|
| Receipts .....    | 666.5          | 736.9            | 793.7            | 861.7            | 950.4            |
| Outlays .....     | 851.8          | 959.1            | 973.7            | 1,026.6          | 1,094.8          |
| Deficit (—) ..... | —185.3         | —222.2           | —180.0           | —164.9           | —144.4           |

Note: Totals include outlays that are off-budget under current law, proposed to be included on-budget.

There will be substantial political resistance to every deficit reduction measure proposed in this budget. Every dollar of current Federal spending benefits someone, and that person has a vested self-interest in seeing these benefits perpetuated and expanded.



Prior to my administration, such interests had been dominant and their expectations and demands had been met, time and time again.

At some point, however, the question must be raised: "Where is the political logrolling going to stop?" At some point, the collective demands upon the public Treasury of all the special interests combined exceed the public's ability and willingness to pay. The single most difficult word for a politician to utter is a simple, flat "No." The patience of the American people has been stretched as far as it will go. They want action; they have demanded it.

We said "no" frequently in 1981, and real spending for discretionary domestic programs dropped sharply. But we did not accomplish enough. We now have no choice but to renew our efforts with redoubled vigor. The profusion of Federal domestic spending programs must be reduced to an acceptable, appropriate, and supportable size.

It will require political courage of a high order to carry this program forward in the halls of Congress, but I believe that with good faith and goodwill on all sides, we can succeed. If we fail to reduce excessive Federal benefits to special interest groups, we will



be saddled either with larger budget deficits or with higher taxes—either of which would be of greater harm to the American economy and people.

### 1986 MANAGEMENT AND REGULATORY PROGRAM

Not only must both the scope and scale of Federal spending be drastically cut back to reduce the deficit: we must also institute comprehensive management improvements and administrative reforms to make sure that we use available funds as efficiently as possible.

Tough but necessary steps are being taken throughout the Federal Government to reduce the costs of management and administration. Substantial savings in overhead costs have been achieved under provisions of the Deficit Reduction Act of 1984. A 5% Federal civilian employee salary cut has been proposed; a 10% reduction in administrative overhead has been ordered; termination of programs that have outlived their usefulness is proposed; outmoded, inefficient agency field structures that have evolved over the past half-century are being consolidated and streamlined to take advantage of efficiencies made possible by modern transportation, communication, and information technology.

Administration of Federal agencies is being made more efficient through the adoption of staffing standards, automation of manual processes, consolidation of similar functions, and reduction of administrative overhead costs. A program to increase productivity by 20% by 1992 in all appropriate Government functions is being instituted, as are improved cash and credit management systems and error rate reduction programs.

This management improvement program will result in a leaner and more efficient Federal structure and will be described in a management report that I am submitting to the Congress for the first time shortly after my annual budget submission.

We have also made a great deal of progress in reducing the costs imposed on businesses and State and local governments by Federal regulations. These savings are estimated to total \$150 billion over a 10-year period. We have reduced the number of new regulations in every year of my first term and have eliminated or reduced paperwork requirements by over 300 million hours each year. In addition, the regulations are more carefully crafted to achieve the greatest protection for the least cost, and wherever possible to use market forces instead of working against them.

A recent Executive Order will strengthen the executive branch coordination that has made these accomplishments possible. For the first time, we will publish an annual program of the most significant regulatory activities, including those that precede the

publication of a proposed rule. This will give Congress and the public an earlier opportunity to understand the administration's regulatory policies and priorities.

### CONCLUSION

The key elements of the program I set out 4 years ago are in place and working well. Our national security is being restored; so, I am happy to report, is our economy. Growth and investment are healthy; and inflation, interest rates, tax rates, and unemployment are down and can be reduced further. The proliferation of unnecessary regulations that stifled both economic growth and our individual freedoms has been halted. Progress has been made toward the reduction of unwarranted and excessive growth in domestic spending programs.

But we cannot rest on these accomplishments. If we are to attain a new era of sustained peace, prosperity, growth, and freedom, Federal domestic spending must be brought firmly under control. This budget presents the steps that I believe must be taken. I do not exclude other economies that Congress may devise, so long as they do not imperil my fundamental constitutional responsibilities to look after the national defense and the general welfare of the American people.

Let us get on with the job. The time for action is now.

RONALD REAGAN

FEBRUARY 4, 1985

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**PART 2**

**MAJOR BUDGET  
PROPOSALS**

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**2-1**

## MAJOR BUDGET PROPOSALS

The budget reflects a determined effort to reduce the size of the deficit by holding down Federal spending. Excluding debt service costs, the budget proposals hold Federal spending in 1986 to \$804 billion, the same level as in 1985. The budget proposes:

- a selective, 1-year freeze in funding for many programs and in cost-of-living adjustments for some programs;
- a wide range of program terminations, reforms, and cuts;
- a 10% cut in administrative expenses for many programs;
- a 5% pay cut for civilian employees of the Federal Government; and
- various user fees to recover a portion of the costs of providing special services and subsidies.

The budget proposes no changes in social security benefits. It calls for additional cuts in defense spending but provides the funds necessary to ensure our national security.

### BUDGET TOTALS

(In billions of dollars)

|                   | 1985   | 1986    | 1987    | 1988    | 1989    | 1990    |
|-------------------|--------|---------|---------|---------|---------|---------|
| Current services: |        |         |         |         |         |         |
| Receipts .....    | 736.9  | 794.3   | 863.7   | 952.3   | 1,030.0 | 1,108.4 |
| Outlays .....     | 960.4  | 1,024.5 | 1,109.3 | 1,200.1 | 1,262.8 | 1,332.8 |
| Deficit (—) ..... | —223.6 | —230.3  | —245.6  | —247.8  | —232.8  | —224.4  |
| Proposed budget:  |        |         |         |         |         |         |
| Receipts .....    | 736.9  | 793.7   | 861.7   | 950.4   | 1,029.9 | 1,107.7 |
| Outlays .....     | 959.1  | 973.7   | 1,026.6 | 1,094.8 | 1,137.4 | 1,190.0 |
| Deficit (—) ..... | —222.2 | —180.0  | —164.9  | —144.4  | —107.5  | —82.4   |

The proposals in the budget reduce 1986 outlays by \$50.8 billion below the levels needed to maintain spending at current services. In total, the budget proposals reduce outlays by \$238.8 billion over the next three years and \$506.9 billion over the next 5 years. Under the proposals put forth in the budget:

- Spending for national defense would be reduced by \$8.9 billion in 1986 and \$28.2 billion over 3 years from the levels proposed in the Mid-Session Review of the 1985 Budget.
- Spending for entitlements would be reduced below currently mandated levels by \$13.9 billion in 1986 and \$68.0 billion over 3 years.

- Spending for discretionary programs would be cut below the levels needed to maintain current services by \$21.2 billion in 1986 and \$102.8 billion over 3 years.
- Changes in offsetting receipts would reduce outlays by \$3.6 billion in 1986 and \$9.6 billion over 3 years.
- As a result of these changes, debt service costs would be reduced by \$3.1 billion in 1986 and \$30.2 billion over 3 years.

This section discusses the major proposals in the budget, and compares them to the current services estimates, which assume no change in policy. All outlay estimates cited include the outlays of entities that are off-budget under current law, consistent with the administration's proposal to shift these activities on-budget. This section also discusses the current status of management reforms.

### PROPOSED OUTLAY CUTS

(In billions of dollars)

|  | 1985  | 1986    | 1987    | 1988    | 1989    | 1990    | Total<br>1986-88 | Total<br>1986-90 |
|--|-------|---------|---------|---------|---------|---------|------------------|------------------|
| <b>National defense:</b>                     |       |         |         |         |         |         |                  |                  |
| Current services.....                        | 253.2 | 294.6   | 330.4   | 368.5   | 403.8   | 441.6   | 993.4            | 1,838.9          |
| Policy change.....                           | +0.6  | -8.9    | -9.2    | -10.1   | -11.5   | -13.1   | -28.2            | -52.8            |
| Budget.....                                  | 253.8 | 285.7   | 321.2   | 358.4   | 392.3   | 428.6   | 965.2            | 1,786.0          |
| <b>Entitlements and other<br/>mandatory:</b> |       |         |         |         |         |         |                  |                  |
| Social security:                             |       |         |         |         |         |         |                  |                  |
| Current services.....                        | 188.6 | 199.8   | 213.5   | 227.7   | 242.3   | 257.4   | 640.9            | 1,140.6          |
| Policy change.....                           | —     | —       | —       | —       | —       | —       | —                | —                |
| Budget.....                                  | 188.6 | 199.8   | 213.5   | 227.7   | 242.3   | 257.4   | 640.9            | 1,140.6          |
| <b>Other:</b>                                |       |         |         |         |         |         |                  |                  |
| Current services.....                        | 229.3 | 238.4   | 254.1   | 272.4   | 288.5   | 305.6   | 765.0            | 1,359.1          |
| Policy change.....                           | -0.2  | -13.9   | -24.1   | -29.9   | -38.2   | -43.1   | -68.0            | -149.2           |
| Budget.....                                  | 229.1 | 224.5   | 230.0   | 242.5   | 250.4   | 262.5   | 697.0            | 1,209.9          |
| <b>Discretionary programs:</b>               |       |         |         |         |         |         |                  |                  |
| Current services.....                        | 197.6 | 188.3   | 193.5   | 201.1   | 207.5   | 213.4   | 583.0            | 1,003.9          |
| Policy change.....                           | -1.5  | -21.2   | -36.2   | -45.3   | -50.3   | -54.5   | -102.8           | -207.6           |
| Budget.....                                  | 196.0 | 167.1   | 157.3   | 155.8   | 157.2   | 158.9   | 480.2            | 796.2            |
| <b>Offsetting receipts:</b>                  |       |         |         |         |         |         |                  |                  |
| Current services.....                        | -63.1 | -69.3   | -72.9   | -71.4   | -74.6   | -78.0   | -213.7           | -366.3           |
| Policy change.....                           | -0.1  | -3.6    | -3.1    | -2.9    | -2.7    | -1.9    | -9.6             | -14.2            |
| Budget.....                                  | -63.2 | -73.0   | -76.1   | -74.3   | -77.2   | -79.9   | -223.3           | -380.4           |
| <b>Debt service:</b>                         |       |         |         |         |         |         |                  |                  |
| Current services.....                        | 154.8 | 172.8   | 190.8   | 201.8   | 195.2   | 192.7   | 565.4            | 953.3            |
| Policy change.....                           | -0.1  | -3.1    | -9.9    | -17.1   | -22.7   | -30.2   | -30.2            | -83.1            |
| Budget.....                                  | 154.7 | 169.7   | 180.8   | 184.7   | 172.6   | 162.5   | 535.2            | 870.3            |
| <b>Total Budget Outlays:</b>                 |       |         |         |         |         |         |                  |                  |
| Current services.....                        | 960.4 | 1,024.5 | 1,109.3 | 1,200.1 | 1,262.8 | 1,332.8 | 3,333.9          | 5,929.4          |
| Policy change.....                           | -1.4  | -50.8   | -82.7   | -105.3  | -125.4  | -142.7  | -238.8           | -506.9           |
| Budget.....                                  | 959.1 | 973.7   | 1,026.6 | 1,094.8 | 1,137.4 | 1,190.0 | 3,095.1          | 5,422.5          |

## NATIONAL DEFENSE

Since 1981, the administration has made important progress toward ensuring that our defense capabilities are strong enough to protect our national interests. The need to sustain the progress we have already made, combined with the relentless growth in the threats to U.S. security, requires continuing real growth in the resources committed to our defense capabilities.

Budget authority of \$313.7 billion is requested for the Department of Defense in 1986, a 5.9% increase over 1985 in real terms (i.e., after adjustment for inflation). The 3-year budget request is \$29.6 billion below the current services level, reflecting the administration's efforts to hold down program costs. In keeping with past practice, the current services baseline represents the most recent

## NATIONAL DEFENSE

(Dollars in billions)

|                                    | 1986  | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|------------------------------------|-------|-------|-------|-------|-------|------------------|------------------|
| <b>Budget Authority</b>            |       |       |       |       |       |                  |                  |
| <b>Totals:</b>                     |       |       |       |       |       |                  |                  |
| Current services.....              | 333.6 | 371.9 | 421.4 | 460.6 | 501.5 | 1,127.0          | 2,089.1          |
| Proposed savings.....              | -11.4 | -8.7  | -10.0 | -11.8 | -13.4 | -30.0            | -55.2            |
| <b>Major program changes:</b>      |       |       |       |       |       |                  |                  |
| Department of Defense—Military:    |       |       |       |       |       |                  |                  |
| Current services.....              | 324.8 | 362.6 | 411.5 | 450.5 | 490.9 | 1,098.9          | 2,040.3          |
| Proposed savings.....              | -11.1 | -8.6  | -9.9  | -11.7 | -13.2 | -29.6            | -54.5            |
| Proposed total.....                | 313.7 | 354.0 | 401.6 | 438.8 | 477.7 | 1,069.3          | 1,985.8          |
| Rate of real growth (percent) ..   | 5.9   | 8.2   | 8.8   | 5.0   | 4.8   | 24.8             | 37.3             |
| Atomic energy and defense related: |       |       |       |       |       |                  |                  |
| Current services.....              | 8.8   | 9.3   | 9.9   | 10.1  | 10.6  | 28.1             | 48.8             |
| Proposed savings.....              | -0.3  | -0.1  | -0.1  | -0.1  | -0.2  | -0.4             | -0.7             |
| <b>Budget Outlays</b>              |       |       |       |       |       |                  |                  |
| <b>Totals:</b>                     |       |       |       |       |       |                  |                  |
| Current services.....              | 294.6 | 330.4 | 368.5 | 403.8 | 441.6 | 993.4            | 1,838.9          |
| Proposed savings.....              | -8.9  | -9.2  | -10.1 | -11.5 | -13.1 | -28.2            | -52.8            |
| <b>Major program changes:</b>      |       |       |       |       |       |                  |                  |
| Department of Defense—Military:    |       |       |       |       |       |                  |                  |
| Current services.....              | 286.2 | 321.5 | 358.8 | 393.8 | 431.2 | 966.5            | 1,791.5          |
| Proposed savings.....              | -8.7  | -9.2  | -10.2 | -11.5 | -12.9 | -28.1            | -52.5            |
| Proposed total.....                | 277.5 | 312.3 | 348.6 | 382.3 | 418.3 | 938.4            | 1,739.0          |
| Rate of real growth (percent) ..   | 8.3   | 7.7   | 6.8   | 5.2   | 5.3   | 24.7             | 38.2             |
| Atomic energy and defense related: |       |       |       |       |       |                  |                  |
| Current services.....              | 8.4   | 8.9   | 9.7   | 10.0  | 10.4  | 26.9             | 47.3             |
| Proposed savings.....              | -0.2  | -*    | +0.1  | -*    | -0.2  | -0.1             | -0.3             |

\* \$50 million or less.

previous Department of Defense-Military policy level, namely the revised mid-session policy levels, as extended through 1990.

## ENTITLEMENTS AND OTHER MANDATORY PROGRAMS

Under existing law, entitlements and other mandatory programs are estimated to account for 43% of budget outlays in 1986. An entitlement program is one that provides benefits to or for any individual who meets the eligibility requirements established by law. Many entitlements, such as social security and unemployment benefits, are largely funded by social insurance taxes. Other entitlements, like medicaid, aid to families with dependent children, and veterans compensation, are funded by annual appropriations. In both cases, actual outlays for a program depend upon the number of eligible individuals who apply and the amounts of benefits for which they are eligible. Outlays for certain other mandatory programs, such as farm price supports, also depend upon the general eligibility and benefit criteria established by law.

Under existing laws and regulations, outlays for entitlements and other mandatory programs are estimated to rise from \$417.9 billion in 1985 to \$438.2 billion in 1986 and to reach \$500.1 billion by 1988. The administration is proposing freezes in selected cost-of-living adjustments and reforms in selected programs to restrain the growth of entitlement spending. These proposals are estimated to produce savings of \$13.9 billion in 1986 and \$68.0 billion over the next 3 years.

### RETIREMENT, DISABILITY, AND UNEMPLOYMENT BENEFITS

(Dollars in billions)

|                                   | 1986  | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|-----------------------------------|-------|-------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>                     |       |       |       |       |       |                  |                  |
| Current services.....             | 275.9 | 293.1 | 311.1 | 329.6 | 348.6 | 880.1            | 1,558.4          |
| Proposed savings.....             | -1.4  | -2.4  | -3.1  | -3.8  | -4.6  | -6.9             | -15.3            |
| Percent change.....               | -0.5  | -0.8  | -1.0  | -1.2  | -1.3  | -0.8             | -1.0             |
| <b>Major Programs and Changes</b> |       |       |       |       |       |                  |                  |
| Social security:                  |       |       |       |       |       |                  |                  |
| Current services.....             | 199.8 | 213.5 | 227.7 | 242.3 | 257.4 | 640.9            | 1,140.6          |
| Proposed savings.....             |       |       |       |       |       |                  |                  |
| Railroad retirement:              |       |       |       |       |       |                  |                  |
| Current services.....             | 3.7   | 3.7   | 3.9   | 4.1   | 4.3   | 11.2             | 19.7             |
| Proposed savings.....             | -*    | -0.1  | -0.1  | -0.1  | -0.1  | -0.2             | -0.4             |
| Military retirement:              |       |       |       |       |       |                  |                  |
| Current services.....             | 18.3  | 19.4  | 20.6  | 21.9  | 23.1  | 58.4             | 103.3            |
| Proposed savings.....             | -0.5  | -0.7  | -0.8  | -0.8  | -0.9  | -2.0             | -3.6             |
| Federal employee retirement:      |       |       |       |       |       |                  |                  |
| Current services.....             | 25.3  | 27.1  | 29.0  | 30.9  | 32.9  | 81.4             | 145.2            |
| Proposed savings.....             | -0.8  | -1.4  | -2.0  | -2.7  | -3.3  | -4.2             | -10.2            |
| Other retirement and disability:  |       |       |       |       |       |                  |                  |
| Current services.....             | 12.5  | 12.8  | 13.2  | 13.6  | 13.9  | 38.6             | 66.0             |
| Proposed savings.....             | -0.1  | -0.2  | -0.2  | -0.3  | -0.3  | -0.5             | -1.1             |
| Unemployment:                     |       |       |       |       |       |                  |                  |
| Current services.....             | 16.3  | 16.6  | 16.8  | 16.9  | 17.1  | 49.7             | 83.6             |
| Proposed savings.....             | -*    | -*    | *     | *     | *     | *                | *                |

\* \$50 million or less.

***Retirement, disability, and unemployment.***—On a current services basis, outlays for retirement, disability, and unemployment benefits are estimated to be \$275.9 billion in 1986 and \$311.1 billion in 1988. Social security accounts for roughly three-fourths of the outlays in this category. Most of the programs in this category are financed primarily by payroll taxes and contributions. Almost all retirement and disability benefits are indexed under current law and receive annual cost-of-living adjustments (COLA's).

The administration is proposing a 1-year COLA freeze in retirement benefits for former military and civilian employees of the Federal Government and in the industry pension component of railroad retirement payments. Under this proposal, the January 1986 COLA for these programs would be eliminated. Black lung benefits, which are tied to Federal pay rates, would be frozen at the level existing before the proposed 5% cut in Federal pay until Federal pay rates exceed the levels before the proposed cut in Federal pay. No change is proposed in the COLA for social security, supplemental security income and veterans compensation.

The administration also proposes a number of legislative reforms in retirement and disability benefits for Federal civilian employees. The major reforms are:

- after the 1-year freeze, use of the lower of the CPI or Federal white collar pay increase to determine the cost-of-living adjustment for civilian retirees, and a limit of 55% of the COLA for benefits over \$10,000;
- a reduction in the annuities of employees who retire early; and
- revisions in the base used to compute benefits.

In total, these proposals are estimated to result in outlay savings of \$1.4 billion in 1986 and \$6.9 billion over the next 3 years.

***Medicare and medicaid.***—Outlays for medicare and medicaid benefits are projected to rise from \$94.3 billion in 1986 to \$115.1 billion in 1988 under existing laws and policies.

For medicare, the budget reflects a variety of administrative actions and legislative proposals to freeze certain payments and achieve other reforms. The rates paid to hospitals under the prospective payment system for diagnosis-related groups in 1986 are assumed to be maintained at 1985 levels. Best available evidence indicates that the rates for 1985, which were set in September 1984, appear too high. Legislation is being proposed to extend the existing freeze on payments to physicians until October 1986.

The administration will also propose legislative reforms to:

- increase the proportion of the costs of supplementary medical insurance financed by beneficiary premiums from 25% to 35% by 1990;



## MEDICARE AND MEDICAID OUTLAYS

(Dollars in billions)

|                                   | 1986 | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|-----------------------------------|------|-------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>                     |      |       |       |       |       |                  |                  |
| Current services .....            | 94.3 | 103.6 | 115.1 | 128.0 | 142.1 | 313.0            | 583.1            |
| Proposed savings .....            | -5.1 | -8.4  | -11.5 | -15.2 | -19.4 | -25.1            | -59.8            |
| Percent change .....              | -5.5 | -8.2  | -10.0 | -11.9 | -13.7 | -8.0             | -10.2            |
| <b>Major Programs and Changes</b> |      |       |       |       |       |                  |                  |
| Medicare benefits:                |      |       |       |       |       |                  |                  |
| HI (Part A):                      |      |       |       |       |       |                  |                  |
| Current services .....            | 50.4 | 55.2  | 61.0  | 67.6  | 74.6  | 166.7            | 308.8            |
| Proposed savings .....            | -3.2 | -4.7  | -5.3  | -6.0  | -6.7  | -13.1            | -25.9            |
| SMI (Part B):                     |      |       |       |       |       |                  |                  |
| Current services .....            | 25.1 | 28.4  | 32.2  | 36.3  | 40.9  | 85.6             | 162.7            |
| Proposed savings .....            | -0.8 | -0.9  | -1.2  | -1.6  | -2.1  | -3.0             | -6.7             |
| Premiums and collections:         |      |       |       |       |       |                  |                  |
| Current services .....            | -6.0 | -6.9  | -7.5  | -8.0  | -8.4  | -20.4            | -36.8            |
| Proposed savings .....            | -0.2 | -0.7  | -1.7  | -3.0  | -4.6  | -2.6             | -10.3            |
| Medicaid:                         |      |       |       |       |       |                  |                  |
| Current services .....            | 24.7 | 26.9  | 29.4  | 32.2  | 35.0  | 81.1             | 148.3            |
| Proposed savings .....            | -1.1 | -2.1  | -3.3  | -4.6  | -6.0  | -6.5             | -17.0            |

- index the deductible for supplementary medical insurance, starting in 1987; and
- reduce the indirect medical education payment.

These and other proposals are expected to result in savings of \$4.1 billion in 1986 and a total of \$18.7 billion over the next 3 years. Even with these savings, medicare outlays are expected to grow at an average annual rate of 7.6% from 1985 to 1988.

The annual average rate of growth in Federal outlays for medicare dropped from 14.2% in 1974-1981 to 6.2% from 1981 to 1983 as a result of cost reforms enacted in 1981. However, these reforms expired in 1984; in the absence of further reforms, the rate of growth threatens to accelerate again. The administration is proposing legislation to limit the growth in medicare benefits in 1986 to \$1 billion below the current services level. The administration is also proposing to freeze the amounts that States receive for administrative expenses in 1986. In subsequent years, the growth in medicare costs would be limited to the growth in the medical component of the Consumer Price Index and administrative expenses would be limited to the rise in the implicit price deflator for gross national product. The legislation would also give States additional flexibility to control costs and would remove burdensome matching requirements. These proposals are estimated to save \$1.1 billion in 1986 and \$6.5 billion over the next 3 years.

**Means-tested.**—Outlays for means-tested programs, excluding medicare, are estimated to rise from \$43.3 billion in 1986 to \$46.8

## MEANS-TESTED ENTITLEMENTS—OUTLAYS

(Dollars in billions)

|                                   | 1986 | 1987 | 1988 | 1989 | 1990 | Total<br>1986-88 | Total<br>1986-90 |
|-----------------------------------|------|------|------|------|------|------------------|------------------|
| <b>Totals</b>                     |      |      |      |      |      |                  |                  |
| Current services .....            | 43.3 | 44.8 | 46.8 | 47.2 | 47.4 | 134.9            | 229.4            |
| Proposed savings .....            | -1.3 | -1.6 | -1.6 | -1.6 | -1.7 | -4.5             | -7.9             |
| Percent change .....              | -3.0 | -3.5 | -3.5 | -3.5 | -3.7 | -3.3             | -3.4             |
| <b>Major Programs and Changes</b> |      |      |      |      |      |                  |                  |
| AFDC:                             |      |      |      |      |      |                  |                  |
| Current services .....            | 9.1  | 9.5  | 9.7  | 10.0 | 10.1 | 28.3             | 48.4             |
| Proposed savings .....            | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.6             | -1.0             |
| Food stamps:                      |      |      |      |      |      |                  |                  |
| Current services .....            | 12.7 | 13.2 | 13.7 | 14.2 | 14.6 | 39.6             | 68.4             |
| Proposed savings .....            | -*   | -0.1 | -0.1 | -0.1 | -0.1 | -0.2             | -0.3             |
| Child nutrition:                  |      |      |      |      |      |                  |                  |
| Current services .....            | 4.1  | 4.5  | 4.8  | 5.2  | 5.5  | 13.4             | 24.0             |
| Proposed savings .....            | -0.6 | -0.9 | -1.0 | -1.1 | -1.2 | -2.6             | -4.8             |
| Guaranteed student loans:         |      |      |      |      |      |                  |                  |
| Current services .....            | 3.3  | 3.3  | 3.0  | 2.6  | 2.5  | 9.6              | 14.6             |
| Proposed savings .....            | -0.4 | -0.4 | -0.4 | -0.3 | -0.3 | -1.2             | -1.7             |
| SSI benefits:                     |      |      |      |      |      |                  |                  |
| Current services .....            | 9.0  | 9.4  | 10.6 | 10.3 | 9.8  | 29.0             | 49.0             |
| Proposed savings .....            | —    | —    | —    | —    | —    | —                | —                |
| Earned income tax credit:         |      |      |      |      |      |                  |                  |
| Current services .....            | 1.3  | 1.2  | 1.1  | 1.1  | 1.0  | 3.5              | 5.6              |
| Proposed savings .....            | —    | —    | —    | —    | —    | —                | —                |
| Veterans pensions:                |      |      |      |      |      |                  |                  |
| Current services .....            | 3.8  | 3.8  | 3.9  | 3.9  | 3.9  | 11.5             | 19.3             |
| Proposed savings .....            | —    | —    | —    | —    | —    | —                | —                |

\*\$50 million or less.

billion in 1988 under existing law. The savings proposed for these programs total \$1.3 billion in 1986 and \$4.5 billion over 3 years.

The administration is proposing reforms in food stamps, child nutrition, and aid to families with dependent children (AFDC) that would:

- require all employable AFDC and food stamp recipients to engage in work-related activities as a condition of eligibility;
- target nutrition benefits to children from lower-income families and discontinue subsidies for children of families with high income;
- freeze child nutrition reimbursement rates to schools and other institutions for 1 year;
- replace the open-ended entitlement funding for State administration of AFDC, food stamps and medicaid with a fixed Federal grant; and
- give States greater flexibility to allocate administrative funds efficiently, including transferring funds among State-administered public assistance programs.

These proposals are estimated to reduce outlays by \$0.9 billion in 1986 and \$3.3 billion over the next 3 years.

Proposed reforms for guaranteed student loans (GSL) include reducing the subsidies paid to lenders, pegging the interest rate that borrowers must pay to the 91-day bill rate paid by the U.S. Treasury, limiting directly subsidized loans to students whose families have adjusted gross incomes below \$32,500, and improving the management of disbursements and collections. In addition, the administration proposes to set a cap of \$4,000 a year on the total amount of aid, including directly subsidized guaranteed student loans, that a student can receive under Title IV of the Higher Education Act. Any student who wishes to receive aid would be expected to contribute \$800 per year toward his or her education costs. These reforms are expected to reduce outlays for GSL by \$0.4 billion in 1986 and by \$1.2 billion over the next 3 years.

No changes are proposed for supplemental security income (SSI) benefits, veterans pensions, or the earned income tax credit.

**Other mandatory programs.**—This category includes a variety of different programs, the outlays of which are determined by program eligibility and benefit criteria and which therefore are relatively uncontrollable under existing law. On a current services basis, outlays for these programs are projected to be \$24.8 billion in 1986 and \$27.1 billion in 1988. The outlay savings proposed by the

## OTHER MANDATORY OUTLAYS

(Dollars in billions)

|                                       | 1986  | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|---------------------------------------|-------|-------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>                         |       |       |       |       |       |                  |                  |
| Current services.....                 | 24.8  | 26.0  | 27.1  | 26.0  | 24.9  | 77.8             | 128.8            |
| Proposed savings.....                 | -6.1  | -11.8 | -13.6 | -17.5 | -17.3 | -31.5            | -66.3            |
| Percent change.....                   | -24.6 | -45.2 | -50.4 | -67.1 | -69.6 | -40.5            | -51.5            |
| <b>Major Program Changes</b>          |       |       |       |       |       |                  |                  |
| Farm price supports:                  |       |       |       |       |       |                  |                  |
| Current services.....                 | 12.6  | 14.6  | 15.6  | 15.4  | 15.1  | 42.8             | 73.3             |
| Proposed savings.....                 | -2.0  | -6.1  | -7.9  | -11.5 | -11.2 | -16.1            | -38.8            |
| General revenue sharing:              |       |       |       |       |       |                  |                  |
| Current services.....                 | 4.6   | 4.6   | 4.6   | 4.6   | 4.6   | 13.7             | 22.9             |
| Proposed savings.....                 | -3.4  | -4.6  | -4.6  | -4.6  | -4.6  | -12.6            | -21.7            |
| Federal employee health benefits:     |       |       |       |       |       |                  |                  |
| Current services.....                 | 1.5   | 1.6   | 1.8   | 2.0   | 2.2   | 4.9              | 9.0              |
| Proposed savings.....                 |       | +0.1  | -0.1  | -0.3  | -0.4  | *                | -0.6             |
| Pension Benefit Guaranty Corporation: |       |       |       |       |       |                  |                  |
| Current services.....                 | *     | *     | *     | *     | 0.1   | 0.1              | 0.2              |
| Proposed savings.....                 | -0.2  | -0.2  | -0.2  | -0.3  | -0.3  | -0.6             | -1.2             |
| Crop insurance fund:                  |       |       |       |       |       |                  |                  |
| Current services.....                 | 0.2   | 0.2   | 0.3   | 0.3   | 0.3   | 0.7              | 1.3              |
| Proposed savings.....                 | -0.1  | -0.2  | -0.2  | -0.2  | -0.3  | -0.5             | -1.0             |
| Other:                                |       |       |       |       |       |                  |                  |
| Current services.....                 | 5.9   | 5.0   | 4.8   | 3.7   | 2.7   | 15.7             | 22.1             |
| Proposed savings.....                 | -0.3  | -0.7  | -0.7  | -0.6  | -0.6  | -1.7             | -2.9             |

\* \$50 million or less.

administration are estimated to be \$6.1 billion in 1986 and to total \$31.5 billion from 1986 to 1988.

Farm price supports is the largest program in this category. If the present programs were left unchanged, outlays for commodity price supports and related programs are projected to rise from \$12.6 billion in 1986 to \$15.6 billion in 1988. The administration is proposing legislation to bring loan rates and target prices into alignment with market prices, to target payments and loans to smaller-sized family farmers, and to phase out production controls. This proposal will stabilize prices and improve our competitive position in the world export market. The budget also reflects an increased guarantee fee for export credit and a reduction in administrative costs. The proposals affecting farm price supports are estimated to result in savings of \$2.0 billion in 1986 and \$16.1 billion over the next 3 years.

General revenue sharing currently provides \$4.6 billion a year to local governments. The administration is proposing legislation to end the program in 1986, one year before the current authorization expires. This termination is essential in order to achieve the President's goal of reducing the Federal deficit and is consistent with other large reductions proposed in the budget. In an austere Federal budget, national priorities must be met first. The budget includes outlays of \$1.2 billion for this program in 1986, reflecting the final quarterly payment from the 1985 program.

The administration is again proposing legislation to encourage Federal employees to seek lower-cost health coverage and to decrease the Federal share of the cost of these benefits. This proposal would not take effect until 1987. The administration is also repropoing legislation to increase premiums paid by private employers for Federal insurance of the private pension benefits they promise their employees. Premiums would be raised to a level sufficient to cover projected claims and amortize the current deficit of the Pension Benefit Guaranty Corporation over 15 years.

The budget proposes a 5-year phaseout of Federal operating and premium subsidies in an effort to put Federal crop insurance on a full pay-as-you-go basis by 1990. Other changes in mandatory programs include the proposed termination of subsidies for ship building and increased fees for mortgage backed securities guaranteed by the Government National Mortgage Association.

### DISCRETIONARY PROGRAMS

This category includes a wide range of programs subject to annual appropriations or to loan limitations imposed in appropriation acts. It includes programs ranging from the basic activities of government—such as the conduct of foreign affairs and the tax collection system—to grants to State and local governments for

education, highway construction, and community development. It also includes foreign assistance, space programs, law enforcement, energy, flood control and land reclamation, air traffic control, health research, veterans medical care, and other financial assistance and services.

While the level of funding for these programs is controlled by appropriations limits, the outlay impact of changes in appropriations varies greatly. For activities such as salaries or operations and maintenance, most of the funds are spent in the year for which they are appropriated. In other cases, such as construction, only a small portion of the funds is spent in the first year.

On a current services basis, outlays for discretionary programs are estimated to rise from \$188.3 billion in 1986 to \$201.1 billion in 1988. The administration is proposing a 1-year freeze for many discretionary programs and a 10% cut in most administrative services and overhead expenses. The budget also proposes that certain programs be reduced below the freeze level and that other, low-priority programs be terminated in 1986 or over a period of years, and calls for increases in a few high-priority programs. The savings proposed for discretionary programs total \$21.2 billion in 1986 and \$102.8 billion over 3 years.

***Dedicated funding and business operations.***—This category includes programs, other than social insurance programs, that are funded entirely or largely by special taxes or fees for business-type operations. Current service outlays for these programs, net of off-setting fees, are estimated to rise from \$18.7 billion in 1986 to \$21.1 billion in 1988. The savings proposed in the budget reduce net spending by \$2.4 billion in 1986 and \$10.1 billion over the next 3 years.

From 1983 through 1986, the amounts authorized to be spent from the highway trust fund are estimated to exceed revenues flowing into the fund by \$9.5 billion. In view of this situation, the administration proposes to freeze total obligations for Federal-aid highways at \$14.2 billion in 1986 and 1987. In 1988 and 1989, the budget estimates assume obligation rates of \$15.0 billion.

The administration requests \$5.1 billion in 1986 budget authority for activities of the Federal Aviation Administration, including operations, capital investment, and grants for airports. This request continues modernization of the airway system, although the amounts proposed in the budget are slightly below the current services baseline. Aviation tax receipts in 1986 are estimated to be \$3.2 billion, less than two-thirds the amount of budget authority planned for the program.

Federal grants to States for employment and unemployment insurance services are almost entirely financed from the Federal unemployment tax levied on employers. These grants support the

## DEDICATED FUNDING AND BUSINESS OPERATIONS—OUTLAYS

(Dollars in billions)

|                                   | 1986  | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|-----------------------------------|-------|-------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>                     |       |       |       |       |       |                  |                  |
| Current services .....            | 18.7  | 20.4  | 21.1  | 21.7  | 22.5  | 60.2             | 104.4            |
| Proposed savings .....            | -2.4  | -3.5  | -4.3  | -4.4  | -5.0  | -10.1            | -19.5            |
| Percent change .....              | -12.6 | -17.3 | -20.2 | -20.2 | -22.4 | -16.8            | -18.7            |
| <b>Major Programs and Changes</b> |       |       |       |       |       |                  |                  |
| Highways:                         |       |       |       |       |       |                  |                  |
| Current services .....            | 13.7  | 14.9  | 15.7  | 16.4  | 17.1  | 44.2             | 77.6             |
| Proposed savings .....            | + *   | -0.9  | -1.5  | -1.8  | -2.3  | -2.4             | -6.5             |
| Aviation:                         |       |       |       |       |       |                  |                  |
| Current services .....            | 4.8   | 5.1   | 5.2   | 5.4   | 5.5   | 15.1             | 26.1             |
| Proposed savings .....            | -0.1  | -0.5  | -0.6  | -0.9  | -1.1  | -1.2             | -3.2             |
| State employment service:         |       |       |       |       |       |                  |                  |
| Current services .....            | 1.0   | 1.0   | 1.1   | 1.1   | 1.2   | 3.1              | 5.3              |
| Proposed savings .....            | -0.1  | -0.1  | -0.1  | -0.1  | -0.2  | -0.2             | -0.5             |
| Power marketing:                  |       |       |       |       |       |                  |                  |
| Current services .....            | -0.4  | -0.5  | -0.4  | -0.4  | -0.5  | -1.3             | -2.1             |
| Proposed savings .....            | -1.0  | -0.9  | -0.9  | -0.6  | -0.3  | -2.8             | -3.7             |
| Forest Service:                   |       |       |       |       |       |                  |                  |
| Current services .....            | 0.3   | 0.2   | 0.2   | 0.1   | 0.1   | 0.8              | 1.0              |
| Proposed savings .....            | -0.4  | -0.4  | -0.4  | -0.3  | -0.3  | -1.1             | -1.8             |
| FHA:                              |       |       |       |       |       |                  |                  |
| Current services .....            | -1.1  | -1.2  | -1.4  | -1.5  | -1.5  | -3.7             | -6.7             |
| Proposed savings .....            | -0.2  | -0.4  | -0.3  | -0.2  | -0.2  | -0.9             | -1.4             |
| Veterans housing loan guarantees: |       |       |       |       |       |                  |                  |
| Current services .....            | 0.4   | 0.3   | 0.4   | 0.3   | 0.2   | 1.0              | 1.5              |
| Proposed savings .....            | -0.6  | -0.6  | -0.7  | -0.8  | -0.8  | -2.0             | -3.5             |
| Surface mining reclamation:       |       |       |       |       |       |                  |                  |
| Current services .....            | 0.2   | 0.3   | 0.3   | 0.3   | 0.3   | 0.8              | 1.5              |
| Proposed savings .....            | - *   | - *   | - *   | -0.1  | -0.1  | -0.1             | -0.2             |
| Superfund:                        |       |       |       |       |       |                  |                  |
| Current services .....            | 0.5   | 0.6   | 0.6   | 0.6   | 0.6   | 1.8              | 2.9              |
| Proposed increases .....          | +0.1  | +0.3  | +0.4  | +0.4  | +0.4  | +0.8             | +1.6             |
| Other: <sup>1</sup>               |       |       |       |       |       |                  |                  |
| Current services .....            | -0.6  | -0.4  | -0.6  | -0.6  | -0.5  | -1.7             | -2.8             |
| Proposed savings .....            | -0.1  | -0.1  | -0.1  | -0.1  | -0.1  | -0.2             | -0.3             |

\* 50 million or less.

<sup>1</sup> Includes nuclear waste, uranium enrichment, and petroleum reserves.

total cost of job search and placement services for job seekers, recruitment and special technical assistance for employers, and administration of State unemployment insurance (UI) programs. Working with the States, the administration is developing legislation that it will propose to devolve to the States, beginning in 1988, full responsibility for managing and financing their employment and unemployment insurance services. The Federal unemployment tax will be reduced accordingly, offset by expected increases in State deposits in the unemployment trust fund as States assume responsibility.

The Federal power marketing administrations are required by law to repay with interest the original Federal investment in hydroelectric generation and transmission projects, and a portion of

the irrigation investments. The budget proposes that the power marketing administrations repay their debt to the Treasury in a business-like way—on a regular and timely basis and at interest rates that reflect the current cost of money to the government. Total savings are projected to be \$1.0 billion in 1986 and \$2.8 billion over 3 years.

The Forest Service shares certain receipts received from timber and sales on Federal lands with State and local governments. The administration is proposing legislation to deduct the Federal costs of obtaining these receipts before calculating the States' share. Similar legislation is proposed for receipts from mineral leases.

As part of its effort to increase fees on Federal loans and loan guarantees, the administration proposes to increase the fees on loans made and guaranteed by the Veterans Administration (VA) from 1.0% to 5.0%. Premiums on loans insured by the Federal Housing Administration (FHA) will be raised from 3.8% to 5.0%. These increases will reduce the Federal subsidy, cover VA losses, and provide additional reserves to the FHA fund.

The budget levels for superfund, the program to clean up hazardous waste dump sites, are substantially above the current services estimates. The administration will submit legislation that greatly expands the national effort to clean up abandoned wastes. To pay for this program, the legislation will triple the annual tax revenues that finance it. There will also be a vigorous enforcement effort to recover funds from responsible parties whenever they can be identified.

***Forward-funded and related programs.***—By law, appropriations for some programs do not become available for obligation until the fourth quarter of the year because they are intended to be used primarily during the following year. Such programs are forward-funded. Examples include education for the handicapped and compensatory education. In other cases, programs operate in this way because of their relationship to the academic year, even though the law does not require it. An example is student financial assistance. The proposals in the budget reduce 1986 outlays by only \$0.7 billion but will save \$7.1 billion over 3 years.

The administration is proposing to rescind \$245 million of 1985 budget authority for summer youth employment and grants for services for dislocated workers for the program year that runs from July 1, 1985 to June 30, 1986. In 1984, funding for these programs exceeded the amount that could be utilized. The administration also proposes to terminate the Job Corps program. The program has a high cost per training year and a low job placement rate for its trainees. Termination costs will be financed from the 1985 appropriation.

The administration proposes significant reforms for Federal stu-

## OUTLAYS FOR FORWARD-FUNDED AND RELATED PROGRAMS

(Dollars in billions)

|  | 1986 | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|--|------|-------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>  |      |       |       |       |       |                  |                  |
| Current services .....                               | 20.6 | 21.2  | 21.9  | 22.7  | 23.5  | 63.7             | 110.0            |
| Proposed savings .....                               | -0.7 | -2.9  | -3.5  | -3.8  | -4.0  | -7.1             | -14.9            |
| Percent change .....                                 | -3.4 | -13.6 | -16.0 | -16.7 | -17.2 | -11.1            | -13.6            |
| <b>Major Program Changes</b>                         |      |       |       |       |       |                  |                  |
| Employment and training assistance:                  |      |       |       |       |       |                  |                  |
| Current services .....                               | 3.7  | 3.7   | 3.8   | 4.0   | 4.1   | 11.3             | 19.4             |
| Proposed savings .....                               | -0.1 | -0.7  | -1.0  | -1.1  | -1.2  | -1.8             | -4.1             |
| Compensatory education:                              |      |       |       |       |       |                  |                  |
| Current services .....                               | 3.8  | 3.9   | 4.0   | 4.2   | 4.3   | 11.7             | 20.2             |
| Proposed savings .....                               | -*   | -0.2  | -0.3  | -0.3  | -0.3  | -0.5             | -1.1             |
| Education for the handicapped:                       |      |       |       |       |       |                  |                  |
| Current services .....                               | 1.2  | 1.4   | 1.4   | 1.5   | 1.5   | 4.0              | 7.1              |
| Proposed savings .....                               | -*   | -0.1  | -0.1  | -0.1  | -0.1  | -0.2             | -0.4             |
| Vocational and adult education:                      |      |       |       |       |       |                  |                  |
| Current services .....                               | 0.9  | 0.9   | 0.9   | 0.9   | 1.0   | 2.6              | 4.6              |
| Proposed savings .....                               | -*   | -*    | -0.1  | -0.1  | -0.1  | -0.1             | -0.3             |
| Other elementary education:                          |      |       |       |       |       |                  |                  |
| Current services .....                               | 0.2  | 0.3   | 0.3   | 0.3   | 0.3   | 0.8              | 1.3              |
| Proposed savings .....                               | -*   | -*    | -0.1  | -0.1  | -0.1  | -0.1             | -0.3             |
| Student financial assistance:                        |      |       |       |       |       |                  |                  |
| Current services .....                               | 4.8  | 4.9   | 5.1   | 5.3   | 5.5   | 14.8             | 25.5             |
| Proposed savings .....                               | -0.3 | -1.1  | -1.3  | -1.4  | -1.4  | -2.8             | -5.6             |
| Other higher education:                              |      |       |       |       |       |                  |                  |
| Current services .....                               | 0.5  | 0.5   | 0.5   | 0.5   | 0.5   | 1.4              | 2.5              |
| Proposed savings .....                               | -0.1 | -0.2  | -0.2  | -0.3  | -0.3  | -0.5             | -1.0             |
| National Institutes of Health:                       |      |       |       |       |       |                  |                  |
| Current services .....                               | 5.1  | 5.2   | 5.4   | 5.5   | 5.7   | 15.6             | 26.9             |
| Proposed savings .....                               | -0.1 | -0.5  | -0.5  | -0.5  | -0.6  | -1.2             | -2.2             |
| Community service employment for<br>older Americans: |      |       |       |       |       |                  |                  |
| Current services .....                               | 0.3  | 0.3   | 0.3   | 0.3   | 0.3   | 1.0              | 1.6              |
| Proposed savings .....                               | —    | —     | —     | —     | —     | —                | —                |
| Public Broadcasting Corporation:                     |      |       |       |       |       |                  |                  |
| Current services .....                               | 0.2  | 0.2   | 0.2   | 0.2   | 0.2   | 0.6              | 1.0              |
| Proposed savings .....                               | —    | -*    | —     | *     | +0.1  | -*               | +0.1             |

\* \$50 million or less.

dent aid to cap costs in the currently open-ended system, reduce program abuse, and target aid to needy students. The total amount of aid any student could receive under Title IV of the Higher Education Act in directly subsidized programs would be capped at \$4,000 a year. An eligibility limit of \$25,000 in adjusted gross income would be set for grants, direct loans, and subsidized jobs. All students would be expected to provide at least \$800 a year toward their education in order to qualify for Federal student aid. Budget authority for the remaining major education programs in this category is proposed at the freeze level.

For the National Institutes of Health, the budget proposes to continue to fund 5,000 new and competing research grants and 500 research centers in 1986 and thereafter. This is the same level of program activity as in 1985.



***Slow-spending programs.***—More than half of the outlays for programs in this category results from budget authority provided in earlier years. On a current services basis, outlays are projected to rise from \$40.4 billion in 1986 to \$42.7 billion in 1988. The administration request for 1986 budget authority is \$17.0 billion below the current services baseline, which results in 1986 outlay savings of \$2.9 billion. The outlay savings from 1986 to 1988 are estimated to be \$16.0 billion.

The administration believes that the funding of local transportation is not a legitimate Federal role, since the benefits of mass transit accrue locally, not nationally. Local governments whose citizens benefit from local transit should bear the full costs of their capital and operating decisions. The administration, therefore, proposes to terminate in 1986 the discretionary grants programs, to end operating subsidies, to reduce formula-based capital grants to \$1.1 billion (the amount raised by the one-cent motor fuel tax for transit), and to raise the required local share for formula capital grants.

The administration believes that State and local governments and the private sector also have the primary role in supporting local development projects. The administration proposes to continue the community development block grant as the principal Federal community and regional development program, because it gives State and local governments a source of funds with which to supplement their own resources in ways that they choose. Budget authority requested for 1986 is 10% below the 1985 level. The administration is proposing no further funding for urban development action grants and the Economic Development Administration because these programs merely assist local governments in their efforts to compete with other areas to attract private investment. The administration is also proposing to terminate the Appalachian Regional Commission and most grants for housing and rural development provided by the Farmers Home Administration. Rural communities will still receive funding from the CDBG program. Reductions are also proposed in community development programs of the Tennessee Valley Authority.

The budget proposes a 2-year moratorium on funding for additional housing units subsidized by the Department of Housing and Urban Development.

The budget recommends that funding by the Environmental Protection Agency for the construction of sewage treatment plants be phased out by 1990, and that future grants be limited to projects already underway. This program has achieved its original mission of assisting local communities in eliminating the backlog of needed construction. The administration proposes to phase out energy con-

## OUTLAYS FOR SLOW-SPENDING DISCRETIONARY PROGRAMS

(Dollars in billion)

|  | 1986        | 1987         | 1988         | 1989         | 1990         | Total<br>1986-88 | Total<br>1986-90 |
|--|-------------|--------------|--------------|--------------|--------------|------------------|------------------|
| <b>Totals</b>                              |             |              |              |              |              |                  |                  |
| <b>Current services</b> .....              | <b>40.4</b> | <b>41.5</b>  | <b>42.7</b>  | <b>43.8</b>  | <b>44.7</b>  | <b>124.6</b>     | <b>213.0</b>     |
| <b>Proposed savings</b> .....              | <b>-2.9</b> | <b>-5.3</b>  | <b>-7.8</b>  | <b>-9.0</b>  | <b>-10.5</b> | <b>-16.0</b>     | <b>-35.4</b>     |
| <b>Percent change</b> .....                | <b>-7.3</b> | <b>-12.7</b> | <b>-18.2</b> | <b>-20.6</b> | <b>-23.4</b> | <b>-12.8</b>     | <b>-16.6</b>     |
| <b>Major Program Changes</b>               |             |              |              |              |              |                  |                  |
| <b>Mass transit:</b>                       |             |              |              |              |              |                  |                  |
| Current services.....                      | 4.0         | 3.6          | 3.9          | 4.1          | 4.2          | 11.5             | 19.8             |
| Proposed savings.....                      | -0.8        | -1.3         | -2.1         | -2.6         | -2.7         | -4.2             | -9.5             |
| <b>Community development block grants:</b> |             |              |              |              |              |                  |                  |
| Current services.....                      | 3.5         | 3.5          | 3.5          | 3.7          | 3.8          | 10.6             | 18.1             |
| Proposed savings.....                      | -*          | -0.1         | -0.3         | -0.4         | -0.4         | -0.5             | -1.2             |
| <b>Urban development action grants:</b>    |             |              |              |              |              |                  |                  |
| Current services.....                      | 0.5         | 0.6          | 0.5          | 0.5          | 0.5          | 1.6              | 2.6              |
| Proposed savings.....                      | -*          | -0.1         | -0.2         | -0.3         | -0.5         | -0.4             | -1.2             |
| <b>Rural water grants and other FmHA:</b>  |             |              |              |              |              |                  |                  |
| Current services.....                      | 0.6         | 0.6          | 0.6          | 0.6          | 0.6          | 1.7              | 2.9              |
| Proposed savings.....                      | -0.1        | -0.2         | -0.3         | -0.4         | -0.4         | -0.6             | -1.4             |
| <b>Other community development:</b>        |             |              |              |              |              |                  |                  |
| Current services.....                      | 0.8         | 0.8          | 0.7          | 0.7          | 0.7          | 2.4              | 3.8              |
| Proposed savings.....                      | -0.2        | -0.3         | -0.5         | -0.5         | -0.5         | -1.1             | -2.1             |
| <b>Housing:</b>                            |             |              |              |              |              |                  |                  |
| Current services.....                      | 11.0        | 11.5         | 12.1         | 12.6         | 13.1         | 34.6             | 60.3             |
| Proposed savings.....                      | -1.3        | -1.8         | -2.1         | -1.9         | -2.0         | -5.2             | -9.0             |
| <b>Sewage construction grants:</b>         |             |              |              |              |              |                  |                  |
| Current services.....                      | 2.6         | 2.4          | 2.4          | 2.4          | 2.4          | 7.4              | 12.2             |
| Proposed savings.....                      | -*          | -*           | -0.2         | -0.4         | -0.9         | -0.2             | -1.6             |
| <b>Energy:<sup>1</sup></b>                 |             |              |              |              |              |                  |                  |
| Current services.....                      | 0.8         | 0.8          | 0.8          | 0.8          | 0.8          | 2.4              | 4.0              |
| Proposed savings.....                      | -0.2        | -0.3         | -0.4         | -0.4         | -0.4         | -0.8             | -1.5             |
| <b>Veterans hospital construction:</b>     |             |              |              |              |              |                  |                  |
| Current services.....                      | 0.8         | 1.1          | 1.2          | 1.4          | 1.6          | 3.2              | 6.2              |
| Proposed savings.....                      | -*          | -0.3         | -0.4         | -0.5         | -0.7         | -0.7             | -1.8             |
| <b>Rural conservation:</b>                 |             |              |              |              |              |                  |                  |
| Current services.....                      | 0.3         | 0.3          | 0.3          | 0.3          | 0.3          | 0.8              | 1.3              |
| Proposed savings.....                      | -0.1        | -0.2         | -0.2         | -0.2         | -0.3         | -0.5             | -1.0             |
| <b>Water resources:</b>                    |             |              |              |              |              |                  |                  |
| Current services.....                      | 4.4         | 4.3          | 4.5          | 4.4          | 4.4          | 13.2             | 22.0             |
| Proposed savings.....                      | -0.2        | -0.2         | -0.1         | *            | +0.1         | -0.5             | -0.4             |
| <b>Other:</b>                              |             |              |              |              |              |                  |                  |
| Current services.....                      | 11.0        | 12.0         | 12.2         | 12.3         | 12.3         | 35.2             | 59.9             |
| Proposed savings.....                      | -*          | -0.4         | -1.0         | -1.4         | -1.9         | -1.4             | -4.7             |

\* \$50 million or less.

<sup>1</sup> Includes energy conservation and fossil R&D.

servation programs over the next 5 years because of the improvement in oil market conditions. In addition, the administration proposes to reduce fossil energy research and development and emphasize more fundamental research in order to bring the program in line with an appropriate governmental role.

The administration proposes an indefinite moratorium on further development of the Strategic Petroleum Reserve (SPR) at the end of 1985, when the level of crude oil in storage will be 489 million barrels. In view of the rapid buildup of the reserve over the past 4 years and the favorable changes in world oil markets, the SPR can now provide considerably more protection against supply disruptions than was envisioned when plans for a 750 million barrel stockpile were set in 1979. The moratorium will reduce outlays by \$5.2 billion between 1986 and 1988. It will be reassessed as warranted if fiscal and oil market conditions change. The SPR will continue to be maintained in a state of standby readiness.

The budget does not propose expanded investment in veterans hospital construction because the effects of the proposed reforms in eligibility for veterans medical care are uncertain.

The proposed reduction in water resources programs reflects a 1-year freeze, greater cost sharing, and termination of the watershed programs of the Soil Conservation Services. Most of the proposed funding for water resource development covers construction of projects started in previous years and operation and maintenance of completed projects. The levels proposed in the budget for the Corps of Engineers are dependent upon enactment of proposed user fees, which are not reflected in the table above.

***Fast-spending discretionary programs.***—The remaining discretionary programs cover a wide range of activities, including the space program, energy research, and law enforcement. This category also includes the costs of administering most nondefense programs. On a current services basis, outlays are projected to rise from \$95.0 billion in 1986 to \$102.7 billion by 1988. The savings proposed in the budget reduce spending by \$9.0 billion in 1986 and \$41.8 billion over 3 years.

The administration proposes to terminate community services block grants, the work incentive (WIN) program, and the Legal Services Corporation. The social services block grant would be funded at its authorized level. Most of the remaining social services programs are proposed for funding at the freeze level.

The administration proposes a gross funding level of \$2.1 billion in budget authority for low-income energy assistance in 1986, the same as in 1985. In comparison to current services, this 1-year freeze results in outlay savings of \$0.1 billion a year. The remaining outlay reductions from current services—which range from \$0.8 billion in 1986 to \$1.0 billion in 1990—reflect proposed legislation to use recoveries from petroleum price overcharges to help finance this block grant. Total program levels for low-income energy assistance will not be affected by this legislative change.

## FAST-SPENDING DISCRETIONARY PROGRAMS—OUTLAYS

(Dollars in billions)

|   | 1986 | 1987  | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|---|------|-------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>                             |      |       |       |       |       |                  |                  |
| Current services .....                    | 95.0 | 98.4  | 102.7 | 106.7 | 111.4 | 296.1            | 514.2            |
| Proposed savings .....                    | -9.0 | -14.9 | -17.9 | -19.7 | -20.6 | -41.8            | -82.1            |
| Percent change .....                      | -9.5 | -15.1 | -17.4 | -18.5 | -18.5 | -14.1            | -16.0            |
| <b>Major Program Changes</b>              |      |       |       |       |       |                  |                  |
| Strategic petroleum reserves:             |      |       |       |       |       |                  |                  |
| Current services .....                    | 2.0  | 1.9   | 1.9   | 1.9   | 1.2   | 5.9              | 9.1              |
| Proposed savings .....                    | -1.6 | -1.8  | -1.8  | -1.8  | -1.1  | -5.2             | -8.1             |
| Social services and related: <sup>1</sup> |      |       |       |       |       |                  |                  |
| Current services .....                    | 7.7  | 8.0   | 8.2   | 8.4   | 8.6   | 23.9             | 40.9             |
| Proposed savings .....                    | -0.9 | -1.2  | -1.3  | -1.4  | -1.5  | -3.5             | -6.4             |
| Low-income energy assistance:             |      |       |       |       |       |                  |                  |
| Current services .....                    | 2.2  | 2.3   | 2.4   | 2.5   | 2.5   | 6.9              | 11.9             |
| Proposed savings .....                    | -0.9 | -1.0  | -1.0  | -1.1  | -1.1  | -2.9             | -5.0             |
| Veterans medical care:                    |      |       |       |       |       |                  |                  |
| Current services .....                    | 9.6  | 10.2  | 10.8  | 11.4  | 11.9  | 30.7             | 54.0             |
| Proposed savings .....                    | -0.3 | -0.7  | -1.0  | -1.3  | -1.6  | -2.0             | -4.8             |
| Public and Indian housing:                |      |       |       |       |       |                  |                  |
| Current services .....                    | 3.4  | 3.4   | 2.9   | 2.6   | 2.3   | 9.7              | 14.6             |
| Proposed savings .....                    | -0.3 | -0.8  | -1.1  | -1.1  | -0.8  | -2.3             | -4.3             |
| Health block grants and other:            |      |       |       |       |       |                  |                  |
| Current services .....                    | 3.3  | 3.5   | 3.6   | 3.7   | 3.8   | 10.4             | 17.9             |
| Proposed savings .....                    | -0.3 | -0.6  | -0.6  | -0.6  | -0.7  | -1.5             | -2.8             |
| Amtrak:                                   |      |       |       |       |       |                  |                  |
| Current services .....                    | 0.8  | 0.8   | 0.8   | 0.8   | 0.8   | 2.4              | 4.1              |
| Proposed savings .....                    | -0.6 | -0.8  | -0.8  | -0.8  | -0.8  | -2.2             | -3.9             |
| Economic support fund:                    |      |       |       |       |       |                  |                  |
| Current services .....                    | 3.9  | 4.0   | 4.2   | 4.4   | 4.5   | 12.1             | 21.0             |
| Proposed savings .....                    | -1.1 | -1.2  | -1.3  | -1.4  | -1.5  | -3.5             | -6.5             |
| Postal Service:                           |      |       |       |       |       |                  |                  |
| Current services .....                    | 1.0  | 1.0   | 0.9   | 1.0   | 1.0   | 2.9              | 5.0              |
| Proposed savings .....                    | +0.2 | -0.9  | -0.9  | -1.0  | -1.0  | -1.6             | -3.6             |
| Impact aid:                               |      |       |       |       |       |                  |                  |
| Current services .....                    | 0.8  | 0.8   | 0.8   | 0.8   | 0.8   | 2.3              | 4.0              |
| Proposed savings .....                    | -0.1 | -0.2  | -0.2  | -0.2  | -0.2  | -0.5             | -0.9             |
| NASA:                                     |      |       |       |       |       |                  |                  |
| Current services .....                    | 7.8  | 8.2   | 8.6   | 9.0   | 9.3   | 24.7             | 42.9             |
| Proposed savings .....                    | - *  | -0.4  | -0.7  | -0.4  | *     | -1.2             | -1.6             |
| Energy supply research:                   |      |       |       |       |       |                  |                  |
| Current services .....                    | 2.2  | 2.3   | 2.3   | 2.3   | 2.2   | 6.8              | 11.3             |
| Proposed savings .....                    | -0.2 | -0.2  | -0.2  | -0.2  | -0.2  | -0.5             | -0.9             |
| Park operations and land acquisitions:    |      |       |       |       |       |                  |                  |
| Current services .....                    | 1.3  | 1.3   | 1.4   | 1.4   | 1.4   | 4.0              | 6.8              |
| Proposed savings .....                    | -0.2 | -0.3  | -0.3  | -0.3  | -0.3  | -0.8             | -1.4             |
| Civilian agency pay raise:                |      |       |       |       |       |                  |                  |
| Current services .....                    | 1.3  | 3.2   | 5.3   | 7.5   | 9.7   | 9.8              | 27.0             |
| Proposed savings .....                    | -1.3 | -2.5  | -3.6  | -4.8  | -5.9  | -7.5             | -18.2            |
| Other:                                    |      |       |       |       |       |                  |                  |
| Current services .....                    | 47.7 | 47.5  | 48.5  | 49.1  | 51.1  | 143.7            | 243.8            |
| Proposed savings .....                    | -1.3 | -2.4  | -3.0  | -3.3  | -3.9  | -6.7             | -13.8            |

\* \$50 million or less.

<sup>1</sup> Includes community services block grant, work incentive program, Legal Service Corporation, social services block grant, human development and family and rehabilitation services.

The budget proposes a comprehensive reform of eligibility for veterans medical care to target assistance toward the most deserving veterans—primarily those injured during military service and those without the resources to defray all or part of their health care expenses. The reform would restrict the use of the system by veterans of all ages whose income exceeds the eligibility level. As this reform takes effect and the veteran population ages, many unused hospital beds will be converted to nursing home beds to meet the needs of eligible aging veterans.

Because there is an adequate supply of health professionals, the administration proposes to terminate direct clinical training grant subsidies funded by the Department of Health and Human Services. Students in these programs will continue to receive assistance through loan guarantees and revolving loan funds. The budget also proposes to reduce funding for discretionary health grants and increase third-party reimbursements for health services provided to American Indians and Alaskan Natives.

The administration is also proposing to terminate the subsidy to the National Railroad Passenger Corporation (Amtrak). Amtrak carries less than 2% of intercity passengers and receives exceptionally large Federal subsidies relative to the number of passengers carried (\$35 per passenger in 1984).

Proposed funding for the economic support fund is substantially below current services due to the deferral of any funding request for assistance to Israel. A request for aid to Israel is anticipated as a result of negotiations now underway in the context of Israel's plans for economic reform.

The budget proposes to terminate in 1986 the Federal appropriation that reimburses the Postal Service for losses in revenue associated with carrying certain categories of mail at free and reduced rates beginning in 1986. However, legislation will be proposed that will enable the Postal Service itself to continue the subsidy for most existing subsidized mailers. The budget also proposes to increase the Postal Service's contribution for retirement beginning in 1986 by 2% each year until the Postal Service is paying the full cost of benefits for its employees. Total outlays are \$0.2 billion above current services in 1986 but \$1.6 billion below current services over 3 years.

The proposed budget for the National Aeronautics and Space Administration (NASA) maintains U.S. leadership in space. The budget continues design and development of the space station, and maintains a strong program of research and development in space science, space applications and supporting technology. Overall savings from the NASA baseline are achieved through a delay in the schedule for initial operation of the space station, and through deferral of other major projects in the areas of space science and applications.

The proposed budget for energy supply research and development reflects a shift away from Federal funding of costly development and demonstration projects.

The budget proposes a significant decrease in land acquisition. The administration is proposing a 3-year moratorium on discretionary acquisition of recreation lands, postponing further expansion until fiscal conditions improve.

The budget reflects a freeze of some but not all of the components of operating expenses of low-rent public housing programs. This freeze would be applied to inflation factors for personnel and related expenses provided in the operating subsidies formula. Utilities and other non-personnel costs that are generally completely beyond the Public and Indian Housing Authorities' ability to control would not be affected by the freeze.

The budget includes no allowance for pay raises for civilian employees of the Government in 1986. This reduces outlays by \$1.3 billion below current services. The additional savings resulting from the proposed 5% reduction in pay effective January 1, 1986, are included in the estimates for specific programs and agencies.

#### DISCRETIONARY LOAN OUTLAYS

(Dollars in billions)

|  | 1986 | 1987 | 1988  | 1989  | 1990  | Total<br>1986-88 | Total<br>1986-90 |
|--|------|------|-------|-------|-------|------------------|------------------|
| <b>Totals</b>                          |      |      |       |       |       |                  |                  |
| Current services .....                 | 13.6 | 12.1 | 12.7  | 12.6  | 11.3  | 38.4             | 62.3             |
| Proposed savings .....                 | -6.2 | -9.7 | -11.8 | -13.4 | -14.4 | -27.8            | -55.6            |
| <b>Major Programs and Changes</b>      |      |      |       |       |       |                  |                  |
| Subsidized agricultural credit (ACIF): |      |      |       |       |       |                  |                  |
| Current services .....                 | 3.1  | 2.2  | 2.5   | 2.9   | 2.3   | 7.8              | 13.0             |
| Proposed savings .....                 | -3.0 | -3.5 | -3.7  | -4.0  | -4.2  | -10.2            | -18.4            |
| Rural housing (RHIF):                  |      |      |       |       |       |                  |                  |
| Current services .....                 | 4.5  | 4.5  | 4.9   | 5.0   | 4.9   | 14.0             | 24.0             |
| Proposed savings .....                 | -2.2 | -3.1 | -3.5  | -4.0  | -4.2  | -8.9             | -17.1            |
| Rural development (RDIF):              |      |      |       |       |       |                  |                  |
| Current services .....                 | 1.2  | 1.1  | 1.4   | 1.2   | 1.0   | 3.7              | 5.9              |
| Proposed savings .....                 | -0.1 | -0.2 | -0.4  | -0.4  | -0.5  | -0.6             | -1.6             |
| Export-Import Bank:                    |      |      |       |       |       |                  |                  |
| Current services .....                 | 1.0  | 0.7  | 0.5   | 0.1   | 0.1   | 2.2              | 2.5              |
| Proposed savings .....                 | -0.4 | -1.4 | -2.1  | -2.4  | -2.5  | -3.9             | -8.8             |
| Small business assistance:             |      |      |       |       |       |                  |                  |
| Current services .....                 | 1.0  | 1.1  | 1.2   | 1.2   | 1.2   | 3.3              | 5.8              |
| Proposed savings .....                 | -0.3 | -0.8 | -1.0  | -1.1  | -1.2  | -2.2             | -4.5             |
| Rural Electrification Administration:  |      |      |       |       |       |                  |                  |
| Current services .....                 | 2.7  | 2.3  | 2.2   | 2.1   | 1.7   | 7.2              | 11.1             |
| Proposed savings .....                 | -0.2 | -0.5 | -1.0  | -1.4  | -1.7  | -1.7             | -4.9             |
| Community development (FFB):           |      |      |       |       |       |                  |                  |
| Current services .....                 | 0.1  | 0.1  | 0.1   | -*    | -0.1  | 0.2              | 0.1              |
| Proposed savings .....                 | -*   | -0.1 | -0.1  | -0.1  | -*    | -0.2             | -0.3             |

\*\$50 million or less.

**Discretionary loans.**—The administration proposes that several discretionary direct loan programs be terminated or greatly reduced in size. These programs benefit a select group of borrowers by channelling subsidized credit to them at the expense of all other borrowers who therefore have less total credit available to them and must pay more for what is available. In most cases, borrowers under these programs may turn to other sources of credit. Some of the borrowers will be assisted by a higher level of Federal guarantees. The proposals for these programs would save \$27.8 billion in outlays over 1986 to 1988. Since repayments on existing loans will more than offset the lower level of future disbursements in 1989 and 1990, the outlay savings will be larger than the program levels in those years.

The administration is proposing to terminate:

- Small Business Administration direct loans;
- most loan programs in the Farmers Home Administration;
- community development loans made through the Federal Financing Bank; and
- the Export-Import Bank's direct loan program, which will be replaced by an explicit interest rate subsidy fund.

The administration is also proposing reductions in the Rural Electrification Administration's loan programs.

**User fees and offsetting receipts.**—In addition to the user fees discussed in previous sections, the budget includes a number of proposals to increase the fees paid by the users and beneficiaries of Federal services. These proposals include:

- fees for harbors and inland waterways to recover most of the Federal subsidies for operating locks and dredging channels for commercial navigation, which are estimated to yield \$0.4 billion in 1986 and \$1.7 billion over 3 years;
- processing fees on passengers and commercial carriers entering the U.S. by land or sea, which are estimated to be \$0.5 billion in 1986 and \$1.5 billion over 3 years;
- fees to recover about 19% of the cost of Coast Guard services for recreational and commercial mariners, which are expected to yield \$0.2 billion in 1986 and \$1.2 billion over 3 years;
- fees on the meat and poultry industry to phase in full recovery of inspection and related costs;
- additional fees for recreational use of Federal lands and facilities, including national parks, forests, water resource projects, and related facilities; and
- fees on borrowings by Government-sponsored enterprises.

## PROPOSED USER FEES

(in billions of dollars)

|   | 1986 | 1987 | 1988 | 1989 | 1990 | Total<br>1986-88 | Total<br>1986-90 |
|---|------|------|------|------|------|------------------|------------------|
| User fees included in previous categories:      |      |      |      |      |      |                  |                  |
| Entitlements (GSL) .....                        | *    | *    | *    | *    | *    | *                | -0.1             |
| Other mandatory:                                |      |      |      |      |      |                  |                  |
| CCC export credit .....                         | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.7             | -1.1             |
| Pension Benefit Guaranty .....                  | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.5             | -0.9             |
| GNMA and other .....                            | -0.1 | -0.1 | -0.2 | -0.2 | -0.2 | -0.3             | -0.7             |
| Dedicated taxes and business operations:        |      |      |      |      |      |                  |                  |
| Federal Housing Administration .....            | -0.2 | -0.3 | -0.2 | -0.1 | -0.1 | -0.7             | -1.0             |
| Veterans housing .....                          | -0.6 | -0.6 | -0.8 | -0.8 | -0.8 | -2.0             | -3.5             |
| Other .....                                     | *    | *    | *    | *    | *    | -0.1             | -0.2             |
| Discretionary fast-spending .....               | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.3             | -0.5             |
| Discretionary loans:                            |      |      |      |      |      |                  |                  |
| Agricultural credit insurance .....             | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.5             | -0.8             |
| REA .....                                       | *    | *    | *    | -0.1 | -0.1 | -0.1             | -0.2             |
| Subtotal, included previously .....             | -1.5 | -1.7 | -1.9 | -1.9 | -1.9 | -5.2             | -8.9             |
| User fees not previously included: <sup>1</sup> |      |      |      |      |      |                  |                  |
| Navigation fees .....                           | -0.4 | -0.6 | -0.6 | -0.7 | -0.8 | -1.7             | -3.2             |
| Customs fees .....                              | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | -1.5             | -2.6             |
| Boat and yacht fees .....                       | -0.2 | -0.5 | -0.5 | -0.5 | -0.5 | -1.2             | -2.1             |
| Meat inspection fees .....                      | -0.1 | -0.2 | -0.3 | -0.3 | -0.3 | -0.7             | -1.4             |
| Recreation fees .....                           | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.3             | -0.5             |
| Government-sponsored enterprise fees .....      | *    | -0.1 | -0.2 | -0.3 | -0.3 | -0.4             | -1.0             |
| Other .....                                     | *    | -0.1 | -0.1 | -0.1 | -0.1 | -0.2             | -0.3             |
| Subtotal .....                                  | -1.4 | -2.1 | -2.3 | -2.5 | -2.6 | -5.8             | -10.9            |
| Total .....                                     | -2.9 | -3.8 | -4.2 | -4.4 | -4.5 | -11.0            | -19.9            |

\* \$50 million or less.

<sup>1</sup> Offsetting receipts.

Several budget proposals other than user fees affect the levels of offsetting receipts. These include:

- the proposed reduction in lending, which reduces estimated interest income to the Treasury by \$0.2 billion in 1986 and \$2.8 billion over 3 years;
- other proposals that, on net, increase interest income by \$0.4 billion in 1986 and by \$0.6 billion over 3 years;
- the proposed reimbursement from third-party insurers for medical care provided by the Veterans Administration for all non-service-connected veterans who have health insurance, which is expected to yield \$65 million in 1986, and \$0.6 billion over 3 years;
- the proposed sale of Conrail, which is expected to yield \$1.2 billion in 1986;
- the higher level of military personnel proposed in the budget and the proposed military pay increase in July 1985, which are estimated to increase offsetting receipts from the employer share of contributions to military retirement by \$0.5 billion in 1986 and \$3.3 billion over 3 years;



- the proposed increase in the Postal Service contribution for retirement, which increases receipts to the civil service retirement and disability fund by \$0.3 billion in 1986 and \$1.6 billion over 3 years;
- the proposed 1986 cut in civilian agency pay, which reduces offsetting receipts from employing agencies to employee retirement funds by \$0.4 billion in 1986, and \$2.0 billion over 3 years; and
- the proposed sale of small business loan assets, which is expected to yield \$0.7 billion in 1986 and \$1.8 billion over 3 years. All loans are expected to be sold by 1990.

## NON-USER FEE CHANGES IN OFFSETTING RECEIPTS

(In billions of dollars)

|  | 1986        | 1987        | 1988        | 1989        | 1990       | Total<br>1986-88 | Total<br>1986-90 |
|--|-------------|-------------|-------------|-------------|------------|------------------|------------------|
| Interest income from FFB .....             | 0.2         | 0.9         | 1.7         | 2.5         | 3.4        | 2.8              | 8.7              |
| Other interest income .....                | -0.4        | -0.2        | *           | 0.2         | 0.2        | -0.6             | -0.2             |
| Sale of Conrail .....                      | -1.2        |             |             |             |            | -1.2             | -1.2             |
| Third-party reimbursements to VA .....     | -0.1        | -0.2        | -0.3        | -0.3        | -0.3       | -0.6             | -1.1             |
| Military contributions to retirement ..... | -0.5        | -1.1        | -1.7        | -2.3        | -2.5       | -3.3             | -8.1             |
| Postal contributions to retirement .....   | -0.3        | -0.6        | -0.8        | -1.2        | -1.6       | -1.6             | -4.4             |
| Other contributions to retirement .....    | 0.4         | 0.7         | 0.8         | 1.0         | 1.2        | 2.0              | 4.2              |
| Small business loan asset sales .....      | -0.7        | -0.6        | -0.5        | -0.5        | *          | -1.8             | -2.3             |
| Other .....                                | 0.2         | 0.2         | 0.3         | 0.3         | 0.3        | 0.6              | 1.2              |
| <b>Total .....</b>                         | <b>-2.2</b> | <b>-1.0</b> | <b>-0.5</b> | <b>-0.2</b> | <b>0.8</b> | <b>-3.8</b>      | <b>-3.2</b>      |

\* \$50 million or less.

## THE CREDIT BUDGET

The credit budget, with its appropriation act limitations on direct loan obligations and guaranteed loan commitments is the means by which new extensions of Federal and federally assisted credit are controlled. For direct loan programs, the credit limitations indirectly affect new disbursements and net outlays. The lower level of direct loan outlays discussed above are the result of lower levels of direct loan obligations.

## CREDIT BUDGET TOTALS

(In billions of dollars)

|                                   | 1985         | 1986         | 1987         | 1988         | 1989         | 1990         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Direct loan obligations .....     | 51.9         | 24.2         | 22.7         | 19.9         | 17.3         | 16.6         |
| Guaranteed loan commitments ..... | 74.0         | 77.2         | 78.5         | 80.9         | 83.7         | 86.3         |
| <b>Total .....</b>                | <b>125.9</b> | <b>101.4</b> | <b>101.3</b> | <b>100.8</b> | <b>101.0</b> | <b>102.9</b> |

In line with the administration's efforts to control the cost of Federal credit programs, this budget proposes reduced intervention

in the Nation's lending markets through specific cuts in several discretionary direct loan programs, and an initiative to place some credit programs on a sounder actuarial basis. Several loan guarantee programs, such as the Export-Import Bank and the agricultural credit insurance fund, are being increased in size to compensate for the lower level of direct loan obligations.

For 1986, the administration proposes a total credit budget of \$101.4 billion, of which \$24.2 billion is for direct loan obligations and \$77.2 billion is for guaranteed loan commitments. This is a decline of 19% from the estimated 1985 credit budget total of \$125.9 billion.

The reduction is due largely to proposed cuts in discretionary loan programs that were discussed earlier. The table below shows the proposed decreases for these programs.

#### DISCRETIONARY LOAN PROGRAMS—DIRECT LOAN OBLIGATIONS—PRESIDENTIAL POLICY

(Dollars in millions)

|  | 1984          | 1985          | 1986         |
|--|---------------|---------------|--------------|
| Subsidized agricultural credit (ACIF) .....                  | 4,005         | 3,770         | 435          |
| Rural housing (RHIF) .....                                   | 2,776         | 3,445         | 168          |
| Rural development (RDIF) .....                               | 412           | 511           | 62           |
| Export-Import Bank .....                                     | 1,467         | 3,865         | .....        |
| Small business assistance (including FFB) .....              | 1,543         | 2,006         | 685          |
| Rural Electrification Administration (including FFB) .....   | 2,224         | 2,632         | 1,060        |
| Community Development (FFB) .....                            | 87            | 225           | .....        |
| <b>Total</b> .....   | <b>12,514</b> | <b>16,454</b> | <b>2,410</b> |
| Programs as a percent of total direct loan obligations ..... | 32.0%         | 31.7%         | 9.9%         |

In addition to the proposed cuts in program levels, the administration is proposing that several credit programs be placed on a sounder actuarial basis by requiring borrowers to share more of the costs of the credit programs. These costs include defaults, interest expenses, delayed repayments, and servicing and administrative costs. For some direct loan programs, the administration is proposing that the interest rate on new loans will be the yield on newly issued, equivalent-maturity Treasury securities plus 1½%, as well as an up-front fee of 5% of the loan amount. The administration also proposes that some guaranteed loan borrowers be required to pay an up-front fee of 5% of the guaranteed loan amount, plus an annual fee of 1%. The additional revenue generated by these proposals totals \$4.0 billion over the 1986 to 1988 period.

#### MANAGEMENT REFORM

Modernization of Federal operations is an important part of this administration's overall objectives of restoring efficiency, balancing the role, and reducing the size of the Federal Government. A

smaller, but more efficient and productive, Federal establishment that relies more on the private sector for performance of commercial-type activities is in keeping with the President's concept and philosophy of government. The administration's management improvement program, Reform '88, is now well underway. It is a comprehensive, vigorous approach to reforming the Federal Government's management processes. Significant accomplishments have been achieved in the last 4 years.

This year, the President is issuing a management report, as required by section 2903 of the Deficit Reduction Act of 1984 (DEFRA). This report describes the major management initiatives. It also provides a status report on the Grace Commission recommendations and information on 1985 savings in specified categories, as required by section 2901 of DEFRA. A summary of the President's strategy and accomplishments follows.

***Eliminating fraud, waste, and abuse.***—In 1981, the President's Council on Integrity and Efficiency (PCIE), composed of departmental Inspectors General (IGs), was created to coordinate an aggressive campaign against waste and fraud. Armed with a strong Presidential mandate, they have made it possible for more than \$46 billion to be put to better use. On a cumulative basis, over 10,000 successful prosecutions have been achieved, \$273 million in investigative recoveries have been made, and over 9,000 administrative actions have been taken against Federal and contractor employees since 1981.

The PCIE is pioneering Federal improvements in computer security, the matching of computer files, and other innovative techniques for preventing waste and fraud from occurring in the first place.

Follow-up on audits made by IGs, the General Accounting Office (GAO), and others has become more timely and effective. The audit backlog in civilian agencies has been reduced from \$0.6 billion in 1981 to \$0.1 billion at the end of 1984, and a new system in the Defense Department has cut in half the funds tied up in unresolved audits, from over \$1 billion in 1981 to \$0.5 billion as of September 30, 1984.

***Controlling the cost of administering Federal programs.***—The goal is to reduce administrative overhead substantially. Toward this objective, the administration has:

- reduced Federal civilian agency employment by the end of 1984 to 78,100 below the levels proposed for 1982;
- set into motion plans to consolidate payroll and personnel systems and, thereby, reduce the number of systems from 134 at the end of 1983 to 10 by 1988;

- cut the number of Federal Government publications by 25%, from nearly 16,000 in 1981 to just over 12,000 in 1985, reducing costs by \$35 million;
- made a start toward the goal of reducing the costs of Government work space administered by the General Services Administration by 10%, with expected cost reductions of \$70 million in 1985; and
- achieved administrative streamlining by wider application of staffing standards and automation of management processes.

**Financial management.**—Assuring better stewardship of Federal funds has been a high priority. As a result, the Federal Government is improving the management of the \$1 trillion that it handles each year. This reduces Treasury's financing costs and helps avoid penalties for late payment. A credit management system to handle the \$315 billion in debt owed the Federal Government is being established, using tools the private sector has found effective. Standardized but adaptable financial management systems are being developed—one for international agencies and another for domestic agencies.

**Productivity improvement.**—Fresh emphasis and definition is being given to adopting the most efficient and productive methods for conducting the Federal Government's business. The 30-year policy embodied in OMB's Circular No. A-76 that requires review of commercial-type activities for possible performance by the private sector is being revitalized. The number of positions reviewed to determine whether the functions performed can be done more efficiently by the private sector is expected to increase from 12,000 in 1984 to 35,000 a year in 1985. In addition, in-house management efficiency reviews are being emphasized, and agencies are expected to search for greater efficiency by reviewing an additional 150,000 positions in 1986. A productivity clearinghouse has been established to facilitate cost comparisons and adoption of uniform, accurate performance standards.

**Information technology.**—The administration has adopted a three-point strategy to reestablish the Government's position as a leader in efficient and productive use of information technology. This strategy calls for: 1) the issuance of effective and up-to-date guidelines; 2) early OMB involvement to assure their implementation; and 3) the development of objective measures to maximize the return on the Federal Government's investments in information technology. To carry out this strategy, agencies will be required to document a 10% return on information technology investments. Greater reliance will be placed on the acquisition of computer

software that is commercially available rather than customized. Agencies will be required to adopt standards that foster exchange of information among systems. Procedures will be developed to exploit the economies resulting from the competitive nature of the information technology marketplace. Finally, long-range planning will assure that information technology investments are program-based and results-oriented.

***Program delivery improvements.***—The administration has made a start at improving the accuracy and efficiency with which agencies deliver services and benefits to the public. Initiatives include streamlining the field structure of Federal agencies, which has grown unnecessarily large and duplicative, to reflect the efficiencies that have been made possible by advances in communications, transportation and information technology. In addition, efforts are being made to institutionalize management reforms into program operations. For example, the payment integrity project, established in 1983, is working to reduce by 20% by 1988 the error rate in making entitlement payments.

***Integration of management savings into the budget.***—Efforts of many previous administrations have been long on recommendations and short on implementation. This administration has carefully developed a process to ensure implementation through integration of management objectives and milestones into the budget. This tracking system will permit OMB to monitor each agency's execution of the management initiatives that have been included in the 1986 budget. Annual management reviews will provide another check on progress toward implementation and an opportunity to seek additional improvements. Together, these efforts will ensure that Reform '88 initiatives are made a permanent part of Federal Government operations.

***Status of Grace Commission recommendations.***—Early in his administration, the President recognized the benefit of obtaining advice on management improvements from business leaders and authorized the establishment of the President's Private Sector Survey on Cost Control (PPSSCC). Industrialist J. Peter Grace assembled 161 high-level private sector executives from many of the Nation's leading corporations. The results of this effort were published in 47 reports that contained 2,478 recommendations on 784 issues.

Given the broad scope of the review, there was some overlap among the reports, and, in some cases, the Commission could not develop specific savings estimates. Excluding these items, the reports identified savings for 1,635 different recommendations. Seven-

ty percent of these recommendations have been carried out or are being proposed with the 1986 budget; the remaining 30% are undergoing further review. Most of the recommendations—879—have already been implemented, and 269 are being transmitted with the 1986 budget. Congressional cooperation is needed to achieve the savings from the management improvements included in the 1986 budget.

***Selected 1985 management savings.***—As required by section 2901 of the Deficit Reduction Act of 1984, the Office of Management and Budget reviewed the 1985 appropriations for specified activities, such as travel and consultant services, to determine whether reductions from the 1984 levels had been or should be achieved. As a result of this review, the budget includes reductions of \$0.4 billion in 1985 funding levels.

A serious effort has been made to determine reasonable savings. The achievement of most of these savings requires Congressional approval of the rescissions proposed in the budget.

***Efficiency in Government Legislation.***—The President's comprehensive report on management initiatives asks Congress to enact Efficiency in Government Legislation that would improve Federal management by removing some of the obstacles that currently prevent full implementation of the administration's management improvement program. This proposal reflects the need for selected, broad reforms that individual agencies alone cannot achieve.

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**PART 3**

**ECONOMIC ASSUMPTIONS AND  
THE BUDGET**

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3-1

## **ECONOMIC ASSUMPTIONS AND THE BUDGET**

This part of the budget discusses the economic assumptions underlying the 1986 budget estimates. The first section reviews the recovery that has returned the economy to healthy growth with moderate inflation, following many years of stagflation. The second section presents the near-term forecast for 1985-1986 and the long-term economic assumptions that underlie the budget projections through 1990. The third section discusses the relationship between Federal debt and capital formation. The fourth section describes the sensitivity of the budget to changes in economic assumptions. The last section describes how economic developments and changes in the economic forecast have modified the budget outlook since last year.

### **THE ECONOMIC OUTLOOK: THE RECOVERY CONTINUES**

When the administration took office in 1981, inflation was out of control. The rapid increase in prices was hurting economic growth, investment was being diverted into unproductive inflation hedges, and normal business and household planning were being hindered by the uncertainty surrounding the outlook for prices and costs. Labor productivity in the economy's nonfarm business sector grew at an annual rate of 2.0% between 1948 and 1981, but by only 0.6% from 1973 to 1981. The collapse of productivity growth during the 1970's produced stagnating real wages even while nominal wage rates were rising rapidly.

Under the circumstances, controlling inflation had to be the administration's top priority. In 1980, inflation was running about 12½%; in the last 3 years, it has been only 4%. This dramatic reduction helped convince American families and businesses that they could plan for the future once again without fearing that unpredictable price increases would make their plans futile.

The lower rate of inflation, together with the administration's program to restore incentives for work, saving, and investment by lowering tax rates and reducing the regulatory burden on business, led to the robust economic recovery of the past 2 years. The recovery has fostered a new sense of confidence in America's economic future as it offers the prospect of sustained economic growth with low and stable inflation for the first time in many years.



*An Overview of the Recovery.*—The recovery from the 1981-82 recession began in late 1982. It was sparked in part by a shift in monetary policy that contributed to a surge of growth in the money supply, a dramatic decline in interest rates, and a strong rally in the stock market.

The boom in the stock market was part of a broader shift in the public's asset preferences. For most of the previous decade, savers who had invested in financial assets had been losers to a combination of inflation and taxes. Inflation drove interest rates up and bond prices down, while eroding the real value of interest income and dividend payments. Compounding the injury, taxes were levied on the nominal income on these financial assets, "income" that often was inadequate even to preserve the assets' value.

Similar problems were reducing business profitability. Depreciation allowances based on the historical cost of fixed capital understated true depreciation in a time of rapidly rising capital costs. Conventional accounting practices also created fictitious inventory profits when inflation was raising the true replacement cost of goods sold. A growing burden of Federal regulation raised production costs, while limiting investment opportunities. The result of these trends was a decline in profitability that was reflected in the weak performance of corporate equities throughout the period. Stock prices, even accounting for dividends, failed to keep up with inflation in the 1970's.

It is not surprising that by the end of the decade investors were searching for ways to shelter their wealth from the ravages of inflation and the taxation of fictitious profits. The fact that these "investments" were often unproductive hedges such as gold or commodities spread the debilitating effects of the inflation from the financial markets to the real economy. Therefore, the stock market rally of the summer of 1982 was a significant event. It signaled the beginning of a shift back from investment in unproductive inflation hedges and commodity speculation to investment in productive capital assets.

The rally also marked a reevaluation by investors of the long-run profitability of American business. That reevaluation was justified as profits climbed in the first 2 years of the upturn at their fastest pace in 37 years. The greatly improved earnings were achieved even as inflation declined, in large part because a recovery in productivity growth and moderate wage increases held down unit costs and boosted profit margins.

The economy's recovery in 1983 was widely expected by forecasters, but they were surprised by the magnitude of the rebound. From the fourth quarter of 1982, the trough of the recession, to the fourth quarter of 1983, real GNP grew 6.3%; this was a faster rate of growth than in all but 5 other years in the postwar period. Most

## UNIT PRICES, COSTS, AND PROFITS: NONFINANCIAL CORPORATE BUSINESS

(Percent change; annual rate)

|  | Unit prices <sup>1</sup> | Unit costs <sup>2</sup> | Profit margins <sup>3</sup> | Total profits <sup>4</sup> |
|--|--------------------------|-------------------------|-----------------------------|----------------------------|
| <b>Recession:</b>                            |                          |                         |                             |                            |
| 1981:3-1982:4 .....                          | 4.1                      | 6.8                     | -24.9                       | -28.1                      |
| <b>First two years of expansion:</b>         |                          |                         |                             |                            |
| 1982:4-1984:4 .....                          | 3.1                      | 0.4                     | 38.8                        | 50.4                       |
| Average postwar expansion <sup>5</sup> ..... | 2.4                      | 1.1                     | 13.6                        | 22.9                       |

<sup>1</sup> The implicit price deflator for gross domestic product of nonfinancial corporate business.<sup>2</sup> Labor and interest charges plus non-factor costs (e.g., depreciation) divided by real output of nonfinancial corporate business.<sup>3</sup> Pre-tax profits (with inventory valuation and capital consumption adjustments) divided by real output of nonfinancial corporate business.<sup>4</sup> Pre-tax profits (with inventory valuation and capital consumption adjustments) of nonfinancial corporate business.<sup>5</sup> Excluding 1949 and 1980 expansions.

forecasters expected strong economic growth in 1984, and this time they were correct: real GNP grew 5.6% (according to preliminary figures from the Commerce Department). The 2-year average growth rate of 6.0% was as strong as the recovery from any recession since 1950.

The last 2 years have also seen a rapid drop in unemployment. In the 25 months from November 1982 to December 1984, the civilian unemployment rate fell 3.5 percentage points, a larger decline than in any recovery since 1950. It is also noteworthy that the unemployment rate is now slightly lower than it was at the peak of the last business cycle in July 1981. In every other recovery since 1950, the unemployment rate at this point in the expansion was still considerably above its level at the previous peak.

Consumer spending usually leads the recovery, and the current upturn is no exception. During recessions, consumers tend to postpone purchases of housing and other "big-ticket" items like cars and home appliances. An increase in consumer net worth and declining interest rates releases this pent-up demand and helps spur the recovery. From the third quarter of 1982 through the first quarter of 1983, the increase in real personal consumption expenditures outpaced the increase in real GNP.

The recovery is also usually strengthened by the decisions of business firms to restock inventories depleted during the recession. In the initial year of the current recovery, real inventory investment rose a hefty \$32 billion and accounted for about a third of the real GNP gain.

As the recovery proceeded, however, it developed features that were either not expected when it started, or that broke with previous business cycle experience. Most noteworthy have been the moderate inflation rate, the boom in capital spending, the dollar's strength in the foreign exchange markets with the associated inflow of capital from abroad, and high real interest rates. These features are reviewed in the following sections.

*The Moderate Pace of Inflation.*—The low inflation rate continues to surprise observers. Since the beginning of the long process of disinflation in 1981, most forecasters have persistently overestimated prospective price increases. At the beginning of 1984, there were widespread expectations that inflation would accelerate somewhat before the end of the year. In the fourth quarter, however, the GNP deflator rose at an annual rate of only 2.4%. For the year as a whole, on a fourth quarter over fourth quarter basis, the deflator rose 3.5%, about the same rate it has maintained since the trough of the recession.

Although inflation was often stable or declining during the early phases of previous postwar expansions, recent inflation is noteworthy for two reasons:

- The average inflation rate since the recession trough, 3.7%, is lower than in four of the seven previous recoveries since World War II, including the last three. This reverses a pattern evident since the early 1960's in which the inflation rate was higher in each successive cyclical upturn.
- Given the substantial decline in inflation that occurred in 1982, many market forecasters expected disinflation to run its course earlier in this recovery than in the immediately preceding cycles. Although inflation has not declined significantly since the trough of the recession, it has not risen, either.

Steady, moderate inflation over the long run requires a disciplined policy of moderate growth of the money supply by the Federal Reserve. In the early 1980's, many questioned whether the Federal Reserve could persevere in such a policy. Last year, however, it succeeded in holding money supply growth within its 4%-8% target band for M1, while the broader aggregates grew near the upper bounds of their target ranges. The preliminary target for this year, announced by the Federal Reserve in July, is 4%-7% for M1, slightly lower and narrower than the 1984 range.

In the short run, special factors can alter the rate of inflation. During the present recovery, the most significant special factor helping to lower inflation has surely been the extraordinary rise in the exchange value of the dollar. In 1984, the dollar appreciated by 12%. This continued a trend that has pushed the dollar's value up by 70% since the fall of 1980.

When the dollar appreciates, the prices of imported goods are reduced, and the prices of competing domestic goods are also reduced, with a lag. It is estimated that the dollar's appreciation has reduced the inflation rate by roughly one to two percentage points annually for the past 4 years. Since the full adjustment process takes up to 3 years, the dollar's appreciation in 1984 will continue to put downward pressure on prices in 1985 and 1986 if the dollar remains near its current level.

Two other developments helped reduce inflation last year:

- Agricultural and other commodity prices declined in the second half of 1984, after rising sharply in the early stages of the recovery. Since many commodities are imported, their prices were cut by the rise of the dollar.
- Oil prices continued to edge downward as stagnant demand for oil produced excess supply on world markets. The average price of imported oil has fallen by \$2.60 a barrel since January 1983, and prices are expected to fall further in 1985.

Since the price of oil is quoted in dollars, a change in the exchange value of the dollar does not affect the price of oil directly, but it does have important indirect effects. When the dollar rises, as it did last year, foreigners must pay more for oil in terms of their own currencies. This increase in the foreign price of oil strengthened the trend toward reduced world oil demand, and helped put downward pressure on the dollar price of petroleum.

Although the strong dollar was a major contributor to the moderation of inflation that has occurred since the peak of the last business cycle, the moderation has proceeded far beyond what can be traced directly to the strong dollar or to softening commodity prices. Deregulation and a resurgence of entrepreneurial vigor—spurred on, to be sure, by the inroads of foreign producers in U.S. markets—have contributed to a highly competitive atmosphere. Lower inflation expectations, engendered by the success in reducing inflation and the administration's commitment to an anti-inflation policy, have also contributed to the process. In addition, the strong growth in productivity during the last 4 years, especially when compared with the negative growth rates in 1979 and 1980, has helped keep prices down. Together, these forces have produced a marked reduction in inflation across the entire economy, extending far beyond the goods traded in international commerce. An indication of this broad-based trend is the fact that wage inflation has slowed down about as much in nonmanufacturing industries as in the manufacturing sector.

The progress against inflation since 1981 has been remarkable, but it would be premature to declare a final victory. After all, a 4% rate of inflation doubles prices in 18 years and that is a far cry from price stability. Moreover, the special factors that have helped to pull inflation down during the past few years may end or even reverse themselves in the future. Had the exchange value of the dollar not been increasing so rapidly, inflation would have proceeded at a 5 to 5½% rate last year. The dollar cannot continue to rise indefinitely. The relative price of oil should also stabilize eventually. When this happens, there could be some acceleration of inflation.

Most importantly, inflation will not stay down unless the Federal Reserve continues the policy of restrained growth of the money

supply that was so important in reducing the rate of inflation in the first place. Continued restraint can serve to prevent any unfavorable shocks that do occur in the future from initiating a new cycle of rising inflation.

A gradual trend toward price stability provides the necessary background for healthy economic growth. One of the keys to the strong growth that has marked the present recovery has been the fundamental change in the inflation outlook since 1981. To maintain this success, policies of feverish demand expansion must be avoided. A commitment to steady reduction in the rate of growth of the money supply will sustain real economic growth and permit a return to price stability.

***The Boom in Business Fixed Investment.***—The increase in capital spending in the present expansion is far stronger than normal. Over the past 2 years, real gross nonresidential fixed investment increased at a 15.4% annual rate, compared with an average increase of less than 7% in previous cycles between 1950 and 1980.

Part of this investment boom simply reflects the severity of the 1981-82 recession. Investment is always depressed during business downturns, and the deeper the recession, the further investment has to recover in order to reach a normal level. However, even after adjusting for the effect of the recession by measuring the change in investment from the peak rather than the trough of the cycle, the increase in capital spending remains impressive. Since the July 1981 peak, real business fixed investment has grown at an average yearly rate of 6.0%, more than three times faster than the average gain over comparable stages of previous cycles.

There is a strong statistical relationship between the level of business fixed investment and the change in business sales. This is usually explained by business's desire to maintain a stable capital-output ratio. If output rises, then so will the desired stock of capital, and that leads to an increase in investment. This accelerator mechanism is clearly at work in the present expansion. The normal response to a healthy increase in sales like that experienced in the past 2 years would be a boom in investment spending. However, the growth in investment spending in the past 2 years has been too large to be explained entirely by this factor. Other forces were also at work:

- The administration's tax reform significantly raised depreciation allowances for many investments, reducing the real cost of capital to business firms for a broad range of investments.
- High inflation raised the effective rate of business taxation in the 1970's. Since 1980, the marked decline in inflation has lowered effective business tax rates, and would have done so even in the absence of more favorable depreciation allowances.

- Prices of investment goods have been very stable in the current expansion, reflecting, in part, the strong dollar and the heightened competition from foreign producers of capital goods. The price deflator for nonresidential fixed investment was slightly lower at the end of 1984 than it was 2 years earlier.
- Low and stable inflation has also removed much of the uncertainty that was hampering investment prior to the present recovery.
- The strong recovery, moderate wage demands, and a productivity rebound resulted in a sharp increase of nearly 90% in corporate profits during the expansion's first 8 quarters. Healthy profits, whether as a signal of future profitability or because internally generated funds are cheaper than external funds, are usually associated with an increase in investment.

The strength of business fixed investment has been concentrated in expenditures for producers' durable equipment; investment in nonresidential structures has experienced only a typical cyclical upturn. The difference in the two components reflects, in part, the relatively favorable tax treatment that equipment receives under the current tax code.

The increase in capital spending has raised net investment as well as gross investment, but not to the same extent. It is net investment that determines the rate of growth of the capital stock and helps to determine future economic growth, a fact that the administration has taken into account in its economic assumptions. The discrepancy between the two measures is partly accounted for by the shifting composition of investment. The trend toward short-lived assets that depreciate more rapidly has raised the share of capital replacement in total gross investment. Also depreciation tends to be high relative to net investment during the earlier stages of cyclical upturns. Because of the increase in depreciation, a high level of gross investment is required to sustain a healthy rate of economic growth.

***The Dollar and the Net Inflow of Foreign Capital.***—The increased profitability of U.S. investment opportunities as a result of tax changes, rapid expansion, low inflation, and deregulation has attracted a record net inflow of foreign capital. The strong international demand for U.S. assets led to a rise of 70% in the multilateral trade-weighted value of the dollar since the third quarter of 1980.

The strength of the dollar has helped reduce inflation and has benefited consumers. However, the counterpart of the dollar's rise and the capital inflow has been a worsening of the U.S. current account. The current account, the broadest measure of trade, serv-

ices, and interest payments between the U.S. and other countries, shifted from a nearly balanced position in 1980, to a deficit amounting to 3% of GNP by the second half of 1984. A higher dollar has made U.S. exports more expensive for foreigners, and imported goods cheaper at home. This has encouraged a surge of imports, while producing sluggish growth in the export and import-competing sectors of the economy. The effect of the high exchange rate has been compounded by the slow growth of the major European economies and the weak import demand and aggressive export promotion of many heavily indebted less-developed countries.

During the 1950's and 1960's, the U.S. enjoyed persistent current account surpluses which were used to finance capital investment overseas. U.S. assets abroad exceeded foreign assets in the U.S. by \$150 billion at the end of 1982. However, during 1983, the surplus of assets eroded to \$106 billion, and eroded further in 1984. Sometime this year, recorded foreign assets in the U.S. will exceed our assets abroad, making us a net debtor nation.

The continued inflow of capital has reduced the surplus on investment income which the U.S. has enjoyed over the past decade by increasing interest payments to foreigners. In 1980, the U.S. surplus on investment income amounted to \$30 billion; by the third quarter of 1984 it had eroded to \$15 billion. Given the prospect of large current account deficits for the foreseeable future, the U.S. will soon be making a net transfer of investment income to foreigners.

In the 1970's, the U.S. was able to run a large trade deficit while maintaining a balanced current account since it received substantial net investment income from foreigners. In the future, we will not be able to pay for imported goods with the proceeds from our foreign investments. Instead, we will have to export in order to pay interest on our foreign borrowing.

The recovery has been stronger in the aggregate than is typically the case. Therefore, it is hard to argue that the high dollar and the capital inflow have been detrimental to overall growth thus far. The effects have been mainly compositional, with export and import-competing industries adversely affected, while the benefits have been spread more diffusely throughout the economy. The long-run problems concern the consequences for the economy should foreigners attempt to reduce their purchases of dollar assets while we are still running a large current account deficit. Under such circumstances, the inflation rate might temporarily rise as the dollar's exchange rate falls. In addition, there could be a rise in interest rates and slower overall economic growth.

**High Real Interest Rates.**—The real interest rate is the difference between the prevailing market rate of interest and the rate of inflation. It is the real interest rate that measures the true

cost of borrowing and the true return to saving. By contrast, the nominal interest rate, alone, conveys little significant information about the cost of capital. Nominal rates of 10% can be either excruciatingly high or ridiculously cheap, depending on how fast inflation is eroding the value of money.

Since 1980, the inflation rate and inflation expectations have declined substantially. Market interest rates have also fallen, but by no more than the decline in inflation expectations. Consequently, real interest rates appear to have remained on a rough plateau far above their historical values. As described above, capital spending boomed despite the apparently high real interest rates. The administration's business tax cuts, lower inflation, and the fall in the relative price of capital goods offset the high rates. Indeed, some have suggested that the improved investment outlook is responsible for keeping real rates high by stimulating borrowing.

While strong business investment demand has undoubtedly contributed to keeping rates high, so has heavy Government borrowing. It would be wrong to attribute all of the increase in real rates to only one component of the demand for savings. It is the combined demands of Government and business that have helped keep real rates high. The decline in the deficit that would result from enacting this budget should remove some of the strain on interest rates, and permit the high long-term real rate to return gradually to its historical norm.

### ECONOMIC ASSUMPTIONS

This section describes the economic assumptions that underlie the estimates in the budget. The current services estimates displayed in the budget are based on these same economic assumptions. Permitting the budget to proceed on a current services basis—that is, with no future policy action to change program spending or receipts—would change significantly, and for the worse, the economic performance from what is assumed for the budget. However, the convention of basing both the budget estimates and the current services estimates on a common set of economic assumptions limits the differences between them to the direct effects of proposed policy actions. This permits the current services estimates to serve their purpose as a baseline against which to measure the budgetary effect of policy proposals. In keeping with the usual practice, the assumptions are presented for calendar years, rather than fiscal years.

The short-term forecast for 1985-86 is based on an assessment of the implications of recent developments for the economic outlook. Consequently, this section begins with a brief review of those developments. It is followed by a discussion of the short-range outlook, accompanied by a table that presents the forecast through 1986.



The section concludes with a discussion of the administration's long-range economic assumptions for the 1987-1990 period, accompanied by a table in which these assumptions are presented in detail.

**Shifting Gears: The Pause of 1984.**—Economic activity grew at a rapid 8½% annual rate in the first half of 1984. This continued the trend evident in the second half of 1983 and helped to make the recovery stronger than any other expansion since 1951. However, in the third quarter of 1984, economic growth slowed abruptly to a 1.6% rate.

The growth of consumer spending lost momentum in the summer months after a buying spree in the spring: real consumption expenditures, which grew at about an 8% annual rate in the second quarter, were essentially flat from July to September. The lull in spending was unexpected and resulted in a build-up of unwanted inventories during the third quarter. Subsequently, excess inventories were reduced through a modest curtailment of production. By the fourth quarter, the brief pause had ended. Real final sales rose at a 8.3% annual rate, following a slight decline in the third quarter. Moreover, the economy entered 1985 with considerable momentum: consumer spending and industrial production accelerated in November and December and the inventory-to-sales ratio fell, providing a stimulus to further increases in production and employment during 1985.

#### COMPONENTS OF REAL GNP

(Percent change, annual rate)

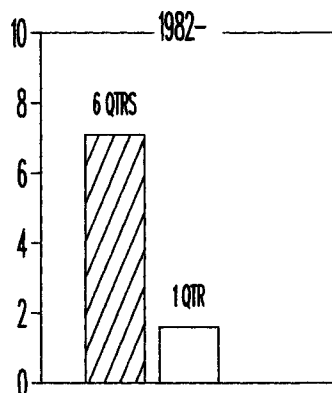
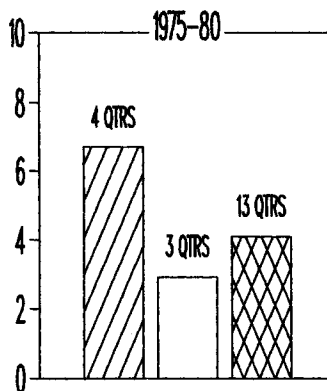
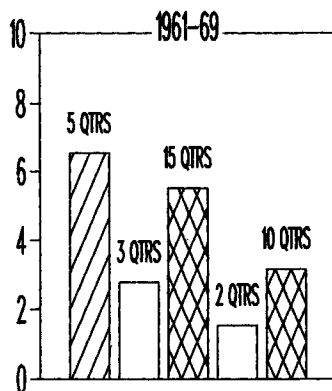
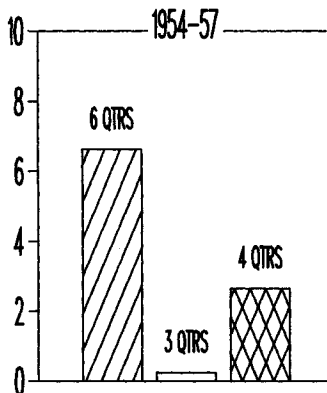
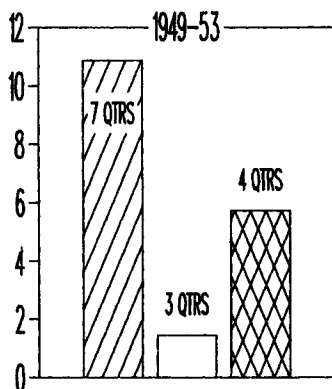
|   | 1983 <sup>1</sup> | 1984 |      |      |      |
|---|-------------------|------|------|------|------|
|   |                   | Q1   | Q2   | Q3   | Q4   |
| Real GNP .....                                    | 6.3               | 10.1 | 7.1  | 1.6  | 3.9  |
| Final sales .....                                 | 4.1               | 3.6  | 10.3 | -1.0 | 8.3  |
| Change in business inventories <sup>2</sup> ..... | -3.6              | 31.6 | 20.3 | 30.6 | 14.2 |

<sup>1</sup> Fourth quarter of 1982 to fourth quarter of 1983.

<sup>2</sup> Dollar amount in billions of 1972 dollars.

The kind of economic growth the economy experienced in the first half of 1984 is not sustainable on a long-term basis, but it is typical of the early stages of a business cycle expansion. It is also typical for the economy to pause following such periods of rapid growth in order to consolidate earlier gains. In four previous post-war expansions, a pause occurred after six to eight quarters of rapid growth. The previous pauses lasted two to three quarters during which growth was below its long-term trend, but not negative. The pauses were followed by renewed economic growth. If the economy continues to expand as it did in the fourth quarter, the recent pause will be even briefer than usual.

# Real GNP Growth (Percent Change Annual Rate)



Recovery

Pause

Expansion

Financial indicators also suggest that economic activity will continue at a moderately rapid pace this year. The Federal Reserve has moved aggressively in recent months to increase the growth of the money supply. The money supply, which fell slightly from June to October, rose at a 10% annual rate in November and December. Short-term interest rates, notably the Federal funds rate and the 91-day Treasury bill rate, fell over 2½ percentage points from the beginning of September to the end of December. The discount rate was lowered 1 percentage point in two stages in November and December. This shift in monetary policy should help ensure continuation of the expansion this year. The Federal Reserve is pursuing this monetary policy with due care that the rate of growth of the money supply not become so rapid as to reignite inflationary expectations. The Federal Reserve has been able to shift monetary policy somewhat because inflation has remained low and the Federal Reserve and the administration are maintaining their anti-inflationary commitment.

*The Outlook for 1985-1986.*—Although economic growth has revived following previous pauses, it has never resumed the very rapid pace set in the recovery phase of expansions. It is relatively easy to increase output during the initial recovery phase. Ample supplies of unemployed labor and unused capacity are available to meet any surge in demand. However, much of the unused supply is absorbed in the initial stage of the recovery, and subsequent growth depends on the economy's ability to add to its supplies of labor and capital. It is then that the economy's supply-side becomes the dominant factor in determining the rate of growth.

In the early stage of a cyclical recovery, any underestimate of aggregate demand is likely to produce an underestimate of real economic growth. This was the error forecasters made in 1983. However, as the recovery proceeds, an underestimate of demand is more likely to produce a mistakenly low estimate for the rate of inflation. This was a common mistake in the late 1970's.

The forecast for 1985-86 assumes that monetary policy will avoid excessive stimulus, while providing sufficient liquidity to sustain the expansion. It is wrong to assume that, because a stimulative monetary policy can produce a rapid rate of real economic growth in the early stages of a business cycle recovery, it is capable of producing rapid growth at any stage of the cycle. Experience suggests that attempts to do that result in accelerating inflation and a premature end to what might otherwise be a long and healthy expansion.

The highlights of the forecast include the following:

- Real GNP is expected to grow 4% in both 1985 and 1986. This is consistent with a return to healthy expansion following a temporary pause.

## SHORT-RANGE ECONOMIC FORECAST

(Calendar years; dollar amounts in billions)

| Item   | Actual<br>1983 | Forecast          |       |       |
|--|----------------|-------------------|-------|-------|
|  |                | 1984 <sup>1</sup> | 1985  | 1986  |
| <b>Major economic indicators:</b>  |                |                   |       |       |
| Gross national product, percent change, fourth quarter over fourth quarter:                  |                |                   |       |       |
| Current dollars.....   | 10.4           | 9.3               | 8.5   | 8.5   |
| Constant (1972) dollars.....   | 6.3            | 5.6               | 4.0   | 4.0   |
| GNP deflator (percent change, fourth quarter over fourth quarter).....                       | 3.8            | 3.5               | 4.3   | 4.3   |
| Consumer Price Index (percent change, fourth quarter over fourth quarter) <sup>2</sup> ..... | 2.9            | 3.6               | 4.2   | 4.3   |
| Unemployment rate (percent, fourth quarter) <sup>3</sup> .....                               | 8.4            | 7.1               | 6.9   | 6.8   |
| <b>Annual economic assumptions:</b>  |                |                   |       |       |
| Gross national product:  |                |                   |       |       |
| Current dollars:   |                |                   |       |       |
| Amount.....  | 3,305          | 3,661             | 3,948 | 4,285 |
| Percent change, year over year.....  | 7.7            | 10.8              | 7.8   | 8.5   |
| Constant (1972) dollars:   |                |                   |       |       |
| Amount.....  | 1,535          | 1,639             | 1,702 | 1,771 |
| Percent change, year over year.....  | 3.7            | 6.8               | 3.9   | 4.0   |
| Incomes:   |                |                   |       |       |
| Personal income.....   | 2,744          | 3,013             | 3,241 | 3,483 |
| Wages and salaries.....  | 1,659          | 1,804             | 1,921 | 2,065 |
| Corporate profits before tax.....  | 203            | 234               | 242   | 286   |
| Price level:   |                |                   |       |       |
| GNP deflator:  |                |                   |       |       |
| Level (1972=100), annual average.....  | 215.3          | 223.4             | 231.9 | 242.0 |
| Percent change, year over year.....  | 3.8            | 3.7               | 3.8   | 4.4   |
| Consumer Price Index: <sup>2</sup>   |                |                   |       |       |
| Level (1967=100), annual average.....  | 297.4          | 307.6             | 320.2 | 334.2 |
| Percent change, year over year.....  | 3.0            | 3.4               | 4.1   | 4.3   |
| Unemployment rates:  |                |                   |       |       |
| Total, annual average <sup>3</sup> .....   | 9.5            | 7.4               | 7.0   | 6.9   |
| Insured, annual average <sup>4</sup> .....   | 3.9            | 2.8               | 2.8   | 2.8   |
| Federal pay raise, January (percent):  |                |                   |       |       |
| Military <sup>5</sup> .....  |                | 4.0               | 4.0   | 5.2   |
| Civilian.....  |                | 4.0               | 3.5   | -5.0  |
| Interest rate, 91-day Treasury bills (percent) <sup>6</sup> .....                            | 8.6            | 9.6               | 8.1   | 7.9   |
| Interest rate, 10-year Treasury notes (percent).....   | 11.1           | 12.4              | 11.0  | 10.3  |

<sup>1</sup> Preliminary actual data.<sup>2</sup> 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. The manner in which this index measures housing costs changed significantly last month.<sup>3</sup> Percent of total labor force, including armed forces residing in the U.S.<sup>4</sup> 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.<sup>5</sup> A 3.0% military pay raise is projected for July 1985. The 1986 military pay raise is projected for October.<sup>6</sup> Average rate on new issues within period, on a bank discount basis. These projections do not represent a forecast of interest rates.

- The GNP deflator is expected to rise 4.3% in both 1985 and 1986. This is a slight acceleration from its remarkably low rate of increase in 1984, but it is still a moderate and predictable pace.
- The unemployment rate is expected to decline modestly in 1985 and 1986.

## LONG-RANGE ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

|  | Assumptions |       |       |       |
|--|-------------|-------|-------|-------|
|  | 1987        | 1988  | 1989  | 1990  |
| <b>Major economic indicators:</b>  |             |       |       |       |
| Gross national product, percent change, fourth quarter over fourth quarter:                  |             |       |       |       |
| Current dollars .....  | 8.3         | 7.9   | 7.4   | 6.9   |
| Constant (1972) dollars .....  | 4.0         | 4.0   | 3.8   | 3.6   |
| GNP deflator (percent change, fourth quarter over fourth quarter) .....                      | 4.1         | 3.8   | 3.5   | 3.2   |
| Consumer Price Index (percent change, fourth quarter over fourth quarter) <sup>1</sup> ..... | 4.1         | 3.8   | 3.5   | 3.2   |
| Unemployment rate (percent, fourth quarter) <sup>2</sup> .....                               | 6.5         | 6.2   | 6.0   | 5.7   |
| <b>Annual economic assumptions:</b>  |             |       |       |       |
| Gross national product:  |             |       |       |       |
| Current dollars:   |             |       |       |       |
| Amount .....   | 4,642       | 5,017 | 5,399 | 5,780 |
| Percent change, year over year .....   | 8.3         | 8.1   | 7.6   | 7.1   |
| Constant (1972) dollars:   |             |       |       |       |
| Amount .....   | 1,841       | 1,915 | 1,989 | 2,061 |
| Percent change, year over year .....   | 4.0         | 4.0   | 3.9   | 3.6   |
| Incomes:   |             |       |       |       |
| Personal income .....  | 3,747       | 4,019 | 4,312 | 4,596 |
| Wages and salaries .....   | 2,237       | 2,425 | 2,624 | 2,824 |
| Corporate profits before tax .....   | 336         | 360   | 377   | 396   |
| Price level:   |             |       |       |       |
| GNP deflator:  |             |       |       |       |
| Level (1972 = 100), annual average .....   | 252.1       | 262.0 | 271.4 | 280.4 |
| Percent change, year over year .....   | 4.2         | 3.9   | 3.6   | 3.3   |
| Consumer Price Index: <sup>1</sup>   |             |       |       |       |
| Level (1967 = 100), annual average .....   | 348.1       | 361.7 | 374.8 | 387.2 |
| Percent change, year over year .....   | 4.2         | 3.9   | 3.6   | 3.3   |
| Unemployment rates:  |             |       |       |       |
| Total, annual average <sup>2</sup> .....   | 6.6         | 6.3   | 6.1   | 5.8   |
| Insured, annual average <sup>3</sup> .....   | 2.6         | 2.5   | 2.3   | 2.2   |
| Federal pay raise (percent):   |             |       |       |       |
| Military (October) .....   | 5.4         | 5.3   | 5.0   | NA    |
| Civilian (January) .....   | 3.0         | 3.0   | 3.0   | 3.0   |
| Interest rate, 91-day Treasury bills (percent) <sup>4</sup> .....                            | 7.2         | 5.9   | 5.1   | 5.0   |
| Interest rate, 10-year Treasury notes (percent) .....  | 9.3         | 7.3   | 5.7   | 5.5   |

<sup>1</sup> 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.

<sup>2</sup> Percent of total labor force, including armed forces residing in the U.S.

<sup>3</sup> 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.

<sup>4</sup> Average rate on new issues within period, on a bank discount basis. These projections assume, by convention, that interest rates decline with the rate of inflation. They do not represent a forecast of interest rates.

- The downward trend in interest rates in the second half of last year is not expected to be reversed. Both long-term and short-term interest rates are projected to decline somewhat over the 2-year forecast horizon, but long-term rates are expected to fall more than short-term rates.

**The Long-Run Assumptions: 1987-1990.**—The long-term economic assumptions are not intended to be a precise forecast of future economic conditions. They are projections of trends for the relevant

economic variables. The projections are based on the presumption that the fiscal policy proposed in this budget will be enacted, and that the Federal Reserve will continue to pursue a policy of reducing the rate of growth of the monetary aggregates.

Real GNP is projected to grow at an annual rate of 4% in 1987 and 1988. Over the following 2 years, its projected growth rate slows down to 3.6%, close to its long-run average. This is consistent with a gradual decline in the total unemployment rate to 5.8% by 1990. Underlying the projected real growth rate are assumptions that a strong increase in employment will occur and that output per hour in the nonfarm business sector will grow at an average rate of about 2% over the 1985-1990 period.

Although the annual rate of growth in the population over 16 should be about 1% for the next 5 years, the economic assumptions call for an increase in employment substantially faster than that. There are three reasons for this assumption.

- The demographic and social trends that have already produced substantial increases in female labor force participation are expected to continue for the remainder of the decade.
- The number of people in the prime working ages of 25 to 54 will grow quite rapidly. This will raise the average rate of labor force participation for the total population.
- The total unemployment rate is assumed to decline gradually between now and 1990.

It is also assumed that a substantially faster growth of productivity than prevailed in the 1970's will be achieved. A variety of administration initiatives have helped foster a business climate that favors increases in efficiency.

- The most important factor justifying an optimistic productivity assumption is the strength in capital spending that has marked the recovery so far.
- Stable, moderate inflation has reduced uncertainty about future price increases, encouraging investment and long-term planning.
- Lower inflation expectations have helped moderate wage and salary demands, and more flexible work rules and fewer strikes have helped raise labor productivity.
- Deregulation in transportation, energy, and finance has increased productivity in these sectors and lowered their relative prices, transmitting the benefits of deregulation and raising productivity elsewhere.
- Prime-aged workers between 25 and 54 make up an increasing share of the total labor force, and their greater experience should raise average labor productivity.
- The prospect of stable or declining oil prices for the next several years is not only a boon to consumers, but should also

eliminate one of the main causes of the sudden shocks that damaged productivity growth in the 1970's.

- The increase in research and development investment since the late 1970's has produced a stream of new innovations that will help to sustain productivity growth. Since 1978, the share of GNP going to research and development expenditures has increased 16%.
- Cost-cutting measures by businesses are likely to continue, spurred in part by foreign competition.

From the cyclical peak in the third quarter of 1981 to the fourth quarter of 1984, output per hour in the private nonfarm business sector increased at an annual rate of 2%. This period covers both the severe recession of 1981-82 and the two subsequent years of recovery. It is perhaps too soon to state conclusively that the poor productivity performance of the 1970's is over, but this sustained period of normal productivity growth certainly justifies a modest degree of optimism that the economy will be able to maintain 2% productivity increases throughout the rest of the decade.

It is sometimes argued that the assumption that the economy will resume its average rate of productivity growth is too cautious. The claim is made that the economy can grow faster than 4% a year, that it is capable of 5% growth, or even more. After all, the economies of the Pacific Rim are growing at least this rapidly, and the U.S. grew nearly this fast for some of the time in the 1960's. Why not assume that the administration's policies will succeed in achieving at least comparable growth during the rest of the 1980's? It is, of course, impossible to prove that such rapid economic growth could not happen, but there are good reasons to believe it is highly unlikely.

- For 8 years following the trough of the 1960-61 recession, the economy grew at an average annual rate of 4.9%. This is the fastest the economy has grown in the postwar period for such an extended interval, comparable to the time that will have elapsed since the trough of the 1981-82 recession by the end of the forecast interval in 1990. In the 1960's, expansionary fiscal and monetary policies boosted the growth rate, but they also carried the economy past the threshold where it was possible for the rate of inflation to remain stable. When the spending boom began, the inflation rate was less than 2% a year; before the boom was over, it had nearly tripled. The virulent inflation unleashed by these policies has only finally been brought under control during the last 4 years.
- The long-term economic assumptions include an optimistic projection of employment growth. If it is achieved, many relatively inexperienced workers will find employment between now and 1990. Their productivity will not be as high as that

of more seasoned workers. Faster productivity growth might be achieved if employment growth is slower than projected in the budget, but in this case the overall rate of economic growth, which is the sum of employment and productivity growth, would not be significantly higher.

- Recent evidence suggests that productivity growth has recovered somewhat from its dismal performance of the 1970's. Over the last 3½ years it has averaged about 2%. But 2 years into the recovery there is no hard evidence at all that it is approaching the much more rapid rates that would be required for real GNP to grow at 5% a year or faster.

On the other hand, it has been argued that the assumption of 4% economic growth for the next few years is far too optimistic and that a more reasonable guess about future growth would be a rate of increase in real GNP of 3%, or even lower. However, this assumes that the economy in the years ahead will not be able to reach even its average level of performance in the earlier postwar period. Such caution would seem unduly pessimistic. The recovery that has occurred so far has been sparkling, and it is not unrealistic to assume that further improvement in the unemployment rate and a closer approach to normal capacity utilization are feasible. If economic growth over the next few years proceeds at no faster than 3%, then improvements in unemployment, if any, are likely to be very gradual.

An economic growth rate of 4% for the next several years is achievable with appropriate monetary and fiscal policies. Faster growth might be achieved, temporarily, by pursuing irresponsible policies to stimulate demand, but this kind of demand-led growth could not be sustained, and the attempt to do so would be highly inflationary.

The administration assumes that the rate of inflation, as measured by the GNP deflator, will increase slightly to 4.3% in 1986, and then decline gradually, falling to 3.2% in 1990. The administration remains committed to the policy of inflation reduction that has already produced significant results and should continue to produce them in the future. This would be a unique accomplishment. The postwar era has not yet seen such a lengthy period of uninterrupted economic growth without an acceleration in the rate of inflation. The key to this policy is the Federal Reserve's commitment to a gradual and predictable reduction in the rate of growth in the money supply.

It is also assumed that real interest rates will gradually return to their long-term average levels by the end of the projection period.



## DEFICITS, DEBT, AND CAPITAL FORMATION

Despite the relatively strong 4% growth trend and the declining interest rates incorporated in the assumptions, current services budget deficits remain in the \$220-\$250 billion range each year through 1990. Increases in the Federal debt of this magnitude can have important economic consequences.

From the end of World War II until 1980, Federal debt became a smaller and smaller share of total private wealth. This decline occurred even though the Federal budget was in deficit most of the years after World War II, and every year but one after 1960. The reason for this decline is that the deficits were small enough so that private saving and the revaluation of private wealth due to inflation added to private wealth faster than the deficits added to Federal debt. The recent large deficits, however, have caused a sharp increase in Federal debt that has reversed the post-World War II trend.

This trend in Federal debt relative to private wealth has important implications for capital formation. For the individual investor, Government securities and other forms of investment are basically similar. For the economy as a whole, however, there is a crucial difference. Except for Government bonds, privately held wealth is generally backed by some real physical capital in the economy. Corporate bonds or corporate stocks, for example, are backed by the capital investments of corporations. Similarly, bank certificates of deposit are backed by the investment made by those borrowing from banks. In contrast, Government bonds are not backed by real capital, and do not represent any increment in capital for society. Government debt is backed only by the taxing power of the Federal Government.

Therefore, since savings used to purchase new Federal debt do not represent additions to the economy's capital stock, those savings have an illusory quality. For the individual saver, buying Government bonds raises his or her private wealth, but, for the economy as a whole, Government debt does not add to the total capital stock of the economy. This is the essence of the crowding-out problem. For a given level of private wealth, the more that is accounted for by Federal Government debt, the less will be the economy's total real capital stock.

In 1980, Federal debt accounted for about 6.2% of total private wealth. By 1984, that figure had risen to 9.4%. If deficits were to continue at the levels projected on a current services basis, the share of total private wealth accounted for by Government debt would continue to grow rapidly. Thus far in this recovery, in spite of the growth of Federal debt relative to private wealth, domestic investment has not been crowded out. This has occurred partly because of the large net inflow of foreign savings. However, the

long-term prospect of continued healthy growth in the real capital stock remains threatened unless the measures proposed in this budget to reduce the growth in Federal debt are enacted.

### SENSITIVITY OF THE BUDGET TO ECONOMIC ASSUMPTIONS

Both receipts and outlays are strongly affected by changes in economic conditions. Budget estimates and projections, therefore, are a function of the economic assumptions upon which they are predicated, and are highly sensitive to changes in those assumptions.

The sensitivity of the budget aggregates to economic conditions seriously complicates budget planning because forecasting the economy inaccurately leads to forecasting the budget inaccurately, and economic forecasting is not an exact science. On the other hand, the budgetary impacts of a specific change in an economic assumption are generally fairly predictable. Therefore, an approximation to how the budget aggregates would change, given a specific set of changes in the economic outlook, can be calculated using rules-of-thumb.

**Rules-of-Thumb.**—In applying these rules, it is important to consider the combined effects of all economic variables that change. Many economic variables, such as real growth and the unemployment rate, are closely linked, and it may be unrealistic to assume a change in one without taking into account an associated change in the other. Again, if real growth changes, should the rate of inflation be assumed to be higher, lower, or unchanged? Should interest rates change? In a dynamic economy, the tendency is for a shock to be transmitted to almost every aspect of economic performance.

The following table shows, in its first bank of figures, the effects on receipts, outlays, and the deficit of a hypothetical sustained one percentage point higher rate of inflation, beginning January 1986. It is assumed that real economic growth is unchanged, so that nominal GNP growth must also be one percentage point higher. Unemployment is assumed to be unchanged. With inflation one percentage point higher, interest rates are also assumed to be one percentage point higher. While nearly all receipts respond directly and immediately to inflation, the outlay effects shown, other than interest costs, are limited to those programs that respond automatically to inflation under current law, usually with a lag resulting from a cost-of-living adjustment procedure. Defense spending and Federal pay scales, for example, are not adjusted. Therefore, by 1990, the gain in receipts exceeds the increase in outlays by \$24½ billion. Were more categories of outlays adjusted for the higher inflation, the gap would vanish.

The second bank of figures in the table shows the effect on the deficit of assuming a rate of real economic growth one percentage point lower than in the budget for the period 1986-90. No change in the rate of inflation is assumed, so the rate of growth of nominal GNP must also be one percentage point lower. Interest rates are assumed to be unchanged, but the unemployment rate is assumed to rise by one percentage point for each two percentage points that the level of real GNP falls below its base path. By 1990, the deficit is \$73 billion higher.

The third bank of figures shows the budget implications of combining the first two banks of figures; that is, the effects of assuming no change in the rate of growth of nominal GNP, but a shift in the composition of that growth to one percentage point higher inflation and one percentage point lower real growth. Interest rates are assumed to be one percentage point higher, and the unemployment rate is assumed to be higher than in the base path in accordance with the same relationship as used in the second bank of figures. Except for some minor compounding effects, the third case is essentially the sum of the first two. Also, the effects shown are approximately symmetric, so that the effects of a percentage point *lower* inflation and *higher* real growth would be of the same magnitude as shown in the table, but of opposite sign.

**SENSITIVITY OF THE BUDGET TO RATES OF ECONOMIC CHANGE AND SHIFTS IN THE COMPOSITION  
OF NOMINAL GNP**

(Fiscal years, in billions of dollars, current law basis)

|  | 1986 | 1987  | 1988  | 1989  | 1990  |
|--|------|-------|-------|-------|-------|
| Effect of a one percentage point change in annual nominal GNP growth rate resulting from:  |      |       |       |       |       |
| A one percentage point higher annual rate of inflation (and interest rates) beginning January 1986:  |      |       |       |       |       |
| Change in receipts .....   | 4.0  | 14.4  | 26.1  | 39.0  | 54.0  |
| Change in outlays .....  | 3.3  | 11.3  | 18.6  | 24.3  | 29.4  |
| Change in deficit .....  | -0.7 | -3.1  | -7.4  | -14.7 | -24.5 |
| A one percentage point lower annual rate of real growth beginning January 1986:  |      |       |       |       |       |
| Change in receipts .....   | -3.4 | -13.6 | -26.0 | -40.2 | -55.8 |
| Change in outlays .....  | 0.7  | 3.3   | 7.4   | 11.8  | 17.2  |
| Change in deficit .....  | 4.1  | 16.9  | 33.4  | 52.0  | 73.0  |
| Effect of a one percentage point higher annual rate of inflation (and interest rates) and a one percentage point lower annual rate of real growth, with no change in the annual nominal GNP growth rate, beginning January 1986: |      |       |       |       |       |
| Change in receipts .....   | 0.5  | 0.6   | -0.6  | -2.7  | -4.7  |
| Change in outlays .....  | 3.9  | 14.8  | 26.6  | 37.3  | 48.7  |
| Change in deficit .....  | 3.4  | 14.2  | 27.3  | 40.0  | 53.5  |

The foregoing abstracts from possible changes in the assumed income share composition of GNP that would likely accompany any changes in the rate of real growth, the inflation rate, or interest rates. Because different GNP components such as wages and salaries, nonwage personal income, and corporate profits are subject to different taxes and tax rates, estimates of total receipts can be significantly affected by changing the income shares. These relationships are too complex, however, to be reduced to simple rules-of-thumb, and are not further considered here, although it is important to be aware of their existence.

The final table of this section shows a disaggregated set of rules-of-thumb for the effects on outlays of changes in the unemployment rate, in interest rates, in Federal pay levels, and in inflation as it affects indexed programs subject to automatic cost-of-living adjustments (COLAs) under current law. For these COLAs, the effects are shown both on the basis of current law, and as they would be modified under the budget proposals. These effects were discussed in more detail in the 1985 budget.

***Changes in the Budget's Sensitivity to Inflation.***—Over the years, legislation has changed the automatic responses of the budget to inflation. A prime example is the indexation of individual income tax brackets, enacted in 1981, with the first adjustment effective this year.

Previously, this tax was extraordinarily sensitive to inflation because of "bracket creep." With graduated rates and brackets fixed in nominal terms, inflation pushed people into higher and higher marginal tax brackets, increasing the percentage of their income paid as income tax, even when their real income was unchanged. As a result, a percentage point of inflation that increased nominal personal incomes by a percentage point would increase individual income tax receipts by 1.5%, with the "extra" half a percent due to "bracket creep." By adjusting the tax brackets for inflation, indexation eliminates the extra half percent "bracket creep," limiting the rise in receipts to the growth of nominal income. The adjustments are not instantaneous; they occur with about a 1-year lag after the inflation that triggers them.

Over the years, legislation has provided for automatic annual cost-of-living adjustments to benefits paid out under a growing number of entitlement programs such as social security, Federal employee retirement, and food stamps. The enactment of medicare and medicaid as open-ended entitlements created a category of Federal program that is not explicitly indexed, but whose costs rise directly with increases in prices charged for medical care. For still other programs, such as aid to families with dependent children and unemployment compensation, Federal costs are determined by benefit levels set by the States.

## SENSITIVITY OF THE BUDGET TO ECONOMIC ASSUMPTIONS

(Fiscal years; in billions of dollars)

|   | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|------|------|------|------|------|------|
| <b>PRICES (EFFECT ON INDEXED PROGRAM OUTLAYS)</b>   |      |      |      |      |      |      |
| Sustained one percentage point higher rate of inflation beginning July 1985:                                    |      |      |      |      |      |      |
| Under current law .....   |      | 0.4  | 2.9  | 6.2  | 9.7  | 13.5 |
| Under proposed law .....  |      | 0.3  | 2.6  | 5.6  | 8.8  | 12.2 |
| One-time one percentage point jump in price level occurring July 1985:  |      |      |      |      |      |      |
| Under current law .....   |      | 1.9  | 2.8  | 2.9  | 3.0  | 3.0  |
| Under proposed law .....  |      | 1.6  | 2.3  | 2.4  | 2.5  | 2.5  |
| <b>INTEREST RATES (EFFECT ON NET INTEREST)</b>  |      |      |      |      |      |      |
| Sustained one percentage point increase in interest rates under budget policy deficits, beginning: <sup>1</sup> |      |      |      |      |      |      |
| January 1, 1985 .....   | 2.6  | 8.2  | 11.7 | 14.8 | 16.4 | 17.8 |
| July 1, 1985 .....  | 0.4  | 6.4  | 10.7 | 14.1 | 15.8 | 17.4 |
| <b>INTEREST COST OF HIGHER FEDERAL BORROWING</b>  |      |      |      |      |      |      |
| Effect of \$100 billion borrowing in 1986 <sup>2</sup> .....  |      | 5.8  | 10.8 | 10.8 | 9.5  | 8.8  |
| <b>UNEMPLOYMENT RATE</b>  |      |      |      |      |      |      |
| One percentage point higher rate beginning January 1, 1985:   |      |      |      |      |      |      |
| Unemployment benefits .....   | 2.1  | 2.2  | 2.1  | 2.3  | 2.4  | 2.5  |
| Other unemployment-sensitive outlays .....  | 1.0  | 1.8  | 2.0  | 2.0  | 2.0  | 2.0  |
| <b>FEDERAL PAY RAISES</b>   |      |      |      |      |      |      |
| Outlay effect of one percentage point increase:   |      |      |      |      |      |      |
| Military personnel (October 1986) .....   |      |      | 0.5  | 0.5  | 0.5  | 0.5  |
| Civilian employees (January 1987):  |      |      |      |      |      |      |
| Department of Defense .....   |      |      | 0.2  | 0.3  | 0.3  | 0.3  |
| Civilian agencies .....   |      |      | 0.2  | 0.3  | 0.4  | 0.4  |
| Employer share, employee retirement .....   |      |      | -0.1 | -0.1 | -0.1 | -0.1 |

<sup>1</sup> Omits increase in receipts due to higher Federal Reserve System deposits of earnings.<sup>2</sup> Includes subsequent interest on borrowing incurred to pay for previous interest costs.

Policies of targeting a specific rate of real growth for the defense budget have meant that the defense budget must be fully adjusted for inflation if the real growth target is to be achieved. Enactment of Federal pay comparability was designed to index Federal employee pay scales to private sector pay, but the automatic adjustments can be overridden by Presidential and congressional action.

With the responsiveness of receipts to inflation greatly reduced from what it used to be and the responsiveness of outlays increased, the deficit will not decline significantly due to continued inflation. Policy actions, such as the spending "freeze" proposed by the administration, are needed to reduce the deficit.

## CHANGES IN THE BUDGET OUTLOOK SINCE LAST YEAR

The February 1984 budget projected 4.5% real GNP growth between the fourth quarter of 1983 and the fourth quarter of 1984. In fact, growth was much higher than that in the first half of the

year, and significantly slower in the second half, with the 4-quarter change coming to 5.6%, 1.1 percentage point above the forecast. Partly in consequence, the unemployment rate in the fourth quarter of 1984 was 7.1%, 0.6 percentage points below the forecast of 7.7%.

#### COMPARISON OF FEBRUARY 1984 AND CURRENT ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

|   | 1984  | 1985  | 1986  | 1987  | 1988  | 1989  |
|---|-------|-------|-------|-------|-------|-------|
| Nominal GNP:                                      |       |       |       |       |       |       |
| 1984 assumptions <sup>1</sup> .....               | 3,626 | 3,955 | 4,299 | 4,660 | 5,035 | 5,419 |
| 1985 assumptions.....                             | 3,661 | 3,948 | 4,285 | 4,642 | 5,017 | 5,399 |
| Real GNP (percent change): <sup>2</sup>           |       |       |       |       |       |       |
| 1984 assumptions.....                             | 4.5   | 4.0   | 4.0   | 4.0   | 4.0   | 3.8   |
| 1985 assumptions.....                             | 5.6   | 4.0   | 4.0   | 4.0   | 4.0   | 3.8   |
| GNP deflator (percent change): <sup>2</sup>       |       |       |       |       |       |       |
| 1984 assumptions.....                             | 5.0   | 4.7   | 4.4   | 4.1   | 3.8   | 3.5   |
| 1985 assumptions.....                             | 3.5   | 4.3   | 4.3   | 4.1   | 3.8   | 3.5   |
| Interest rate on 91-day Treasury bills (percent): |       |       |       |       |       |       |
| 1984 assumptions.....                             | 8.5   | 7.7   | 7.1   | 6.2   | 5.5   | 5.0   |
| 1985 assumptions.....                             | 9.6   | 8.1   | 7.9   | 7.2   | 5.9   | 5.1   |
| Unemployment rate (percent):                      |       |       |       |       |       |       |
| 1984 assumptions.....                             | 7.8   | 7.6   | 7.3   | 6.8   | 6.1   | 5.7   |
| 1985 assumptions.....                             | 7.4   | 7.0   | 6.9   | 6.6   | 6.3   | 6.1   |

<sup>1</sup> Adjusted for July 1984 historical revisions.

<sup>2</sup> Fourth quarter to fourth quarter.

The 4-quarter rise in the implicit price deflator for GNP, 3.5%, was significantly below the forecast of 5.0%; partly in consequence, the increase projected for 1985 has now been reduced from 4.7% to 4.3%. Overall, the 4-quarter change in nominal GNP, 9.3%, was 0.5 percentage point less than last year's forecast of 9.8%, as lower than expected inflation more than offset higher real growth.

The 4-quarter rise in the Consumer Price Index, 3.6%, was 0.8 percentage point lower than the 4.4% forecast, resulting in a lower January 1985 cost-of-living adjustment to social security and other indexed programs' benefits than was projected last year.

Interest rates are now approximately at the levels forecast for the first quarter of this year, although their average levels during 1984 were one or two percentage points above forecast. Forecast errors for other economic assumptions bearing on the budget estimates were generally relatively small.

Since 1984 economic performance did not deviate markedly from expectation, it affords little basis for substantial change to the 1985-89 economic outlook. Indeed, the current assumptions about inflation, rates of real economic growth, and other relevant aspects of economic performance for that period are much the same as the assumptions used a year ago. In consequence, the budget outlook, insofar as it is a function of economic assumptions, has not changed radically since last year. The major differences are due to

## EFFECTS ON THE BUDGET OF CHANGES IN ECONOMIC ASSUMPTIONS SINCE LAST YEAR

(Fiscal years; in billions of dollars)

|   | 1985   | 1986   | 1987    | 1988    | 1989    |
|---|--------|--------|---------|---------|---------|
| Current budget estimates <sup>1</sup> adjusted to February 1984 economic assumptions: |        |        |         |         |         |
| Receipts.....   | 742.6  | 810.9  | 877.9   | 966.4   | 1,049.9 |
| Outlays.....  | 953.6  | 964.7  | 1,009.1 | 1,072.1 | 1,116.9 |
| Deficit (—).....  | −211.0 | −153.8 | −131.1  | −105.7  | −67.0   |
| Changes due to economic assumptions:  |        |        |         |         |         |
| Receipts.....   | −5.7   | −17.2  | −16.2   | −16.0   | −20.0   |
| Outlays:  |        |        |         |         |         |
| Inflation.....  | −2.4   | −4.8   | −5.9    | −6.5    | −6.7    |
| Unemployment.....   | −2.6   | −2.4   | −1.1    | 0.2     | 1.5     |
| Interest rates.....   | 10.4   | 14.4   | 20.4    | 22.7    | 17.5    |
| Interest on changes in borrowing.....   | 0.1    | 1.8    | 4.1     | 6.3     | 8.2     |
| Total, outlays.....   | 5.5    | 9.0    | 17.5    | 22.7    | 20.5    |
| Increase in deficit.....  | 11.2   | 26.3   | 33.8    | 38.5    | 40.3    |
| Current budget estimates: <sup>1</sup>  |        |        |         |         |         |
| Receipts.....   | 736.9  | 793.7  | 861.7   | 950.4   | 1,029.9 |
| Outlays.....  | 959.1  | 973.7  | 1,026.6 | 1,094.8 | 1,137.4 |
| Deficit (—).....  | −222.2 | −180.0 | −164.9  | −144.4  | −107.5  |
| Addendum:   |        |        |         |         |         |
| Increase in deficit due to:   |        |        |         |         |         |
| Actual 1984 economic performance.....   | 9.4    | 11.2   | 14.5    | 18.2    | 19.4    |
| Change in the forecast for 1985–1989.....   | 1.8    | 15.0   | 19.3    | 20.5    | 21.1    |
| Percent due to 1984 economic performance.....   | (84)   | (43)   | (57)    | (53)    | (52)    |

<sup>1</sup> Includes outlays that are off-budget under current law, but proposed to be placed on-budget.

higher interest rates, and to slightly lower inflation in 1984 and 1985, which reduces both receipts and outlays in all subsequent years, with the reduction in receipts much greater than that in outlays. As noted in the preceding section, this last point results from attributing to inflation only those changes in outlays that are an automatic response to inflation—for example, due to statutory cost-of-living adjustments.

Last year's budget estimates reflected considerable improvement in the economy and in the budget outlook since the preceding budget. This did not compensate, however, for the large declines that had by then occurred from the forecast in the March 1981 budget revisions, as shown in the final table. In this context, the slight worsening of the budget outlook since last year (primarily attributable to higher interest rates and lower than expected inflation) can be seen as a partial offset to the degree of improvement that was projected last year.

## EFFECTS ON THE DEFICIT OF CHANGES IN ECONOMIC ASSUMPTIONS SINCE MARCH 1981

(Fiscal years; in billions of dollars)

|   | 1982 | 1983  | 1984  | 1985  | 1986  |
|---|------|-------|-------|-------|-------|
| Increase in deficit, March 1981-January 1983 .....      | 70.0 | 167.3 | 197.7 | 224.6 | 252.3 |
| Decrease in deficit, January 1983-February 1984 .....   |      | -11.8 | -29.3 | -37.2 | -37.7 |
| Increase in deficit, February 1984-February 1985 .....  |      |       | -5.3  | 11.2  | 26.2  |
| Net increase in deficit, March 1981-February 1985 ..... | 70.0 | 155.5 | 163.1 | 198.6 | 240.8 |



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**PART 4**

**BUDGET RECEIPTS**

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4-1

## BUDGET RECEIPTS

Budget receipts are taxes and other collections from the public that result from the exercise of the Government's sovereign or governmental powers. These receipts are compared with budget outlays to determine the budget surplus or deficit.

This section of the budget discusses budget receipts for 1984 to 1988 and the legislative proposals and administrative actions affecting them.<sup>1</sup>

### SUMMARY

Total budget receipts in 1986 are estimated to be \$793.7 billion, an increase of \$56.9 billion from the \$736.9 billion estimated for 1985. Receipts in 1987 and 1988 are estimated to be \$861.7 billion and \$950.4 billion, respectively. These estimates include the effects of:

- previously enacted tax legislation, the most recent of which is the tax revisions and reforms provided in the Deficit Reduction Act of 1984; and
- the receipts proposals—primarily increased user fees and trust fund reforms—in this budget.

### BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

| Source  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| Individual income taxes.....                  | 296.2          | 329.7            | 358.9            | 392.5            | 433.6            |
| Corporation income taxes.....                 | 56.9           | 66.4             | 74.1             | 87.5             | 99.0             |
| Social insurance taxes and contributions..... | 241.7          | 268.4            | 289.4            | 309.5            | 346.5            |
| Excise taxes.....                             | 37.4           | 37.0             | 35.0             | 35.0             | 33.6             |
| Estate and gift taxes.....                    | 6.0            | 5.6              | 5.3              | 5.0              | 4.7              |
| Customs duties.....                           | 11.4           | 11.8             | 12.3             | 12.8             | 13.4             |
| Miscellaneous receipts.....                   | 17.0           | 18.0             | 18.6             | 19.5             | 19.6             |
| <b>Total, budget receipts.....</b>            | <b>666.5</b>   | <b>736.9</b>     | <b>793.7</b>     | <b>861.7</b>     | <b>950.4</b>     |

<sup>1</sup> Detailed estimates of budget receipts by source for 1984 to 1986 are shown in Tables 18 and 19 of Part 9. The economic assumptions on which the receipts estimates are based are presented in Part 3, and estimates of receipts for 1984-90 are presented in table 2 of Part 9. Part 6 contains an analysis of the difference between actual receipts for 1984 and the budget estimates for 1984 transmitted to the Congress in January 1983. Part 7 explains the conceptual basis for classifying certain amounts collected by the Federal Government as budget receipts and other amounts as offsetting collections.

**Composition of budget receipts.**—The Federal tax system relies predominantly on income and payroll taxes. In 1986:

- Income taxes paid by individuals and corporations are estimated at \$358.9 billion and \$74.1 billion, respectively. These sources combined account for 54.5% 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 \$289.4 billion, 36.5% of the total.
- Excise taxes imposed on selected products, services, and activities are expected to provide \$35.0 billion, 4.4% of the total.
- Estate and gift taxes, customs duties, and miscellaneous receipts are estimated at \$36.3 billion, the remaining 4.6% of budget receipts.

Under the tax policy and economic assumptions presented in this budget, the income tax share of total receipts is projected to rise to 56.0% by 1988, 1.5 percentage points more than its 1986 share. This rise is the combined effect of a 0.4 percentage point rise in the individual income tax share to 45.6% and a 1.1 percentage point rise in the corporation income tax share to 10.4%. Social insurance taxes and contributions are projected to remain constant as a share of total receipts at 36.5%. The excise tax share is projected to decline to 3.5% in 1988, 0.9 percentage point less than for 1986. The projected share of all other receipts declines by 0.6 percentage point between 1986 and 1988.

### ENACTED LEGISLATION

Several major tax laws have been enacted since this administration took office in January 1981. The first, the Economic Recovery Tax Act of 1981 (ERTA), provides incentives for work, saving, and investment. The major provisions of the Act include an across-the-board reduction in individual income tax rates and other reductions in individual income taxes; the annual adjustment of the zero bracket amount, the personal exemption, and individual income tax brackets for inflation beginning in 1985; and the accelerated cost recovery system (ACRS) for depreciation of capital expenditures.

The second major tax law, the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), improves the fairness of the tax system while preserving the incentives for work, saving, and investment enacted in 1981. This Act increases receipts primarily by eliminating unintended benefits and obsolete incentives, and providing mechanisms to increase taxpayer compliance and improve collection techniques.

The Highway Revenue Act of 1982 is the third major tax law enacted since January 1981. This Act increases the excise tax on gasoline and diesel fuel by 5 cents a gallon and restructures other highway related taxes to make the taxes paid by various highway users correspond more equitably to the wear and tear that such users cause to the highway system.

Three major laws affecting receipts were enacted during 1983: the Social Security Amendments of 1983, the Interest and Dividends Tax Compliance Act of 1983, and the Railroad Retirement Revenue Act of 1983. The first, the Social Security Amendments of 1983, assures the future solvency of the social security trust funds through a combination of revenue increases and benefit reductions that restores reserves to safer levels.

The major provision of the Interest and Dividends Tax Compliance Act of 1983 repeals the withholding of taxes on interest and dividend income provided in TEFRA.

The tax increases provided in the Railroad Retirement Revenue Act of 1983, together with the benefit reductions provided in the Railroad Retirement Solvency Act of 1983, are designed to place the railroad retirement program on a sound financial basis.

The most recent tax law is the Deficit Reduction Act of 1984 (DEFRA). The major provisions of this Act, which are described in more detail below, are designed to increase the efficiency of the tax system by curbing tax shelter abuse, limiting unwarranted tax benefits, and increasing taxpayer compliance.

As a result of these legislated changes, taxes have been reduced by \$649.8 billion over the 1984-1988 period, relative to what they would have been under pre-1981 tax law. As shown in the following table, there is a net tax reduction every year during this period, rising from \$92.4 billion in 1984 to \$167.2 billion in 1988.

#### NET EFFECT OF MAJOR ENACTED LEGISLATION ON RECEIPTS <sup>1</sup>

(In billions of dollars)

|  | 1984   | 1985   | 1986   | 1987   | 1988   | 1984-1988 |
|--|--------|--------|--------|--------|--------|-----------|
| Economic Recovery Tax Act of 1981 .....                | -136.8 | -168.5 | -210.8 | -250.9 | -283.0 | -1,050.0  |
| Tax Equity and Fiscal Responsibility Act of 1982 ..... | 36.0   | 40.7   | 50.9   | 61.8   | 64.3   | 253.6     |
| Highway Revenue Act of 1982 .....                      | 4.2    | 4.4    | 4.6    | 4.7    | 4.8    | 22.6      |
| Social Security Amendments of 1983 .....               | 5.7    | 9.3    | 9.1    | 11.1   | 22.9   | 58.1      |
| Interest and Dividends Tax Compliance Act of 1983 ..   | -2.6   | -2.4   | -2.1   | -1.7   | -1.8   | -10.6     |
| Railroad Retirement Revenue Act of 1983 .....          | 0.2    | 0.7    | 1.1    | 1.1    | 1.1    | 4.2       |
| Deficit Reduction Act of 1984 .....                    | 0.9    | 9.3    | 15.9   | 21.6   | 24.6   | 72.2      |
| Net tax reduction .....                                | -92.4  | -106.4 | -131.4 | -152.4 | -167.2 | -649.8    |

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

The major revenue provisions of the Deficit Reduction Act of 1984 are described below.<sup>2</sup>

#### DEFICIT REDUCTION ACT OF 1984

***Repeal of net interest exclusion.***—Beginning in 1985, 15% of up to \$3,000 in annual net interest income for a single taxpayer (\$6,000 for a married couple filing a joint return) could have been excluded from tax. DEFRA repeals this provision.

***Increase in distilled spirits excise tax.***—The excise tax on distilled spirits is increased from \$10.50 to \$12.50 per proof gallon effective October 1, 1985.

***Extension of telephone excise tax.***—The 3% telephone excise tax, which was scheduled to expire on January 1, 1986, is extended through December 31, 1987.

***Restrictions on tax-exempt entity leasing.***—The tax benefits attributable to property leased to a government or other tax-exempt entity are reduced by DEFRA. Such tax-exempt-use property may no longer be depreciated under ACRS. For example, real tax-exempt-use property must be depreciated under the straight-line method over the greater of 40 years or a period equal to 125% of the lease term. In addition, the use of the investment tax credit for tax-exempt-use property is further restricted. This provision generally applies to leases entered into after May 23, 1983, subject to numerous transition rules.

***Postponement of finance leasing rules.***—The effective date of the finance leasing rules provided in TEFRA is postponed four years until January 1, 1988. These rules liberalize the definition of a lease, enabling some unprofitable companies to sell otherwise unusable tax benefits.

***Change in the depreciation period for real property.***—The minimum recovery period for the depreciation of real property is increased from 15 to 18 years. This provision generally applies to all property placed in service after March 15, 1984, with transition rules for property subject to binding contracts or already under construction on the effective date.

***Modification of income averaging.***—Under prior law, taxpayers were allowed to determine their tax liability for a given year under the income averaging method if their taxable income for that year

<sup>2</sup> For a more detailed discussion of the Economic Recovery Tax Act of 1981, see Part 4 of the 1983 *Budget*. A more detailed discussion of the Tax Equity and Fiscal Responsibility Act of 1982 and the Highway Revenue Act of 1982 is provided in Part 4 of the 1984 *Budget*. Detailed discussions of the Social Security Amendments of 1983, the Interest and Dividends Tax Compliance Act of 1983, and the Railroad Retirement Revenue Act of 1983 are provided in Part 4 of the 1985 *Budget*.

exceeded 120% of their average taxable income for the four preceding years. DEFRA increases the 120% threshold to 140% and provides that only the three preceding years be taken into account.

***Taxation of life insurance companies.***—Substantial modifications are made in the taxation of life insurance companies and products that reduce the industry's tax liability. The definition of "life insurance" is also clarified.

***Taxation of tax-exempt bonds.***—The maximum amount of certain types of private purpose industrial development bonds issued by a State and the local governments within the State is limited to the greater of \$150 per capita (\$100 after 1987) or \$200 million per year. Under prior law there was no limitation on the amount of such bonds issued by State and local governments. The Act also extends the tax-exemption for mortgage subsidy bonds, which had expired on December 31, 1983, through December 31, 1987, and denies tax-exemption to interest on most bonds that are federally guaranteed.

***Reduction in capital gains holding period.***—The holding period for long-term capital gains and losses is reduced from one year to six months for assets acquired between June 22, 1984, and January 1, 1988.

***Change in the taxation of partnerships.***—The use of abusive partnership allocation and distribution schemes is curtailed. In addition, the Act specifies that the exchange of an interest in one partnership for an interest in a different partnership does not qualify as a like-kind (and therefore tax-free) exchange.

***Curtailment of accounting abuses.***—The Act corrects several technical accounting deficiencies that have led to serious taxpayer abuse. These changes include the following: the tightening of rules regarding deferred payment transactions to prevent substantial mismatching of income and deductions, the establishment of rules regarding the deductibility of prepaid expenses, and the extension of current rules regarding the capitalization of construction period interest and taxes to residential real property, other than low income housing, owned by a corporation.

EFFECT OF MAJOR ENACTED LEGISLATION ON RECEIPTS <sup>1</sup>

(In billions of dollars)

|   | 1984   | 1985   | 1986   | 1987   | 1988   |
|---|--------|--------|--------|--------|--------|
| <b>Economic Recovery Tax Act of 1981</b>                      |        |        |        |        |        |
| Individual income tax provisions.....                         | -96.9  | -114.3 | -137.9 | -164.3 | -190.4 |
| Capital cost recovery provisions:                             |        |        |        |        |        |
| Individual income taxes .....                                 | -4.4   | -5.8   | -7.9   | -9.6   | -10.2  |
| Corporation income taxes .....                                | -21.7  | -29.9  | -42.1  | -51.2  | -54.9  |
| Subtotal, capital cost recovery provisions .....              | -26.1  | -35.7  | -49.9  | -60.8  | -65.1  |
| Saving incentive provisions .....                             | -9.9   | -12.6  | -16.5  | -18.2  | -18.6  |
| Estate and gift tax provisions .....                          | -3.5   | -4.9   | -6.5   | -8.1   | -9.6   |
| Other:  |        |        |        |        |        |
| Individual income taxes .....                                 | -*     | -0.1   | 0.4    | *      | 0.3    |
| Corporation income taxes .....                                | -0.7   | -1.2   | -0.7   | *      | -0.1   |
| Social insurance taxes and contributions .....                | 0.5    | 0.5    | 0.6    | 0.6    | 0.7    |
| Excise taxes .....  | -0.2   | -0.3   | -0.3   | -0.3   | -0.2   |
| Subtotal, other.....  | -0.4   | -1.1   | *      | 0.5    | 0.7    |
| Total, Economic Recovery Tax Act of 1981 .....                | -136.8 | -168.5 | -210.8 | -250.9 | -283.0 |
| <b>Tax Equity and Fiscal Responsibility Act of 1982</b>       |        |        |        |        |        |
| Compliance and collection:                                    |        |        |        |        |        |
| Individual income taxes .....                                 | 7.2    | 8.3    | 8.0    | 8.0    | 8.5    |
| Corporation income taxes .....                                | 5.3    | 2.0    | 2.7    | 2.0    | 0.9    |
| Social insurance taxes and contributions .....                | 0.2    | 0.3    | 0.4    | 0.4    | 0.5    |
| Subtotal, compliance and collection .....                     | 12.7   | 10.6   | 11.1   | 10.5   | 9.8    |
| Unintended benefits and obsolete incentives:                  |        |        |        |        |        |
| Individual income taxes .....                                 | 4.0    | 4.7    | 6.4    | 8.4    | 9.1    |
| Corporation income taxes .....                                | 12.1   | 17.8   | 28.3   | 38.6   | 42.9   |
| Estate and gift taxes .....                                   | 0.2    | 0.2    | 0.2    | 0.2    | 0.2    |
| Subtotal, unintended benefits and obsolete incentives .....   | 16.3   | 22.8   | 35.0   | 47.3   | 52.3   |
| Excise tax provisions .....                                   | 4.6    | 5.4    | 2.4    | 1.6    | -0.7   |
| Employment tax provisions:                                    |        |        |        |        |        |
| Individual income taxes .....                                 | 0.7    | 0.6    | 0.5    | 0.5    | 0.5    |
| Social insurance taxes and contributions .....                | 3.1    | 3.2    | 2.9    | 2.6    | 2.4    |
| Subtotal, employment tax provisions .....                     | 3.8    | 3.7    | 3.4    | 3.1    | 2.9    |
| Other:  |        |        |        |        |        |
| Individual income taxes .....                                 | -1.0   | -1.2   | -0.6   | -0.3   | 0.2    |
| Corporation income taxes .....                                | -0.5   | -0.5   | -0.4   | -0.3   | -0.1   |
| Subtotal, other.....  | -1.5   | -1.8   | -1.0   | -0.6   | 0.1    |
| Total, Tax Equity and Fiscal Responsibility Act of 1982 ..... | 36.0   | 40.7   | 50.9   | 61.8   | 64.3   |
| <b>Highway Revenue Act of 1982</b>                            |        |        |        |        |        |
| Individual income taxes .....                                 | -1.2   | -1.2   | -1.3   | -1.3   | -1.3   |
| Corporation income taxes .....                                | -0.1   | -0.2   | -0.2   | -0.2   | -0.2   |
| Excise taxes .....  | 5.5    | 5.8    | 6.1    | 6.2    | 6.3    |
| Total, Highway Revenue Act of 1982 .....                      | 4.2    | 4.4    | 4.6    | 4.7    | 4.8    |

EFFECT OF MAJOR ENACTED LEGISLATION ON RECEIPTS <sup>1</sup> —Continued

(In billions of dollars)

|   | 1984   | 1985   | 1986   | 1987   | 1988   |
|---|--------|--------|--------|--------|--------|
| <b>Social Security Amendments of 1983</b>                     |        |        |        |        |        |
| Individual income taxes.....                                  | -2.3   | -0.6   | -0.5   | -0.6   | -2.1   |
| Social insurance taxes and contributions.....                 | 8.0    | 9.9    | 9.6    | 11.7   | 25.0   |
| Total, Social Security Amendments of 1983.....                | 5.7    | 9.3    | 9.1    | 11.1   | 22.9   |
| <b>Interest and Dividends Tax Compliance Act of 1983</b>      |        |        |        |        |        |
| Individual income taxes.....                                  | -2.6   | -2.4   | -2.1   | -1.7   | -1.8   |
| Corporation income taxes.....                                 | —*     | —*     | —*     | —*     | —*     |
| Total, Interest and Dividends Tax Compliance Act of 1983..... | -2.6   | -2.4   | -2.1   | -1.7   | -1.8   |
| <b>Railroad Retirement Revenue Act of 1983</b>                |        |        |        |        |        |
| Individual income taxes.....                                  | 0.1    | 0.3    | 0.3    | 0.3    | 0.3    |
| Social insurance taxes and contributions.....                 | 0.1    | 0.4    | 0.8    | 0.8    | 0.8    |
| Total, Railroad Retirement Revenue Act of 1983.....           | 0.2    | 0.7    | 1.1    | 1.1    | 1.1    |
| <b>Deficit Reduction Act of 1984</b>                          |        |        |        |        |        |
| Individual income taxes.....                                  | 0.7    | 5.6    | 7.9    | 9.9    | 12.6   |
| Corporation income taxes.....                                 | 0.5    | 3.3    | 5.9    | 8.1    | 9.8    |
| Social insurance taxes and contributions.....                 | -0.1   | —*     | —*     | —*     | —*     |
| Excise taxes.....   | -0.2   | 0.4    | 1.9    | 3.2    | 1.8    |
| Estate and gift taxes.....                                    | —*     | *      | 0.3    | 0.4    | 0.4    |
| Total, Deficit Reduction Act of 1984.....                     | 0.9    | 9.3    | 15.9   | 21.6   | 24.6   |
| <b>ADDENDUM</b>   |        |        |        |        |        |
| Total effect on receipts by source:                           |        |        |        |        |        |
| Individual income taxes.....                                  | -105.0 | -117.0 | -140.4 | -165.5 | -190.6 |
| Corporation income taxes.....                                 | -5.7   | -10.5  | -9.3   | -6.4   | -4.3   |
| Social insurance taxes and contributions.....                 | 11.9   | 14.4   | 14.3   | 16.2   | 29.4   |
| Excise taxes.....   | 9.6    | 11.3   | 10.1   | 10.7   | 7.2    |
| Estate and gift taxes.....                                    | -3.3   | -4.7   | -6.0   | -7.4   | -8.9   |
| Total.....  | -92.4  | -106.4 | -131.4 | -152.4 | -167.2 |

\* \$50 million or less.

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

## RECEIPTS PROPOSALS

**Tax incentives for higher education.**—The administration is again proposing legislation to exclude from taxation the earnings on savings deposited in special accounts that would be used to pay future higher education expenses of dependent children. The maximum annual contribution to these accounts would be \$1,000 per child. However, this maximum would be reduced 5 cents for each dollar that the taxpayer's adjusted gross income exceeds \$40,000, so that any taxpayer with adjusted gross income in excess of \$60,000 would be ineligible.



Eligible expenses generally would be tuition and room and board incurred by a full-time student enrolled in a postsecondary education program leading to a degree or certification (including graduate school). In the case of part-time students in such a program, only tuition would qualify. Special savings accounts would qualify only if the dependent children on whose behalf the savings were made were under age 18. In no case could an account be kept open for a child over the age of 25. Eligible expenses would not include amounts paid to schools that follow a racially discriminatory policy. This proposal would be effective January 1, 1986, and is estimated to reduce receipts by \$0.1 billion in 1987 and \$0.3 billion in 1988.

***Tuition tax credit.***—The administration is reproposing legislation to provide taxpayers a nonrefundable credit for 50 percent of tuition expenses paid to private elementary and secondary schools for certain qualified dependents. The maximum credit allowable for each dependent would be \$100 in 1985, \$200 in 1986, and \$300 thereafter, with the maximum amount in each year phased out for taxpayers with adjusted gross incomes between \$40,000 and \$60,000. Credits would not be allowed for expenses paid to private schools that follow a racially discriminatory policy. This proposal, which would be effective for expenses incurred after July 31, 1985, is estimated to reduce receipts by \$0.4 billion in 1986, \$0.6 billion in 1987, and \$0.9 billion in 1988.

***Enterprise zone tax incentives.***—Under current law, the only tax incentive for the redevelopment of economically distressed areas is a relaxation of limitations on tax-exempt financing for facilities receiving assistance under the Urban Development Action Grant program. The administration is again proposing that up to 25 small areas per year (not to exceed 75 in total) be designated "enterprise zones." Effective January 1, 1986, the following tax incentives would be available for economic redevelopment in the zones: an exemption from capital gains tax on certain qualified property; a tax credit for employees equal to 5 percent of the first \$10,500 of wages earned; a tax credit for employers equal to 10 percent of any qualified increases in their payrolls; a separate tax credit for employers of certain disadvantaged individuals equal to 50 percent of the wages of such persons for the first three years of employment (the percentage declines by 10 points in the fourth year and each year thereafter); an increase of 50 percent in the regular investment tax credit for investment in equipment; a 10 percent investment tax credit for new construction and reconstruction of buildings; and continued availability of tax-exempt bond financing beyond the 1986 sunset date for small issue bonds. These incentives, which generally would remain fully in effect for 20 years and

be phased out over the succeeding four years, are estimated to reduce receipts by \$0.1 billion in 1986, \$0.5 billion in 1987, and \$0.9 billion in 1988.

***Extension of Federal/State unemployment insurance coverage to railroad employment.***—Railroad employment is the only sector not covered by the Federal/State unemployment insurance system. The separate Railroad Sickness and Unemployment Insurance Fund (RSUI), which is financed by payroll taxes paid by rail employers, is deeply in debt to the rail pension fund and under current law would be unable to pay benefits on a timely basis beginning in 1985.

To ensure the timely payment of benefits to unemployed rail workers, the administration proposes to extend Federal/State unemployment insurance coverage to railroad employment. Under a transitional Federal program, all rail workers becoming unemployed after September 30, 1985, would be eligible for generally higher benefits under the Federal/State system. Existing RSUI debt repayment contributions would remain in place to finance sickness payments and ensure that RSUI's debt to the rail pension fund is repaid. This proposal is estimated to increase receipts by \$0.1 billion in 1986, and \$0.2 billion in 1987 and 1988.

***Financing and administering State Unemployment Insurance (UI) and Employment Service (ES) operations.***—Employers currently are subject to a Federal unemployment insurance tax (FUTA) on the wages and salaries of their employees. The Federal Government uses part of these taxes to finance the administrative costs of the UI and ES programs and makes the major decisions regarding the allocation of these resources among competing administrative needs (claims processing, appeals, overpayment and fraud detection, etc.).

The State governments levy and collect the taxes that finance the bulk of UI benefits, and decisions regarding the allocation of administrative resources can have a major impact on UI tax requirements. The administration is therefore working with the States to develop legislation that will be proposed to transfer responsibility for financing and administering the UI/ES system to the States. Under this proposal the net FUTA tax rate would be reduced effective January 1, 1988, resulting in an estimated reduction in these receipts of \$1.8 billion in 1988. Since the States would have responsibility for financing the administrative costs of the system at that time, the estimated reduction in FUTA receipts is expected to be offset by increased deposits by the States into their accounts in the unemployment insurance trust fund. It is therefore estimated that this proposal would have no net effect on receipts.

***Black lung disability trust fund.***—Black lung disability benefits are paid to coal miners (or to their survivors) who have been determined to be totally disabled by black lung disease. Benefits for miners determined to be eligible prior to 1973 are paid for by the general fund of the Treasury. Benefits for miners determined to be eligible since 1973 are the responsibility of the coal mining industry—either the coal mine operator found responsible for an individual miner's disease or the industry as a whole through the black lung disability trust fund. This fund is financed primarily by a fee on coal production. Additional funding includes repayable advances from the Treasury when trust fund liabilities exceed income. Since benefits have exceeded revenues for a number of years, the cumulative trust fund deficit is increasing at an alarming rate. In order to move toward the future solvency of the trust fund and to fulfill the original intent of the Congress that the cost of the program be borne by the coal industry, the administration is proposing an increase in the fee that would freeze the cumulative deficit over the next five years. This change in the fee is estimated to increase receipts to the trust fund by \$0.2 billion in 1986, and \$0.3 billion in 1987 and 1988.

***State and local deposit of social security payroll taxes.***—States currently are required to make semi-monthly deposits of social security taxes on their own behalf and for sub-State entities. Private employers and the Federal Government are required to deposit these taxes under an accelerated schedule. The administration is requesting legislation that would remove the States' liability for deposit of taxes by sub-State entities and conform the State and local government deposit schedule to the private sector schedule over a three year period beginning October 1, 1985. Late deposits by State and local employers would be subject to the same penalty rate (the prime interest rate) as private employers, rather than the current interest charge of only 6%. These changes are estimated to increase receipts \$0.4 billion in 1986, less than \$0.1 billion in 1987, and \$0.3 billion in 1988.

***Equitable taxation of rail industry benefits.***—Under current tax law, a portion of social security equivalent benefits provided under railroad retirement is subject to the Federal income tax. Payments received from the rail industry pension plan are subject to the Federal income tax to the extent that they exceed previously taxed contributions. However, some rail industry pension benefits are being taxed under the social security equivalent benefit rules. The administration is proposing that effective January 1, 1986, these pension payments be taxed under the same rules that apply to all other payments received under the industry pension plan. This

proposal is estimated to increase receipts by \$0.1 billion in both 1987 and 1988.

***Restructuring of the dependent care tax credit.***—The administration is again proposing to increase the dependent care tax credit to 40 percent of qualifying dependent care expenses for individuals with an annual income of \$10,000 or less. The credit would be reduced as the individual's income increases above \$10,000, and would phase out completely when income reaches \$60,000. This credit, proposed to become effective January 1, 1986, is estimated to reduce receipts by \$0.2 billion in both 1987 and 1988.

***Internal Revenue Service (IRS) user fees.***—The administration is proposing that the IRS impose a user fee of \$100 on letters of determination for pension plans and tax-exempt organizations. These letters provide approval of tax status. A user fee of \$100 is also proposed for private letter rulings, which are requests by taxpayers for clarification of the IRS position in unprecedented tax situations. These fees, proposed to become effective October 1, 1985, are estimated to increase receipts by less than \$0.1 billion in each year, beginning in 1986.

***Hazardous substance response trust fund.***—The administration proposes to reauthorize and expand the taxing authority under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The taxes levied under this authority are used to finance the Hazardous Substance Response Trust Fund, commonly referred to as "Superfund", which pays for the cleanup of hazardous waste sites. The proposed taxes, which are estimated to increase receipts to the trust fund by \$0.9 billion over current law in each year, 1986-1988, would be sufficient to finance the level of spending proposed by the administration for hazardous waste site cleanup in 1986 and later years. No appropriation from the general fund of the Treasury will be requested.

***Extension of research and experimental expenditures (R&E) tax credit.***—The tax credit for incremental research and experimental expenditures, which is scheduled to expire December 31, 1985, is proposed to be extended for three years. Extension of this credit is estimated to reduce receipts \$0.7 billion in 1986, \$1.3 billion in 1987, and \$1.5 billion in 1988.

***Increase in the District of Columbia (D.C.) employer contribution to civil service retirement (CSR).***—The D.C. Government currently contributes 7% of wages and salaries to CSR; D.C. Government employees contribute an additional 7%. The cost of civil service retirement exceeds the combined contribution of the D.C. Government and its employees. Beginning in 1986, the administration

proposes to increase the D.C. Government employer contribution by 2% a year until it reaches about 29% of payroll—the level necessary to cover the full cost of the program, when combined with the employee contribution of 7%.<sup>3</sup>

**IRS revenue initiative.**—In 1986 the Internal Revenue Service will begin initial phases of an initiative to close the gap between taxes owed and paid, and to improve overall compliance with the tax laws. Based on a Grace Commission recommendation, examination staffing will be increased by 2,500 full-time equivalent personnel in each year, 1987–89. Advance hiring will begin in 1986. Receipts are estimated to increase by \$0.5 billion in 1987 and \$1.5 billion in 1988 as a result of this initiative.

**Tax simplification and reform.**—The administration is not proposing legislation to simplify and reform the income tax system in this budget. However, after completing consultations with members of Congress, the administration will submit legislation to restore fairness to the Federal income tax and to make it simpler, more neutral, and more conducive to economic growth. Because tax reform legislation will be revenue neutral, it is not essential that it be reviewed at this time in the budget.

Although the administration continues to support legislation to expand the limitations on individual retirement accounts for married couples with only one spouse working outside the home and to impose a limitation on the amount of employer-paid health insurance premiums that employees may receive tax free, these proposals are not included in the budget because they will be part of the forthcoming revenue neutral tax reform recommendations.

## EFFECT OF ENACTED AND PROPOSED CHANGES ON RECEIPTS

The actual change in receipts that will result from an enacted or proposed tax revision will depend on both the direct effect of the tax change and the indirect or “feedback” effect. The direct effect is the increase or decrease in receipts due only to the tax change at given levels of income. The indirect or feedback effect is the increase or decrease in receipts due to the effect of the tax change on income levels.

The estimates of the effect of enacted and proposed tax changes shown in this budget represent the direct effect of these changes on receipts, based on levels of corporate and individual income that reflect enactment of the tax change. The estimated indirect or feedback effect on receipts due to the tax-induced change in in-

<sup>3</sup> The administration proposes to increase the contribution of the Postal Service in the same way. Contributions of the Postal Service to CSR are shown on the outlay side of the budget and do not affect budget receipts.

EFFECT OF PROPOSED LEGISLATION AND ADMINISTRATIVE ACTION ON RECEIPTS<sup>1</sup>

(In billions of dollars)

|  | 1985 | 1986  | 1987  | 1988  |
|--|------|-------|-------|-------|
| Higher education tax incentive.....                        |      | — *   | — 0.1 | — 0.3 |
| Tuition tax credit.....                                    |      | — 0.4 | — 0.6 | — 0.9 |
| Enterprise zone tax incentives.....                        |      | — 0.1 | — 0.5 | — 0.9 |
| Railroad unemployment insurance coverage.....              |      | 0.1   | 0.2   | 0.2   |
| Black lung disability trust fund <sup>2</sup> .....        |      | 0.2   | 0.2   | 0.3   |
| State and local deposit of payroll taxes.....              |      | 0.4   | *     | 0.3   |
| Equitable taxation of rail industry benefits.....          |      | *     | 0.1   | 0.1   |
| Dependent care tax credit.....                             |      | — *   | — 0.2 | — 0.2 |
| IRS user fees.....   |      | *     | *     | *     |
| Hazardous substance response trust fund <sup>2</sup> ..... |      | 0.6   | 0.7   | 0.7   |
| Extension of R&E tax credit.....                           |      | — 0.7 | — 1.3 | — 1.5 |
| Increase in D.C. employer contribution.....                |      | *     | *     | *     |
| IRS revenue initiative.....                                |      |       | 0.5   | 1.5   |
| Other.....   | *    | *     | *     | *     |
| <b>Total</b> .....   | *    | 0.2   | — 1.0 | — 0.7 |
| <b>ADDENDUM</b>  |      |       |       |       |
| Effect of proposals on receipts by source:                 |      |       |       |       |
| Individual income taxes.....                               |      | — 0.6 | — 1.3 | — 1.5 |
| Corporation income taxes.....                              |      | — 0.8 | — 1.2 | — 1.0 |
| Social insurance taxes and contributions.....              |      | 0.5   | 0.2   | 0.5   |
| Excise taxes.....  |      | 1.1   | 1.2   | 1.3   |
| Other.....   | *    | 0.1   | 0.1   | 0.1   |
| <b>Total</b> .....   | *    | 0.2   | — 1.0 | — 0.7 |

\* \$50 million or less.

<sup>1</sup> These estimates are based on the direct effect only of legislative changes at a given level of economic activity. Induced effects on the economy are taken into account in forecasting incomes, however, and in this way affect the receipts estimates by major source and in total.<sup>2</sup> Net of income tax offsets.

comes is not included in these estimates because it is already included in gross receipts.

For example, the estimates of the effect of the Economic Recovery Tax Act of 1981 shown in this budget represent only the direct effect of the changes provided in the Act. The increased receipts resulting from the tax-induced increase in incomes are included in gross receipts. The estimates of the direct effect of the Economic Recovery Tax Act of 1981 on receipts therefore overstate, in this sense, the net loss to the Treasury of the income tax reductions and other tax changes provided in the Act.

The estimates in this budget of the effect of the administration's proposals on receipts also represent only the direct effect of these changes. The indirect effect of these proposals is likewise included in gross receipts.

## CHANGES IN BUDGET RECEIPTS

Budget receipts are estimated to increase by \$70.4 billion in 1985, \$56.9 billion in 1986, \$67.9 billion in 1987 and \$88.7 billion in 1988. 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, 1981, receipts would have risen by \$71.9 billion in 1985, \$71.5 billion in 1986, \$82.9 billion in 1987, and \$94.7 billion in 1988. Thus, the combined effect of administrative action and enacted and proposed tax law changes, which is shown in the accompanying table, reduces the growth in receipts by \$1.5 billion in 1985, \$14.7 billion in 1986, \$15.0 billion in 1987, and \$6.0 billion in 1988.

## COMPONENTS OF CHANGES IN RECEIPTS

(In billions of dollars)

|  | 1985 | 1986  | 1987  | 1988 |
|--|------|-------|-------|------|
| Growth in receipts:  |      |       |       |      |
| Under existing law and administrative action and proposed legislation..... | 70.4 | 56.9  | 67.9  | 88.7 |
| Under tax rates and structure in effect Jan. 1, 1981 .....                 | 71.9 | 71.5  | 82.9  | 94.7 |
| Difference.....  | -1.5 | -14.7 | -15.0 | -6.0 |

## CHANGES IN BUDGET RECEIPTS

(In billions of dollars)

|   | 1984   | 1985   | 1986   | 1987   | 1988    |
|---|--------|--------|--------|--------|---------|
| <b>Receipts under tax rates and structure in effect January 1, 1981 <sup>1</sup></b> .....                  | 749.4  | 821.3  | 892.8  | 975.7  | 1,070.5 |
| <b>Administrative action</b> .....  | *      | 0.2    | 0.2    | 0.2    | 0.2     |
| <b>Enacted legislative changes:</b>   |        |        |        |        |         |
| Economic Recovery Tax Act of 1981.....  | -136.8 | -168.5 | -210.8 | -250.9 | -283.0  |
| Tax Equity and Fiscal Responsibility Act of 1982..  | 36.0   | 40.7   | 50.9   | 61.8   | 64.3    |
| Highway Revenue Act of 1982.....  | 4.2    | 4.4    | 4.6    | 4.7    | 4.8     |
| Social Security Amendments of 1983 <sup>2</sup> .....   | 1.8    | 6.3    | 7.1    | 8.6    | 9.3     |
| Interest and Dividends Tax Compliance Act of 1983.....  | -2.6   | -2.4   | -2.1   | -1.7   | -1.8    |
| Railroad Retirement Revenue Act of 1983.....  | 0.2    | 0.7    | 1.1    | 1.1    | 1.1     |
| Deficit Reduction Act of 1984.....  | 0.9    | 9.3    | 15.9   | 21.6   | 24.6    |
| Social security taxable earnings base increases: <sup>6</sup>   |        |        |        |        |         |
| \$29,700 to \$32,400 effective Jan. 1, 1982.....  | 3.9    | 4.6    | 5.2    | 6.1    | 7.2     |
| \$32,400 to \$35,700 effective Jan. 1, 1983.....  | 3.8    | 4.4    | 5.1    | 6.1    | 7.3     |
| \$35,700 to \$37,800 effective Jan. 1, 1984.....  | 0.7    | 2.3    | 2.7    | 3.2    | 3.9     |
| \$37,800 to \$39,600 effective Jan. 1, 1985.....  |        | 0.7    | 2.1    | 2.5    | 3.1     |
| \$39,600 to \$41,400 effective Jan. 1, 1986.....  |        |        | 0.7    | 2.2    | 2.8     |
| \$41,400 to \$43,200 effective Jan. 1, 1987.....  |        |        |        | 0.8    | 2.5     |
| \$43,200 to \$45,900 effective Jan. 1, 1988.....  |        |        |        |        | 1.3     |
| Social security (OASDHI) tax rate increases: <sup>3 6</sup>   |        |        |        |        |         |
| 13.3% to 13.4% effective Jan. 1, 1982.....  | 1.5    | 1.6    | 1.6    | 1.8    | 1.9     |
| 13.4% to 14.0% effective Jan. 1, 1984.....  | 3.8    | 10.0   | 11.8   | 12.7   | 13.6    |
| 14.0% to 14.1% effective Jan. 1, 1985.....  |        | 1.3    | 2.2    | 2.3    | 2.5     |
| 14.1% to 14.3% effective Jan. 1, 1986.....  |        |        | 2.7    | 4.2    | 4.5     |
| 14.3% to 15.02% effective Jan. 1, 1988.....   |        |        |        |        | 11.0    |
| Other.....  | -0.4   | -0.1   | -0.2   | -0.3   | -0.5    |
| <b>Proposed legislation and administrative action:</b>  |        |        |        |        |         |
| Higher education tax incentive.....   |        |        | -*     | -0.1   | -0.3    |
| Tuition tax credit.....   |        |        | -0.4   | -0.6   | -0.9    |
| Enterprise zone tax incentives.....   |        |        | -0.1   | -0.5   | -0.9    |
| Railroad unemployment insurance coverage.....   |        |        | 0.1    | 0.2    | 0.2     |
| Black lung disability trust fund <sup>5</sup> .....   |        |        | 0.2    | 0.2    | 0.3     |
| State and local deposit of payroll taxes.....   |        |        | 0.4    | *      | 0.3     |
| IRS revenue initiative.....   |        |        |        | 0.5    | 1.5     |
| Extension of R&E credit.....  |        |        | -0.7   | -1.3   | -1.5    |
| Other.....  |        | *      | 0.7    | 0.6    | 0.7     |
| <b>Total, receipts under existing and proposed legislation and administrative action <sup>4</sup></b> ..... | 666.5  | 736.9  | 793.7  | 861.7  | 950.4   |

\* \$50 million or less.

<sup>1</sup> These figures assume a social security taxable earnings base of \$29,700 through 1988.<sup>2</sup> Excludes the effect of increases in the OASDHI tax rate that are shown below.<sup>3</sup> The combined employer-employee old age and survivors, disability, and hospital insurance (OASDHI) tax rate.<sup>4</sup> These estimates include both the direct and indirect effects of administrative action and legislative changes.<sup>5</sup> Net of income tax offsets.<sup>6</sup> 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 that would occur if the rate and base were each changed separately.



## RECEIPTS BY SOURCE

**Individual income taxes.**—Individual income tax receipts are estimated at \$329.7 billion in 1985 and \$358.9 billion in 1986. These estimates reflect the individual income tax reductions and other tax revisions provided in ERTA, TEFRA, and DEFRA, which reduce individual income tax receipts in 1985 and 1986 by a net \$113.1 billion and \$136.8 billion, respectively. The proposed changes in this budget are estimated to reduce individual income taxes by \$0.6 billion in 1986.

Individual income taxes in 1987 and 1988 are projected at \$392.5 billion and \$433.6 billion, respectively. The changes in individual income taxes provided in ERTA, TEFRA, and DEFRA result in a net reduction in individual income tax receipts of \$162.1 billion in 1987 and \$185.6 billion in 1988. The administration's proposals are estimated to reduce individual income taxes by \$1.3 billion in 1987 and \$1.5 billion in 1988.

**Corporation income taxes.**—Corporation income tax receipts are estimated at \$66.4 billion in 1985 and \$74.1 billion in 1986. These estimates reflect the accelerated cost recovery system of depreciation and other provisions of ERTA, TEFRA, and DEFRA, which are estimated to reduce corporation income tax receipts in 1985 and 1986 by \$10.3 billion and \$9.1 billion, respectively. The administration's proposals are estimated to reduce corporation income taxes by \$0.8 billion in 1986.

Corporation income tax receipts in 1987 and 1988 are estimated at \$87.5 billion and \$99.0 billion, respectively. These estimates reflect net reductions of \$6.2 billion in 1987 and \$4.1 billion in 1988 due to enactment of ERTA, TEFRA, and DEFRA. The administration's proposals are estimated to reduce corporation income taxes by \$1.2 billion in 1987 and \$1.0 billion in 1988.

**Social insurance taxes and contributions.**—This category includes social security and railroad retirement taxes, unemployment insurance taxes and deposits, and other retirement contributions.

Receipts from this source are expected to be \$268.4 billion in 1985 and \$289.4 billion in 1986. These estimates reflect the increases in social security coverage and tax rates provided in the Social Security Amendments of 1983, which are estimated to increase social insurance taxes and contributions by \$9.9 billion in 1985 and \$9.6 billion in 1986. The changes provided in ERTA, TEFRA, and the Railroad Retirement Revenue Act of 1983 are estimated to increase social insurance taxes and contributions by an additional \$4.5 billion in 1985 and \$4.7 billion in 1986. The scheduled increase in the social security taxable earnings base

from \$39,600 in 1985 to \$41,400 in 1986 is also reflected in these estimates.

The estimates for 1987 and 1988 are \$309.5 billion and \$346.5 billion, respectively. These estimates reflect the legislated increases in social security tax rates provided in the Social Security Amendments of 1983 and annual increases in the taxable earnings base to \$45,900 by 1988. The increases in social insurance taxes and contributions provided in ERTA, TEFRA, and the Railroad Retirement Revenue Act add \$4.5 billion to receipts in 1987 and \$4.4 billion in 1988.

**Excise taxes.**—Excise taxes are levied on a variety of products, services, and activities. Receipts from these taxes are estimated at \$37.0 billion in 1985 and \$35.0 billion in 1986. These estimates include the windfall profit tax, which is estimated at \$6.5 billion in 1985 and \$5.0 billion in 1986. The estimates also reflect the increases in excise taxes on airport and airway users, cigarettes, and telephone service provided in TEFRA, which add an estimated \$5.4 billion to excise taxes in 1985 and \$2.4 billion in 1986. The 5 cent per gallon increase in the excise tax on gasoline and diesel fuel, and other provisions of the Highway Revenue Act of 1982, add an additional \$5.8 billion to excise taxes in 1985 and \$6.1 billion in 1986. DEFRA, which extended the excise tax on telephone service and increased the excise tax on distilled spirits, is estimated to increase receipts in 1985 and 1986 by \$0.4 billion and \$1.9 billion, respectively. The administration's proposals increase excise taxes by \$1.1 billion in 1986.

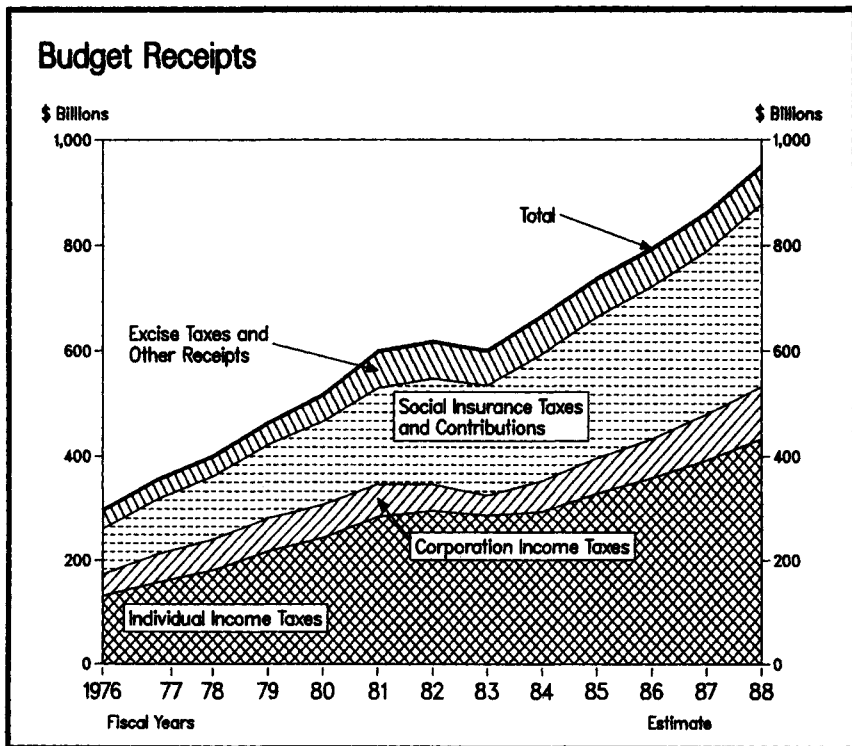
The estimates for 1987 and 1988 are \$35.0 billion and \$33.6 billion, respectively. These estimates include \$4.1 billion from the windfall profit tax in 1987 and \$3.5 billion in 1988. They also reflect a net increase of \$11.0 billion in 1987 and \$7.4 billion in 1988 due to the provisions of TEFRA, DEFRA, and the Highway Revenue Act. The administration's proposals increase receipts in 1987 and 1988 by \$1.2 billion and \$1.3 billion, respectively.

**Estate and gift taxes.**—Estate and gift taxes are estimated at \$5.6 billion in 1985, \$5.3 billion in 1986, \$5.0 billion in 1987, and \$4.7 billion in 1988. These estimates reflect reductions due to enactment of ERTA and partially offsetting increases due to enactment of TEFRA and DEFRA.

**Other receipts.**—Customs duties and miscellaneous receipts (almost all of which are deposits of earnings by the Federal Reserve System) are estimated to total \$29.8 billion in 1985, \$31.0 billion in 1986, \$32.2 billion in 1987, and \$32.9 billion in 1988.

## 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 explained further in Part 7 and are shown in Table 14 of Part 9.



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**PART 5**

**MEETING NATIONAL NEEDS:  
THE FEDERAL  
PROGRAM BY FUNCTION**

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5-1

## INTRODUCTION

This part of the budget presents Federal programs in terms of functions, which are broad categories of activities with similar purposes. The programs are grouped into functions so that related Federal activities that meet particular national needs may be considered together, regardless of which agencies are responsible for them. Therefore, to the extent feasible, the functional structure classifies these activities according to their primary purpose. Each activity is classified only in the function that defines its most important purpose, even though it may serve more than one purpose.

There are 18 functions, plus two categories—allowances and undistributed offsetting receipts—that are not themselves functions because they do not consist of programs, but are needed to encompass the entire budget. Each function, in turn, is divided into several subfunctions, which are narrower and more homogeneous groupings of programs. The functional classification has not changed significantly since last year's budget.

The function-subfunction-program hierarchy is used in the tables of budget authority and outlays that are presented for each function. These tables quantify the President's proposals; the accompanying text explains them. Each function starts with a statement of the national needs served by programs in the function. A summary paragraph or two describes the function and major proposals. Individual programs, arranged in subfunctions, are discussed in terms of budget authority and outlays. These data reflect activities of the Federal entities that are off-budget under current law, but which the administration is proposing to include on-budget. Parts 6 and 7 of this volume discuss this proposal further.

While budget authority and outlays are the most important measures of resources allocated to Federal programs, they do not cover all Federal activities. Federal loan guarantees generally require no outlays unless the borrower defaults. To monitor and control Federal credit activities, a separate credit budget measures all guaranteed loan commitments and direct loan obligations. Most functions contain Federal credit programs; the functional sections discuss these programs and contain a table of credit activity. The figures in these tables add up to the credit budget totals, which appear in table 1 of Part 9 of this volume and are explained in Special Analysis F, "Federal Credit Programs." Part 7 describes

the concepts and definitions underlying the credit budget, and Part 6 discusses loan guarantees.

Tax expenditures, also not measured by budget authority or outlays, are another means by which the Federal Government can achieve policy objectives. Tax expenditures are provisions of income tax law that allow a preferential rate of tax, a special credit, a deferral of tax liability, or a special exclusion, deduction, or exemption. Most of the functions include a discussion, and in some cases a table, of tax expenditures. The definition and measurement of tax expenditures are explained in Part 6 of this volume and in Special Analysis G, "Tax Expenditures."

Other parts of the budget include tables that supplement this part by showing more detailed data:

- Budget outlays by function and subfunction for 1976 through 1986 appear in table 20 of Part 9.
- Outlays and budget authority by function for 1984 through 1990 are contained, respectively, in tables 3 and 6 of Part 9.
- Budget authority and outlays for each agency and account are shown in Part 8 for 1984 through 1986. Each account has a 3-digit code indicating the function and subfunction in which it is classified.

Data for earlier years are available in a new budget volume, *Historical Tables, Budget of the United States Government, 1986*, which may be purchased from the Government Printing Office.

## NATIONAL DEFENSE

The objective of the national defense program is to protect the Nation and its allies from foreign aggression. It seeks to preserve peace by maintaining sufficient military strength to deter war. Should war nonetheless occur, we must be prepared to defend ourselves successfully, while minimizing the scope and intensity of the conflict.

Deterring foreign threats to our vital interests and those of our allies and friends depends on the maintenance of a full range of defense capabilities. These include: strategic nuclear capabilities; maritime strength; strong forces in Europe and other forward areas critical to our defense; and the ability to deploy rapidly and sustain our military forces worldwide.

The budget proposes \$322.2 billion in budget authority and \$285.7 billion in outlays for the national defense function in 1986. The accompanying table shows budget authority and outlays for the three major national defense subfunctions: military functions of the Department of Defense, atomic energy defense activities, and defense-related activities of other agencies.

***Department of Defense-Military.***—The \$29.0 billion increase in budget authority requested for the military functions of the Department of Defense in 1986 continues the administration's commitment to provide the military strength needed to ensure the Nation's security. In the face of very large improvements in Soviet military capabilities, U.S. forces must be strengthened to meet the Soviet challenge and to protect our national interests. This requires that we continue efforts to:

- modernize all components of U.S. strategic forces to ensure that they deter nuclear attack by their ability to survive and retaliate should an attack occur;
- improve the readiness and combat endurance of conventional forces and modernize the equipment of these forces;
- maintain sufficient maritime strength to assure our ability to deploy U.S. forces to critical regions overseas to protect our interests, support our allies, and assure continued access to essential resources; and
- maintain alliances and coalitions to protect U.S. interests worldwide and, in particular, to achieve NATO objectives.

Achievement of these objectives requires sustained increases in defense resources over the coming years.

## NATIONAL DEFENSE

(Functional code 050; in millions of dollars)

| Major missions and programs                      | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                          |                |                  |                  |                  |                  |
| <b>Department of Defense-Military:</b>           |                |                  |                  |                  |                  |
| Military personnel <sup>1</sup> .....            | 64,866         | 68,448           | 73,425           | 75,762           | 77,719           |
| Operation and maintenance .....                  | 70,950         | 78,219           | 82,450           | 95,834           | 108,754          |
| Procurement .....                                | 86,161         | 96,807           | 106,813          | 122,432          | 141,223          |
| Research, development, test and evaluation ..... | 26,867         | 31,464           | 39,280           | 42,607           | 49,289           |
| Military construction .....                      | 4,510          | 5,517            | 7,057            | 8,887            | 10,520           |
| Family housing .....                             | 2,669          | 2,894            | 3,283            | 3,895            | 4,324            |
| Revolving funds and other:                       |                |                  |                  |                  |                  |
| On-budget under current law .....                | 2,823          | 1,650            | 1,889            | 2,361            | 2,830            |
| Off-budget under current law# .....              | 2              | 5                | 5                | 4                | 3                |
| Offsetting receipts:                             |                |                  |                  |                  |                  |
| Existing law .....                               | -696           | -723             | -787             | -809             | -839             |
| Proposed legislation .....                       |                |                  | 100              |                  |                  |
| Allowances: Civilian pay raises .....            |                |                  |                  | -772             | 115              |
| Allowances: Military pay raises and benefits:    |                |                  |                  |                  |                  |
| Existing law .....                               |                |                  |                  | 3,811            | 7,733            |
| Proposed legislation .....                       |                | 454              |                  |                  |                  |
| Other legislation .....                          |                |                  | 189              | -8               | -69              |
| Subtotal, Department of Defense-Military .....   | 258,152        | 284,735          | 313,705          | 354,004          | 401,603          |
| <b>Atomic energy defense activities</b> .....    | 6,555          | 7,325            | 8,047            | 8,830            | 9,461            |
| <b>Defense-related activities:</b>               |                |                  |                  |                  |                  |
| Existing law .....                               | 452            | 493              | 454              | 425              | 399              |
| Proposed legislation .....                       |                |                  |                  |                  |                  |
| Subtotal, Defense-related activities .....       | 452            | 493              | 454              | 425              | 399              |
| <b>Total, budget authority</b> .....             | <b>265,160</b> | <b>292,553</b>   | <b>322,205</b>   | <b>363,259</b>   | <b>411,463</b>   |
| <b>OUTLAYS</b>                                   |                |                  |                  |                  |                  |
| <b>Department of Defense-Military:</b>           |                |                  |                  |                  |                  |
| Military personnel <sup>1</sup> .....            | 64,158         | 67,546           | 72,798           | 75,074           | 77,025           |
| Operation and maintenance .....                  | 67,369         | 74,569           | 79,648           | 87,835           | 99,188           |
| Procurement .....                                | 61,879         | 69,706           | 83,045           | 96,533           | 109,938          |
| Research, development, test and evaluation ..... | 23,117         | 27,786           | 33,988           | 39,110           | 41,959           |
| Military construction .....                      | 3,706          | 4,209            | 5,296            | 6,390            | 7,752            |
| Family housing .....                             | 2,413          | 2,658            | 2,805            | 3,223            | 3,659            |
| Revolving funds and other:                       |                |                  |                  |                  |                  |
| On-budget under current law .....                | -1,107         | 103              | 530              | 1,892            | 2,142            |
| Off-budget under current law# .....              | 2              | 5                | 5                | 4                | 3                |
| Offsetting receipts:                             |                |                  |                  |                  |                  |
| Existing law .....                               | -696           | -723             | -787             | -809             | -839             |
| Proposed legislation .....                       |                |                  | 100              |                  |                  |
| Allowances: Civilian pay raises .....            |                |                  |                  | -758             | 100              |
| Allowances: Military pay raises and benefits:    |                |                  |                  |                  |                  |
| Existing law .....                               |                |                  |                  | 3,749            | 7,670            |
| Proposed legislation .....                       |                | 446              | 7                |                  |                  |
| Other legislation .....                          |                |                  | 70               | 61               | 6                |
| Subtotal, Department of Defense-Military .....   | 220,840        | 246,305          | 277,505          | 312,304          | 348,603          |
| <b>Atomic energy defense activities</b> .....    | 6,120          | 6,991            | 7,700            | 8,413            | 9,357            |
| <b>Defense-related activities:</b>               |                |                  |                  |                  |                  |
| Existing law .....                               | 453            | 380              | 464              | 443              | 418              |
| Proposed legislation .....                       |                | 153              |                  |                  |                  |
| Subtotal, Defense-related activities .....       | 453            | 533              | 464              | 443              | 418              |
| <b>Total, outlays</b> .....                      | <b>227,413</b> | <b>253,830</b>   | <b>285,669</b>   | <b>321,160</b>   | <b>358,378</b>   |

<sup>1</sup> Includes the adjustment to show military retired pay for 1984 on a basis comparable to 1985 and subsequent years. See the discussion in Part 6.

#Proposed to be included on-budget.



*Fiscal year 1985 supplemental.*—The administration will propose 1985 supplemental appropriation requests for \$2.2 billion. These funds are required to finance pay raises that became effective January 1, 1985.

Budget authority requested for the Department of Defense-Military is shown by mission category in the second table in this section. These categories are discussed below.

*Strategic forces.*—Since 1981, the administration has vigorously pursued a program of strategic modernization consistent with a policy of deterrence. The budget continues efforts to modernize our nuclear forces. Only by establishing modern, capable U.S. forces do we create the necessary incentives for the Soviet Union to negotiate genuine arms reductions.

Deployment of the Peacekeeper (MX) missile is essential to maintaining effective deterrence. The budget includes funds for continued Peacekeeper research and development, production of the missile, and modifications to the Minuteman silos that will hold the new missiles. Also included in the 1986 program is an authorization request for the thirteenth Trident submarine, as well as development and production funding for the Trident II (D-5) missile, which is scheduled to be deployed in late 1989.

#### MISSION CATEGORIES: DEFENSE, MILITARY

(Functional code 051; in billions of dollars)

| Major missions and programs  | Budget authority |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
|  | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
| Strategic forces <sup>1</sup> .....  | 26.1             | 27.8             | 29.9             | 30.5             | 32.1             |
| General purpose forces.....  | 100.7            | 120.6            | 132.1            | 152.5            | 177.4            |
| Intelligence and communications.....   | 20.0             | 25.1             | 27.9             | 31.2             | 33.9             |
| Airlift and sealift.....   | 5.5              | 7.0              | 8.0              | 8.5              | 8.0              |
| Guard and reserve.....   | 12.2             | 15.7             | 16.9             | 19.9             | 22.0             |
| Research and development <sup>2</sup> .....                                  | 21.5             | 24.6             | 30.4             | 33.6             | 40.6             |
| Central supply and maintenance.....  | 23.4             | 24.4             | 26.5             | 30.6             | 35.5             |
| Training, medical, and other general personnel activities <sup>3</sup> ..... | 43.3             | 33.1             | 35.6             | 39.7             | 44.0             |
| Administration and associated activities.....                                | 4.8              | 5.9              | 5.9              | 6.6              | 7.2              |
| Support of other nations.....  | 0.7              | 0.5              | 0.5              | 0.9              | 0.9              |
| <b>Total, budget authority.....</b>  | <b>258.2</b>     | <b>284.7</b>     | <b>313.7</b>     | <b>354.0</b>     | <b>401.6</b>     |
| Prior-year funds and other financial adjustments.....                        |                  | 0.6              | 0.7              | 0.8              | 0.8              |
| <b>Total obligational authority.....</b>                                     | <b>258.2</b>     | <b>285.3</b>     | <b>314.4</b>     | <b>354.8</b>     | <b>402.4</b>     |

<sup>1</sup> Excludes strategic systems development included in the research and development category.

<sup>2</sup> Excludes research and development in other program areas on systems approved for production.

<sup>3</sup> Military retired pay is included in training, medical and other general personnel activities through 1984. In 1985 and later years, military retired pay is funded on an accrual basis with costs distributed to all mission categories.

Modernization of our bomber force is continued with the procurement of 48 more B-1B multi-role bombers, development of a new bomber and a new cruise missile using stealth technology, and deployment of first-generation air-launched cruise missiles (ALCM's). ALCM's have already been deployed on 90 B-52G's; modification of B-52H's to carry cruise missiles will begin this year. Continued reengining of KC-135A tanker aircraft along with procurement of additional support equipment will further improve our aerial refueling capability.

The budget proposes strengthening space surveillance capabilities; production of an anti-satellite system; and continued improvements in strategic command, control, communications, and intelligence systems.

*General purpose forces.*—General purpose forces, which deter or counter non-nuclear military aggression, must be able to respond effectively to the most demanding of potential conflicts—a war between NATO and the Warsaw Pact—while retaining the flexibility to meet other threats to U.S. interests. Under the budget proposals for 1986, the following active forces will be supported: 18 Army divisions, 3 Marine divisions, 3 Marine and 13 Navy tactical airwings, 26 wings of Air Force tactical aircraft, and a 555-ship Navy (including strategic missile submarines and support ships).

Budget authority of \$132.1 billion is proposed for general purpose forces, a 9.5% increase over 1985. This provides for strengthening our forces—including rapid response and deployment forces—by increasing combat readiness and by fielding new and improved equipment.

*Army general purpose forces.*—The budget supports the continued acquisition of systems designed to improve the firepower, tactical mobility, and survivability of our forces. Procurement of 840 M-1 Abrams tanks, 716 Bradley fighting vehicles, and other modern fighting vehicles will support our armored combat capability. Funds are requested for procurement of 144 AH-64 Apache attack helicopters and for continued procurement of assault support helicopters, such as the UH-60 Blackhawk. The budget also supports development of a new family of light rotorcraft (LHX) to perform scout, utility, and attack missions as future replacements for existing helicopters.

The Army's conventional forces require a balanced mix of air defense systems. These include short-range, point defense systems such as the Stinger and Chaparral missiles and the Sergeant York gun to defend elements of deployed divisions near the front lines. They also include long-range, area defense systems like Patriot and Hawk missiles to defend larger, more widely dispersed areas of the battlefield. In 1985, the first Patriot missiles are being fielded with

U.S. Army units in Europe, where they will form the backbone of NATO's future air defense system. The budget supports deployment of additional Pershing II ballistic missiles in Europe as part of NATO's theatre nuclear force modernization. Also, while we are actively pursuing a verifiable ban on the production and stockpiling of chemical weapons, funding is being requested to develop and produce binary chemical munitions to modernize our stockpile in order to assure a credible deterrent against Soviet use of chemical warfare.

Emphasis continues to be placed on realistic unit training and greater participation of more mobile units in service-wide exercises. Funding for spare parts and depot repair work makes an essential contribution to meeting readiness objectives. The ability to sustain our forces in conventional combat requires adequate levels of supplies, replacement equipment, and ammunition.

Armor and mechanized divisions are being reorganized to streamline their structure, and efforts are being made to improve the combat capability and the ease and speed of deployment of our light forces. In 1985, the Army is converting an existing infantry division to a new light configuration and adding one light division. Another light division will be formed in 1986, increasing the overall number of active divisions to 18. This will be done within previously planned manpower and equipment resources. The new light divisions are smaller and require less strategic air- or sea-lift than our current infantry divisions.

*Navy general purpose forces.*—In peacetime, the presence of Navy forces provides a tangible demonstration of U.S. regional commitments. In the event of war, these forces must be able to defend the sea lines of communication over which critical U.S. reinforcements and resupply must travel to forward theaters. They must also be able to conduct offensive operations, if necessary, against Soviet naval forces and facilities.

The Navy's deployable battle force (including strategic missile submarines and support ships) will increase from 542 ships in 1985 to 555 in 1986, and will reach the administration's goal of 600 by the end of the decade. Navy shipbuilding plans for 1986-1990 new construction include 11 AEGIS cruisers, 17 guided missile destroyers, 19 attack submarines, 12 amphibious ships, 24 support ships, and 21 minesweepers. The 5-year plan also includes modernizing 2 aircraft carriers to extend their service lives by 15 years; modernizing amphibious assault forces; and reactivating the fourth Iowa-class battleship.

Active naval aviation forces consist of 16 tactical airwings (13 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 continued procurement of 18 F-14,

84 F/A-18, and 46 AV-8B aircraft for the tactical air wings, as well as 9 P-3C long-range patrol aircraft and 18 SH-60B LAMPS III helicopters for anti-submarine warfare.

Realizing the full potential of the investment in naval ships and aircraft requires highly trained crews. Navy tactical aircraft pilots will average about 300 flying hours in 1986, up from 288 hours in 1985 and double that of their Warsaw Pact counterparts.

Expansion of naval ordnance inventories over the last several years has contributed significantly to combat endurance. Special attention has been paid to meeting requirements for torpedoes, surface-to-air and air-to-air missiles, and anti-ship cruise missiles.

*Air Force general purpose forces.*—Tactical air forces consist of fighter, attack, and special-purpose support aircraft. Their role is to respond rapidly to aggression by quickly destroying enemy targets and by providing an air defense umbrella for our combat forces. In 1986, the Air Force plans to procure 180 F-16's and 48 F-15's. Eight of these F-15's will be a dual-role fighter-bomber version, the F-15E. These aircraft will significantly improve the combat effectiveness of our tactical forces due to their range/payload characteristics and their ability to operate at night and in adverse weather.

The budget request provides for procurement of an additional MC-130H special operations forces aircraft that will be able to penetrate enemy air space at night and at low altitudes, and includes funds for highly accurate, precision-guided tactical bombs and missiles. The ground-launched cruise missile is being procured as part of NATO's long-range nuclear force modernization. Deployment of cruise missiles in Europe will continue in 1986.

The Air Force currently has 26 active tactical fighter wings. In addition to the ongoing modernization program, the budget supports continued improvements to readiness through emphasis on spare parts purchases, increased flying hours, and more realistic training for aircrews. In 1986, Air Force tactical aircraft pilots will average about 233 flying hours, double that of their Warsaw Pact counterparts. Joint service exercises are planned, in which Air Force, Navy, and Marine Corps units will conduct integrated operations to increase the combat proficiency of air crews.

*Intelligence and communications.*—In order to employ our weapon systems and forces effectively, we must have the means to direct them in accordance with national policy and military strategy. Information on both friendly and hostile, or potentially hostile, forces must be gathered and evaluated, and decisions made. Decisions and operational orders, in turn, must be communicated to the appropriate forces.

The budget provides for improvement in intelligence and communications by providing for development and modernization of com-

mand centers, sensors, computers, satellites, and other communication links. These improvements will be made in five broad mission areas: strategic and non-strategic nuclear force management; theater and tactical force management; world-wide information and communication systems; electronic warfare; and intelligence.

*Airlift and sealift forces.*—In order to assure a forward defense with limited peacetime presence, we must have the ability to deliver military personnel and combat equipment rapidly to crisis areas anywhere in the world and to sustain them once deployed. The budget reflects an expansion of our airlift capacity through procurement of 16 additional C-5B and 12 additional KC-10 cargo aircraft, and through development of the C-17 cargo aircraft. The budget also provides funds for the civil reserve air fleet (CRAF) program, under which civilian passenger and cargo aircraft will be available to augment military airlift forces during an emergency. In addition, the budget supports continued efforts to improve capabilities of existing aircraft and increase their capacity through modifications. Sealift capabilities will be strengthened by the addition of ships to the ready reserve force and the continued procurement of equipment to make container ships more useful for military purposes.

Stockpiling of equipment and materials near potential trouble spots is critical to our ability to sustain deployed forces in distant areas. The Army has stockpiled in Europe heavy equipment for four Army divisions and supporting units and is acquiring equipment for two more divisions. Equipment to support the rapid deployment of tactical fighter squadrons is also being stockpiled in Europe.

*National guard and reserves.*—U.S. defense planning relies heavily on the ability of reserve components to respond quickly in times of crisis. The budget reflects the continuing trend of improvement in manning, training, and equipment. The reserve components—the Army Reserve, Army National Guard, Naval Reserve, Marine Corps Reserve, Air Force Reserve, and the Air National Guard—have significantly increased their manning levels in recent years. Selected reserve manpower is projected to reach 1,124,100 by the end of 1986, a 4.4% increase over 1985.

The past practice of equipping guard and reserve units with outmoded or excess systems is changing. In 1986, reserve components will receive modern systems such as M-1 tanks, Bradley fighting vehicles, F-16 and F/A-18 aircraft, and Perry-class guided missile frigates.

*Research and development.*—Programs in this category fund all research and development except further development of already-operational systems. New weapon systems are developed, tested

and procured to meet specific military requirements. At the same time, a strong research and technology base must be maintained in support of anticipated future requirements. Real growth of about 20% in budget authority for research and development is proposed for 1986, with a continuing emphasis on strategic programs. Major strategic efforts include the Peacekeeper and Trident II missiles. The budget provides funds for a high priority development program for a small land-based missile, which will carry a single warhead and weigh less than 30,000 pounds. Also included in the budget is an expanded effort on the administration's strategic defense initiative, a research program to explore the possibility of eliminating the ballistic missile threat to the United States and its allies. This initiative includes research on space surveillance and target acquisition; directed energy weapons; kinetic energy weapons; battle management systems; and system survivability.

Tactical development efforts include a new Air Force tactical fighter, a new Army helicopter and a Marine Corps tilt-rotor aircraft, a new attack submarine, a new transport aircraft, and an advanced air-to-air missile.

*Training, medical, and other general personnel activities.*—General personnel activities include training and medical services for active duty personnel. Beginning last year, military retired pay, previously classified in this function, was reclassified in the income security function. This change is discussed in Part 6. The budget request would continue the improvements to individual training begun several years ago. High priority is being placed on training and facilities required to develop team proficiency of operational units through realistic training that simulates actual combat conditions as closely as possible.

*Military personnel and compensation.*—The budget reflects a continued commitment to improved personnel readiness. Efforts to attract and retain qualified personnel have been highly successful. Despite a decline in the number of youth and a projected decline in youth unemployment, the military services will increase strength levels and man their forces with quality personnel. The budget provides for a military pay increase of 3% in July 1985 to help keep military compensation and benefits at attractive levels, but, in view of current severe fiscal pressures, provides no additional pay raise for 1986. The budget provides for increased reimbursement for temporary lodging expenses and for the costs of shipping household goods. This will reduce the burden on military personnel and their families when they are reassigned.

A contingency reserve has been established to provide for possible legislative initiatives now under consideration.

The pay of Defense Department civilian employees will be reduced by 5% in 1986 as part of a Government-wide initiative to help reduce the deficit.

### SUMMARY OF ACTIVE MILITARY PERSONNEL AND FORCES

(Year end—i.e., as of September 30)

|   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| <b>Military personnel (in thousands):</b> |                |                  |                  |
| End strength:                             |                |                  |                  |
| Army.....                                 | 780            | 781              | 781              |
| Navy.....                                 | 565            | 571              | 586              |
| Marine Corps.....                         | 196            | 198              | 199              |
| Air Force.....                            | 597            | 602              | 612              |
| <b>Total, Department of Defense.....</b>  | <b>2,138</b>   | <b>2,152</b>     | <b>2,178</b>     |
| Average strength:                         |                |                  |                  |
| Army.....                                 | 782            | 781              | 782              |
| Navy.....                                 | 560            | 566              | 580              |
| Marine Corps.....                         | 195            | 198              | 199              |
| Air Force.....                            | 596            | 601              | 608              |
| <b>Total, Department of Defense.....</b>  | <b>2,133</b>   | <b>2,146</b>     | <b>2,169</b>     |
| <b>Strategic forces:</b>                  |                |                  |                  |
| Intercontinental ballistic missiles:      |                |                  |                  |
| Peacekeeper.....                          |                |                  | 3                |
| Minuteman.....                            | 1,000          | 1,000            | 997              |
| Titan II.....                             | 31             | 23               | 9                |
| Poseidon-Trident.....                     | 616            | 640              | 688              |
| Strategic bomber squadrons.....           | 21             | 21               | 22               |
| <b>General purpose forces:</b>            |                |                  |                  |
| Land forces:                              |                |                  |                  |
| Army divisions.....                       | 16             | 17               | 18               |
| Marine Corps divisions.....               | 3              | 3                | 3                |
| Tactical air forces:                      |                |                  |                  |
| Air Force wings.....                      | 26             | 26               | 26               |
| Navy attack wings.....                    | 13             | 13               | 13               |
| Marine Corps wings.....                   | 3              | 3                | 3                |
| Naval Forces:                             |                |                  |                  |
| Attack and multipurpose carriers.....     | 13             | 13               | 13               |
| Battleships.....                          | 2              | 2                | 3                |
| Nuclear attack submarines.....            | 94             | 96               | 95               |
| Other warships.....                       | 204            | 210              | 214              |
| Amphibious assault ships.....             | 59             | 59               | 60               |
| <b>Airlift and sealift forces:</b>        |                |                  |                  |
| C-5 airlift squadrons.....                | 4              | 4                | 4                |
| Other airlift squadrons.....              | 13             | 13               | 13               |
| Sealift fleet.....                        | 58             | 59               | 63               |

**Management initiatives.**—The administration seeks to strengthen the U.S. defense posture in the most efficient manner possible. This requires continuing efforts to improve management throughout the Department of Defense. The administration will continue efforts to improve weapons systems acquisition through multi-year procurement and realistic budgeting of costs. Competition will be empha-

sized as a means to keep costs down, improve quality, encourage innovation, and strengthen the defense industrial base.

A program has been initiated to end price abuses in spare parts procurement. The program covers how spare parts are priced and purchased; how they are controlled in inventory; and how they are used and, ultimately, disposed of. As part of this program, the Defense Contract Audit Agency (DCAA) has been directed to work with the military departments and defense agencies to strengthen pricing procedures and to assist in the negotiation of major spare parts purchases.

Outlays for Department of Defense-Military programs covered by section 2901 of the Deficit Reduction Act of 1984 have been reduced by \$388 million through a combination of congressional and administration actions.

Legislation will again be proposed to establish reimbursement procedures for the civilian health and medical program of the uniformed services (CHAMPUS) similar to those enacted in 1983 for medicare. This would lead to substantial savings and simplify the processing of claims. Another proposal would allow the Federal Government to seek reimbursement from private medical insurers for care provided to their beneficiaries in military hospitals and clinics.

***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 at \$2.4 billion in 1986.

***Atomic energy defense activities.***—These activities, conducted by the Department of Energy, include research, development, testing, and production of nuclear weapons; production of special nuclear materials; storage of nuclear wastes from defense programs, and design of reactors for nuclear-powered Navy vessels. The accompanying table shows the funding levels for these programs. In total, budget authority of \$8.0 billion is requested for 1986, compared to \$7.3 billion for 1985. Outlays are estimated to increase from \$7.0 billion in 1985 to \$7.7 billion in 1986.

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. Budget authority proposed for 1986 would provide for increased missile warhead production for current and new weapon systems, and for increased production of special nuclear materials for use in these warheads.

The defense nuclear waste management program provides interim storage for all defense nuclear wastes. The program also supports research and development activities for the isolation and permanent storage of these wastes.



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

Other atomic energy defense and research and development programs cover security at defense nuclear facilities, security investigations, arms control and verification technology development, and research to develop nuclear power sources for potential defense applications.

#### ATOMIC ENERGY DEFENSE ACTIVITIES

(Functional code 053; in millions of dollars)

| Major missions and programs                               | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                                   |                |                  |                  |                  |                  |
| Weapons research, development, test, and production ..... | 3,702          | 4,203            | 4,593            | 4,951            | 5,626            |
| Weapons materials production and waste management .....   | 2,217          | 2,485            | 2,692            | 3,032            | 2,977            |
| Naval reactor development .....                           | 493            | 497              | 569              | 613              | 615              |
| Other research programs .....                             | 143            | 173              | 207              | 248              | 257              |
| Management savings (undistributed) .....                  |                | -33              | -14              | -14              | -14              |
| <b>Total, budget authority .....</b>                      | <b>6,555</b>   | <b>7,325</b>     | <b>8,047</b>     | <b>8,830</b>     | <b>9,461</b>     |
| <b>OUTLAYS</b>  |                |                  |                  |                  |                  |
| Weapons research, development, test, and production ..... | 3,513          | 3,968            | 4,309            | 4,689            | 5,460            |
| Weapons materials production and waste management .....   | 2,001          | 2,267            | 2,644            | 2,913            | 3,012            |
| Naval reactor development .....                           | 465            | 622              | 557              | 584              | 639              |
| Other research programs .....                             | 141            | 170              | 204              | 241              | 260              |
| Management savings (undistributed) .....                  |                | -36              | -14              | -14              | -14              |
| <b>Total, outlays .....</b>                               | <b>6,120</b>   | <b>6,991</b>     | <b>7,700</b>     | <b>8,413</b>     | <b>9,357</b>     |

**Defense-related activities.**—Activities of civilian departments and agencies that support national defense include emergency management, maintenance of strategic stockpiles, and the Selective Service System.

The Federal Emergency Management Agency conducts civil defense and other preparedness programs. The budget proposes a reduction in civil defense funding from \$181 million in 1985 to \$119 million in 1986. The administration has decided that, in view of severe fiscal pressures, the civil defense effort should be maintained at this lower level. This will maintain most existing emergency management programs, but will defer upgrading them. Proposed funding for other preparedness programs is generally at the 1985 level. The agency's defense-related outlays are estimated to decline from \$307 million in 1985 to \$289 million in 1986.

To meet defense and essential civilian requirements for strategic and critical minerals in the event of war, the General Services Administration maintains a stockpile of such materials. An administration study to establish new stockpile goals is nearing comple-

tion. Sales and acquisition levels for 1986 and beyond will be transmitted to Congress as soon as decisions are made on new stockpile goals.

The Selective Service System is responsible for maintaining a standby capacity to meet defense personnel requirements during an emergency national mobilization. The budget includes estimated outlays of \$27 million in 1986. The budget request provides for improving the Selective Service System's mobilization capability, including recruiting and training of board members, strengthening national registration, and, to ensure compliance with the law, prosecution of those who fail to register.

**Credit budget.**—Defense production guarantees of \$25 million committed in 1982 continue to be disbursed through the Federal Financing Bank. These guarantees assist private businesses in fulfilling defense production contracts.

#### CREDIT PROGRAMS—NATIONAL DEFENSE

(In millions of dollars)

|  | Actual<br>1984 | Estimate       |      |      |      |
|--|----------------|----------------|------|------|------|
|  |                | 1985           | 1986 | 1987 | 1988 |
| Direct loans:                                  |                |                |      |      |      |
| National defense programs:                     |                |                |      |      |      |
| Change in outstandings.....                    |                |                | - 1  |      |      |
| Outstandings.....                              | 2              | 2              | 1    | 1    | 1    |
| National defense programs (loans made by FFB): |                |                |      |      |      |
| Change in outstandings <sup>1</sup> .....      | 2              | 5              | 5    | 4    | 3    |
| Outstandings.....                              | 3              | 8              | 13   | 17   | 20   |
| Guaranteed loans:                              |                |                |      |      |      |
| National defense programs:                     |                |                |      |      |      |
| Change in outstandings.....                    | * <sup>*</sup> | * <sup>*</sup> |      |      |      |
| Outstandings.....                              | *              |                |      |      |      |

\*500 thousand or less.

<sup>1</sup> These are guarantees by the agency for loans that the FFB disbursed. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget.

## INTERNATIONAL AFFAIRS

A primary responsibility of the Federal Government is protecting and advancing the interests of the United States and its people in international affairs. To fulfill that responsibility, the foreign policy of the United States is directed toward achieving a world order that provides peace, security, and prosperity, in which individuals may enjoy political and economic freedom. International affairs expenditures proposed in this budget support U.S. foreign policy and national security objectives.

For 1986, \$20.6 billion in budget authority is proposed, \$1.3 billion of which is associated with Federal Financing Bank (FFB) direct loans for which guarantee commitments were made under the foreign military sales credit program prior to 1985 and are classified as off-budget under current law. Legislation will be proposed to bring the activities of the FFB on-budget. The FFB does not undertake lending activity on its own initiative. It does so only when another Federal agency guarantees repayment. Therefore, the FFB loans guaranteed under the foreign military sales credit program are classified in the international affairs function, just as other FFB loans are classified in other functions according to the purpose served. No new loan guarantee commitments are proposed for the foreign military sales credit program in any year after 1984. The addendum to the summary table on budget authority shows international affairs programs as they would appear if the foreign military sales credit program during the 1984-88 period were on-budget direct lending.

Outlays for 1986 are estimated to be \$18.3 billion, including \$0.3 billion in net disbursements on FFB loans included in this function. Total outlays in 1985 are estimated to be \$19.6 billion.

For 1986, total new direct loan obligations for international affairs are proposed to be \$8.1 billion, and total new guaranteed loan commitments are proposed to be \$12.2 billion, \$12.0 billion of which is proposed for the Export-Import Bank.

**Foreign aid.**—Two budget subfunctions—international security assistance and foreign economic and financial assistance—comprise foreign aid.

**International security assistance.**—Security assistance programs are vital instruments of United States national security and foreign policy, serving to strengthen allied and friendly governments where the United States has special security concerns. These programs make it possible for other governments to strengthen their economies and to acquire and use modern military equipment necessary for their defense. Security assistance also helps ensure U.S. access to military bases and facilities overseas. For 1986, overall

security assistance budget authority of \$10.7 billion is proposed, and outlays are estimated to be \$9.2 billion. Because of their critical support of national security objectives some of these programs do increase over 1985 levels.

*Foreign military sales credit (FMSC).*—The foreign military sales credit program enables foreign governments to purchase U.S. military equipment, training, and design and construction services for their security needs. In the face of challenges to U.S. interests and economic difficulties in many parts of the world, the budget continues to include a substantial amount for concessional loans to foreign governments for the procurement of U.S. military goods and services.

Prior to this year, most of the foreign military sales credit program consisted of guarantees of off-budget FFB loans to foreign governments. Only forgiven loans (which are the equivalent of grants) to Egypt and Israel used budget authority that was recorded on-budget. Starting in 1985, the technique for financing foreign military sales was changed from guarantees of off-budget FFB loans to direct loans on-budget. Therefore, no new loan guarantees have been made. The amounts of budget authority and outlays for this direct loan program are shown in the "on-budget under current law" lines for foreign military sales credit—\$5.7 billion in budget authority and \$4.9 billion in outlays are estimated for 1986. Of the budget authority, \$1.8 billion is proposed for forgiven loans to Israel and \$1.3 billion for forgiven loans to Egypt.

Starting in 1986, the administration is proposing that FFB activities be brought on-budget as well. The amounts shown in the "off-budget under current law" lines of the tables constitute FFB disbursements on FMSC program loans guaranteed in years prior to 1985: \$3.1 billion in 1985, \$1.3 billion in 1986, and less than \$0.3 billion in 1988. Disbursements net of repayments are treated as outlays: \$2.3 billion in 1985, \$0.3 billion in 1986, and —\$1.0 billion in 1988.

*Military assistance.*—This grant military aid finances the same types of articles and services as the foreign military sales credit program. It is targeted to countries such as those in Central America where the repayment of loans would impose a severe economic burden. For 1986, budget authority of \$949 million is requested.

*Economic support fund.*—This program provides loans and grants for general budget and balance of payments support to friendly governments. It also finances individual development projects where doing so would enhance our ability to achieve important national security objectives. The proposed budget authority

## NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>   |                |                  |                  |                  |                  |
| <b>Foreign aid:</b>   |                |                  |                  |                  |                  |
| <b>International security assistance:</b>   |                |                  |                  |                  |                  |
| Foreign military sales credit:  |                |                  |                  |                  |                  |
| On-budget under current law.....  | 1,315          | 4,940            | 5,655            | 5,779            | 5,901            |
| Off-budget under current law#.....  | 3,503          | 3,147            | 1,311            | 524              | 262              |
| Military assistance.....  | 712            | 805              | 949              | 970              | 991              |
| Economic support fund.....  | 3,389          | 3,841            | 2,824            | 2,883            | 2,941            |
| Other:  |                |                  |                  |                  |                  |
| Existing law.....   | 110            | 214              | 108              | 110              | 112              |
| Proposed legislation.....   |                |                  |                  | 145              | 278              |
| Offsetting receipts.....  | -86            | -93              | -99              | -105             | -161             |
| Subtotal, International security assistance.....  | 8,943          | 12,854           | 10,748           | 10,306           | 10,324           |
| <b>Foreign economic and financial assistance:</b>   |                |                  |                  |                  |                  |
| Multilateral development banks.....   | 1,324          | 1,548            | 1,348            | 1,348            | 375              |
| International organizations.....  | 315            | 359              | 196              | 200              | 204              |
| Agency for International Development.....   | 2,013          | 2,286            | 2,113            | 2,133            | 2,171            |
| Public Law 480 food aid.....  | 1,377          | 1,540            | 1,307            | 1,296            | 1,286            |
| Peace Corps.....  | 117            | 128              | 125              | 128              | 132              |
| Refugee assistance.....   | 336            | 350              | 338              | 340              | 334              |
| Compact of Free Association (Micronesia).....   |                |                  | 299              | 146              | 148              |
| Other:  |                |                  |                  |                  |                  |
| On-budget under current law.....  | 80             | 95               | 96               | 99               | 101              |
| Offsetting receipts.....  | -493           | -459             | -479             | -604             | -660             |
| Subtotal, Foreign economic and financial assistance.....  | 5,069          | 5,847            | 5,343            | 5,085            | 4,093            |
| Subtotal, Foreign aid.....  | 14,012         | 18,701           | 16,091           | 15,391           | 14,418           |
| <b>Conduct of foreign affairs:</b>  |                |                  |                  |                  |                  |
| Administration of foreign affairs.....  | 1,392          | 1,897            | 1,848            | 1,802            | 1,855            |
| International organizations and conferences.....  | 580            | 545              | 554              | 583              | 559              |
| Other.....  | 53             | 65               | 68               | 70               | 75               |
| Subtotal, Conduct of foreign affairs.....   | 2,025          | 2,507            | 2,470            | 2,455            | 2,489            |
| <b>Foreign information and exchange activities.....</b>   | 798            | 897              | 1,118            | 1,296            | 1,228            |
| <b>International financial programs:</b>  |                |                  |                  |                  |                  |
| Export-Import Bank.....   | 829            | 3,940            |                  |                  |                  |
| Foreign military sales trust fund (net).....  | -801           | 734              | 978              | 957              | 1,067            |
| International monetary programs.....  | 7,774          |                  |                  |                  |                  |
| Offsetting receipts.....  | -84            | -85              | -87              | -89              | -90              |
| Subtotal, International financial programs.....   | 7,718          | 4,588            | 891              | 868              | 977              |
| <b>Total, budget authority.....</b>   | <b>24,553</b>  | <b>26,693</b>    | <b>20,569</b>    | <b>20,010</b>    | <b>19,111</b>    |
| <b>ADDENDUM</b>   |                |                  |                  |                  |                  |
| <b>International Affairs programs if the Foreign Military Sales Credit program were on-budget direct lending:</b> |                |                  |                  |                  |                  |
| Foreign aid:  |                |                  |                  |                  |                  |
| Foreign military sales credit:  |                |                  |                  |                  |                  |
| On-budget under current law.....  | 1,315          | 4,940            | 55,655           | 5,779            | 5,901            |
| Off-budget under current law.....   | 4,401          |                  |                  |                  |                  |
| Other foreign aid.....  | 9,194          | 10,614           | 9,125            | 9,088            | 8,254            |
| Subtotal, foreign aid.....  | 14,910         | 15,554           | 14,780           | 14,867           | 14,155           |
| Other international affairs programs.....   | 10,541         | 7,992            | 4,479            | 4,619            | 4,694            |
| <b>Total.....</b>   | <b>25,451</b>  | <b>23,546</b>    | <b>19,259</b>    | <b>19,486</b>    | <b>18,849</b>    |

## NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

| Major missions and programs                              | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Foreign aid:</b>                                      |                |                  |                  |                  |                  |
| <b>International security assistance:</b>                |                |                  |                  |                  |                  |
| Foreign military sales credit:                           |                |                  |                  |                  |                  |
| On-budget under current law.....                         | 1,060          | 2,802            | 4,863            | 5,573            | 5,799            |
| Off-budget under current law#.....                       | 2,818          | 2,340            | 282              | -693             | -1,001           |
| Military assistance.....                                 | 928            | 848              | 958              | 972              | 993              |
| Economic support fund.....                               | 2,874          | 3,937            | 2,825            | 2,850            | 2,887            |
| Other:   |                |                  |                  |                  |                  |
| Existing law.....  | 331            | 343              | 385              | 396              | 388              |
| Proposed legislation.....                                |                |                  |                  |                  |                  |
| Offsetting receipts.....                                 | -86            | -93              | -99              | -105             | -161             |
| Subtotal, International security assistance.....         | 7,924          | 10,177           | 9,213            | 8,993            | 8,906            |
| <b>Foreign economic and financial assistance:</b>        |                |                  |                  |                  |                  |
| Multilateral development banks.....                      | 1,391          | 1,404            | 1,387            | 1,549            | 1,470            |
| International organizations.....                         | 308            | 300              | 266              | 252              | 245              |
| Agency for International Development.....                | 1,779          | 2,036            | 2,058            | 2,061            | 2,078            |
| Public Law 480 food aid.....                             | 1,085          | 1,791            | 1,307            | 1,296            | 1,286            |
| Peace Corps.....   | 111            | 126              | 125              | 127              | 132              |
| Refugee assistance.....                                  | 336            | 354              | 339              | 338              | 336              |
| Compact of Free Association (Micronesia).....            |                |                  | 299              | 146              | 148              |
| Other:   |                |                  |                  |                  |                  |
| On-budget under current law.....                         | -33            | -23              | -19              | -12              | -*               |
| Off-budget under current law#.....                       | -5             | -5               | -5               | -1               | -*               |
| Offsetting receipts.....                                 | -493           | -459             | -479             | -604             | -660             |
| Subtotal, Foreign economic and financial assistance..... | 4,478          | 5,523            | 5,278            | 5,153            | 5,035            |
| Subtotal, Foreign aid.....                               | 12,402         | 15,700           | 14,491           | 14,146           | 13,941           |
| <b>Conduct of foreign affairs:</b>                       |                |                  |                  |                  |                  |
| Administration of foreign affairs.....                   | 1,251          | 1,541            | 1,831            | 1,870            | 1,968            |
| International organizations and conferences.....         | 580            | 549              | 551              | 578              | 558              |
| Other.....   | 51             | 62               | 72               | 70               | 72               |
| Subtotal, Conduct of foreign affairs.....                | 1,882          | 2,152            | 2,454            | 2,517            | 2,598            |
| <b>Foreign information and exchange activities.....</b>  | 682            | 941              | 1,041            | 1,305            | 1,278            |
| <b>International financial programs:</b>                 |                |                  |                  |                  |                  |
| Export-Import Bank:                                      |                |                  |                  |                  |                  |
| Existing law.....  | 1,068          | 1,359            | 608              | -680             | -1,570           |
| Proposed legislation.....                                |                |                  | -5               | -7               | -11              |
| Foreign military sales trust fund (net).....             | -300           | -200             | 100              |                  |                  |
| International monetary programs.....                     | 565            |                  |                  |                  |                  |
| Other.....   | -340           | -284             | -253             | -286             | -314             |
| Offsetting receipts.....                                 | -84            | -85              | -87              | -89              | -90              |
| Subtotal, International financial programs.....          | 910            | 790              | 364              | -1,062           | -1,985           |
| <b>Total, outlays.....</b>                               | <b>15,876</b>  | <b>19,583</b>    | <b>18,349</b>    | <b>16,907</b>    | <b>15,833</b>    |

\*\$500 thousand or less.

#Proposed to be included on-budget.

of \$2.8 billion for 1986 includes \$396 million for direct loans and \$2.4 billion for grants. Budget authority for 1986 is \$1.0 billion less than the amount enacted for 1985. This difference is due in part to the deferral of any funding request for Israel. This request has been deferred since negotiations with Israel are still continuing in an effort to determine the appropriate level of assistance in the context of Israel's plans for economic reforms. As a result of these negotiations, a request will be presented promptly to the Congress along with a description of the necessary economic reforms.

*Other.*—The budget authority requested in 1986 for security assistance includes \$37 million for peacekeeping operations, \$66 million for international military education and training, and \$5 million for anti-terrorism assistance. No budget authority is requested for 1986 for the guarantee reserve fund, which makes payments to the Federal Financing Bank to prevent losses on foreign military sales credit due to reschedulings or delinquencies. For the future, when additional funds are needed, the administration proposes permanent indefinite budget authority for the fund.

*Foreign economic and financial assistance.*—An important complement to security assistance is the achievement of international policy objectives through foreign economic and financial assistance programs. These programs are designed to encourage the expansion of a market-oriented international economic system and to help meet the development and humanitarian needs of developing countries. Budget authority requested for 1986 is \$5.3 billion, a decrease of \$0.5 billion from the 1985 level.

*Multilateral development banks.*—The United States contributes to the World Bank group of institutions and the three regional banks for Latin America, Asia, and Africa. These institutions provided more than \$20 billion in long-term loans and technical assistance in 1984 and promoted sound economic policies in recipient countries. Lending programs are funded through the direct contributions of members and through borrowing in world capital markets backed by callable capital, a means by which developed member governments guarantee repayment of that borrowing. Direct contributions and callable capital are provided in accord with multi-year international agreements to replenish the resources of each bank.

The 1986 request for the banks includes proposed budget authority of \$1.3 billion, plus \$3.6 billion in callable capital. These amounts represent payments on formal commitments previously made to the banks. Approximately one-half of the proposed budget

authority will be used to make the second installment of the seventh replenishment of the International Development Association. A first payment is also proposed to the Inter-American Investment Corporation, a new institution established to provide loan and equity capital to the private sector in this hemisphere's developing countries. Remaining funds will be used to make authorized annual payments to other ongoing bank replenishments. For 1985, an additional \$237 million in budget authority and \$1,219 million in callable capital is being requested to permit the United States to complete its commitments.

The administration intends to honor existing commitments to the multilateral development banks, including the International Development Association, the Asian Development Fund, the African Development Bank and the African Development Fund. In light of the current severe fiscal pressures, the administration is not budgeting at this time for the future replenishments of these particular institutions.

*International organizations.*—Voluntary contributions of \$196 million are proposed for several developmental, humanitarian and scientific programs carried out by the United Nations and other international organizations. The administration continues to believe that, useful as some of these programs may be, a higher priority must be afforded other foreign assistance activities accomplishing the same objectives.

*Agency for International Development (AID).*—AID carries out bilateral development assistance programs in more than 60 countries in Latin America, Africa and Asia. The agency also supports the overseas humanitarian relief and development programs of U.S. private and voluntary organizations and assists development-related research activities in U.S. universities. Consistent with fiscal restraint, proposed budget authority for AID programs for 1986 is \$2.1 billion, slightly less than for 1985. Principal objectives of bilateral development programs include supporting sound economic policies in recipient countries, utilizing the private sector as a vehicle for economic growth, improving the capability of indigenous institutions in developing countries, and increasing the use of science and technology in development.

*Public Law 480 food aid.*—Through concessional loans to foreign governments for food imports and direct food distribution to the needy, food aid serves a wide range of policy objectives, including humanitarian relief, support of security objectives, economic development, and export market development. The budget includes a



request of \$1.3 billion in budget authority for 1986. A significant portion of direct food donations will be devoted to meeting famine relief and refugee needs in Africa. For 1985, the budget contains a supplemental request of \$185 million to meet emergency humanitarian needs in Africa, increasing the budget authority requested for all P.L. 480 food aid to \$1.5 billion. The budget also includes supplemental requests totalling \$50 million for international disaster assistance and emergency refugee aid. These three supplementals, along with the use of previously appropriated funds will result in total U.S. emergency famine assistance to Africa of more than \$1 billion in 1985.

*Peace Corps.*—Budget authority of \$124 million is requested in 1986, to allow the Peace Corps to maintain its world-wide program and to expand its volunteer program in Central America.

*Refugee assistance.*—The United States will continue to aid refugees in Africa, the Near East, Pakistan, Latin America, and Southeast Asia and to resettle eligible refugees in the United States. The 1986 budget includes \$338 million for refugee relief abroad and the admission of 68,000 refugees to the United States. Funds for 1986 are also requested to reduce refugee welfare dependency for the first 90 days after arrival in this country. This policy would encourage resettlement organizations to help refugees find employment before they become dependent on welfare. Additional assistance received by refugees once they are settled in the United States is included in the income security function.

*Compact of Free Association.*—The people of the Federated States of Micronesia and the Marshall Islands have approved the Compact of Free Association negotiated by the United States and their governments. Upon the Compact's enactment by the Congress, the President will notify the United Nations Trusteeship Council of the impending change in status of the two states. The Compact binds the United States to make annual payments to the two states during the next 15 years totaling \$2.3 billion to aid in their successful development as sovereign states. Therefore, budget authority of \$299 million required for 1986 is requested.

*Conduct of foreign affairs.*—Funds for these programs primarily cover the operating costs of the Department of State in administering United States foreign policy. They also provide contributions assessed by international organizations of which the United States is a member. Budget authority of \$2.5 billion is proposed for 1986, and outlays are also estimated to be \$2.5 billion.

*Administration of foreign affairs.*—The United States is committed to protecting its employees and facilities at diplomatic missions against the rising incidence of terrorism while continuing to actively promote American interests abroad. To accomplish this important objective, very substantial increases are required in 1985 and 1986 for security personnel, equipment, and embassy construction. Moreover, personnel increases are requested to strengthen the State Department's basic reporting and analysis capability. These improvements in the administration of foreign affairs increase outlays from \$1.3 billion in 1984 and \$1.5 billion in 1985 to \$1.8 billion in 1986.

*International organizations and conferences.*—The United States recognizes the importance to the world community of a range of international organizations but strongly believes that these international organizations must be managed efficiently and economically. Toward that end, the administration will continue to pursue a restrictive budget policy for international organizations that emphasizes the need to reduce administrative costs and to eliminate low priority and obsolete activities. For 1986, budget authority of \$554 million is proposed for assessed contributions to international organizations and for international conferences. The recent decision of the United States to withdraw from the United Nations Educational, Scientific, and Cultural Organization is reflected in the 1986 and later estimates. In addition, savings of \$48 million in budget authority and outlays for 1988 are estimated from certain planned efforts to reduce international organization assessments, to include reforms in reimbursing organizations for taxes paid by their American employees, and foreign exchange gains.

*Foreign information and exchange activities.*—The improvement in foreign understanding of American society and United States foreign policy is an important objective of this administration. Its priority is reflected in the budget requests for programs in this area. The United States Information Agency (USIA) conducts academic and leadership exchange programs, broadcasts worldwide through the Voice of America radio in English and 41 other languages, produces and disseminates media materials, holds seminars, and operates libraries and cultural centers in 127 countries. For 1986, the administration proposes \$974 million in budget authority for that agency. This continues the administration's effort to modernize and expand the Voice of America, the Nation's principal vehicle for communicating directly with the peoples of the world. The modernization program totaling \$1.3 billion through

## CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

|  | Actual<br>1984 | Estimate |        |        |        |
|--|----------------|----------|--------|--------|--------|
|  |                | 1985     | 1986   | 1987   | 1988   |
| Direct loans:  |                |          |        |        |        |
| Foreign military sales credit:                       |                |          |        |        |        |
| New obligations .....                                | 1,315          | 4,940    | 5,655  | 5,779  | 5,901  |
| Change in outstandings .....                         | -86            | 421      | 1,874  | 2,314  | 2,494  |
| Outstandings .....                                   | 140            | 562      | 2,435  | 4,750  | 7,244  |
| Foreign military sales credit (loans made by FFB):   |                |          |        |        |        |
| New obligations <sup>1</sup> .....                   | 4,401          |          |        |        |        |
| Change in outstandings .....                         | 2,818          | 2,340    | 282    | -693   | -1,001 |
| Outstandings .....                                   | 17,111         | 19,451   | 19,733 | 19,040 | 18,040 |
| Economic support fund:                               |                |          |        |        |        |
| New obligations .....                                | 288            | 240      | 396    | 463    | 503    |
| Change in outstandings .....                         | 335            | 192      | 337    | 303    | 493    |
| Outstandings .....                                   | 6,011          | 6,203    | 6,540  | 6,844  | 7,336  |
| Development credit:                                  |                |          |        |        |        |
| New obligations .....                                | 455            | 405      | 379    | 395    | 396    |
| Change in outstandings .....                         | 80             | 105      | 108    | 355    | 349    |
| Outstandings .....                                   | 12,165         | 12,270   | 12,378 | 12,733 | 13,083 |
| Development credit (loans held by FFB): <sup>2</sup> |                |          |        |        |        |
| Change in outstandings .....                         | -5             | -5       | -5     | -1     | -*     |
| Outstandings .....                                   | 11             | 6        | 1      | *      |        |
| Public Law 480 food aid:                             |                |          |        |        |        |
| New obligations .....                                | 806            | 1,012    | 922    | 940    | 958    |
| Change in outstandings .....                         | 468            | 761      | 647    | 640    | 638    |
| Outstandings .....                                   | 9,269          | 10,030   | 10,677 | 11,317 | 11,955 |
| Export-Import Bank:                                  |                |          |        |        |        |
| New obligations .....                                | 1,467          | 3,865    |        |        |        |
| Change in outstandings .....                         | 621            | 993      | 195    | -1,032 | -1,787 |
| Outstandings .....                                   | 17,504         | 18,497   | 18,692 | 17,659 | 15,872 |
| Other:   |                |          |        |        |        |
| New obligations .....                                | 614            | 684      | 794    | 824    | 794    |
| Change in outstandings .....                         | 243            | 236      | 274    | 285    | 275    |
| Outstandings .....                                   | 795            | 1,030    | 1,304  | 1,590  | 1,864  |
| Total, direct loans:                                 |                |          |        |        |        |
| New obligations .....                                | 9,347          | 11,145   | 8,146  | 8,402  | 8,551  |
| Change in outstandings .....                         | 4,473          | 5,044    | 3,712  | 2,172  | 1,461  |
| Outstandings .....                                   | 63,006         | 68,049   | 71,761 | 73,933 | 75,394 |

1990 includes funds for new transmitter facilities, for replacement equipment on existing facilities and for expanded broadcasts. The request also provides increases for Radio Marti, which broadcasts to the people of Cuba, for the National Endowment for Democracy, for educational and cultural exchange programs, and for the use of international television to enhance understanding of United States foreign policy.

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. For 1986, \$142 million of budget authority is requested for the Board, which includes \$40 million for modernization of transmitter sites.

## CREDIT PROGRAMS—INTERNATIONAL AFFAIRS—Continued

(In millions of dollars)

|  | Actual<br>1984 | Estimate |        |        |        |
|--|----------------|----------|--------|--------|--------|
|  |                | 1985     | 1986   | 1987   | 1988   |
| Guaranteed loans:  |                |          |        |        |        |
| Foreign military sales credit:                                 |                |          |        |        |        |
| Change in outstandings.....                                    | -27            | -20      | -20    | 40     | 1      |
| Outstandings.....  | 200            | 180      | 160    | 200    | 200    |
| Development credit:  |                |          |        |        |        |
| New commitments.....   | 242            | 310      | 195    | 150    | 150    |
| Change in outstandings.....                                    | 60             | 158      | 206    | 199    | 197    |
| Outstandings.....  | 1,294          | 1,451    | 1,657  | 1,856  | 2,052  |
| Export-Import Bank:  |                |          |        |        |        |
| New commitments.....   | 7,149          | 10,000   | 12,000 | 12,000 | 12,000 |
| Change in outstandings.....                                    | 245            | 902      | 678    | 1,268  | 510    |
| Outstandings.....  | 5,684          | 6,586    | 7,264  | 8,532  | 9,042  |
| Total, guaranteed loans:                                       |                |          |        |        |        |
| New commitments.....   | 7,391          | 10,310   | 12,195 | 12,150 | 12,150 |
| Change in outstandings.....                                    | 277            | 1,040    | 864    | 1,507  | 707    |
| Outstandings.....  | 7,177          | 8,217    | 9,080  | 10,587 | 11,295 |
| Total credit budget (new obligations and new commitments)..... | 16,738         | 21,455   | 20,341 | 20,552 | 20,701 |

\*500 thousand or less.

<sup>1</sup> These are obligations made by the agency to guarantee loans that the FFB will disburse. In effect, they are obligations for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

<sup>2</sup> The direct lending activities of the Overseas Private Investment Corporation are financed by the FFB. Loan assets are issued by the agency. According to law, these assets are backed by loans that the agency continues to service. The agency guarantees the loan assets, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for this account represent acquisition of loan assets less repurchases by the agency. Increases in the volume of sales of loan assets are added to the FFB direct loan outstandings, while the agency's direct loan outstandings decrease by the amount of loan assets sold to the FFB.

**International financial programs.**—To assist in the steady growth of the international economy, the United States conducts programs to improve the functioning of the international financial system and to facilitate U.S. participation in world trade, including arms sales. For 1986, proposed budget authority is \$0.9 billion, and estimated outlays are \$0.4 billion for these programs.

**Export-Import Bank.**—The Bank's direct loan program is being eliminated because of significant progress in export credit restraint agreements with foreign governments, and as part of overall efforts to reduce federally subsidized loans. Increased private sector involvement in export financing is encouraged. The Bank will increase its guarantee and insurance programs to facilitate the export of U.S. goods and services. A \$12 billion ceiling for guaranteed loan commitments is proposed for these programs in 1986. In addition, the administration is requesting authority for an interest rate subsidy program. The aggregate 1986 interest rate subsidy cost will not exceed \$100 million on a present value basis plus receipts

from origination fees on affected guaranteed loans. The administration will continue to press for an international agreement ending all officially subsidized export financing.

*Foreign military sales trust fund (net).*—Most sales of military equipment and services to foreign governments are made by the Federal Government. Income in this trust fund comes from payments by foreign governments that have purchased military goods and services from the Government. Disbursements occur when payments are made to suppliers, and the net of the two constitute the recorded outlays of the fund. These represent transactions on behalf of foreign governments and are not a cost to U.S. taxpayers. Outlays net of offsetting receipts are estimated to be \$100 million for 1986.

*Special defense acquisition fund.*—This fund finances the procurement of military equipment in advance of specific orders from foreign governments. As a result, equipment on order for U.S. military purposes need not be diverted to meet the pressing needs of foreign countries. For 1986, an increase in the overall fund capitalization and a 3-year limitation on obligations are proposed. Net outlays for 1986 are estimated to be \$36 million.

*Tax expenditures.*—In an effort to encourage exports, a portion of the profits from the export sales of foreign sales corporations (FSCs) are not subject to tax. In 1984 legislation was enacted authorizing FSCs as a replacement for domestic international sales corporations (DISCs) in response to complaints by the members of the European Community that DISCs violate the General Agreement on Tariffs and Trade (GATT). Also, tax expenditures occur when Americans working abroad are permitted to exclude substantial amounts of earned income and housing allowances from taxation. Tax expenditures resulting from FSCs and the foreign earned-income exclusion are \$1.7 billion and \$2.4 billion, respectively, for 1986. An additional tax expenditure of \$650 million results from the deferral of income tax on the undistributed earnings of foreign corporations controlled by U.S. shareholders. Total tax expenditures for international affairs are \$4.7 billion in 1986.

## GENERAL SCIENCE, SPACE, AND TECHNOLOGY

The programs in this function help to ensure U.S. strength and leadership in science and space technology in the broad national interest. Included are all the programs of the National Science Foundation, the space programs of the National Aeronautics and Space Administration, and the general science programs of the Department of Energy. The 1986 budget request would maintain U.S. leadership in space and continue the high level of funding for science resulting from the significant growth in support of these programs by the administration over the last 3 years. Proposed budget authority for the programs in this function is \$9.5 billion in 1986, a \$410 million increase over 1985.

The continuing support for general science and space programs in this function reflects the administration's view that the private sector lacks sufficient incentives to make adequate investments in such programs to serve the broad national interest. However, reductions in previously planned 1986 general science and space programs have been made possible by deferral of major new space projects and by lower funding needs in the space shuttle orbiter production program and ongoing construction projects in the general science programs of the Department of Energy.

Common to the programs in this function is the support of basic research, accounting for more than one-third of overall Federal funding for such research. The programs in this function are the primary source of funding for the physical and engineering sciences, accounting for some 80% of the total Federal support for these disciplines. The balance is provided mainly through programs of the Department of Defense.

*General science and basic research.*—This area covers all the programs of the National Science Foundation and the general science programs of the Department of Energy in high energy and nuclear physics. Budget authority of \$2.3 billion is proposed for these programs in 1986, an increase of \$28 million over the 1985 level.

*National Science Foundation programs.*—The principal mission of the National Science Foundation (NSF) is to promote basic research in all fields of science and engineering. The NSF's broad-based research programs complement the more specialized support of basic research by agencies in other functions, such as the Department of Defense and the National Institutes of Health, and help to ensure balanced Federal support across the major scientific disciplines. The budget includes \$1.6 billion in proposed budget authority for the NSF, an increase of 4.5% over the 1985 level.

## NATIONAL NEED: INCREASING BASIC SCIENTIFIC KNOWLEDGE AND USE OF SPACE

(Functional code 250; in millions of dollars)

| Major missions and programs                         | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                             |                |                  |                  |                  |                  |
| <b>General science and basic research:</b>          |                |                  |                  |                  |                  |
| National Science Foundation programs .....          | 1,328          | 1,506            | 1,574            | 1,634            | 1,696            |
| Department of Energy general science programs ..... | 635            | 727              | 685              | 789              | 837              |
| Subtotal, General science and basic research .....  | 1,964          | 2,232            | 2,260            | 2,422            | 2,533            |
| <b>Space research and technology:</b>               |                |                  |                  |                  |                  |
| Space flight .....                                  | 4,101          | 3,906            | 4,022            | 3,886            | 4,081            |
| Space science, applications, and technology .....   | 1,747          | 2,021            | 2,265            | 2,357            | 2,417            |
| <b>Supporting space activities:</b>                 |                |                  |                  |                  |                  |
| On-budget under current law .....                   | 868            | 954              | 977              | 990              | 996              |
| Off-budget under current law# .....                 | 142            |                  |                  |                  |                  |
| Subtotal, Supporting space activities .....         | 1,010          | 954              | 977              | 990              | 996              |
| Subtotal, Space research and technology .....       | 6,858          | 6,881            | 7,264            | 7,232            | 7,494            |
| Total, budget authority .....                       | 8,822          | 9,114            | 9,524            | 9,655            | 10,027           |
| <b>OUTLAYS</b>                                      |                |                  |                  |                  |                  |
| <b>General science and basic research:</b>          |                |                  |                  |                  |                  |
| National Science Foundation programs .....          | 1,198          | 1,429            | 1,540            | 1,605            | 1,653            |
| Department of Energy general science programs ..... | 650            | 687              | 697              | 738              | 787              |
| Subtotal, General science and basic research .....  | 1,849          | 2,116            | 2,237            | 2,343            | 2,440            |
| <b>Space research and technology:</b>               |                |                  |                  |                  |                  |
| Space flight .....                                  | 4,028          | 3,914            | 4,004            | 3,891            | 3,919            |
| Space science, applications, and technology .....   | 1,687          | 1,890            | 2,144            | 2,278            | 2,367            |
| <b>Supporting space activities:</b>                 |                |                  |                  |                  |                  |
| On-budget under current law .....                   | 746            | 886              | 1,007            | 995              | 983              |
| Off-budget under current law# .....                 | 7              | -67              | -107             | -112             | -98              |
| Subtotal, Supporting space activities .....         | 754            | 819              | 900              | 883              | 885              |
| Subtotal, Space research and technology .....       | 6,469          | 6,623            | 7,048            | 7,052            | 7,171            |
| Total, outlays .....                                | 8,317          | 8,740            | 9,285            | 9,395            | 9,611            |

#Proposed to be included on-budget.

Within this amount, the support of basic research, which increased by 13% in 1985, will increase by about 7% in 1986 to \$1.4 billion.

The NSF supports research at academic institutions, primarily through research grants to individual scientists. In 1986, emphasis will continue on the support of research in mathematics, the physical sciences, and engineering, with an overall increase of 8% for budget authority in these areas. Areas to receive increased support in 1986 include advanced materials research, mathematics, and state-of-the-art instrumentation. In addition, emphasis will continue on increasing the access of academic scientists to the most advanced computers. This increased computer access effort will lead to the establishment of several new university computer centers dedicated to such use, and to the support of local and regional

networks to permit researchers to access these new centers from terminals close to their home laboratories.

The budget also includes \$15 million in budget authority in 1986 to continue support for university-based engineering research centers. This program, initiated in 1985, will help to focus engineering research in various disciplines on a cohesive effort in selected areas of importance in fundamental research, such as microelectronics, advanced materials research, and biotechnology.

In addition, for 1986 an increase of 8% over 1985, to \$120 million, is provided for the U.S. Antarctic program managed by the NSF, to assure the necessary logistical support for Antarctic research programs and thus maintain an active and influential U.S. scientific presence in that region.

Budget authority for NSF programs in science education, including the graduate fellowship program, is recommended to total \$51 million in 1986. While this is a decline from 1985, the level of activities financed by this program will remain at the 1985 level of \$82 million due to funds deferred in prior years. NSF programs in pre-college science and mathematics are intended to complement the efforts of State and local education agencies and the private sector.

*Department of Energy general science programs.*—The general science programs of the DOE continue to support basic research in nuclear and high energy physics. The goal of this research is to achieve a comprehensive understanding of the basic constituents of matter and energy and the forces that govern their interaction. Budget authority of \$685 million is requested for support of these programs in 1986, a decrease of 6% from 1985, largely reflecting the lower overall funding needs of ongoing accelerator construction activities in 1986.

The budget provides for procurement of capital equipment, investigation of advanced accelerator concepts and techniques, and other operating activities.

The 1986 program allows for continued construction of the Stanford Linear Collider and funds to complete the Tevatron I modifications at the Fermi National Laboratory. The budget would continue to provide funds for the advanced accelerator research and development associated with the construction of a new nuclear physics electron facility at Newport News, Virginia. It also provides funds for preliminary research and development efforts required for the design of a next generation high energy particle accelerator.

*Space research and technology.*—This part of the function covers the space-related activities of the National Aeronautics and Space Administration (NASA). To continue U.S. leadership in space, a



strong and balanced program will be maintained in the primary areas of space transportation, space science, and space technology. Budget authority of \$7.3 billion is proposed for these programs in 1986, an increase of \$383 million over 1985.

*Space flight.*—The space flight programs help sustain and improve the Nation's ability to supply space transportation services and to develop the facilities to establish a permanent U.S. presence in space. These programs include the operation, upgrade, and logistical support of the four-orbiter space shuttle fleet; and the development, procurement, and operation of supporting technologies such as the shuttle-borne Spacelab and the upper stage vehicles to carry shuttle-launched payloads into high-Earth orbit and planetary missions. These programs also include development of the manned space station.

Budget authority of \$4.0 billion for these programs is proposed for 1986, a 3% increase over 1985. Within this level, several important increases are made possible through savings resulting primarily from the completion of production of the four-orbiter fleet and initial shuttle operating facilities, and by productivity savings and increased commercial revenues associated with the growing maturity of shuttle operations.

These increases provide for an escalation in the shuttle flight rate from 10-11 in 1985 to 13-14 in 1986, leading to a planned rate of 24 flights per year by 1989; additional research and development to improve the reliability of the shuttle's main engines and to make them easier to maintain; and the development of an orbital maneuvering vehicle to help ferry spacecraft in low-Earth orbit to and from the shuttle.

Proposed budget authority for the manned space station program increases from \$150 million in 1985 to \$230 million in 1986 to prepare for the planned start of initial operating capability in the mid 1990's. The space station will enhance space-based research, help develop advanced technologies potentially useful to the economy, and encourage greater commercial use of space.

*Space science, applications, and technology.*—These programs include support for studies of the solar system and the universe; studies in remote sensing of the Earth's resources and environment; and research on materials processing in space. Budget authority of \$2.3 billion is proposed for 1986, a 12% increase over 1985.

In *space science*, the budget provides for major planned increases to continue progress on ongoing flight missions and supporting activities. Specifically, work is proceeding on the 1986 launches of the Galileo orbiter/probe spacecraft to explore Jupiter; the U.S. experiments for the international solar polar mission (renamed

Ulysses spacecraft); and the Hubble space telescope. Spacecraft development will continue for the gamma ray observatory, the Venus radar mapper mission, and the Mars observer (formerly the Mars geoscience climatology orbiter).

Increased funding is also proposed in 1986 to allow for the complex operations and data analysis associated with the planned 1989 Voyager 2 exploration of Neptune and to conduct several space physics, astronomy and life sciences experiments on the shuttle.

For *space applications*, proposed activities in 1986 include space experiments to study the Earth and its environment; research on materials processing in space; and technology for space communications. Continued development of space-based remote sensing technologies will be pursued to help better understand the Earth's environment and the interaction of the Sun and the Earth. In the area of materials processing, increased funding will allow support for the operation of the Microgravity Materials Science Laboratory and an increased number of microgravity experiments to be conducted on the shuttle. The advanced communications technology satellite development also will be continued for planned launch in 1989.

The basic *space research and technology* program of NASA is applicable to, and supportive of all major space activities. Continued growth in funding is proposed for 1986 to help provide the technology base for future space programs in areas such as propulsion, electronics, and materials research. In 1986, additional emphasis will be placed on investigating the radiation hardening of spacecraft components, the control of large flexible structures in space, and the design of a recoverable orbital transfer vehicle for use in conjunction with the shuttle and permanent space facilities. Much of this research will enhance the development of the space station.

In addition, a new program is proposed to encourage and facilitate greater private sector investment and involvement in space. This program will seek to involve nonaerospace firms and universities in exploring potential new uses of space for future economic benefits.

*Supporting space activities.*—Budget authority of \$1.0 billion is proposed for spacecraft tracking, data gathering, and processing support for the entire space program, an increase of \$23 million over 1985. This funding increase provides for payments for the tracking and data relay satellite service and for other elements of the space network as selected stations in the ground network are phased out.

In the accompanying credit table, outstanding direct loans made by the Federal Financing Bank for the construction and acquisition

of the tracking and data relay satellite are reflected. No new obligations for this account are expected.

**CREDIT PROGRAMS—GENERAL SCIENCE, SPACE AND TECHNOLOGY**

(In millions of dollars)

|  | Actual<br>1984 | Estimate |       |       |      |
|--|----------------|----------|-------|-------|------|
|  |                | 1985     | 1986  | 1987  | 1988 |
| Direct loans:  |                |          |       |       |      |
| NASA space flight, control and data communications (loans made by FFB): <sup>1</sup> |                |          |       |       |      |
| New obligations .....  | 142            |          |       |       |      |
| Change in outstandings .....   | 7              | - 67     | - 107 | - 112 | - 98 |
| Outstandings .....   | 955            | 888      | 780   | 668   | 570  |
| <b>Total credit budget (new obligations) .....</b>                                   | <b>142</b>     |          |       |       |      |

<sup>1</sup> These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

**Tax expenditures.**—In addition to direct Federal funding of basic research, the 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 1986 estimate for this provision is \$3.9 billion. A 25% tax credit is also available to encourage certain basic research and experimentation; the estimate for this tax expenditure is \$1.6 billion in 1986. Tax expenditures for general science, space and technology are estimated to total \$6.2 billion in 1986.

## ENERGY

The Nation requires adequate supplies of energy at reasonable costs. The best way to meet this need is to let market forces work. This policy produces favorable results, as evidenced by developments since January 1981 when the President completed the dismantlement of controls on U.S. oil markets. Oil prices have fallen. The U.S. economy continues to expand, but the amount of energy it needs is less today than it was 5 years ago. It is not necessary to have substantial Federal spending to meet our national energy needs.

This budget provides the resources needed to meet the Federal Government's limited responsibilities with respect to energy. These responsibilities include the establishment and the enforcement of appropriate environmental and nuclear safety regulations, continuation of traditional Federal energy production activities, and support for longer-term research.

A total of \$5.1 billion in budget authority is proposed in this function in 1986, a decrease of \$3.2 billion from 1985. This change results primarily from an indefinite moratorium on further development of the strategic petroleum reserve and a major increase in payments by the power marketing administrations on their obligations to the Treasury.

**Energy supply.**—The Federal Government's energy supply activities fall into four main categories: research and development programs, direct production programs, subsidies to foster private investment in synthetic fuels, and subsidies to certain electric utilities and telephone systems.

Private industry invests billions of dollars each year in *research and development (R&D)*, including R&D related to energy. Federal Government spending should complement, rather than supplant, private sector R&D investment. It can do this through support for basic research where the benefits of the research do not readily accrue to private investors. It can also do this through limited support for other longer-term R&D that broadly serves the national interest.

A total of \$2.2 billion in budget authority is proposed for energy supply research and development programs in 1986, about at the level for 1985. Virtually all of these programs are funded through the Department of Energy (DOE).

The request for nuclear fission R&D includes budget authority of \$233 million to clean up the waste from uranium mining and other contaminated sites. This is an increase of \$73 million over 1985. For nuclear technology research, budget authority of \$361 million is proposed in 1986, a 12% reduction from the 1985 level. This change reflects a shift away from supporting costly demonstrations

## NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

| Major missions and programs                             | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                                 |                |                  |                  |                  |                  |
| <b>Energy supply:</b>                                   |                |                  |                  |                  |                  |
| Research and development:                               |                |                  |                  |                  |                  |
| Fission.....  | 635            | 614              | 631              | 742              | 634              |
| Fusion .....  | 468            | 437              | 390              | 406              | 422              |
| Fossil .....  | 262            | 287              | 172              | 227              | 235              |
| Solar and renewable energy resources.....               | 257            | 242              | 197              | 205              | 212              |
| Energy science .....                                    | 594            | 654              | 665              | 722              | 751              |
| Other.....  | 44             | 61               | 149              | 152              | 157              |
| Direct production (net):                                |                |                  |                  |                  |                  |
| Uranium enrichment.....                                 | 382            | 102              |                  |                  |                  |
| Nuclear waste disposal fund .....                       | -11            | -793             | 170              | 382              | 181              |
| Petroleum reserves.....                                 | -1,311         | -1,019           | -1,128           | -922             | -875             |
| Tennessee Valley Authority.....                         |                |                  |                  |                  |                  |
| On-budget under current law.....                        | 364            | 435              | 403              | 196              | 9                |
| Off-budget under current law#.....                      | 137            | 90               | 87               | 73               |                  |
| Other power marketing .....                             | 75             | 89               | -569             | -486             | -495             |
| Subsidies for nonconventional fuel production:          |                |                  |                  |                  |                  |
| On-budget under current law .....                       | 5              | *                | *                | *                | *                |
| Off-budget under current law# .....                     | 428            | 512              | 335              | 499              | 637              |
| Rural electric and telephone:                           |                |                  |                  |                  |                  |
| On-budget under current law .....                       | 228            | 30               | 28               | 26               | 22               |
| Off-budget under current law# .....                     | 2,788          | 3,332            | 2,692            | 2,030            | 1,750            |
| Proposed legislation.....                               |                |                  | -7               | -27              |                  |
| Subtotal, Energy supply.....                            | 5,345          | 5,073            | 4,216            | 4,225            | 3,641            |
| <b>Energy conservation:</b>                             |                |                  |                  |                  |                  |
| Conservation research and development .....             | 150            | 177              | 141              | 144              | 149              |
| Conservation grants.....                                | 280            | 282              | 35               | 26               | 17               |
| Solar Energy and Conservation Bank.....                 | 25             | 15               |                  |                  |                  |
| Subtotal, Energy conservation.....                      | 455            | 473              | 176              | 169              | 166              |
| <b>Emergency energy preparedness:</b>                   |                |                  |                  |                  |                  |
| On-budget under current law.....                        | 618            | 6                | 6                | 49               | 145              |
| Off-budget under current law#.....                      | 650            | 2,050            |                  |                  |                  |
| Subtotal, Emergency energy preparedness.....            | 1,268          | 2,056            | 6                | 49               | 145              |
| <b>Energy information, policy, and regulation .....</b> | 796            | 719              | 712              | 703              | 702              |
| <b>Total, budget authority .....</b>                    | <b>7,865</b>   | <b>8,321</b>     | <b>5,110</b>     | <b>5,147</b>     | <b>4,655</b>     |

and toward developing a broad technology base for several reactor concepts potentially applicable to industrial development of future nuclear power plants.

For nuclear fusion R&D, budget authority of \$390 million is proposed, a reduction of \$47 million from the level enacted in 1985. This reduction is consistent with shifting the emphasis of the program to resolving key scientific questions affecting the program's near-term progress and to maintaining a balance between our domestic efforts and those abroad to allow for effective international collaboration.

## NATIONAL NEED: ENERGY—Continued

(Functional code 270; in millions of dollars)

| Major missions and programs                            | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Energy supply:</b>                                  |                |                  |                  |                  |                  |
| Research and development:                              |                |                  |                  |                  |                  |
| Fission.....   | 723            | 668              | 618              | 746              | 641              |
| Fusion.....  | 532            | 446              | 401              | 406              | 422              |
| Fossil.....  | 325            | 319              | 285              | 251              | 248              |
| Solar and renewable energy resources.....              | 277            | 315              | 240              | 220              | 215              |
| Energy science.....                                    | 632            | 698              | 677              | 701              | 733              |
| Other.....   | 84             | 117              | 137              | 145              | 156              |
| Direct production (net):                               |                |                  |                  |                  |                  |
| Uranium enrichment.....                                | 12             | 239              |                  |                  |                  |
| Nuclear waste disposal fund.....                       | -58            | -812             | 125              | 298              | 99               |
| Petroleum reserves.....                                | -1,403         | -1,026           | -976             | -931             | -883             |
| Tennessee Valley Authority.....                        |                |                  |                  |                  |                  |
| On-budget under current law.....                       | 185            | 535              | 165              | 135              | -35              |
| Off-budget under current law#.....                     | 137            | 90               | 87               | 73               | -40              |
| Other power marketing.....                             | -517           | -304             | -1,424           | -1,381           | -1,269           |
| Subsidies for nonconventional fuel production:         |                |                  |                  |                  |                  |
| On-budget under current law.....                       | 16             | 148              | 318              | 552              | 662              |
| Off-budget under current law#.....                     | 366            | 353              | 14               | -1               | -105             |
| Rural electric and telephone:                          |                |                  |                  |                  |                  |
| On-budget under current law.....                       | 226            | 31               | 28               | 26               | 23               |
| Off-budget under current law#.....                     | 1,717          | 3,132            | 2,482            | 1,780            | 1,215            |
| Proposed legislation.....                              |                |                  | -7               | -27              | -52              |
| Subtotal, Energy supply.....                           | 3,252          | 4,949            | 3,170            | 2,994            | 2,028            |
| <b>Energy conservation:</b>                            |                |                  |                  |                  |                  |
| Conservation research and development.....             | 163            | 152              | 150              | 150              | 150              |
| Conservation grants.....                               | 356            | 367              | 196              | 96               | 52               |
| Solar Energy and Conservation Bank.....                | 8              | 26               | 35               |                  |                  |
| Subtotal, Energy conservation.....                     | 527            | 545              | 381              | 246              | 202              |
| <b>Emergency energy preparedness:</b>                  |                |                  |                  |                  |                  |
| On-budget under current law.....                       | 189            | 276              | 236              | 177              | 146              |
| Off-budget under current law#.....                     | 2,329          | 1,630            | 148              |                  |                  |
| Subtotal, Emergency energy preparedness.....           | 2,518          | 1,906            | 385              | 177              | 146              |
| <b>Energy information, policy, and regulation.....</b> | 790            | 764              | 736              | 710              | 698              |
| <b>Total, outlays.....</b>                             | <b>7,086</b>   | <b>8,164</b>     | <b>4,671</b>     | <b>4,127</b>     | <b>3,073</b>     |

\*\$500 thousand or less.

#Proposed to be included on-budget.

The budget also includes \$172 million in budget authority for research related to coal, oil, gas, and other fossil fuels, a reduction of \$115 million from 1985. This work will continue to emphasize clean coal technologies. Budget authority of \$197 million is proposed for R&D on solar and renewable energy resources, a reduction of \$45 million from 1985.

The reduced level for fossil, solar, and renewable energy resources will still permit a vigorous research program to develop further the technology base for future use by U.S. industry. Spending reductions are made possible by avoiding Federal investment in

costly development and demonstration activities that are more appropriately the responsibility of the private sector.

For energy science programs, the budget includes \$665 million in budget authority in 1986, approximately the same level as in 1985. These programs support energy-related basic research at major universities and DOE national laboratories in the physical, biological, environmental, and engineering sciences. Their goal is to provide fundamental scientific knowledge and a broadened engineering data base for future development of energy technologies.

Other energy supply R&D programs include research on health and safety issues and on advanced environmental control technologies carried out by the Environmental Protection Agency. Investments to reduce the use of energy at the national laboratories are also included. Budget authority of \$149 million is proposed for these programs in 1986. This includes increases for research on acid rain.

The Federal Government's *direct production activities* include enriching uranium in Government-owned plants primarily for use in civilian nuclear power reactors; providing for the permanent disposal of commercial nuclear waste; producing and selling oil and gas from the naval petroleum reserves (NPRs); and generating and transmitting electric power at the Tennessee Valley Authority and the five power marketing administrations.

Receipts from the sale of uranium enrichment services to foreign and domestic customers are expected to cover program costs in 1986. In May 1985, the Department plans to issue a new business strategy for conducting its uranium enrichment operations. The new strategy will include a plan for repayment of the Federal Government's investment in the enrichment enterprise. At present, it is estimated that the uranium enrichment program will begin to make payments to the Treasury in 1986. The specific amount of these payments will be determined later.

The commercial nuclear waste program is financed by a fee on electricity generated by nuclear power plants. Proposed budget authority of \$170 million in 1986 results from expenses of \$571 million which are offset by receipts of \$401 million. In 1985 utilities are expected to make a one-time payment to the nuclear waste disposal fund for the storage of spent fuel that already exists. Receipts in 1985 of \$1,120 million will offset expenses of \$327 million. This large one-time receipt accounts for a net income to the nuclear waste program of \$793 million in 1985.

The budget assumes continued production of oil and gas at the maximum efficient rate of production authorized by law at the NPRs at Elk Hills, California and Teapot Dome, Wyoming. After deduction of expenditures needed to operate these oil fields, net

receipts from the NPR program in 1986 are expected to be \$1.1 billion, in line with their level in 1985. The budget also proposes that the provision of law that earmarks \$0.3 billion in NPR receipts in 1985 for use by the national defense stockpile fund be repealed.

The Tennessee Valley Authority (TVA) anticipates borrowing \$403 million in 1986, \$32 million less than in 1985, to finance construction of two nuclear plants—Watts Bar and Bellefonte. These plants are scheduled to become operational during the next 5 years, completing the nuclear construction program that began in the 1960's. TVA's economic development programs are described in the community and regional development function.

TVA leases nuclear fuel from the Seven States Energy Corporation. The Corporation borrows from the Federal Financing Bank (FFB) to finance its purchases, with TVA as the guarantor through long-term contractual agreements. This activity is summarized on the accompanying credit table.

Various reforms are proposed to assure that the Bonneville Power Administration and the other four power marketing administrations pay back their debt to the Treasury in a business-like way—on a regular and timely basis, and at interest rates that reflect the cost of money to the Federal Government. They would increase Federal receipts by almost \$1 billion in 1986 because of the sizable \$14 billion debt these agencies owe to the Treasury.

The Synthetic Fuels Corporation (SFC) provides *subsidies for nonconventional fuel production*. With long-term world oil price projections showing much less rapid growth than when the SFC was created in 1980, prospects for near-term commercialization of synthetic fuels have diminished substantially. The Congress, therefore, rescinded \$7.4 billion previously available to the Corporation, leaving a total of \$7.9 billion available for SFC obligation at the start of 1985, principally in the form of loan and price guarantees. This amount is in addition to \$741 million already awarded. The Corporation estimates that it will make additional awards totaling \$4.1 billion in 1985 and \$3.6 billion in 1986. Outlays from these and other awards are expected to total \$332 million in 1986. Outlays may increase above these estimates depending on developments in the world oil market, the terms and conditions agreed to by the Corporation, and other factors.

The *Rural Electrification Administration (REA)* in the Department of Agriculture provides direct loans and guarantees of direct loans by the FFB for the construction and operation of rural electric utilities and telephone systems. Total REA loans outstanding, including FFB direct loans, are estimated to be \$37.7 billion at the end of 1985. The reduction in new loan obligations from \$4.5 billion originally estimated for 1984 to \$2.1 billion actually made in 1984



## CREDIT PROGRAMS—ENERGY

(In millions of dollars)

|  | Actual<br>1984 | Estimate |        |        |        |
|--|----------------|----------|--------|--------|--------|
|  |                | 1985     | 1986   | 1987   | 1988   |
| Direct loans:  |                |          |        |        |        |
| Alternative fuels production (loans made by the FFB): <sup>1</sup>                       |                |          |        |        |        |
| Change in outstandings.....  | 404            | 274      |        |        | -105   |
| Outstandings.....  | 1,290          | 1,564    | 1,564  | 1,564  | 1,459  |
| Tennessee Valley Authority:  |                |          |        |        |        |
| New obligations.....   | 60             | 58       | 66     | 74     | 83     |
| Change in outstandings.....  | 3              | 2        | 3      | 2      | 8      |
| Outstandings.....  | 261            | 263      | 266    | 268    | 276    |
| Tennessee Valley Authority (loans made by the FFB):                                      |                |          |        |        |        |
| New obligations <sup>1</sup> .....   | 137            | 90       | 87     | 73     |        |
| Change in outstandings.....  | 137            | 90       | 87     | 73     | -40    |
| Outstandings.....  | 1,556          | 1,646    | 1,733  | 1,806  | 1,766  |
| Rural electrification and telephone revolving fund:                                      |                |          |        |        |        |
| New obligations.....   | 1,079          | 1,122    | 575    | 435    | 290    |
| Change in outstandings.....  | 285            | 314      | 98     | 119    | 104    |
| Outstandings.....  | 10,163         | 10,477   | 10,575 | 10,694 | 10,798 |
| Rural electrification and telephone revolving fund (loans held by FFB): <sup>2</sup>     |                |          |        |        |        |
| Change in outstandings.....  | 69             | 447      | 253    | 53     |        |
| Outstandings.....  | 3,537          | 3,984    | 4,237  | 4,290  | 4,290  |
| Rural electrification and telephone revolving fund (loans made by the FFB): <sup>1</sup> |                |          |        |        |        |
| New obligations.....   | 1,002          | 1,325    | 300    | 225    | 150    |
| Change in outstandings.....  | 1,648          | 2,685    | 2,222  | 1,700  | 1,490  |
| Outstandings.....  | 20,587         | 23,272   | 25,494 | 27,194 | 28,684 |
| Geothermal and other:  |                |          |        |        |        |
| New obligations.....   | 1              | 36       | 20     | 20     | 20     |
| Change in outstandings.....  | -3             | 32       | 14     | 16     | 16     |
| Outstandings.....  | 13             | 45       | 59     | 75     | 91     |
| Geothermal and other (loans made by the FFB): <sup>1</sup>                               |                |          |        |        |        |
| Change in outstandings.....  | -39            | 79       | 14     | -1     | -1     |
| Outstandings.....  | 6              | 85       | 99     | 99     | 98     |
| Total, direct loans:   |                |          |        |        |        |
| New obligations.....   | 2,279          | 2,630    | 1,049  | 827    | 543    |
| Change in outstandings.....  | 2,505          | 3,923    | 2,692  | 1,962  | 1,472  |
| Outstandings.....  | 37,413         | 41,335   | 44,027 | 45,990 | 47,461 |

and \$2.4 billion estimated for 1985 results from lower than expected demand for electricity and a surplus of electric generating capacity. A continuation of that trend, coupled with the administration's plans for increasing reliance on private financing by rural electric systems, and the eventual phaseout of all REA lending programs by 1990, allows for the further reduction in new loan obligations to \$0.9 billion for 1986. Legislation is being proposed to provide all direct loans at the cost of Treasury borrowing plus 1-1/8%, thus reducing the subsidy now given by the current 5% interest rate.

## CREDIT PROGRAMS—ENERGY—Continued

(In millions of dollars)

|  | Actual<br>1984 | Estimate |       |       |       |
|--|----------------|----------|-------|-------|-------|
|  |                | 1985     | 1986  | 1987  | 1988  |
| Guaranteed loans:  |                |          |       |       |       |
| Biomass energy development:                                    |                |          |       |       |       |
| Change in outstandings.....                                    | 168            | 262      | —7    | —21   | —31   |
| Outstandings.....  | 213            | 475      | 468   | 446   | 415   |
| Rural electrification and telephone revolving fund:            |                |          |       |       |       |
| Change in outstandings.....                                    | 48             | —10      | 38    | 30    | —10   |
| Outstandings.....  | 910            | 900      | 938   | 968   | 958   |
| Synthetic Fuels Corporation:                                   |                |          |       |       |       |
| New commitments.....   |                | 78       | 419   | 478   | 389   |
| Change in outstandings.....                                    |                | 78       | 419   | 476   | 381   |
| Outstandings.....  |                | 78       | 497   | 973   | 1,354 |
| Geothermal and other:  |                |          |       |       |       |
| New commitments.....   | 6              | 85       | 80    |       |       |
| Change in outstandings.....                                    | 4              | 69       | 36    | 77    | —3    |
| Outstandings.....  | 34             | 104      | 140   | 216   | 213   |
| Total, guaranteed loans:                                       |                |          |       |       |       |
| New commitments.....   | 6              | 163      | 499   | 478   | 389   |
| Change in outstandings.....                                    | 221            | 399      | 486   | 561   | 337   |
| Outstandings.....  | 1,158          | 1,557    | 2,043 | 2,604 | 2,941 |
| Total credit budget (new obligations and new commitments)..... | 2,285          | 2,793    | 1,548 | 1,305 | 932   |

<sup>1</sup> These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

<sup>2</sup> The direct lending activities of the Rural Electrification Administration are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the REA. According to law, these certificates are backed by loans that the agency continues to service. REA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for REA represent acquisition of CBO's less repurchases by REA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the REA direct loan outstandings decrease by the amount of CBO's sold to the FFB.

**Energy conservation.**—The budget proposes a total of \$176 million in budget authority and \$381 million in outlays in 1986 for programs in this subfunction, including State and local grants and energy conservation research and development.

Energy conservation R&D supports work to develop methods to use energy more efficiently in buildings, transportation, and industrial processes. The programs proposed in the budget are designed to complement the efforts that the private sector has undertaken in response to market forces, and to avoid unnecessary subsidizing of future private efforts. In keeping with this policy, the budget proposes \$141 million of budget authority in 1986 for conservation R&D, a reduction of \$35 million from 1985.

In addition to funding for energy conservation R&D, this subfunction includes State and local government energy grant programs. These grants are used to weatherize school buildings, hospitals, and the homes of low-income families. The budget proposes that these programs be phased out over the next 5 years. In the case of support for low-income weatherization, it assumes increasing reliance on charitable sources and State and local governments.

Schools and hospitals have incentives to undertake these investments without Federal assistance.

The budget also proposes that, for the duration of Federal support, the weatherization and the schools and hospitals programs, estimated to cost \$191 million in 1986, be financed with funds recovered by the Federal Government from petroleum pricing violations under the old oil price control program. Legislation is proposed in the budget to have these recoveries credited directly to the accounts that finance the DOE energy conservation grant programs noted above and to a Department of Health and Human Services (HHS) program that provides help to the poor in paying their fuel bills. Outlays for the HHS low-income energy assistance program are included in the income security function.

Budget authority of \$35 million is requested in 1986 for conservation grants. This covers only the cost of State planning and extension grants and program administration.

***Emergency energy preparedness.***— Administration policy for dealing with disruptions in oil supplies is to rely on market forces. To supplement this basic approach, the administration has also made a major commitment to building up the strategic petroleum reserve (SPR). Rapid progress has been made in the past 4 years and the SPR is expected to reach a level of almost 500 million barrels by the end of 1985.

World oil market conditions have changed markedly since the SPR was initiated. The world's supply of oil produced outside the Middle East has increased. OPEC is under continuing pressure to cut prices. In light of these significant developments, the SPR can now provide a substantial level of protection in the event of an oil supply disruption. Consequently, the administration is proposing an indefinite moratorium on further development of the strategic petroleum reserve after 1985. This moratorium will be reassessed as warranted as fiscal and oil market conditions change.

The moratorium results in a reduction in budget authority for the SPR in 1986 of \$2.1 billion compared to 1985 and an outlay reduction of \$1.5 billion. Outlays of \$236 million will be used to complete construction of storage facilities and to maintain the reserve in a state of readiness. Another \$148 million in outlays projected for the petroleum reserve in 1986 reflects payments for deliveries occurring at the end of 1985. This amount is currently off-budget but proposed to be included on-budget. Amounts appropriated in prior years but not needed by the program are being proposed for deferral.

***Energy information, policy, and regulation.***—Budget authority for energy information, policy, and regulation is proposed to be \$712

million in 1986. Included in this total is \$429 million to support the work of the Nuclear Regulatory Commission.

This subfunction also includes, for the Department of Energy, the operating expenses of the Federal Energy Regulatory Commission and the Energy Information Administration, as well as the Department's general administrative expenses.

**Tax expenditures.**—To encourage energy exploration and production, the tax code permits certain capital costs to be deducted as current expenses rather than amortized over the useful life of the property. In addition, extractive industries are generally permitted to use percentage depletion rather than cost depletion.

A variety of residential tax incentives stimulate energy conservation and encourage conversion to energy sources other than oil or natural gas. Business investments in specified energy property are also eligible for special tax credits, in addition to the normally available investment tax credit.

Tax expenditures for energy are listed in the accompanying table and discussed in more detail in Special Analysis G.

#### TAX EXPENDITURES FOR ENERGY

(Outlay equivalents; in millions of dollars)

| Description  | Estimates |       |       |
|--|-----------|-------|-------|
|  | 1984      | 1985  | 1986  |
| Expensing of exploration and development costs:  |           |       |       |
| Oil and gas.....   | 1,595     | 2,060 | 2,245 |
| Other fuels.....   | *         | *     | *     |
| Excess of percentage over cost depletion:  |           |       |       |
| Oil and gas.....   | 1,640     | 1,545 | 1,435 |
| Other fuels.....   | 550       | 605   | 645   |
| Capital gains treatment of royalties on coal.....  | 165       | 190   | 205   |
| Exclusion of interest on State and local industrial development bonds for certain energy facilities..... | 145       | 155   | 180   |
| Residential energy credits:  |           |       |       |
| Supply incentives.....   | 415       | 450   | 175   |
| Conservation incentives.....   | 325       | 295   | 70    |
| Alternative, conservation and new technology credits:  |           |       |       |
| Supply incentives.....   | 260       | 250   | 135   |
| Conservation incentives.....   | 5         | *     | *     |
| Alternative fuel production credit.....  | 35        | 40    | 45    |
| Energy credit for intercity buses.....   | 15        | 15    | 5     |
| Special rules for mining reclamation reserves.....   | 15        | 40    | 45    |
| Total (after interactions), energy <sup>1</sup> .....  | 3,665     | 4,010 | 3,685 |

\*500 thousand or less.

<sup>1</sup> The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore the estimates cannot simply be added.

## NATURAL RESOURCES AND ENVIRONMENT

Federal natural resources and environment programs manage public lands and resources for their preservation, conservation, and economic development; work with State governments to ensure a clean environment; and encourage increased knowledge and understanding of the environment.

*Pollution control and abatement.*—Efforts to control pollution of air, water, and land are carried out through direct Federal programs and through financial assistance to State and local governments.

*Regulatory, enforcement, and research programs.*—Proposed budget authority in 1986 for regulatory, enforcement, and research programs is 2% higher than in 1985. This budget continues all the initiatives begun in 1985 and provides a substantial funding increase to implement the Hazardous and Solid Waste Act Amendments of 1984. The budget continues the aggressive development of new hazardous waste regulatory responsibilities that began in 1985; provides for immediate implementation of new enforcement authorities; and supports the ambitious schedules to issue permits required by the new law. Budget authority for the Federal acid rain task force, classified in the energy function, will be increased by 37% to \$85 million in 1986. Major new research activities will be conducted, including a study of the mechanics by which acid deposition may affect forests. Long-term monitoring of sensitive watersheds will be expanded and special studies conducted to determine the factors affecting the rate of lake acidification.

*Hazardous substance response fund.*—The hazardous substance response trust fund finances the cleanup of abandoned hazardous waste sites and hazardous chemical spills. Budget authority of \$900 million has been included for 1986 as a step toward a \$1.1 billion average annual program level for cleanup over the period 1986-1990. The administration will propose legislation to reauthorize the program at the \$1.1 billion level and to provide dedicated revenues to finance it. No appropriation from general revenues will be requested. It is anticipated that cleanups will be undertaken at 56 sites and emergency responses will be needed at 190 sites in 1986. An annual average of 75 fund financed cleanups is anticipated over the period 1986-1990.

*Sewage treatment plant construction grants.*—This program assists State and local governments in building sewage treatment systems. The budget requests 1986 budget authority of \$2.4 billion and begins a 4-year phaseout of this program. Grants are planned to be limited to completion of projects currently underway. This

**NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT**

(Functional code 300; in millions of dollars)

| Major missions and programs  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>  |                |                  |                  |                  |                  |
| <b>Pollution control and abatement:</b>  |                |                  |                  |                  |                  |
| Regulatory, enforcement, and research programs .....   | 1,140          | 1,262            | 1,306            | 1,328            | 1,355            |
| Hazardous substance response fund .....  | 460            | 620              | 900              | 1,125            | 1,200            |
| Oil pollution funds .....  | 6              | 9                | 9                | 9                | 9                |
| Sewage treatment plant construction grants .....   | 2,435          | 2,400            | 2,400            | 1,800            | 1,200            |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -3             | -34              | -38              | -61              | -69              |
| Proposed legislation .....   |                |                  |                  |                  | -22              |
| Subtotal, Pollution control and abatement .....  | 4,037          | 4,257            | 4,577            | 4,201            | 3,673            |
| <b>Water resources:</b>  |                |                  |                  |                  |                  |
| Corps of Engineers:  |                |                  |                  |                  |                  |
| Existing law .....   | 2,732          | 2,814            | 2,404            | 2,449            | 2,625            |
| Proposed legislation .....   |                |                  | 403              | 622              | 641              |
| Bureau of Reclamation .....  | 969            | 1,054            | 807              | 1,009            | 1,022            |
| Other .....  | 236            | 215              | 99               | 16               | 16               |
| Navigation fees (proposed) .....   |                |                  | -403             | -622             | -641             |
| Offsetting receipts .....  | -158           | -167             | -220             | -271             | -315             |
| Subtotal, Water resources .....  | 3,779          | 3,916            | 3,091            | 3,203            | 3,347            |
| <b>Conservation and land management:</b>   |                |                  |                  |                  |                  |
| Management of national forests, cooperative forestry,<br>and forestry research (Forest Service): |                |                  |                  |                  |                  |
| Existing law .....   | 1,749          | 1,646            | 1,690            | 1,713            | 1,758            |
| Proposed legislation .....   |                |                  | 64               | 45               | 46               |
| Management of public lands (BLM) .....   | 505            | 474              | 384              | 388              | 394              |
| Mining reclamation and enforcement .....   | 342            | 373              | 330              | 344              | 357              |
| Conservation of agricultural lands .....   | 614            | 618              | 372              | 203              | 206              |
| Other .....  | 305            | 281              | 272              | 278              | 285              |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -2,127         | -2,599           | -2,650           | -2,878           | -3,020           |
| Proposed legislation .....   |                | *                | 106              | 110              | 109              |
| Subtotal, Conservation and land management .....   | 1,389          | 793              | 569              | 203              | 134              |
| <b>Recreational resources:</b>   |                |                  |                  |                  |                  |
| Federal land acquisition: <sup>1</sup>   |                |                  |                  |                  |                  |
| Existing law .....   | 296            | 254              | 45               | 49               | 49               |
| Proposed legislation .....   |                |                  | -30              | -30              | -30              |
| Urban park and historic preservation funds .....   | 35             | 25               |                  |                  |                  |
| Operation of recreational resources:   |                |                  |                  |                  |                  |
| Existing law .....   | 1,182          | 1,285            | 1,194            | 1,210            | 1,235            |
| Proposed legislation .....   |                |                  |                  | 2                | 3                |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -61            | -84              | -88              | -91              | -94              |
| Proposed legislation .....   |                |                  | -51              | -53              | -55              |
| Subtotal, Recreational resources .....   | 1,453          | 1,480            | 1,070            | 1,088            | 1,107            |
| <b>Other natural resources:</b>  |                |                  |                  |                  |                  |
| Program activities:  |                |                  |                  |                  |                  |
| Existing law .....   | 1,629          | 1,765            | 1,539            | 1,508            | 1,565            |
| Proposed legislation .....   |                |                  | 90               | 55               | 30               |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -7             | -4               | -1               | -1               | -1               |
| Proposed legislation .....   |                |                  | -14              | -19              | -23              |
| Subtotal, Other natural resources .....  | 1,622          | 1,761            | 1,613            | 1,543            | 1,571            |
| <b>Total, budget authority .....</b>   | <b>12,280</b>  | <b>12,207</b>    | <b>10,920</b>    | <b>10,237</b>    | <b>9,833</b>     |

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

(Functional code 300; in millions of dollars)

| Major missions and programs  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Pollution control and abatement:</b>  |                |                  |                  |                  |                  |
| Regulatory, enforcement, and research programs .....   | 1,137          | 1,222            | 1,288            | 1,299            | 1,341            |
| Hazardous substance response fund .....  | 285            | 450              | 670              | 925              | 1,115            |
| Oil pollution funds .....  | 3              | 9                | 9                | 9                | 9                |
| Sewage treatment plant construction grants .....   | 2,623          | 2,740            | 2,650            | 2,380            | 2,200            |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -3             | -34              | -38              | -61              | -69              |
| Proposed legislation .....   |                |                  |                  |                  | -22              |
| Subtotal, Pollution control and abatement .....  | 4,044          | 4,387            | 4,579            | 4,552            | 4,574            |
| <b>Water resources:</b>  |                |                  |                  |                  |                  |
| Corps of Engineers:  |                |                  |                  |                  |                  |
| Existing law .....   | 3,096          | 3,118            | 2,590            | 2,449            | 2,625            |
| Proposed legislation .....   |                |                  | 403              | 622              | 641              |
| Bureau of Reclamation .....  | 871            | 1,019            | 980              | 1,030            | 1,037            |
| Other .....  | 259            | 323              | 215              | 55               | 16               |
| Navigation fees (proposed) .....   |                |                  | -403             | -622             | -641             |
| Offsetting receipts .....  | -158           | -167             | -220             | -271             | -315             |
| Subtotal, Water resources .....  | 4,068          | 4,293            | 3,566            | 3,263            | 3,363            |
| <b>Conservation and land management:</b>   |                |                  |                  |                  |                  |
| Management of national forests, cooperative forestry,<br>and forestry research (Forest Service): |                |                  |                  |                  |                  |
| Existing law .....   | 1,787          | 1,875            | 1,663            | 1,683            | 1,728            |
| Proposed legislation .....   |                |                  | 63               | 43               | 46               |
| Management of public lands (BLM) .....   | 511            | 469              | 391              | 375              | 394              |
| Mining reclamation and enforcement .....   | 206            | 284              | 320              | 349              | 349              |
| Conservation of agricultural lands .....   | 605            | 630              | 548              | 256              | 236              |
| Other .....  | 320            | 321              | 277              | 273              | 279              |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -2,127         | -2,599           | -2,650           | -2,878           | -3,020           |
| Proposed legislation .....   |                | *                | 106              | 110              | 109              |
| Subtotal, Conservation and land management .....   | 1,302          | 979              | 719              | 210              | 120              |
| <b>Recreational resources:</b>   |                |                  |                  |                  |                  |
| Federal land acquisition <sup>2</sup> .....  | 315            | 342              | 207              | 128              | 92               |
| Urban park and historic preservation funds .....   | 89             | 70               | 28               | 9                | 3                |
| Operation of recreational resources:   |                |                  |                  |                  |                  |
| Existing law .....   | 1,239          | 1,294            | 1,264            | 1,236            | 1,238            |
| Proposed legislation .....   |                |                  |                  | 2                | 3                |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -61            | -84              | -88              | -91              | -94              |
| Proposed legislation .....   |                |                  | -51              | -53              | -55              |
| Subtotal, Recreational resources .....   | 1,581          | 1,622            | 1,361            | 1,231            | 1,185            |
| <b>Other natural resources:</b>  |                |                  |                  |                  |                  |
| Program activities:  |                |                  |                  |                  |                  |
| Existing law .....   | 1,602          | 1,748            | 1,621            | 1,555            | 1,547            |
| Proposed legislation .....   |                |                  | 55               | 60               | 43               |
| Offsetting receipts:   |                |                  |                  |                  |                  |
| Existing law .....   | -7             | -4               | -1               | -1               | -1               |
| Proposed legislation .....   |                |                  | -14              | -19              | -23              |
| Subtotal, Other natural resources .....  | 1,595          | 1,744            | 1,660            | 1,595            | 1,566            |
| <b>Total, outlays .....</b>  | <b>12,591</b>  | <b>13,024</b>    | <b>11,884</b>    | <b>10,852</b>    | <b>10,809</b>    |

\*\$500 thousand or less.

<sup>1</sup> Includes budget authority from State grants financed by the land and water conservation fund.

<sup>2</sup> Includes outlays from State grants financed by the land and water conservation fund.

proposal is consistent with the original mission of the program—to assist communities in eliminating the backlog of needed construction. After phaseout, communities will be expected to finance waste treatment facilities for future population growth through market sources with such assistance as State governments may provide. Legislation will be proposed to implement the phaseout.

**Water resources.**—Total net proposed budget authority of \$3.1 billion for the Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, and the Department of Agriculture's Soil Conservation Service (SCS) is a reduction of about 20% from 1985 appropriations. The reduction is primarily due to (1) use of approximately \$200 million of unexpended prior year appropriations to help finance Bureau of Reclamation construction in 1986 at the 1985 freeze level, (2) the declining construction program of the Corps of Engineers, (3) termination of SCS's small watershed program and (4) enhanced cost sharing whereby beneficiaries of Federal water resource projects will pay a greater share of project costs through increased user fees and non-Federal financing. Most of the proposed funding for water resource development covers construction of projects started in previous years and operation and maintenance of completed projects.

Sixteen new construction starts and 16 projects proposed by the administration in prior budgets are included in this budget. For most of these projects, State and local governments and private project sponsors have already demonstrated their intent to pay a greater share of construction costs.

In anticipation of legislation to recover capital and operating/maintenance expenses of the Nation's harbors and inland waterways now financed almost entirely by general tax funds, the budget proposes funding for about \$0.4 billion in construction, as well as operation and maintenance costs from new navigation user fees. These new fees will recover more of the Federal expenditures that subsidize construction and dredging for commercial waterborne transportation.

Navigation services provided by the Corps of Engineers, as well as the Coast Guard and other Federal agencies, are commercial in nature, with benefits and costs quantifiable and beneficiaries identifiable. The administration believes more of the costs of these services can and should be recovered from direct beneficiaries. Also, additional user fees will serve as disincentives for unneeded expansion of the inland and harbor systems and incentives for users to support operating efficiencies wherever possible.

Similarly, other federally constructed water resource projects such as multiple-purpose dams with hydroelectric power, irrigation, flood control, and recreation outputs provide quantifiable benefits to identifiable beneficiaries. These beneficiaries should also pay a greater share of the capital costs of the facilities they use. The budget therefore proposes greater concurrent recovery of construc-



tion-period costs from project beneficiaries, including users of the Nation's commercial navigation system, on a "pay-as-you-go" basis.

The Soil Conservation Service small watershed program provides flood control and drainage facilities that are usually within the financial and engineering capability of non-Federal entities to provide for themselves. These facilities in some cases duplicate services of the Corps of Engineers and often provide added capacity to produce surplus commodities. Funding for this program is therefore proposed for termination in 1986. Flood control and related programs in which there is a Federal interest will remain available through the Corps of Engineers. Direct Federal financial assistance is proposed to be terminated for small agricultural flood control and drainage works in which there is no Federal interest, with resultant savings.

***Conservation and land management.***—Changes in these programs reflect the administration's efforts to improve the management of the national forests and public lands, to streamline mineral leasing programs, and to place maximum responsibility with the States for surface coal mining regulatory and reclamation programs. A realignment of management responsibilities between the Forest Service and the Bureau of Land Management will result in saving approximately \$30 million in management costs per year when fully implemented. This management realignment involves changes solely within the Federal Government, and will not involve or affect sales or exchanges of land or other resources with non-Federal entities.

***Management of national forests, cooperative forestry, and forestry research.***—Proposed budget authority in 1986 for direct management of national forests is \$1.7 billion. This amount provides for a decrease in planned program levels in 1986 of \$162 million, after adjusting for funding for forest fire fighting, lapsing accounts, an increase of \$64 million in 1986 because of the transfer of forestry activities of the Bureau of Land Management to the Forest Service. This net decrease occurs primarily as a result of postponement of construction and recreational land acquisition, supplemented by reduced unit costs of timber sale preparation, a 4.5% reduction in timber offered for sale, and termination of forestry grants to States.

The productivity of national forest management will be improved by carefully controlling costs, adjusting management procedures, and paying close attention to benefit-cost relationships. The objective is to produce timber, recreation, and other products or services at the lowest unit costs. Careful attention will be given to both market and nonmarket values of resources, such as water quality, and their associated costs.

Planned timber sales from national forest lands in 1986 of 10.7 billion board feet (BBF), together with the estimated 30 BBF sold

but still uncut at the end of 1985, will be adequate to respond to anticipated housing construction needs in 1986 and subsequent years. Gross receipts from the harvest of timber are estimated to be approximately \$0.9 billion in 1986. Under current law, 25% of these receipts is paid to States for schools and roads in the counties of origin. The administration will propose legislation to deduct appropriate Federal costs from receipts before calculating the share paid to the States, thus converting to a net receipt sharing basis. Federal payments in lieu of taxes on Federal lands, which are classified in the general purpose fiscal assistance function, will continue to be paid to counties.

Budget authority of \$104 million in 1986 for forestry research programs will continue to address high-priority projects while limiting Federal funding for research projects that directly support private industry.

Budget authority for contributions to State and private forestry programs will be reduced from \$58 million in 1985 to \$30 million in 1986. Funding will be retained to provide for national data collection, information dissemination, and limited but specialized technical assistance to States on national problems. General grants to States for fire protection and forestry technical assistance on non-Federal lands are not proposed for 1986.

*Management of public lands.*—These programs provide for administration of approximately 310 million surface acres of public lands for multiple use and about 370 million acres of federally owned subsurface mineral rights.

In 1986 there are proposed jurisdictional realignments between the Bureau of Land Management and the Forest Service with reductions in Bureau of Land Management programs being offset by increases in Forest Service programs. Continued emphasis will be placed on mineral leasing, realty management, data support systems, and renewable resource activities such as those affecting water, timber, or wildlife, including hazardous waste assessment.

*Mining reclamation and enforcement.*—A budget authority decrease of \$43 million reflects maturation of the program, balancing annual obligations at a rate that can be sustained each year until 1992, the year of expiration of the statute earmarking receipts for this program. Approximately 450 projects to reclaim abandoned mined lands in 27 States will be financed by the \$250 million request.

*Conservation of agricultural lands.*—Budget authority for these programs declines 40% in 1986 as a step toward a major restructuring that will sharply reduce Federal costs in future years. Federal financial assistance for soil and water conservation of privately-

owned lands will be terminated and a basic level of Federal technical assistance will be provided for soil and water resource problems. A much greater share of the role in financing and pursuing good soil and water conservation practices on private lands is envisioned for State and local governments and landowners.

***Recreational resources.***—Net Federal funding for recreation is proposed to be reduced from \$1.5 billion to \$1.1 billion. Land acquisition for parks and refuges is proposed to be reduced from \$220 million to \$13 million in 1986. Discretionary acquisitions for park and refuge purposes are proposed to be deferred for 3 years. Grants to States for acquisition and development of outdoor recreation lands and for support of State historic preservation staffs are not budgeted in 1986. These needs can be met through State, local, and private resources and the positive effect of Federal tax incentives on private investment in historic buildings.

The administration again proposes to increase fees for recreational use of national parks, forests, Corps of Engineers projects and related facilities, so that those who use them will pay more for their upkeep and maintenance than will those taxpayers who do not use them. The agency collecting the user fee receipts will retain them for operation and maintenance of recreation areas. For 1986, recreation receipts, including some receipts not counted in this subfunction, are estimated to be about \$131 million, \$89 million above 1985.

***Operation of recreational resources.***—The \$1 billion administration initiative to ensure the quality and accessibility of the national parks to all Americans by increasing maintenance and by restoring and constructing facilities has been essentially completed. Therefore, the budget proposes \$106 million to carry out essential maintenance and improvement projects in the national park system. A rescission of the \$100 million in contract authority for park road improvements funded through the highway trust fund and included in the transportation function is proposed because the National Park Service has no road projects remaining on its near-term list of priority improvements and an estimated \$135 million remains unexpended from prior year trust fund allocations. Total 1986 budget authority of \$644 million is proposed to operate and maintain the national park system's 334 parks, covering 75 million acres.

***Other natural resources.***—These activities focus on the understanding, conservation, and careful husbandry of the Earth's resources, structure, and environment through research and development and information dissemination programs. They comprise ele-

ments of the Geological Survey, the Bureau of Mines, and the National Oceanic and Atmospheric Administration (NOAA).

Requested 1986 budget authority of \$104 million for the Bureau of Mines is less than in prior years, and, as in 1984 and 1985, no funds have been requested for the mineral institute program. Bureau of Mines research activities will be focused on long-term projects with high potential benefit that are more in line with Federal concerns and responsibilities.

Funding for NOAA programs in this category reflects a decrease of approximately 8% in budget authority from \$1,137 million in 1985 to \$1,042 million in 1986. Reductions are proposed for State and industry financial assistance and lower priority research and service programs. Estimated outlays for 1986 are \$1,083 million. This funding maintains priority life safety, resource management and development programs, and atmospheric and oceanic research and services. Increased funding is included to upgrade geostationary weather satellites and improve weather observation and forecasting.

**Offsetting receipts.**—Offsetting receipts from the entire natural resources and environment function—primarily from user fees, sales of products, rents and royalties—are expected to rise from \$2.8 billion in 1985 to \$3.4 billion in 1986.

**Management improvements.**—Management improvements are proposed to reduce outlays in this function by more than \$100 million over the next 3 years, primarily through consolidating and streamlining administrative activities.

**Credit programs.**—The 1986 credit budget proposes a decrease of \$23 million in obligations from 1985 in programs operated by the Bureau of Reclamation. These direct loans are made to State and local governmental entities for construction and rehabilitation of irrigation systems and for storage of municipal or industrial water supplies.

#### CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

|  | Actual<br>1984 | Estimate  |           |           |           |
|--|----------------|-----------|-----------|-----------|-----------|
|  |                | 1985      | 1986      | 1987      | 1988      |
| Direct loans:                                      |                |           |           |           |           |
| Water resources and other loan programs:           |                |           |           |           |           |
| New obligations .....                              | 52             | 74        | 51        | 51        | 12        |
| Change in outstandings.....                        | 47             | 57        | 48        | 47        | 1         |
| Outstandings .....                                 | 418            | 475       | 523       | 570       | 571       |
| <b>Total credit budget (new obligations) .....</b> | <b>52</b>      | <b>74</b> | <b>51</b> | <b>51</b> | <b>12</b> |

**Tax expenditures.**—As an incentive to encourage production, certain capital costs associated with exploration and development of nonfuel minerals may be expensed rather than depreciated over the life of the asset. In addition, most nonfuel-mineral extractors use percentage depletion, rather than cost depletion. Percentage depletion is more generous than cost depletion in that total deductions are not limited to the cost of the investment. The total estimates for these two provisions are less than \$2.5 million and \$625 million, respectively, in 1986.

Interest on State and local government debt issued to finance the pollution control and waste disposal facilities of private firms is excluded from income subject to tax; the resulting estimate for 1986 is \$1.3 billion.

A special 25% tax credit is available for expenditures made to restore certain historic structures. The 1986 estimate of \$550 million for this provision includes the remaining tax subsidies from special depreciation treatment available under prior law.

Special benefits are provided to the timber and iron industries in order to encourage production. The gains on the cutting of timber and royalties from iron ore deposits are taxed at capital gains rates, which are lower than rates on ordinary income. For 1986, this results in a tax expenditure of \$720 million and \$35 million, respectively. Private forestry is additionally encouraged because a limited amount of reforestation expenditures are eligible for special tax credits and write-offs. This tax expenditure is \$55 million in 1986.

Tax expenditures for natural resources and environment total an estimated \$2.7 billion in 1986.

## AGRICULTURE

Federal programs in this function help meet domestic and international trade demands for food and fiber while mitigating the adverse effects of price fluctuations on farmers. The administration's budget and legislative proposals are intended to foster a more competitive agricultural sector, while reducing the cost of the present ineffective patchwork of farm programs. These goals would be accomplished by eliminating the costly duplication of subsidies that now distort agricultural markets and harm U.S. farm sales overseas.

Existing programs artificially prop up agricultural commodity prices with Commodity Credit Corporation (CCC) price support loans, and guarantee high revenues with above-market CCC "target prices" for all the production of participating farmers. In addition, farmers are offered federally subsidized insurance against crop losses from natural hazards and low-cost credit from the Farmers Home Administration (FmHA) for continuing and expanding farm operations. As a result of these production incentives, an excess supply of crops is produced and the surplus commodities are bought and stored by the Government.

To help prevent an excessive buildup of farm stocks, other existing programs offset the production incentives caused by the Government subsidies described above by paying for acreage reductions. These CCC-funded supply control measures provide more cash to farmers to help reduce excess production.

The combination of these two domestic actions—Government subsidies to encourage production and other Government subsidies to reduce excess production—raise U.S. prices well above world market clearing levels. To offset the market effect of these double subsidies an additional CCC export credit subsidy is offered so that foreign buyers may pay less for U.S. farm produce. This total system of Federal intervention is very costly to taxpayers, yet provides inadequate response to the needs of the farm sector.

The administration's major proposals are:

- to reform CCC domestic and international agricultural subsidy programs to enable farmers to earn their income in the commercial marketplace without high Federal price supports or supply control; and
- to scale down Federal Government intervention and subsidy in other areas of agriculture, particularly in credit, insurance, applied research, and other business services.

***Farm income stabilization.***—This area represents 87% of estimated 1986 outlays in the agriculture function.

## NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

| Major missions and programs                        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                            |                |                  |                  |                  |                  |
| <b>Farm income stabilization:</b>                  |                |                  |                  |                  |                  |
| Commodity price support and related programs:      |                |                  |                  |                  |                  |
| Existing law .....                                 | 210            | 13,048           | 11,316           | 14,343           | 15,283           |
| Proposed legislation .....                         |                |                  | -1,821           | -5,874           | -7,578           |
| Crop insurance:                                    |                |                  |                  |                  |                  |
| Existing law .....                                 | 360            | 359              | 374              | 436              | 465              |
| Proposed legislation .....                         |                |                  | -118             | -257             | -328             |
| Agricultural credit:                               |                |                  |                  |                  |                  |
| On-budget under current law .....                  | 2,517          | 1,935            | 1,478            | 1,932            | 2,068            |
| Proposed legislation .....                         |                |                  |                  |                  | -44              |
| Off-budget under current law# .....                | 6,805          | 5,332            | 926              | 800              | 800              |
| Proposed legislation .....                         |                |                  | -760             | -800             | -800             |
| Other programs and unallocated overhead .....      | 54             | 51               |                  |                  |                  |
| Subtotal, Farm income stabilization .....          | 9,945          | 20,724           | 11,395           | 10,579           | 9,866            |
| <b>Agricultural research and services:</b>         |                |                  |                  |                  |                  |
| Research programs .....                            | 805            | 782              | 738              | 769              | 791              |
| Extension programs .....                           | 334            | 343              | 265              | 271              | 276              |
| Marketing programs:                                |                |                  |                  |                  |                  |
| Existing law .....                                 | 126            | 127              | 125              | 125              | 125              |
| Proposed legislation .....                         |                |                  | -24              | -28              | -32              |
| Animal and plant health programs:                  |                |                  |                  |                  |                  |
| Existing law .....                                 | 278            | 281              | 247              | 247              | 226              |
| Proposed legislation .....                         |                |                  | -12              | -12              | -12              |
| Economic intelligence .....                        | 185            | 190              | 186              | 192              | 198              |
| Other programs and unallocated overhead:           |                |                  |                  |                  |                  |
| Existing law .....                                 | 196            | 213              | 209              | 207              | 207              |
| Proposed legislation .....                         |                |                  | -2               | -2               | -2               |
| Offsetting receipts .....                          | -80            | -91              | -90              | -89              | -89              |
| Subtotal, Agricultural research and services ..... | 1,843          | 1,845            | 1,643            | 1,680            | 1,689            |
| <b>Total, budget authority .....</b>               | <b>11,788</b>  | <b>22,569</b>    | <b>13,038</b>    | <b>12,259</b>    | <b>11,555</b>    |

*Commodity price support and related programs.*—Price support and related programs were created to stabilize, support, and protect farm income and prices, and to facilitate the orderly distribution and maintenance of a balanced and adequate supply of agricultural commodities and their products. CCC provides price and income support to producers of agricultural commodities through loans, purchases, payments, and other means.

The administration proposes to set both price support loan rates and target prices in alignment with market prices. This should reduce the need for mandatory acreage reductions and paid diversions while still providing price stability. Furthermore, the elimination of artificially high prices should increase U.S. exports, thus reducing the need for further export subsidies. During the next few years, however, some planting limitations and export credit programs will be necessary until supply becomes more in balance with demand and market clearing price levels are attained. The proposal will limit payments and loans so that the proportion of farm

**NATIONAL NEED: IMPROVED AGRICULTURE—Continued**

(Functional code 350; in millions of dollars)

| Major missions and programs                        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>                                     |                |                  |                  |                  |                  |
| <b>Farm income stabilization:</b>                  |                |                  |                  |                  |                  |
| Commodity price support and related programs:      |                |                  |                  |                  |                  |
| Existing law .....                                 | 7,364          | 15,081           | 12,360           | 14,343           | 15,283           |
| Proposed legislation .....                         |                |                  | -1,821           | -5,874           | -7,578           |
| Crop insurance:                                    |                |                  |                  |                  |                  |
| Existing law .....                                 | 576            | 421              | 349              | 391              | 442              |
| Proposed legislation .....                         |                |                  | -101             | -198             | -309             |
| Agricultural credit:                               |                |                  |                  |                  |                  |
| On-budget under current law .....                  | 2,478          | 1,609            | 1,243            | 1,936            | 1,889            |
| Proposed legislation .....                         |                |                  | -44              | -51              | -53              |
| Off-budget under current law# .....                | 1,410          | 1,175            | -324             | -2,377           | -2,288           |
| Proposed legislation .....                         |                |                  | -760             | -800             | -800             |
| Other programs and unallocated overhead .....      | 50             | 58               | 35               | 6                |                  |
| Subtotal, Farm income stabilization .....          | 11,877         | 18,344           | 10,937           | 7,376            | 6,586            |
| <b>Agricultural research and services:</b>         |                |                  |                  |                  |                  |
| Research programs .....                            | 726            | 760              | 784              | 758              | 779              |
| Extension programs .....                           | 330            | 342              | 267              | 271              | 276              |
| Marketing programs:                                |                |                  |                  |                  |                  |
| Existing law .....                                 | 120            | 126              | 125              | 125              | 125              |
| Proposed legislation .....                         |                |                  | -25              | -28              | -32              |
| Animal and plant health programs:                  |                |                  |                  |                  |                  |
| Existing law .....                                 | 296            | 283              | 250              | 251              | 233              |
| Proposed legislation .....                         |                |                  | -12              | -12              | -12              |
| Economic intelligence .....                        | 172            | 189              | 185              | 191              | 197              |
| Other programs and unallocated overhead:           |                |                  |                  |                  |                  |
| Existing law .....                                 | 172            | 212              | 211              | 209              | 208              |
| Proposed legislation .....                         |                |                  | -2               | -2               | -2               |
| Offsetting receipts .....                          | -80            | -91              | -90              | -89              | -89              |
| Subtotal, Agricultural research and services ..... | 1,736          | 1,821            | 1,691            | 1,673            | 1,682            |
| <b>Total, outlays .....</b>                        | <b>13,613</b>  | <b>20,165</b>    | <b>12,629</b>    | <b>9,049</b>     | <b>8,268</b>     |

#Proposed to be included on-budget.

income protected will be much larger for small family farmers than for large corporate-style operations.

If present programs were unchanged, budget outlays for CCC would total \$73 billion over the 1986 to 1990 period. The administration's proposed budget and legislative program would reduce outlays by \$39 billion over the same period.

The value of agricultural exports in 1984 was \$38 billion, while imports totaled \$19 billion, resulting in a positive agricultural trade balance of \$19 billion. The sheer magnitude of these exports mandates the continued reliance on free-market commercial exports as the driving force in the success of U.S. agricultural trade. Nevertheless, export credit assistance is provided by CCC for the relatively small portion of export sales that could not occur without federally subsidized credit. Total export credit planned for 1986 is \$5 billion. This is 145% over the 1981 level of total CCC export credit assistance. The CCC guarantee fee will be increased to 5% in



1986, providing \$220 million a year in additional revenue, as part of an administration effort to put Federal credit programs on a more comparable basis with private credit.

*Crop insurance.*—The Federal Crop Insurance Corporation offers insurance to producers against crop losses from natural hazards. All-risk crop insurance is now available in all 3,000 agricultural counties. Insurance in force is expected to reach \$10.1 billion in 1986, an increase of \$1.5 billion over the 1985 estimate. Outlays will depend primarily on the weather, the number of participants, and crop prices. The budget proposes a 5-year phaseout of Federal operating costs and premium subsidies in an effort to put crop insurance on a full “pay-as-you-go” basis by 1990.

This proposal will enhance the administration’s efforts to develop a fully commercial-type crop insurance program. The share of insurance volume delivered by private reinsurance companies has increased from a level of 4% in crop year 1981 to about 70% anticipated for crop year 1985. The proposal would provide more efficiency in the areas of product pricing and delivery.

*Agricultural credit.*—The Nation relies primarily on private credit for agriculture as in other sectors of the national economy. However, the Federal Government provides 16% of total farm credit, primarily for family farmers with limited resources. At the end of 1984, outstanding FmHA agricultural credit insurance fund direct loans totaled \$25.9 billion. FmHA has lent about 53% of this outstanding amount during the last 10 years. In 1984 alone, new direct lending totaled \$4.0 billion, with 26% of this amount going for disaster loans.

In response to the financial difficulties of some farmers, the President recently implemented several credit initiatives to restructure farm debt, thereby enabling farmers to avoid bankruptcies and foreclosures. This includes restructuring and deferring payments on FmHA loans, new Federal guarantees of troubled farm loans that have been written down by private lenders, and credit counseling for farm borrowers.

Farm operating direct and guaranteed loan activity in 1986 is estimated to be \$3.4 billion. This level is about \$850 million over the 1985 level, and reflects a shift in emphasis from direct subsidized loans to guarantees of private loans. In addition, legislation will be submitted to provide emergency disaster loans only where Federal crop insurance is not available. These actions will reduce the Federal cost and staffing requirements to administer the program while still ensuring the availability of credit to those qualified family farmers who cannot stay in business without Federal lending assistance. The FmHA guarantee fee will be increased to

## CREDIT PROGRAMS—AGRICULTURE

(in millions of dollars)

|  | Actual<br>1984 | Estimate      |               |               |               |
|--|----------------|---------------|---------------|---------------|---------------|
|  |                | 1985          | 1986          | 1987          | 1988          |
| <b>Direct loans:</b>   |                |               |               |               |               |
| Commodity price support and related loans (CCC):                       |                |               |               |               |               |
| New obligations .....  | 5,461          | 9,216         | 8,507         | 7,928         | 5,345         |
| Change in outstandings .....   | -6,249         | 1,582         | -1,167        | -2,971        | -2,528        |
| Outstandings .....   | 9,758          | 11,340        | 10,173        | 7,202         | 4,674         |
| Agricultural credit insurance fund (FmHA):                             |                |               |               |               |               |
| New obligations .....  | 4,005          | 3,770         | 435           | 318           | 294           |
| Change in outstandings .....   | 131            | 1,392         | -1,065        | 800           | .....         |
| Outstandings .....   | 410            | 1,802         | 737           | 1,537         | 1,537         |
| Agricultural credit insurance fund (loans held by FFB): <sup>1</sup>   |                |               |               |               |               |
| Change in outstandings .....   | 1,410          | 1,175         | -1,084        | -3,177        | -3,088        |
| Outstandings .....   | 25,517         | 26,692        | 25,608        | 22,431        | 19,343        |
| <b>Total, direct loans:</b>  |                |               |               |               |               |
| New obligations .....  | 9,465          | 12,986        | 8,942         | 8,246         | 5,639         |
| Change in outstandings .....   | -4,707         | 4,149         | -3,315        | -5,348        | -5,616        |
| Outstandings .....   | 35,685         | 39,834        | 36,518        | 31,170        | 25,554        |
| <b>Guaranteed loans:</b>   |                |               |               |               |               |
| Export credit (CCC):   |                |               |               |               |               |
| New commitments .....  | 4,179          | 5,000         | 5,000         | 5,000         | 5,000         |
| Change in outstandings .....   | 332            | 2,741         | 1,615         | 954           | .....         |
| Outstandings .....   | 4,690          | 7,431         | 9,046         | 10,000        | 10,000        |
| Agricultural and emergency credit (FmHA):                              |                |               |               |               |               |
| New commitments .....  | 443            | 706           | 3,000         | 3,000         | 3,000         |
| Change in outstandings .....   | 103            | 6             | 1,378         | 3,000         | 3,000         |
| Outstandings .....   | 1,128          | 1,134         | 2,512         | 5,512         | 8,512         |
| <b>Total, guaranteed loans:</b>  |                |               |               |               |               |
| New commitments .....  | 4,622          | 5,706         | 8,000         | 8,000         | 8,000         |
| Change in outstandings .....   | 435            | 2,747         | 2,993         | 3,954         | 3,000         |
| Outstandings .....   | 5,818          | 8,564         | 11,558        | 15,512        | 18,512        |
| <b>Total credit budget (new obligations and new commitments) .....</b> | <b>14,087</b>  | <b>18,692</b> | <b>16,942</b> | <b>16,246</b> | <b>13,639</b> |

<sup>1</sup> The direct lending activities of the Farmers Home Administration (FmHA) are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the FmHA. According to law, these certificates are backed by loans that the agency continues to service. FmHA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for ACIF represent acquisition of CBO's less repurchases by FmHA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the FmHA's direct loan outstandings decrease by the amount of CBO's sold to the FFB.

5% in 1986, providing about \$120 million a year in additional revenue.

Outlays arising from direct loans in the agricultural credit insurance fund are financed through the Federal Financing Bank. These outlays, formerly off-budget, are now included in the Federal budget totals.

**Agricultural research and services.**—Research helps to increase agricultural productivity and to expand knowledge of human nutrition and food safety. The 1986 research program will place higher priority on long-term basic research. Applied research and develop-

ment with early profit potential will receive reduced Federal effort, since this is more appropriately financed by private industry.

*Extension programs.*—The Extension Service disseminates agricultural research and other information to farmers and consumers, and supports home economics, agriculture-related youth programs, and technical assistance to governments of rural communities. About one-third of its cost is financed by Federal grants to States. For 1986, budget authority is proposed at \$265 million, a reduction of \$79 million or 23%, from 1985. Program priorities should focus on the transfer of basic agricultural research information to farmers. To the extent that other extension service programs are deemed needed at 1985 levels, the additional costs can be met by the other cooperating parties in this program—States, counties, and private donors.

*Marketing programs.*—The Federal Government provides a variety of services to aid in the orderly marketing of farm products such as grain inspection and weighing; tobacco inspection; cotton classification; and meat, poultry, and livestock grading. Most of these services are now provided on a user fee basis. Legislation will be proposed to place more of them on a user fee basis, including compliance and standardization for Federal grain inspection, market news information and other activities of the Agricultural Marketing Service, and investigations of market fraud involving packers and stockyards.

*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. The budget includes funds to support the eradication of brucellosis infection in domestic livestock through a disciplined Federal-State-industry cooperative program. The goal is to completely eradicate the disease over the next few years after which the Federal role will be reduced to surveillance only. User fees are proposed for services rendered through the veterinary biologics program and funding for the animal welfare program will be eliminated.

*Tax expenditures.*—Agriculture is promoted by several tax expenditures. The tax code permits farmers to treat certain capital outlays as current expenses, such as those for feed, fertilizer, and planting, and allows capital gains treatment on the sale of certain farm assets rather than treating them as ordinary income. The 1986 estimates for these two provisions are \$715 million and \$820 million, respectively. The tax expenditures for agriculture are \$1.4 billion in 1986.

## COMMERCE AND HOUSING CREDIT

There is a recognized national need to promote the private financing of mortgage credit and to support an environment in which there are fair and equitable opportunities for business development and growth. Commerce and housing credit programs supplement private sector financing of business and housing. Assistance is provided for mortgage credit, deposit insurance, and other forms of commerce.

This budget reflects the administration's proposals to reduce domestic spending while enhancing the efficient and effective use of limited Federal credit resources by:

- ensuring a strong private economy by acting only as a lender of last resort for persons unable to obtain credit through private sector credit markets;
- terminating new rural housing assistance provided by the Farmers Home Administration, relying instead on programs in the Department of Housing and Urban Development to meet future rural housing needs;
- maintaining the availability of the Federal Housing Administration mortgage insurance programs while increasing revenues available to the mortgage insurance fund; and
- proposing to eliminate credit programs of the Small Business Administration (SBA) that duplicate assistance provided more effectively by the private sector, and transferring many of the remaining SBA programs to the Department of Commerce.

To prevent the Government and Government-sponsored enterprises from competing unfairly with the private sector in the secondary mortgage market, the administration is proposing a fee on borrowings and on mortgage-backed security issues of the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA). The improved competition these fees would promote should allow the entire secondary mortgage market to keep pace with changes in an increasingly deregulated financial environment.

A variety of management reform initiatives are underway or planned. Improvements in the Department of Commerce and the Department of Housing and Urban Development (HUD) include consolidating administrative services, integrating and improving financial accounting and management systems, and evaluating specific functions to determine whether they can be accomplished more efficiently by the private sector.

The budget proposes \$7.8 billion in 1986 budget authority and \$2.2 billion in estimated outlays for commerce and housing credit. Mortgage credit and deposit insurance programs and activities are

## NATIONAL NEED: COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

| Major missions and programs                            | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                                |                |                  |                  |                  |                  |
| <b>Mortgage credit and deposit insurance:</b>          |                |                  |                  |                  |                  |
| Mortgage purchase activities (GNMA) .....              | 101            | *                |                  |                  |                  |
| Mortgage credit (FHA) .....                            | 66             | 208              | 128              | 152              | 274              |
| Housing for the elderly or handicapped .....           | 557            | 564              | 20               | 7                | 565              |
| Rural housing programs:                                |                |                  |                  |                  |                  |
| On-budget under current law .....                      | 2,606          | 2,275            | 2,280            | 2,515            | 2,594            |
| Off-budget under current law# .....                    | 5,020          | 4,445            | 26               | 30               | 30               |
| Federal Savings & Loan Insurance Corp. and other ..... | 700            |                  |                  |                  |                  |
| National Credit Union Administration .....             | 381            | 46               | 20               |                  |                  |
| Subtotal, Mortgage credit and deposit insurance .....  | 9,430          | 7,539            | 2,473            | 2,703            | 3,462            |
| <b>Postal Service:</b>                                 |                |                  |                  |                  |                  |
| On-budget under current law .....                      | 879            | 1,041            | 39               | 38               | 36               |
| Off-budget under current law#:                         |                |                  |                  |                  |                  |
| Existing law .....                                     | 919            | 1,403            | 1,575            | 264              | 465              |
| Proposed legislation .....                             |                |                  | 213              | 513              | 737              |
| Subtotal, Postal Service .....                         | 1,798          | 2,443            | 1,827            | 815              | 1,238            |
| <b>Other advancement of commerce:</b>                  |                |                  |                  |                  |                  |
| Small and minority business assistance:                |                |                  |                  |                  |                  |
| On-budget under current law .....                      | 651            | 775              | 318              | 159              | 20               |
| Proposed legislation .....                             |                |                  | 1,794            | -21              | 14               |
| Off-budget under current law# .....                    | 373            | 625              | 375              |                  |                  |
| Science and technology .....                           | 331            | 344              | 326              | 351              | 350              |
| Economic and demographic statistics:                   |                |                  |                  |                  |                  |
| Existing law .....                                     | 194            | 196              | 223              | 295              | 377              |
| Proposed legislation .....                             |                |                  |                  | -*               | -*               |
| International trade and other:                         |                |                  |                  |                  |                  |
| Existing law .....                                     | 486            | 515              | 487              | 485              | 492              |
| Proposed legislation .....                             |                |                  | -1               | -1               | -1               |
| Subtotal, Other advancement of commerce .....          | 2,036          | 2,455            | 3,522            | 1,268            | 1,251            |
| <b>Total, budget authority .....</b>                   | <b>13,264</b>  | <b>12,437</b>    | <b>7,822</b>     | <b>4,786</b>     | <b>5,952</b>     |

a major portion of the assistance, with \$2.5 billion in proposed budget authority in 1986. In addition, the budget proposes \$1.9 billion in direct loan obligations and \$33.1 billion in guaranteed loan commitments.

**Mortgage credit and deposit insurance.**—The most significant contribution the Federal Government can make to both the housing industry and individual homebuyers is to promote prudent fiscal and monetary policies that support stable, noninflationary economic growth and reasonable interest rates. Hence, the focus of Government mortgage credit programs will be on areas the private sector does not serve.

**Mortgage-backed securities.**—The Government National Mortgage Association (GNMA) supports the mortgage market through guarantees of mortgage-backed securities. For 1985, a new loan guaran-

## NATIONAL NEED: COMMERCE AND HOUSING CREDIT—Continued

(Functional code 370; in millions of dollars)

| Major missions and programs                            | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Mortgage credit and deposit insurance:</b>          |                |                  |                  |                  |                  |
| Mortgage-backed securities (GNMA) .....                | -186           | -241             | -298             | -371             | -439             |
| Mortgage purchase activities (GNMA) .....              | 842            | -441             | -447             | -444             | 74               |
| Mortgage credit (FHA) .....                            | -366           | -802             | -1,330           | -1,546           | -1,700           |
| Housing for the elderly or handicapped .....           | 661            | 572              | 590              | 444              | 290              |
| Rural housing programs:                                |                |                  |                  |                  |                  |
| On-budget under current law .....                      | 2,340          | 2,229            | 2,492            | 2,612            | 2,629            |
| Off-budget under current law# .....                    | 1,090          | 2,335            | -180             | -1,192           | -1,236           |
| Federal Deposit Insurance Corporation .....            | -248           | -1,000           | -1,500           | -2,000           | -2,500           |
| Federal Savings & Loan Insurance Corp. and other ..... | -561           | 350              | 57               | 105              | -85              |
| National Credit Union Administration .....             | 193            | -822             | -96              | -124             | -135             |
| Subtotal, Mortgage credit and deposit insurance .....  | 3,766          | 2,179            | -713             | -2,517           | -3,103           |
| <b>Postal Service:</b>                                 |                |                  |                  |                  |                  |
| On-budget under current law .....                      | 879            | 1,041            | 39               | 38               | 36               |
| Off-budget under current law#:                         |                |                  |                  |                  |                  |
| Existing law .....                                     | 360            | 320              | 965              |                  |                  |
| Proposed legislation .....                             |                |                  | 213              |                  |                  |
| Subtotal, Postal Service .....                         | 1,239          | 1,361            | 1,217            | 38               | 36               |
| <b>Other advancement of commerce:</b>                  |                |                  |                  |                  |                  |
| Small and minority business assistance:                |                |                  |                  |                  |                  |
| On-budget under current law .....                      | 725            | 872              | 321              | 218              | 80               |
| Proposed legislation .....                             |                |                  | 2,103            | -81              | -47              |
| Off-budget under current law# .....                    | 254            | 500              | -1,735           | -10              | -10              |
| Science and technology .....                           | 260            | 337              | 319              | 345              | 350              |
| Economic and demographic statistics:                   |                |                  |                  |                  |                  |
| Existing law .....                                     | 194            | 210              | 214              | 270              | 347              |
| Proposed legislation .....                             |                |                  |                  | *                | *                |
| International trade and other:                         |                |                  |                  |                  |                  |
| Existing law .....                                     | 479            | 527              | 481              | 573              | 519              |
| Proposed legislation .....                             |                |                  | -1               | -1               | -1               |
| Subtotal, Other advancement of commerce .....          | 1,913          | 2,447            | 1,702            | 1,315            | 1,238            |
| <b>Total, outlays .....</b>                            | <b>6,917</b>   | <b>5,987</b>     | <b>2,206</b>     | <b>-1,164</b>    | <b>-1,829</b>    |

\*\$500 thousand or less.

#Proposed to be included on-budget.

tee commitment limitation of \$68.3 billion has been enacted, and guarantees are expected to be issued on about \$38.2 billion in securities. These securities are backed by pools of mortgages that are either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. For 1986, the administration proposes to retain the new commitment limitation at \$68.3 billion. About \$51.1 billion of commitments are expected to be made, as shown in the credit programs table at the end of this section. Table F-20 of Special Analysis F, "Federal Credit Programs," shows the estimated new loans guaranteed of \$36.5 billion.

The budget also reflects a proposal to increase the guarantee fee that GNMA charges mortgage-backed securities issuers by 9 basis points, from 6 to 15. This proposed fee is closer to that charged by

other issuers of mortgage-backed securities and is part of a Government-wide effort to facilitate additional private sector activity in the secondary mortgage market for home mortgages.

Similar fees are being proposed for the FHLMC and FNMA. The administration also remains committed to the total privatization of these two housing-related, Government-sponsored enterprises, which receive special advantages in the securities markets that completely private institutions do not receive.

*Mortgage credit.*—*The Federal Housing Administration (FHA)* provides mortgage insurance on single-family homes, apartments, mobile homes, and health care facilities. This insurance protects lenders from loss in the event of default on loans and may thereby enable borrowers to obtain loans that might otherwise not be available, or to obtain better loan terms than are available in the absence of this insurance.

The FHA credit program is one of the largest Federal credit operations. The most significant segment of this program is insurance of single-family home mortgages, accounting for about 87% of the total volume of mortgages insured. Single-family mortgages of up to \$90,000 can be insured under the FHA with as little as 4.4% down.

Housing activity is expected to remain strong in 1985 and 1986, with housing starts expected to reach over 1.8 million units in 1986. Total mortgage originations are projected to increase by almost 6% from 1984, reaching a total of about \$215.8 billion in 1986. The limitation on FHA guaranteed loan commitments is proposed to be maintained at \$50.9 billion, the level since 1983. Actual commitments for 1986, however, are anticipated to be about \$32.7 billion, 91% above the 1984 level of \$17.1 billion.

Consistent with the administration's new initiative on credit user fees, beginning in 1986 the premium collected by FHA for its single-family insurance is proposed to be increased from 3.8% to 5.0%. This premium is collected at the time the loan is made and may be paid in cash by the borrower or financed as part of the loan.

The premium will provide additional protection to the FHA insurance fund in the event of unanticipated losses brought about by slower appreciation in home prices, lower homeowner equity, and insurance of riskier mortgages, e.g., adjustable rate and graduated payment mortgages. Since the basic single-family insurance program operates as a mutual fund, premiums not needed to cover losses are ultimately rebated to the borrowers.

The administration will continue to improve and streamline FHA mortgage insurance processing. Fully half of FHA single-family insurance is processed directly by HUD-approved lenders, significantly reducing the time necessary to process FHA loans.

*Housing for the elderly or handicapped.*—In addition to supporting private market mortgage financing with FHA insurance, HUD provides direct loans to finance the construction of rental housing for the elderly and the handicapped. As part of the spending freeze, the administration proposes a 2-year moratorium on new direct loan obligations, with the program resuming at 10,000 units per year beginning in 1988. Outlays for this program are estimated to be \$572 million in 1985 and \$590 million in 1986 as disbursements are made on prior years' loan obligations. The units constructed under this program also receive section 8 subsidies to make them affordable to low-income elderly or handicapped households. Section 8 subsidies are discussed in the income security function.

*Rural housing programs.*—The two principal loan programs of the Farmers Home Administration (FmHA) have provided low-interest direct loans to help low- and very-low-income families purchase homes and to support construction of privately-owned rental housing.

The budget proposes a 2-year moratorium on new housing assistance commitments under HUD's programs. In addition, the budget proposes to terminate the FmHA housing assistance programs. At the end of the 2-year moratorium, HUD would expand its role in rural areas and assume full responsibility for these housing assistance needs. Consequently, no new budget authority is proposed for FmHA rural housing programs, with the exception of small amounts to fund expiring rental assistance contracts and to repair single family units occupied by low- and very-low-income FmHA borrowers.

Beginning in 1988, HUD would expand its operations in nonmetropolitan areas, allocating half of its new commitments for assisted units to these areas. Since 1980, approximately 50% of all new federally assisted housing units has been provided to rural communities.

*Credit and banking.*—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* insures the deposits of all federally chartered and many State chartered commercial and savings banks. FDIC-insured banks suffered a record number of failures in 1984. Despite these failures, revenues exceeded losses by \$1.7 billion. While providing \$4.5 billion for the bailout of Continental Illinois, FDIC to date has suffered no loss from this transaction. For 1985 and 1986, fewer failures are expected, with receipts exceeding expenses by \$1.5 billion in each year. However, the continued ability of the FDIC fund to generate income in excess of expenses will



## CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

|   | Actual<br>1984 | Estimate |        |        |        |
|---|----------------|----------|--------|--------|--------|
|   |                | 1985     | 1986   | 1987   | 1988   |
| Direct loans:   |                |          |        |        |        |
| Mortgage-backed securities (GNMA):                          |                |          |        |        |        |
| New obligations .....                                       | 14             | 15       | 16     | 17     | 17     |
| Change in outstandings .....                                | -1             | *        | 1      | 1      | 1      |
| Outstandings .....  | 5              | 6        | 6      | 7      | 7      |
| Mortgage purchase activity (GNMA):                          |                |          |        |        |        |
| Change in outstandings .....                                | -1,083         | -867     | -667   | -360   | -150   |
| Outstandings .....  | 2,382          | 1,515    | 849    | 489    | 339    |
| Mortgage credit (FHA):                                      |                |          |        |        |        |
| New obligations .....                                       | 456            | 373      | 311    | 368    | 476    |
| Change in outstandings .....                                | -878           | 21       | -112   | -57    | -28    |
| Outstandings .....  | 4,166          | 4,187    | 4,075  | 4,018  | 3,990  |
| Housing for the elderly or handicapped:                     |                |          |        |        |        |
| New obligations .....                                       | 666            | 600      | 50     | 20     | 567    |
| Change in outstandings .....                                | 685            | 567      | 578    | 1,060  | 670    |
| Outstandings .....  | 5,155          | 5,722    | 6,300  | 7,361  | 8,031  |
| Rural housing (FmHA):                                       |                |          |        |        |        |
| New obligations .....                                       | 2,776          | 3,448    | 168    | 42     | 170    |
| Change in outstandings .....                                | 89             | -292     | 313    | *      | -1     |
| Outstandings .....  | 436            | 144      | 457    | 457    | 456    |
| Rural housing of FmHA (loans held by FFB): <sup>1</sup>     |                |          |        |        |        |
| Change in outstandings .....                                | 1,090          | 2,335    | -180   | -1,192 | -1,236 |
| Outstandings .....  | 26,766         | 29,101   | 28,921 | 27,729 | 26,493 |
| Central Liquidity Facility (NCUA):                          |                |          |        |        |        |
| New obligations .....                                       | 449            | 500      | 550    | 550    | 550    |
| Change in outstandings .....                                | 225            | 30       | 20     |        |        |
| Outstandings .....  | 270            | 300      | 320    | 320    | 320    |
| Small business assistance:                                  |                |          |        |        |        |
| New obligations .....                                       | 751            | 726      | 517    | 424    | 236    |
| Change in outstandings .....                                | 20             | 88       | -999   | -924   | -941   |
| Outstandings .....  | 3,340          | 3,428    | 2,429  | 1,505  | 564    |
| Small business assistance (loans made by FFB):              |                |          |        |        |        |
| New obligations <sup>2</sup> .....                          | 478            | 680      |        |        |        |
| Change in outstandings .....                                | 263            | 510      | -1,725 |        |        |
| Outstandings .....  | 1,215          | 1,725    |        |        |        |
| Small business assistance (loans held by FFB): <sup>3</sup> |                |          |        |        |        |
| Change in outstandings .....                                | -8             | -10      | -10    | -10    | -10    |
| Outstandings .....  | 40             | 30       | 20     | 10     | *      |
| FDIC:   |                |          |        |        |        |
| New obligations .....                                       | 5,658          | 180      | 150    | 300    | 300    |
| Change in outstandings .....                                | 3,327          | 152      | 111    | 300    | 300    |
| Outstandings .....  | 3,923          | 4,074    | 4,185  | 4,485  | 4,785  |
| FSLIC:  |                |          |        |        |        |
| New obligations .....                                       | 656            | 90       | 148    | 140    | 140    |
| Change in outstandings .....                                | 587            | 14       | 117    |        |        |
| Outstandings .....  | 1,156          | 1,170    | 1,287  | 1,287  | 1,287  |
| Other:  |                |          |        |        |        |
| New obligations .....                                       | 39             | 15       | 15     | 13     | 13     |
| Change in outstandings .....                                | 16             | 7        | 9      | -6     | -4     |
| Outstandings .....  | 60             | 68       | 77     | 54     | 50     |
| Total, direct loans:  |                |          |        |        |        |
| New obligations .....                                       | 11,942         | 6,627    | 1,923  | 1,874  | 2,470  |
| Change in outstandings .....                                | 4,332          | 2,556    | -2,544 | -1,189 | -1,398 |
| Outstandings .....  | 48,914         | 51,470   | 48,926 | 47,720 | 46,322 |

## CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

|  | Actual<br>1984 | Estimate |         |         |         |
|--|----------------|----------|---------|---------|---------|
|  |                | 1985     | 1986    | 1987    | 1988    |
| Guaranteed loans:  |                |          |         |         |         |
| Mortgage-backed securities (GNMA): <sup>4</sup>                  |                |          |         |         |         |
| New commitments .....  | 39,665         | 53,460   | 51,110  | 51,820  | 52,110  |
| Change in outstandings .....                                     | 24,146         | 29,690   | 27,765  | 25,382  | 24,748  |
| Outstandings .....   | 176,485        | 206,175  | 233,939 | 259,321 | 284,069 |
| Mortgage credit (FHA):   |                |          |         |         |         |
| New commitments .....  | 17,071         | 30,342   | 32,737  | 34,839  | 36,696  |
| Change in outstandings .....                                     | 9,047          | 14,768   | 16,207  | 18,425  | 20,032  |
| Outstandings .....   | 170,032        | 184,800  | 201,007 | 219,433 | 239,464 |
| Rural housing (FmHA):  |                |          |         |         |         |
| New commitments .....  | 30             | 25       | 20      | 6       | 4       |
| Change in outstandings .....                                     | -5             | -206     | 69      | 6       | 4       |
| Outstandings .....   | 993            | 787      | 857     | 863     | 867     |
| Small business assistance:                                       |                |          |         |         |         |
| New commitments .....  | 2,998          | 3,310    |         |         |         |
| Change in outstandings .....                                     | 80             | 410      | -1,229  | -2,410  | -1,885  |
| Outstandings .....   | 8,859          | 9,269    | 8,040   | 5,630   | 3,745   |
| FSLIC:   |                |          |         |         |         |
| New commitments .....  | 223            | 246      | 351     | 276     | 209     |
| Change in outstandings .....                                     | 74             | 176      | 265     | 206     | 149     |
| Outstandings .....   | 1,763          | 1,940    | 2,204   | 2,410   | 2,559   |
| Other:   |                |          |         |         |         |
| New commitments .....  | 77             | 48       |         |         |         |
| Change in outstandings .....                                     | -54            | -37      | -70     | -71     | -6      |
| Outstandings .....   | 205            | 168      | 98      | 27      | 21      |
| Less guaranteed loans held as direct loans by GNMA: <sup>5</sup> |                |          |         |         |         |
| Change in outstandings .....                                     | -1,083         | -867     | -667    | -360    | -150    |
| Outstandings .....   | 2,382          | 1,515    | 849     | 489     | 339     |
| Total, guaranteed loans:   |                |          |         |         |         |
| New commitments .....  | 20,399         | 33,970   | 33,108  | 35,121  | 36,909  |
| Change in outstandings .....                                     | 10,224         | 15,979   | 15,909  | 16,516  | 18,444  |
| Outstandings .....   | 179,470        | 195,449  | 211,358 | 227,874 | 246,318 |
| Total credit budget (new obligations and new commitments) .....  | 32,341         | 40,597   | 35,031  | 36,995  | 39,379  |

<sup>4</sup>500 thousand or less.

<sup>1</sup> The direct lending activities of the Farmers Home Administration (FmHA) are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the FmHA. According to law, these certificates are backed by loans that the agency continues to service. FmHA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for RHIF represent acquisition of CBO's less repurchases by FmHA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the FmHA's direct loan outstandings decrease by the amount of CBO's sold to the FFB.

<sup>2</sup> These are obligations to guarantee loans that the FFB will disburse. In effect, they are obligations for FFB direct loans and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

<sup>3</sup> Some direct lending activities of the Small Business Administration were financed by the FFB. Loan assets were issued by the agency. According to law, these assets are backed by loans that the agency continues to service. The agency guarantees the loan assets, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for this account represent acquisition of loan assets less repurchases by the agency. Increases in the volume of sales of loan assets are added to FFB direct loan outstandings, while the agency's direct loan outstandings decrease by the amount of loan assets sold to the FFB.

<sup>4</sup> GNMA guarantees securities that are backed by pools of loans previously insured by the FHA, the Veterans Administration or the Farmers Home Administration. These secondary guarantees of loans are not added into guaranteed loan totals for the credit budget.

<sup>5</sup> When guaranteed loans are acquired by a budget account, they become direct loans and are counted as such in this table. This deduction for GNMA eliminates overlap with direct loans presented above.

depend in part on repayments of loans acquired by the FDIC in the Continental Illinois and other transactions.

*The Federal Savings and Loan Insurance Corporation*, under the direction of the Federal Home Loan Bank Board, insures deposits

of member savings and loan associations. The thrift industry has not fully recovered from its 1981-82 crisis. Losses of \$1.4 billion are estimated for 1986 due to the anticipated liquidation of a number of outstanding claims against the FSLIC.

*The National Credit Union Administration* (NCUA) regulates credit unions, provides liquidity assistance to member credit unions, and insures depositors' accounts. In 1985, member credit unions will be assessed a one-time premium of 1% of their assets to capitalize the share insurance fund, and collections are expected to be \$788 million in 1985.

*Postal Service.*—The Postal Reorganization Act of 1970 established the U.S. Postal Service as an independent part of the executive branch. This year the outlays for the general operations of the Postal Service are included on-budget along with the direct Federal appropriation to the Postal Service. Total outlays for 1986 are estimated to be \$1.2 billion.

The administration proposes to stop reimbursing the Postal Service for losses in revenue associated with carrying certain categories of mail at free or reduced rates beginning in 1986. However, legislation will be proposed to enable the Postal Service itself to continue the subsidy for most existing subsidized mailers.

Additional legislation is proposed to require the Postal Service to begin paying the full employer share of the actuarial cost of employee pensions. This proposal would require the Postal Service to increase its contributions to the civil service retirement fund each year until contributions equal the actuarial cost of benefits. Civil service retirement fund receipts of these payments are classified as undistributed offsetting receipts.

*Other advancement of commerce.*—Federal programs attempt to support an environment for fair and equitable business opportunities by providing technical assistance, by developing and distributing scientific standards, by collecting and disseminating information on the economy and population, by administering U.S. trade laws, and by providing export promotion assistance to small and medium sized businesses.

*Small and minority business assistance.*—The budget request seeks elimination of the credit programs of the Small Business Administration (SBA) and the transfer of many remaining SBA programs to the Department of Commerce. New direct loan obligations of \$517 million are proposed to cover claims on defaulted SBA guaranteed loans, which would be administered by the Treasury Department. In addition, assets in the loan portfolio will be sold to the public. Outlays for assistance to small business are estimated

to total \$689 million in 1986, a reduction of \$683 million from the estimated 1985 level.

The termination of SBA financial assistance programs is part of the administration's overall effort to restrain and reduce Federal credit programs and to increase reliance on the private sector. As a group, small businesses will benefit more from the administration's continuing efforts to stabilize financial markets, reduce inflation and interest rates, and eliminate burdensome regulations than they will from direct Federal credit subsidies. More than 99% of small businesses already obtain financing without Federal assistance.

In addition, the budget proposes that some other noncredit business assistance programs of SBA (e.g., advocacy, minority small business, and procurement) be combined with the Minority Business Development Administration into a new organization within the Department of Commerce, the Administration for Enterprise Development and Opportunity. These programs would operate at current levels in 1986 with outlays of \$97 million.

*Other.*—Several other programs support the advancement of commerce. A 36% increase in budget authority is being requested in 1986 for the International Trade Administration's monitoring and enforcement of U.S. trade laws. The budget also proposes expansion of the standards development activities of the National Bureau of Standards (NBS) in biotechnology, ceramics, and advanced quality control, offset by decreases in research on fires, buildings, and computers. In addition, a new NBS research facility will enable scientists to study the properties of advanced materials.

The administration proposes to terminate the U.S. Travel and Tourism Administration. This policy recognizes the travel and tourism industry's ability to promote international 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. For example, the accelerated cost recovery system (ACRS) increases incentives to invest in buildings, rental housing and capital equipment by permitting accelerated writeoff of such expenditures. To the extent that allowable depreciation for tax purposes exceeds the rate at which assets actually depreciate, business tax liabilities are deferred. The investment tax credit also provides incentives for investment in capital equipment. Under the capital gains provisions of the tax code, income from the sale of capital assets held for more than 6 months is taxed at lower rates than income from regular sources.

The Federal Government also subsidizes homeownership by allowing deductions for mortgage interest and property taxes on

owner-occupied homes. Additional benefits are provided by permitting capital gains on home sales to be either deferred or excluded from income.

Tax expenditures for commerce and housing credit are listed in the accompanying table and discussed in more detail in Special Analysis G.

### TAX EXPENDITURES FOR COMMERCE AND HOUSING CREDIT

(Outlay equivalents; in millions of dollars)

| Description  | Estimates |         |         |
|--|-----------|---------|---------|
|  | 1984      | 1985    | 1986    |
| Commerce and housing credit:   |           |         |         |
| Dividend and interest exclusion .....  | 680       | 700     | 730     |
| Exclusion of interest on State and local industrial development bonds .....  | 1,875     | 2,210   | 2,590   |
| Exemption of credit union income .....   | 410       | 455     | 490     |
| Excess bad debt reserves of financial institutions .....   | 1,100     | 1,395   | 1,655   |
| Exclusion of interest on life insurance savings .....  | 4,690     | 5,020   | 5,370   |
| Deductibility of interest on consumer credit .....   | 12,985    | 14,790  | 16,030  |
| Deductibility of mortgage interest on owner-occupied homes .....   | 23,030    | 25,140  | 27,575  |
| Deductibility of property tax on owner-occupied homes .....  | 8,930     | 9,815   | 10,870  |
| Exclusion of interest on State and local housing bonds for owner-occupied housing .....  | 1,315     | 1,670   | 2,115   |
| Exclusion of interest on State and local debt for rental housing .....   | 665       | 865     | 1,085   |
| Capital gains (other than agriculture, timber, iron ore and coal) .....  | 29,010    | 30,430  | 31,995  |
| Deferral of capital gains on homes sales .....   | 2,355     | 2,485   | 2,670   |
| Exclusion of capital gains on home sales for persons age 55 and over .....   | 1,040     | 1,120   | 1,205   |
| Carryover basis of capital gains at death .....  | 6,045     | 6,850   | 7,690   |
| Investment credit (other than employee stock ownership plans, rehabilitation of structures, energy property, and reforestation expenditures) ..... | 27,860    | 29,500  | 30,140  |
| Accelerated depreciation of rental housing .....   | 715       | 800     | 880     |
| Accelerated depreciation of buildings other than rental housing .....  | 6,490     | 8,555   | 9,725   |
| Accelerated depreciation of machinery and equipment .....  | 14,630    | 21,465  | 22,945  |
| Safe harbor leasing rules .....  | 2,935     | 2,640   | 2,245   |
| Amortization of start-up costs .....   | 290       | 400     | 460     |
| Exclusion of interest on certain savings certificates .....  | 110       |         |         |
| Reinvestment of dividends in public utility stock .....  | 670       | 685     | 170     |
| Reduced rates on the first \$100,000 of corporate income .....   | 8,860     | 9,290   | 9,975   |
| Deductions for special percentage of taxable income for life insurance companies .....   | 950       | 1,335   | 1,425   |
| Total (after interactions), commerce and housing credit <sup>1</sup> .....   | 156,860   | 176,735 | 188,995 |

<sup>1</sup> The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore, the estimates cannot simply be added.

## TRANSPORTATION

The Federal Government seeks to facilitate a safe and efficient national transportation system that contributes to the national economy, advances interstate commerce, supports the national defense, and provides for the free movement of people and goods among States.

An integrated and efficient national, State, and local transportation network requires the combined and cooperative efforts of the Federal Government, States, localities, and the private sector. Each level of government must promote and maintain those transportation services and facilities for which it is appropriately responsible, with the Federal Government concentrating its efforts and limited resources on the national transportation system. The private sector, when freed of unnecessary governmental restrictions and allowed to compete freely in the transportation market, is an invaluable partner with all levels of government in the effort to ensure appropriate levels of transportation services at the lowest reasonable cost.

This budget seeks \$25.5 billion of budget authority in 1986 for national ground, air, and water transportation systems, about \$4 billion less than provided in 1985. Planned obligations for the highway, aviation, and marine programs will remain approximately at 1985 levels, while major funding decreases are sought for mass transit and railroads.

In addition, the administration will continue its efforts to eliminate unnecessary Federal transportation regulations and to remove nonessential constraints on the competitive operation of the private transportation sector, especially the freight transportation industry. At the same time, the administration continues to stress the importance of transportation users paying the full cost of the transportation benefits they receive. For example, the budget proposes increased user fees for many services currently provided free of charge by the Coast Guard to commercial and recreational boaters. To continue subsidizing certain transportation services at the expense of taxpayers could result in an undesirable allocation of society's resources by penalizing unsubsidized, but socially and economically useful, transportation services.

**Ground transportation.**—Proposed budget authority is \$17.0 billion for highway, highway safety, mass transit, and railroad programs in 1986. The administration is committed to improving interstate highways and promoting highway safety, while reducing support for local mass transit and eliminating subsidies for Amtrak.

**Highways.**—The Surface Transportation Assistance Act of 1982 (STAA) authorized significantly increased spending for the Federal

## NATIONAL NEED: EFFICIENT TRANSPORTATION SYSTEMS

(Functional code 400; in millions of dollars)

| Major missions and programs                | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                    |                |                  |                  |                  |                  |
| <b>Ground transportation:</b>              |                |                  |                  |                  |                  |
| Highways:                                  |                |                  |                  |                  |                  |
| Existing law .....                         | 13,800         | 14,855           | 15,310           | 15,210           | 15,210           |
| Proposed legislation .....                 |                |                  | -100             |                  |                  |
| Highway safety:                            |                |                  |                  |                  |                  |
| Existing law .....                         | 277            | 340              | 258              | 228              | 231              |
| Proposed legislation .....                 |                |                  | 3                | 3                | 3                |
| Mass transit .....                         | 4,320          | 4,177            | 1,428            | 1,439            | 1,431            |
| Railroads:                                 |                |                  |                  |                  |                  |
| On-budget under current law .....          | 2,226          | 798              | 54               | 53               | 53               |
| Off-budget under current law# .....        | 4              | 5                | 2                | 2                | 1                |
| Regulation .....                           | 59             | 53               | 51               | 49               | 41               |
| Subtotal, Ground transportation .....      | 20,685         | 20,228           | 17,007           | 16,984           | 16,971           |
| <b>Air transportation:</b>                 |                |                  |                  |                  |                  |
| Airports and airways (FAA) .....           | 4,600          | 5,278            | 5,075            | 4,990            | 4,491            |
| Aeronautical research and technology ..... | 600            | 629              | 622              | 648              | 667              |
| Regulation .....                           | 20             | 6                |                  |                  |                  |
| Air carrier subsidies .....                | 46             | 48               |                  |                  |                  |
| Subtotal, Air transportation .....         | 5,266          | 5,961            | 5,697            | 5,637            | 5,158            |
| <b>Water transportation:</b>               |                |                  |                  |                  |                  |
| Marine safety and transportation:          |                |                  |                  |                  |                  |
| Existing law .....                         | 2,774          | 2,520            | 2,537            | 2,611            | 2,685            |
| Proposed legislation .....                 |                |                  | -11              | -12              | -12              |
| Proposed boat and yacht fees .....         |                | -3               | -236             | -476             | -476             |
| Ocean shipping .....                       | 459            | 399              | 359              | 392              | 403              |
| Regulation .....                           | 11             | 12               | 12               | 12               | 12               |
| Subtotal, Water transportation .....       | 3,244          | 2,928            | 2,660            | 2,527            | 2,611            |
| <b>Other transportation .....</b>          | 114            | 126              | 124              | 123              | 125              |
| <b>Total, budget authority .....</b>       | <b>29,309</b>  | <b>29,243</b>    | <b>25,488</b>    | <b>25,271</b>    | <b>24,865</b>    |

highway program through 1986. The act also raised the highway motor fuels tax from 4 to 9 cents per gallon and restructured other highway-related taxes. However, the funding levels for highway programs authorized in the STAA exceed projected revenues by \$9.5 billion during the 1983 to 1986 authorization period. In view of this situation and consistent with efforts to control the Federal deficit, the administration proposes to freeze the Federal-aid highway program through 1987 at the 1985 obligation level of \$14.2 billion.

The budget will continue to emphasize the interstate and primary systems, which account for 59% of the Federal-aid highway program in 1986, an appropriate Federal concern because of their role in interstate commerce and national defense. Rural and urban roads remain primarily the responsibility of State and local governments, which must decide their own priorities and expenditures for construction, maintenance, and rehabilitation.

## NATIONAL NEED: EFFICIENT TRANSPORTATION SYSTEMS—Continued

(Functional code 400; in millions of dollars)

| Major missions and programs                | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>                             |                |                  |                  |                  |                  |
| <b>Ground transportation:</b>              |                |                  |                  |                  |                  |
| Highways.....                              | 10,520         | 13,077           | 13,664           | 13,904           | 14,021           |
| Highway safety:                            |                |                  |                  |                  |                  |
| Existing law .....                         | 240            | 285              | 306              | 287              | 255              |
| Proposed legislation .....                 |                |                  | 3                | 3                | 3                |
| Mass transit .....                         | 3,811          | 4,217            | 3,330            | 2,305            | 1,877            |
| Railroads:                                 |                |                  |                  |                  |                  |
| On-budget under current law .....          | 2,447          | 1,105            | 420              | 169              | 73               |
| Off-budget under current law# .....        | -918           | -9               | -9               | -10              | -12              |
| Regulation .....                           | 57             | 54               | 52               | 49               | 41               |
| Subtotal, Ground transportation .....      | 16,158         | 18,729           | 17,766           | 16,707           | 16,258           |
| <b>Air transportation:</b>                 |                |                  |                  |                  |                  |
| Airports and airways (FAA) .....           | 3,767          | 4,280            | 4,559            | 4,611            | 4,635            |
| Aeronautical research and technology ..... | 586            | 627              | 616              | 635              | 644              |
| Regulation .....                           | 21             | 7                |                  |                  |                  |
| Air carrier subsidies .....                | 41             | 52               |                  |                  |                  |
| Subtotal, Air transportation .....         | 4,415          | 4,966            | 5,175            | 5,247            | 5,279            |
| <b>Water transportation:</b>               |                |                  |                  |                  |                  |
| Marine safety and transportation:          |                |                  |                  |                  |                  |
| Existing law .....                         | 2,526          | 2,642            | 2,658            | 2,643            | 2,650            |
| Proposed legislation .....                 |                |                  | -11              | -12              | -17              |
| Proposed boat and yacht fees .....         |                | -3               | -236             | -476             | -476             |
| Ocean shipping:                            |                |                  |                  |                  |                  |
| Existing law .....                         | 473            | 525              | 384              | 390              | 374              |
| Proposed legislation .....                 |                |                  | -14              | -14              | -15              |
| Regulation .....                           | 11             | 12               | 12               | 12               | 12               |
| Subtotal, Water transportation .....       | 3,010          | 3,176            | 2,792            | 2,542            | 2,533            |
| <b>Other transportation .....</b>          | <b>85</b>      | <b>123</b>       | <b>127</b>       | <b>123</b>       | <b>124</b>       |
| <b>Total, outlays .....</b>                | <b>23,669</b>  | <b>26,994</b>    | <b>25,860</b>    | <b>24,619</b>    | <b>24,194</b>    |

#Proposed to be included on-budget.

Several policy changes are reflected in the 1986 estimate. First, various highway safety programs, totaling \$45 million in the Federal Highway Administration, are proposed for transfer to the National Highway Traffic Safety Administration to consolidate all safety programs in one location. Second, no funding of the \$100 million parkways and park highway program is proposed because the \$1 billion park restoration and improvement initiative, begun in 1982, has been completed, and because the National Park Service has no road projects on its near term list of priority projects. Third, the 1985 obligation limitation for Federal-aid highways of \$13.2 billion is proposed to be frozen through 1986 and 1987. The budget proposes to include within this limitation all highway programs except the minimum allocation and emergency relief programs, which are estimated to have a 1986 program level of \$1.0 billion.



*Highway safety.*—Proposed obligations for Federal highway safety programs are frozen at 1985 levels. The 1986 funds would maintain current support for Federal vehicle safety research and development, for promulgation and enforcement of Federal safety standards, and for grants to States to supplement State highway safety programs.

In addition, the budget proposes to augment the automobile safety initiative announced last July in conjunction with the automobile passive restraint rulemaking. Federal funds of \$20 million per year, to be matched by an equal amount of private funds, will be used to encourage the use of seat belts or passive restraints in vehicles. The Federal funds will support the efforts of State and local organizations to develop awareness of the benefits of protecting the occupants of motor vehicles.

This budget also merges several separate traffic safety functions under a single agency within the Department of Transportation. Combining separate truck and auto safety offices would permit a more coordinated and effective approach to highway safety.

*Mass transit.*—For 1986, the administration seeks four basic changes in the programs of the Urban Mass Transportation Administration: (1) discontinuing all discretionary capital grants; (2) maintaining a formula capital grant program, financed by one cent of the Federal gas tax; (3) ending all Federal operating grant assistance; and (4) increasing the minimum local match from 20% to 30%. The 1986 budget authority for the formula capital grant program would be \$1.1 billion, 30% below the formula-based, capital grant assistance provided in 1985.

The changes in Federal assistance for local mass transit reflect the administration's belief that support of essentially local activities is not an appropriate use of Federal resources. The Federal Government, through its taxing and spending powers, should not force taxpayers in one section of the country to pay for purely local services to taxpayers in other sections of the country.

Furthermore, local transit deficits, which are currently supported by Federal assistance, are a direct result of local transit decisions; the Federal Government and nonresidents of transit service areas have no voice in making these decisions, nor should they. If a locality decides to extend service hours, expand service frequency, charge below-market fares, or make expensive capital investments, that locality, not the Federal Government, should bear the costs of those decisions.

Continued Federal funding under a discretionary grants account for new rail starts can result in the development of unnecessary, inefficient, and expensive transit systems that cost more to operate than other available transportation alternatives. A Federal com-

mitment to finance construction costs of all the projects suggested by the Congress in its 1985 appropriations report language would create an "unfunded liability" of several billion dollars that would have to be addressed in the future by taxpayers. Since additional funding will not be made available for new fixed guideway facilities in 1986 and subsequent years, current available funding for 1984 and 1985 will be utilized to complete committed fixed guideway projects which are now under construction or which can be fully financed within these available funds. After meeting these requirements, any remaining funding will be proposed for reprogramming to other transit activities.

As for other mass transit programs, the interstate transfer grants-transit program would be funded from the highway trust fund within current annual authorizations for the interstate transfer grants-highways program. The Washington, D.C., Metro would be provided \$250 million pursuant to the authorization provided in the National Capital Transportation Amendments of 1979. The administration will oppose any new special authorizations for specific transit projects and will oppose any extension to the existing special authorization for the Washington Metro.

*Railroads.*—In keeping with the administration's policy of reducing Federal responsibility for rail activities unrelated to safety, proposed budget authority for railroads in 1986 is reduced to \$54 million, \$744 million less than in 1985. The decrease is attributable to the elimination of subsidies for Amtrak and Federal freight assistance programs.

Since 1970, Amtrak has been federally subsidized through annual appropriations. In 1985, the Federal Government paid for all capital investments and about half of Amtrak's operating costs—amounts higher than for any other mode of intercity transportation. After more than 14 years of operation, Amtrak still serves fewer than 2% of all intercity travelers. For these reasons, the administration is proposing to terminate all Amtrak subsidies. Amtrak will be able to continue service to the extent routes are economically viable or States assist in maintaining this type of transportation service.

Conrail, the Government-owned freight railroad that provides service in the Northeast and Midwest, will not require operating subsidies in 1986. The Northeast Rail Services Act of 1981 stipulated that the Federal Government should sell Conrail to the private sector, and this effort is underway. Anticipated 1986 receipts from this pending sale are reflected in the budget.

*Air transportation.*—Budget authority of \$5.7 billion is requested for air transportation in 1986, a decrease of \$0.3 billion from 1985.

Federal spending for air transportation is for the improvement, operation, and maintenance of the national airspace system, airport grants, aeronautical research and technology, and the operation of two airports (National and Dulles) in the Washington, D.C. area.

*Airports and airways.*—The safe and efficient movement of air traffic nationwide is an accepted Federal responsibility and is under the direction of the Federal Aviation Administration (FAA). Budget authority of \$5.1 billion is proposed for airports and airways in 1986.

The Airport and Airway Improvement Act of 1982 increased aviation user fees for the airport and airway trust fund. The user fee receipts finance the multi-year FAA capital modernization program, airport improvement grants, and a major share of FAA operations and maintenance costs. Receipts are estimated to be \$3.2 billion in 1986.

The administration requests budget authority of \$1.3 billion for the fourth year of the FAA capital modernization program. The request represents a stabilization of funding levels for research, development, and procurement of new facilities and equipment. Proposed budget authority totals over \$1.1 billion in 1986 for new facilities and equipment, as well as \$0.2 billion for research and engineering. No new funds are requested for the modernization of flight service stations and related facilities pending a study of private sector services to assess their potential role and ability to provide weather and other information services rapidly to pilots. The FAA, therefore, will be evaluating the appropriate Federal role of its flight service stations.

Airport improvement grants will emphasize compliance with airport safety standards, expansion, and noise reduction. The administration proposes obligations of \$1.0 billion, the amount newly authorized for 1986 under the Airport and Airway Improvement Act of 1982. Federal grants would be reduced substantially in 1988 and beyond. Recent studies have concluded that many of the larger airports are able to finance all of their capital improvements and could be "defederalized."

The 1986 request for FAA operations and maintenance activities and headquarters administration, \$2.7 billion, provides the funds for the second full "normal" year since the air traffic controllers strike in August 1981. Legislation will be proposed by the administration to allow the airport and airway trust fund to finance 75% of these expenses, or about \$2.0 billion. This proposal is consistent with a 1981 cost allocation study that showed that about 85% of the cost of FAA programs as attributable to private sector users of the system.

Primarily because of penalty provisions built into the 1982 act, actual appropriations from the trust fund for FAA's cost of operating the airport and airway system have been substantially lower than amounts contemplated in the Act and have resulted in an overall user share of system costs well below the 85% share appropriately allocated to private sector users. Legislation being proposed will eliminate these penalty provisions. The legislation also proposes to suspend the intragovernmental payments now being made from the general fund of the Treasury to the trust fund in the amount of the interest earned on the unexpended balances of the trust fund. This transaction will correct the continued buildup of artificially high balances in the trust fund.

The operations request also anticipates that it may be possible for a considerable number of the FAA's activities to be operated more cost effectively under contract, particularly selected equipment maintenance activities, flight service stations, and low-activity control towers. Accordingly, numerous site-specific cost comparisons are planned over the next several years.

*Aeronautical research and technology.*—The National Aeronautics and Space Administration conducts research in aeronautical sciences and operates unique research and testing facilities to help maintain U.S. leadership in aeronautics. The budget for aeronautical research and technology includes \$622 million in budget authority for 1986, a decrease of 1.3% from 1985.

The budget reflects a strong program of fundamental aeronautical research, including continued development of the numerical aerodynamic simulator to apply advanced computers in understanding complex aerodynamic problems. Emphasis would also continue on exploring important defense-related aeronautical technologies, such as the x-wing rotorcraft and oblique-wing aircraft. Budget increases for research would be offset by decreases in the funding needed to continue ongoing construction activities, by savings due to administrative efficiencies, and by termination of civilian-oriented technology development activities.

*Regulation.*—The Civil Aeronautics Board, which had been responsible for the economic regulation of international and domestic aviation, went out of existence on January 1, 1985. Those Federal activities that the CAB had carried out and that are still required for international and domestic aviation, such as international route decisions, have been assumed by the Department of Transportation.

*Air carrier subsidies.*—In conjunction with airline deregulation, the air carrier subsidy program was designed to guarantee essen-

tial air services to small communities. Consistent with the termination of the Civil Aeronautics Board on January 1, 1985, and the airline industry's adaptation to a deregulated environment, the air carrier subsidy program is proposed for termination in 1986.

**Water transportation.**—To meet its Federal responsibility in water transportation, the administration requests \$2.7 billion in budget authority for 1986. This would allow the Coast Guard to continue to improve its safety and marine law enforcement activities and the Maritime Administration to continue its support for Federal ocean shipping programs. The budget also requests funds for the Federal Maritime Commission and the Panama Canal Commission.

**Marine safety and transportation.**—Coast Guard services include search and rescue, maintenance of navigation aids, enforcement of maritime laws, and other activities.

The administration's request of \$2.5 billion in 1986 budget authority for the Coast Guard represents a freeze at the 1985 level. These funds would be used for Coast Guard operations and improvement of its shore facilities, vessels, and aircraft. In addition, the budget includes a proposal to collect user fees for both direct and indirect services provided by the Coast Guard to commercial operators and recreational boaters. The offsetting receipts from these user fees would recover an estimated \$236 million in 1986 and \$476 million annually from 1987 to 1990.

Following the delivery of several new vessels in 1985, four more cutters will be delivered in 1986. Modernization of 28 of the fleet's medium and high endurance cutters will continue in 1986, resulting in expanded capabilities and extension of the usable lives of the cutters. The Coast Guard's air search and rescue operations will be enhanced by the acquisition of new, faster aircraft with improved radar and sensor equipment, as well as delivery of 26 new short-range recovery helicopters during 1986. The investment in the repair and replacement of shore facilities continues.

In 1986, over 12% of the Coast Guard's total budget authority will be dedicated to interdiction of maritime drug smuggling. The Coast Guard will expand its maritime drug interdiction capability with five aerostats, large balloons that are connected by cable to ships and equipped with radar systems, and seven high speed patrol boats.

The Coast Guard will achieve \$3.8 million in management savings in 1986 by contracting out for a number of support activities that it presently performs in-house. In addition, a trial program to contract out maintenance of over 1,300 navigational aids will be underway in 1986.

*Ocean shipping.*—Programs in ocean shipping are administered by the Department of Transportation's Maritime Administration, the Panama Canal Commission, and the Federal Maritime Commission. Proposed budget authority for ocean shipping in 1986 is \$359 million.

The Maritime Administration has traditionally provided subsidies to assist the U.S. merchant marine and ship-building industry in competing with foreign maritime industries. In 1986, the administration will continue to provide operating subsidies to offset the higher costs of operating U.S.-flag vessels.

Based on its 1982 review of U.S. maritime policy, the administration again proposes several initiatives to help revitalize the maritime industry. Included are legislative and administrative changes that would streamline or eliminate many of the restrictions under which the U.S. merchant marine now operates, thereby reducing costs. One of the most significant elements of the administration's policy is to permit subsidized U.S.-flag ship operators to build or acquire their vessels in foreign countries. This will permit operators to acquire modern, efficient ships in a cost effective and timely manner. Consequently, the administration continues to oppose ship construction subsidies, a program that has been unsuccessful in fostering a modern fleet of U.S.-flag vessels. The budget proposes \$300 million in budget authority for operating subsidies in 1986 to meet the Federal Government's obligations on existing contracts; no new contracts are anticipated.

The administration will seek to eliminate the double subsidy, whereby U.S.-flag ocean liners carrying noncompetitive preference cargo receive operating differential subsidy payments. This change is being sought both to eliminate the unfair advantage these payments give subsidized operators over unsubsidized operators and to enhance competitive efficiencies in the maritime industry.

For the Maritime Administration's operating and training expenses, the budget proposes a freeze at the 1985 level adjusted for various administrative savings and one-time 1985 costs. Once again, the administration proposes no funding for fuel for the State school ships on the basis that this operating expense is not a Federal responsibility.

*Credit programs.*—The Department of Transportation provides direct loans and guaranteed loans for water and ground transportation projects as shown in the accompanying table. The largest loan and guarantee programs are part of the Maritime Administration. It guarantees construction mortgage loans to build U.S.-flag vessels in the United States. It also makes direct loans in the form of advances to operators to avoid defaults on federally guaranteed loans. The administration is proposing \$900 million for ship con-

## CREDIT PROGRAMS—TRANSPORTATION

(In millions of dollars)

|  | Actual<br>1984 | Estimate   |            |            |            |
|--|----------------|------------|------------|------------|------------|
|  |                | 1985       | 1986       | 1987       | 1988       |
| Direct loans:  |                |            |            |            |            |
| Highways and mass transportation:                                      |                |            |            |            |            |
| New obligations .....  | 52             | 50         | 50         | 50         | 50         |
| Change in outstandings .....   | -41            | -1         | 10         | -45        | -27        |
| Outstandings .....   | 211            | 210        | 220        | 175        | 149        |
| Aid to railroads:  |                |            |            |            |            |
| New obligations .....  | 983            | 16         |            |            |            |
| Change in outstandings .....   | -61            | 40         | 10         | -14        | -1         |
| Outstandings .....   | 1,410          | 1,450      | 1,460      | 1,447      | 1,445      |
| Aid to railroads (loans made by the FFB):                              |                |            |            |            |            |
| New obligations .....  | 6              | 2          |            |            |            |
| Change in outstandings .....   | -904           | -5         | -9         | -10        | -12        |
| Outstandings .....   | 160            | 154        | 145        | 135        | 124        |
| Aircraft purchase loan guarantees (defaults):                          |                |            |            |            |            |
| New obligations .....  | 22             |            |            |            |            |
| Change in outstandings .....   | -41            | -41        |            |            |            |
| Outstandings .....   | 89             | 48         | 48         | 48         | 48         |
| Assistance to ocean shipping:  |                |            |            |            |            |
| New obligations .....  | 127            | 228        | 115        | 85         | 60         |
| Change in outstandings .....   | 48             | 173        | 60         | 30         | 5          |
| Outstandings .....   | 270            | 443        | 503        | 533        | 538        |
| Other transportation programs:   |                |            |            |            |            |
| Change in outstandings .....   | 11             |            |            |            |            |
| Outstandings .....   | 11             | 11         | 11         | 11         | 11         |
| Total, direct loans:   |                |            |            |            |            |
| New obligations .....  | 1,189          | 297        | 165        | 135        | 110        |
| Change in outstandings .....   | -988           | 165        | 71         | -38        | -35        |
| Outstandings .....   | 2,151          | 2,316      | 2,387      | 2,349      | 2,314      |
| Guaranteed loans:  |                |            |            |            |            |
| Highways and mass transportation:                                      |                |            |            |            |            |
| Outstandings .....   | 997            | 997        | 997        | 997        | 997        |
| Aid to railroads:  |                |            |            |            |            |
| New commitments .....  | 12             | 9          | 10         |            |            |
| Change in outstandings .....   | -70            | 5          | 10         | -91        |            |
| Outstandings .....   | 80             | 85         | 95         | 4          | 4          |
| Aircraft purchase loan guarantees:                                     |                |            |            |            |            |
| Change in outstandings .....   | -69            | -45        | -43        | -43        | -43        |
| Outstandings .....   | 493            | 448        | 405        | 362        | 319        |
| Assistance to ocean shipping:  |                |            |            |            |            |
| New commitments .....  | 177            | 300        | 300        | 300        | 300        |
| Change in outstandings .....   | -274           | -333       | -266       | -243       | -220       |
| Outstandings .....   | 7,046          | 6,713      | 6,446      | 6,203      | 5,983      |
| Other transportation programs:   |                |            |            |            |            |
| Change in outstandings .....   | -2             | -2         | -2         | -4         | -3         |
| Outstandings .....   | 15             | 13         | 10         | 6          | 3          |
| Total, guaranteed loans:   |                |            |            |            |            |
| New commitments .....  | 189            | 309        | 310        | 300        | 300        |
| Change in outstandings .....   | -415           | -375       | -302       | -381       | -266       |
| Outstandings .....   | 8,631          | 8,256      | 7,953      | 7,573      | 7,307      |
| <b>Total credit budget (new obligations and new commitments) .....</b> | <b>1,378</b>   | <b>606</b> | <b>470</b> | <b>435</b> | <b>410</b> |

<sup>1</sup> These are obligations made by the agency to guarantee loans that the FFB will disburse. In effect, they are obligations for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency. Totals for loans for aid to railroads made by FFB in this table are not identical to the entries in the addendum to the national needs table for off-budget Federal entities due to timing differences between budget authority and new obligations.

struction loan guarantees in 1986, of which \$300 million will be held in reserve to be used if needed for national security purposes. Legislation will also be proposed to implement a multi-agency initiative that would increase the existing annual loan guarantee fee to 1% and impose a fee of 5% on both new loans guaranteed and direct loans (advances). In 1986, the administration is proposing no new commitments for guaranteed or direct loans to railroads.

***Tax expenditures.***—In addition to direct Federal funding, three tax expenditures provide assistance to shipping concerns, mass transit systems, and motor carriers. Certain companies that operate U.S.-flag vessels are able to defer taxes indefinitely on income invested in construction, repair and modernization of ships; this results in a tax expenditure of \$40 million in 1986. The Economic Recovery Tax Act of 1981 allows State and local governments to issue tax-exempt bonds for mass transit vehicles and provides special writeoffs for motor carriers whose operating monopolies were reduced in value by deregulation. These two tax expenditures are estimated to be \$60 million and \$15 million, respectively. Total tax expenditures for transportation are \$115 million in 1986.



## COMMUNITY AND REGIONAL DEVELOPMENT

Federal programs for community and regional development support economic and social growth in urban and rural neighborhoods, communities, and regions. The administration believes that the most important stimulus to lasting community and regional development is a sound, expanding economy. The Federal Government's role in achieving such an economy is to undertake responsible fiscal policies that promote sustained growth and ensure limited governmental interference in the private sector decisions that determine where development will occur. The administration continues to believe that any assistance should provide support in a manner that gives primacy to private, State, and local discretion.

Federal policy for community and regional development emphasizes the primary role that private, State, and local resources must play in community and regional development. The administration recognizes that some Federal assistance may be necessary to supplement local resources in meeting essential or urgent needs, but limits must be placed on such aid in light of the stronger fiscal health of State and local governments relative to the Federal Government. Consistent with these policies, the administration proposes to continue the community development block grant program as the principal Federal community and regional development program, because this program gives State and local governments a source of funds with which to supplement other resources in ways that they choose.

For 1986, the administration is requesting budget authority of \$5.1 billion for community and regional development, a reduction of \$2.9 billion from 1985. Outlays are estimated at \$7.3 billion in 1986. For credit programs, new direct loan obligations and guaranteed loan commitments are estimated to be \$445 million and \$20 million, respectively, in 1986.

***Community development.***—The foremost Federal program in this category is the community development block grant program, which is administered by the Department of Housing and Urban Development (HUD).

***Community development block grants (CDBG).***—The community development block grant program provides community and economic development support to cities, counties, Indian tribes, and U.S. territories, to be used largely in ways of their choosing. After certain funds are set aside for the Secretary's discretionary fund, which provides grants for Indians, insular areas, and technical assistance in support of CDBG activities, CDBG funds are allocated by formula to States, large cities, and urban counties. Seventy percent of these remaining funds go to the large city/urban county

## NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

| Major missions and programs  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>  |                |                  |                  |                  |                  |
| <b>Community development:</b>                                      |                |                  |                  |                  |                  |
| Community development block grants .....                           | 3,468          | 3,472            | 3,125            | 3,278            | 3,412            |
| Community development loans (Off-budget under current law) # ..... | 71             | 113              | 116              | 137              | 69               |
| Urban development action grants .....                              | 440            | 440              |                  |                  |                  |
| Rental rehabilitation grants .....                                 | 300            |                  |                  |                  | 150              |
| Rental development grants .....                                    | 315            |                  |                  |                  |                  |
| Other programs:  |                |                  |                  |                  |                  |
| On-budget under current law .....                                  | 224            | 251              | 263              | 243              | 241              |
| Subtotal, Community development .....                              | 4,818          | 4,276            | 3,504            | 3,658            | 3,872            |
| <b>Area and regional development:</b>                              |                |                  |                  |                  |                  |
| Rural development:   |                |                  |                  |                  |                  |
| On-budget under current law .....                                  | 1,164          | 1,109            | 872              | 855              | 891              |
| Off-budget under current law # .....                               | 1,375          | 1,297            | 502              | 216              | 248              |
| Economic development assistance .....                              | 294            | 49               | 15               | 10               | 6                |
| Indian programs .....  | 1,012          | 1,079            | 1,044            | 1,078            | 1,098            |
| Regional commissions .....   | 167            | 56               |                  |                  |                  |
| Tennessee Valley Authority .....                                   | 86             | 118              | 39               | 43               | 50               |
| Offsetting receipts .....  | -273           | -283             | -282             | -297             | -299             |
| Subtotal, Area and regional development .....                      | 3,824          | 3,426            | 2,190            | 1,905            | 1,994            |
| <b>Disaster relief and insurance:</b>                              |                |                  |                  |                  |                  |
| Small business disaster loans:                                     |                |                  |                  |                  |                  |
| Existing law .....   |                |                  | -366             | -336             | -305             |
| Proposed legislation .....   |                |                  | -546             | -347             | -184             |
| Disaster relief .....  | *              | 100              | 194              | 194              | 194              |
| National flood insurance fund .....                                | 99             | 60               | 78               | 11               |                  |
| Other .....  | 159            | 141              | 74               | 75               | 76               |
| Subtotal, Disaster relief and insurance .....                      | 257            | 301              | -565             | -403             | -219             |
| <b>Total, budget authority .....</b>                               | <b>8,899</b>   | <b>8,004</b>     | <b>5,129</b>     | <b>5,160</b>     | <b>5,648</b>     |

program and 30% to the State-administered small city program. The States receive funds to distribute to their smaller communities and rural areas by methods that they design.

In 1986, the administration proposes to change the statutory distribution between the large city/urban county program and the States program from 70%-30% to 60%-40%. The administration proposes this change to increase the resources with which States may serve rural areas currently served by the Farmers Home Administration. Since the advent of the State CDBG program in 1981, rural areas have received more CDBG funding than under the small cities program previously administered by HUD. Under the proposed distribution formula, budget authority available to the State-administered program will increase from \$1.0 billion in 1985 to \$1.2 billion in 1986. The administration proposes budget authority of \$3.1 billion for the total CDBG program in 1986, a 10% reduction from the 1985 level.

## NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(Functional code 450; in millions of dollars)

| Major missions and programs  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Community development:</b>                                      |                |                  |                  |                  |                  |
| Community development block grants .....                           | 3,819          | 3,900            | 3,520            | 3,360            | 3,216            |
| Community development loans (Off-budget under current law) # ..... | 31             | 42               | 25               | 23               | — 59             |
| Urban development action grants .....                              | 454            | 500              | 522              | 442              | 320              |
| Rental rehabilitation grants .....                                 |                | 75               | 150              | 75               |                  |
| Rental development grants .....                                    |                | 20               | 112              | 137              | 46               |
| Other programs:  |                |                  |                  |                  |                  |
| On-budget under current law .....                                  | 216            | 324              | 288              | 184              | 155              |
| Off-budget under current law # .....                               |                |                  | — 1              | — 2              | — 2              |
| Subtotal, Community development .....                              | 4,520          | 4,861            | 4,616            | 4,220            | 3,676            |
| <b>Area and regional development:</b>                              |                |                  |                  |                  |                  |
| Rural development:   |                |                  |                  |                  |                  |
| On-budget under current law .....                                  | 1,253          | 1,260            | 1,154            | 1,139            | 1,054            |
| Off-budget under current law # .....                               | 335            | 659              | 458              | 188              | 239              |
| Economic development assistance .....                              | 216            | 241              | 158              | 91               | 42               |
| Indian programs .....  | 1,108          | 1,154            | 1,114            | 1,140            | 1,140            |
| Regional commissions .....   | 221            | 195              | 157              | 108              | 40               |
| Tennessee Valley Authority .....                                   | 166            | 143              | 40               | 43               | 50               |
| Other .....  | 8              | — 4              | — 8              | — 8              | — 9              |
| Offsetting receipts .....  | — 273          | — 283            | — 282            | — 297            | — 299            |
| Subtotal, Area and regional development .....                      | 3,034          | 3,366            | 2,792            | 2,404            | 2,257            |
| <b>Disaster relief and insurance:</b>                              |                |                  |                  |                  |                  |
| Small business disaster loans:                                     |                |                  |                  |                  |                  |
| Existing law .....   | — 419          | — 87             | — 650            | — 644            | — 444            |
| Proposed legislation .....   |                |                  | 184              | — 39             | — 45             |
| Disaster relief .....  | 243            | 200              | 194              | 194              | 194              |
| National flood insurance fund .....                                | 146            | 65               | 73               | 26               | — 7              |
| Other .....  | 149            | 147              | 114              | 74               | 75               |
| Subtotal, Disaster relief and insurance .....                      | 119            | 326              | — 84             | — 388            | — 226            |
| <b>Total, outlays .....</b>  | <b>7,673</b>   | <b>8,553</b>     | <b>7,323</b>     | <b>6,235</b>     | <b>5,707</b>     |

\* \$500 thousand or less.

# Proposed to be included on-budget.

*Urban development action grants (UDAG).*—The administration proposes to terminate the UDAG program in 1986, as part of the Government-wide effort to cut back local economic development subsidy programs. These subsidies merely assist local governments in their efforts to compete with other areas to attract private investment. Federal funding of programs like UDAG which make judgments on a project-by-project basis have the inappropriate effect of distorting the economic decisions of firms and individuals. Cities may, at their discretion, continue to use CDBG resources to assist economic development projects. The \$522 million in outlays estimated for this program in 1986 reflects the continued spendout of funds for projects approved in prior years.

*Rental rehabilitation grants.*—In 1983, the administration proposed, and the Congress enacted, a new housing rehabilitation program to support the voucher program in communities with an insufficient supply of standard quality low- and moderate-income housing. A total of \$300 million in budget authority was made available for this program, enough to allow the Federal Government to subsidize up to half the costs of rehabilitating an estimated 60,000 rental housing units by the end of 1986. In light of the proposed 2-year moratorium on vouchers discussed in the income security function, the administration also proposes a 2-year moratorium on the rental rehabilitation grant program. The program would be restarted in 1988 in conjunction with the resumption of the voucher program.

*Rental development grants.*—In the Housing Urban-Rural Recovery Act of 1983, the Congress created a new rental development grant program to subsidize the construction or substantial rehabilitation of rental housing in low- and moderate-income neighborhoods experiencing a severe shortage of rental housing. This program was funded on a one-time demonstration basis for 2 years, with a total of \$315 million in budget authority made available. The administration does not propose to continue this program because new housing construction is a very expensive way to house the poor relative to more cost-effective approaches that rely on the existing housing stock. Outlays for rental development grants awarded in 1984 and 1985 are expected to reach \$112 million in 1986.

*Area and regional development.*—Programs in this category support rural development, development programs of American Indian tribal governments, and multi-State regional development.

*Rural development.*—The administration proposes to scale back the Farmers Home Administration (FmHA) rural development loan and grant programs in favor of HUD's State-administered CDBG program. The FmHA program serves the same population and provides funding for the same purposes as the CDBG program. In addition, the administration is proposing to change the CDBG distribution formula to provide more resources to smaller communities through the States program. Estimated outlays for rural development are \$1.6 billion in 1986.

*Economic development assistance.*—The Department of Commerce's Economic Development Administration (EDA) provides public works grants to States, communities, and Indian tribes. Since the administration continues to seek the termination of all EDA activities, no new budget authority is requested for 1986, with

the exception of small amounts of funding to cover ongoing administrative expenses associated with the expenditure of obligations made in earlier years. In addition, the administration proposes to rescind any unspent EDA funds. Outlays in 1986 are for projects approved in previous years. EDA project grants lock resources into unproductive areas and industries, thus subsidizing inefficiency.

Funds for locally-derived community and economic development programs will continue to be available in 1986 through the community development block grant program.

*Indian programs.*—The three 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.

Outlays for the Indian programs and miscellaneous trust funds for regional development administered by the Bureau of Indian Affairs are estimated to be \$1.15 billion in 1985 and \$1.11 billion in 1986. The Department of Housing and Urban Development also provides community development support specifically for Indians through a set-aside in the community development block grant program described above. Total outlays for special Indian programs Government-wide, including programs in other functions such as income security and education, are expected to be \$2.8 billion in 1986. This does not include payments received by individual Indians from the miscellaneous trust funds or from programs available to all qualified U.S. citizens.

*Appalachian Regional Commission (ARC).*—The ARC's programs are intended to support development in the 13-State Appalachia region. The Commission and both its highway and non-highway programs are proposed for termination at the end of 1985. In addition, the administration proposes to rescind uncommitted ARC funds. Since the Appalachian Development Highway System is eligible for funding through Federal aid for highways, States may continue construction of the highways at their discretion. The administration's policy with respect to the ARC reflects reliance on the private sector to provide the major stimulus for economic development and on the user-financed Federal highway program to meet long-run Appalachian highway construction needs.

*Tennessee Valley Authority (TVA).*—The budget proposes the termination of direct support for TVA's regional economic, community, and agricultural development programs that are more appropriately private or State and local government responsibilities. These programs have included activities such as promotion of tourism, forestry and wildlife, and park operations. To the extent that Federal assistance might be warranted, it can be allocated more equi-

## CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

|   | Actual<br>1984 | Estimate |         |         |         |
|---|----------------|----------|---------|---------|---------|
|   |                | 1985     | 1986    | 1987    | 1988    |
| Direct loans:   |                |          |         |         |         |
| Rural development insurance fund (FmHA):                                  |                |          |         |         |         |
| New obligations .....   | 412            | 511      | 62      | 5       | 243     |
| Change in outstandings .....  | — *            | — 5      | — 25    | 15      | — 10    |
| Outstandings .....  | 105            | 100      | 75      | 90      | 80      |
| Rural development insurance fund (FmHA) (loans held by FFB): <sup>1</sup> |                |          |         |         |         |
| Change in outstandings .....  | 320            | 589      | 360     | 121     | 183     |
| Outstandings .....  | 7,228          | 7,817    | 8,177   | 8,299   | 8,482   |
| Economic development assistance:  |                |          |         |         |         |
| New obligations .....   | 13             | 12       | 10      | 15      | 15      |
| Change in outstandings .....  | — 87           | — 41     | — 72    | — 15    | — 15    |
| Outstandings .....  | 624            | 582      | 511     | 496     | 481     |
| Small Business Administration disaster loans:                             |                |          |         |         |         |
| New obligations .....   | 314            | 600      | 168     |         |         |
| Change in outstandings .....  | — 536          | — 157    | — 1,452 | — 1,518 | — 1,329 |
| Outstandings .....  | 4,960          | 4,803    | 3,351   | 1,833   | 504     |
| Rural Telephone Bank:   |                |          |         |         |         |
| New obligations .....   | 143            | 185      | 185     | 139     | 92      |
| Change in outstandings .....  | 74             | 134      | 133     | 149     | 104     |
| Outstandings .....  | 1,327          | 1,461    | 1,594   | 1,743   | 1,847   |
| Other:  |                |          |         |         |         |
| New obligations .....   | 113            | 154      | 20      | 16      | 17      |
| Change in outstandings .....  | 21             | 55       | 10      | — 95    | — 89    |
| Outstandings .....  | 1,490          | 1,544    | 1,554   | 1,459   | 1,370   |
| Other (loans made by the FFB): <sup>2</sup>                               |                |          |         |         |         |
| New obligations .....   | 87             | 225      |         |         |         |
| Change in outstandings .....  | 31             | 42       | 24      | 21      | — 61    |
| Outstandings .....  | 242            | 284      | 307     | 329     | 268     |
| Total, direct loans:  |                |          |         |         |         |
| New obligations .....   | 1,082          | 1,687    | 445     | 175     | 367     |
| Change in outstandings .....  | — 178          | 616      | — 1,022 | — 1,322 | — 1,216 |
| Outstandings .....  | 15,975         | 16,591   | 16,569  | 14,247  | 13,031  |

tably by programs administered nationally by other Federal agencies. TVA's basic responsibilities for water resources systems management and the national fertilizer research program would continue. Outlays for TVA's activities in this function are estimated to be \$40 million in 1986, down from \$143 million in 1985. The TVA power program, financed through the sale of electricity, will not be affected by this reduction and is discussed in the energy function.

**Disaster relief and insurance.**—Providing insurance against losses from floods, hurricanes, tornadoes, and other natural disasters is primarily the responsibility of private insurers. State and local governments aid recovery when necessary, and Federal insurance and disaster relief programs are available to supplement State and local resources when those resources are insufficient.

## CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(In millions of dollars)

|   | Actual<br>1984 | Estimate |       |       |       |
|---|----------------|----------|-------|-------|-------|
|   |                | 1985     | 1986  | 1987  | 1988  |
| Guaranteed loans:   |                |          |       |       |       |
| Rural development insurance fund (FmHA):                        |                |          |       |       |       |
| New commitments .....   | 124            | 150      |       |       |       |
| Change in outstandings .....                                    | -183           | 27       | -210  | -34   | -323  |
| Outstandings .....  | 3,206          | 3,233    | 3,023 | 2,989 | 2,667 |
| Economic development assistance:                                |                |          |       |       |       |
| New commitments .....   | 11             |          |       |       |       |
| Change in outstandings .....                                    | -137           | -54      | -45   | -34   | -34   |
| Outstandings .....  | 407            | 353      | 308   | 273   | 239   |
| Small Business Administration disaster loans:                   |                |          |       |       |       |
| Change in outstandings .....                                    | -5             | -3       | -1    |       |       |
| Outstandings .....  | 4              | 1        |       |       |       |
| Other:  |                |          |       |       |       |
| New commitments .....   | 19             | 45       | 20    | 10    | 5     |
| Change in outstandings .....                                    | -35            | 44       | 9     | -13   | -9    |
| Outstandings .....  | 172            | 216      | 225   | 212   | 204   |
| Total, guaranteed loans:  |                |          |       |       |       |
| New commitments .....   | 154            | 195      | 20    | 10    | 5     |
| Change in outstandings .....                                    | -360           | 14       | -247  | -81   | -366  |
| Outstandings .....  | 3,789          | 3,803    | 3,556 | 3,475 | 3,109 |
| Total credit budget (new obligations and new commitments) ..... | 1,236          | 1,882    | 465   | 185   | 372   |

\*500 thousand or less.

<sup>1</sup> Some direct lending activities of the Farmers Home Administration (FmHA) are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the FmHA. According to law, these certificates are backed by loans that the agency continues to service. FmHA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for RDIF represent acquisition of CBO's less repurchases by FmHA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the FmHA's direct loan outstandings decrease by the amount of CBO's sold to the FFB.

<sup>2</sup> These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

**Small business disaster loans.**—Small Business Administration (SBA) loans to homeowners and businesses that suffer losses as a result of disasters are proposed for elimination. In many instances, private insurance is available to cover losses. In general, the Federal Government should not provide assistance for losses resulting from normal business risks. The existing portfolio of SBA disaster loans would be transferred to the Department of the Treasury in 1986. Treasury will service, and subsequently sell, these loans. Loan repayments and sales receipts for this program are estimated to exceed gross outlays from prior commitments and other expenses by \$466 million in 1986.

**Disaster relief.**—The Federal Emergency Management Agency administers this nationwide program, which provides supplemental assistance to individuals and State and local governments in the event of a Presidentially-declared emergency or disaster. In addition, States or Federal agencies may be reimbursed for disaster relief work performed under this authority. Budget authority of \$194 million in 1986 is expected to be sufficient to cover anticipated

payments when combined with existing fund balances of \$177 million.

*National flood insurance fund.*—The Federal Emergency Management Agency operates a national program of direct Federal flood insurance at subsidized rates. Over the past 5 years, the program has cost approximately \$124 million per year. The administration proposes to continue the phaseout of this costly subsidy by 1988 through a combination of rate increases, coverage changes, and optional deductibles, thereby recovering clearly allocable costs of flood insurance from beneficiaries of this program. Beginning in 1986, administrative and other associated costs of flood insurance will be folded into the flood insurance fund and will be recovered eventually through flood insurance premiums. Outlays for this program are estimated to be \$73 million for 1986.

*Tax expenditures.*—Direct Federal funding for community and regional development is supplemented by several existing tax expenditures. Under certain conditions, taxpayers may elect to amortize rehabilitation expenditures for low- and moderate-income rental housing over a 5-year period. The 1986 tax expenditure for this provision is \$75 million. Development is also assisted by the exclusion of interest on State and local industrial development bonds for airports and docks, as well as sports and convention facilities. The estimate for this provision is \$420 million in 1986. Special tax credits are also available for rehabilitation of older non-residential buildings. For 1986, the estimate for this program is \$365 million. Total tax expenditures for community and regional development for 1986 are estimated to be \$870 million.

The administration continues to support an enterprise zone program to provide tax incentives for the redevelopment of economically distressed areas. Following enactment, up to 25 small areas per year would be designated "enterprise zones" over a 3-year period. Businesses in the zones would be entitled to exemption from tax for certain gains, and to tax credits for capital investment, for increases in employment, and for hiring disadvantaged employees. A tax credit would also be provided to employees in the zones. The tax expenditure from this proposal, assuming 25 zones are designated in the first year, is estimated to be \$305 million in 1986.

*Related programs.*—Many programs that fulfill other national needs as their primary purpose also promote community and regional development. For example, Federal outlays for all civil public works projects and grants for health, education, and transportation programs support State and local development. Commu-



nity development is also encouraged by other Federal activities, including 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.

## EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

Federal programs for education, training, employment, and social services are intended to: (1) assist parents, States, and localities in providing education, especially for educationally disadvantaged, low-income, and handicapped persons; (2) assist economically disadvantaged or dislocated workers in gaining job skills and finding permanent, unsubsidized employment opportunities; (3) help employers and employees maintain stable and productive relations; and (4) help provide social services for needy children, families, the elderly, and other groups. Historically, the responsibility for meeting most of these needs has rested with State and local governments and the private sector. Total outlays for this function are estimated to be \$29.3 billion for 1986. This is a 4% decrease from the 1985 level of \$30.4 billion.

### EDUCATION

The administration's policies for education continue to emphasize strong national leadership and dedication to the restoration of excellence at all levels of education for all children; maintenance of major grant programs that help States and localities provide additional services for the disadvantaged and handicapped; and improved targeting of postsecondary student aid.

Budget authority requested in 1986 for major education programs other than student aid is frozen at the 1985 level. While many smaller programs are also frozen, a number of lower priority programs are proposed to be terminated or reduced. Rescissions of about \$174 million in 1985 budget authority are also proposed. A new student aid policy is proposed with substantial programmatic reform and significant savings.

*Elementary, secondary and vocational education.*—The budget requests \$7.5 billion in budget authority, \$0.3 billion below 1985, for these programs, which primarily help States educate students with special needs.

*Block grant and discretionary fund.*—Requested 1986 budget authority is frozen at \$500 million for the block grant and \$32 million for the related discretionary fund of Chapter 2 of the Education Consolidation and Improvement Act. The block grant provides States and localities with resources to be used for whatever aspect of educational improvement they choose within the broad framework of the law. These resources can be used for a variety of purposes including magnet schools and other desegregation activities and women's educational equity activities, currently financed by federally directed categorical programs for which reduced or no funding is requested in 1986.

**NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES**

(Functional code 500; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>   |                |                  |                  |                  |                  |
| <b>Education:</b>   |                |                  |                  |                  |                  |
| <b>Elementary, secondary, and vocational education:</b>                       |                |                  |                  |                  |                  |
| Block grant and discretionary fund .....                                      | 479            | 532              | 532              | 532              | 532              |
| Compensatory education .....  | 3,488          | 3,696            | 3,647            | 3,753            | 3,887            |
| Education for the handicapped .....   | 1,241          | 1,321            | 1,306            | 1,353            | 1,400            |
| Impact aid .....  | 600            | 695              | 543              | 582              | 605              |
| Vocational and adult education .....  | 839            | 838              | 838              | 838              | 838              |
| Other .....   | 596            | 670              | 615              | 615              | 614              |
| Subtotal, Elementary, secondary, and vocational<br>education .....            | 7,243          | 7,752            | 7,481            | 7,673            | 7,876            |
| <b>Higher education:</b>  |                |                  |                  |                  |                  |
| Student financial assistance .....  | 3,977          | 4,871            | 3,569            | 3,728            | 3,880            |
| Guaranteed student loan program:  |                |                  |                  |                  |                  |
| Existing law .....  | 2,256          | 3,744            | 3,330            | 3,294            | 2,892            |
| Proposed legislation .....  |                |                  | -615             | -364             | -369             |
| Other .....   | 723            | 732              | 542              | 538              | 544              |
| Subtotal, Higher education .....  | 6,956          | 9,347            | 6,825            | 7,196            | 6,947            |
| <b>Research and general education aids .....</b>                              | 1,133          | 1,204            | 1,029            | 1,060            | 1,098            |
| <b>Subtotal, Education .....</b>  | 15,332         | 18,303           | 15,336           | 15,929           | 15,921           |
| <b>Training, employment, and other labor services:</b>                        |                |                  |                  |                  |                  |
| <b>Training and employment:</b>   |                |                  |                  |                  |                  |
| Block grants to States .....  | 3,301          | 1,886            | 1,886            | 1,886            | 1,886            |
| Summer youth employment .....   | 1,549          | 725              | 665              | 665              | 665              |
| Assistance to dislocated workers .....  | 343            | 104              | 100              | 200              | 200              |
| Job Corps .....   | 1,014          | 616              |                  |                  |                  |
| Older Americans employment .....  | 317            | 326              | 326              | 326              | 326              |
| Work incentive program .....  | 271            | 267              |                  |                  |                  |
| Other training programs .....   | 428            | 248              | 218              | 208              | 207              |
| Federal-State employment services .....                                       | 1,465          | 945              | 941              | 955              | 974              |
| Subtotal, Training and employment .....                                       | 8,688          | 5,117            | 4,136            | 4,240            | 4,257            |
| <b>Other labor services .....</b>   | 685            | 706              | 674              | 692              | 705              |
| <b>Subtotal, Training, employment, and other<br/>    labor services .....</b> | 9,374          | 5,823            | 4,810            | 4,932            | 4,962            |
| <b>Social services:</b>   |                |                  |                  |                  |                  |
| Social services block grant .....   | 2,700          | 2,725            | 2,700            | 2,700            | 2,700            |
| Community service programs .....  | 353            | 372              | 4                |                  |                  |
| Rehabilitation services .....   | 1,155          | 1,233            | 1,216            | 1,267            | 1,318            |
| Family social services .....  | 686            | 737              | 741              | 800              | 834              |
| Services for children, the elderly, and other special<br>groups .....         | 1,881          | 1,995            | 1,969            | 2,019            | 2,068            |
| Domestic volunteer programs .....   | 136            | 149              | 148              | 151              | 155              |
| Other .....   | 26             | 27               | 22               | 22               | 21               |
| Subtotal, Social services .....   | 6,937          | 7,238            | 6,800            | 6,959            | 7,096            |
| <b>Total, budget authority .....</b>  | 31,642         | 31,365           | 26,946           | 27,819           | 27,980           |

## NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>  |                |                  |                  |                  |                  |
| <b>Education:</b>   |                |                  |                  |                  |                  |
| <b>Elementary, secondary, and vocational education:</b>                       |                |                  |                  |                  |                  |
| Block grant and discretionary fund .....                                      | 516            | 438              | 518              | 532              | 532              |
| Compensatory education .....  | 3,077          | 3,566            | 3,787            | 3,698            | 3,738            |
| Education for the handicapped .....   | 953            | 1,403            | 1,241            | 1,312            | 1,343            |
| Impact aid .....  | 578            | 747              | 635              | 585              | 594              |
| Vocational and adult education .....  | 743            | 914              | 858              | 847              | 840              |
| Other .....   | 653            | 593              | 631              | 616              | 613              |
| Subtotal, Elementary, secondary, and vocational<br>education .....            | 6,520          | 7,661            | 7,670            | 7,590            | 7,660            |
| <b>Higher education:</b>  |                |                  |                  |                  |                  |
| Student financial assistance .....  | 3,743          | 4,506            | 4,447            | 3,761            | 3,749            |
| Guaranteed student loan program:  |                |                  |                  |                  |                  |
| Existing law .....  | 3,245          | 3,431            | 3,310            | 3,301            | 2,972            |
| Proposed legislation .....  |                | -107             | -412             | -388             | -368             |
| Other:  |                |                  |                  |                  |                  |
| Existing law .....  | 394            | 676              | 613              | 458              | 515              |
| Off-budget under current law# .....   |                |                  |                  | -30              | -30              |
| Subtotal, Higher education .....  | 7,383          | 8,506            | 7,959            | 7,103            | 6,839            |
| <b>Research and general education aids .....</b>                              | 1,210          | 1,225            | 1,187            | 1,130            | 1,100            |
| <b>Subtotal, Education .....</b>  | 15,112         | 17,393           | 16,816           | 15,823           | 15,599           |
| <b>Training, employment, and other labor services:</b>                        |                |                  |                  |                  |                  |
| <b>Training and employment:</b>   |                |                  |                  |                  |                  |
| Block grants to States .....  | 1,545          | 1,894            | 1,886            | 1,886            | 1,886            |
| Summer youth employment .....   | 688            | 775              | 775              | 707              | 665              |
| Assistance to dislocated workers .....  | 172            | 184              | 170              | 178              | 194              |
| Job Corps .....   | 581            | 600              | 548              | 79               |                  |
| Older Americans employment .....  | 321            | 319              | 326              | 326              | 326              |
| Work incentive program .....  | 265            | 267              | 60               |                  |                  |
| Other training programs .....   | 274            | 274              | 237              | 207              | 197              |
| Federal-State employment services .....                                       | 798            | 986              | 930              | 944              | 962              |
| Subtotal, Training and employment .....                                       | 4,644          | 5,298            | 4,931            | 4,327            | 4,230            |
| <b>Other labor services .....</b>   | 639            | 711              | 679              | 690              | 703              |
| <b>Subtotal, Training, employment, and other<br/>    labor services .....</b> | 5,282          | 6,009            | 5,610            | 5,016            | 4,934            |
| <b>Social services:</b>   |                |                  |                  |                  |                  |
| Social services block grant .....   | 2,789          | 2,750            | 2,702            | 2,700            | 2,700            |
| Community service programs .....  | 346            | 372              | 129              | 9                | *                |
| Rehabilitation services .....   | 1,414          | 1,105            | 1,134            | 1,257            | 1,302            |
| Family social services .....  | 659            | 744              | 748              | 784              | 824              |
| Services for children, the elderly, and other special<br>groups .....         | 1,819          | 1,888            | 1,975            | 1,992            | 2,039            |
| Domestic volunteer programs .....   | 133            | 144              | 148              | 150              | 154              |
| Other .....   | 25             | 31               | 26               | 23               | 22               |
| Subtotal, Social services .....   | 7,185          | 7,032            | 6,863            | 6,915            | 7,040            |
| <b>Total, outlays .....</b>   | 27,579         | 30,434           | 29,288           | 27,754           | 27,573           |

\* \$500 thousand or less.

# Proposed to be included on-budget.

*Compensatory education for the disadvantaged.*—The bulk of this activity is the major program of grants to local educational agencies for supplemental compensatory services for the educationally disadvantaged. It also includes four grant programs to States for other students with special needs and for program administration; two small categorical grant programs for children from migrant families; and funding of technical assistance and Federal program evaluation. For most programs in this category, budget authority is proposed at the freeze level. A significant program reform, which will reduce budget authority to \$233 million, or \$42 million below the 1985 level, is proposed for the State grant for migrant children. Funding in 1986 would be concentrated on children who have migrated within the last 4 years. Legislation will also be proposed again to give States and local educational agencies the option of providing compensatory education services through locally designed voucher programs.

*Education for the handicapped.*—Under the Education of the Handicapped Act, formula grants help States and localities educate handicapped children. Small discretionary grants support special projects, demonstrations, research, and training. Budget authority for the formula grants and most of the discretionary categorical grants is proposed at the freeze level. For 1986, the administration proposes reducing budget authority for training of special education personnel to \$50 million, \$11 million below 1985, because of the lack of demonstrated need for Federal funding.

*Impact aid.*—This set of programs compensates school districts whose enrollments and the availability of revenues are deemed to have been adversely affected by Federal activities. Funds are also available to restore educational facilities that have been damaged in natural disasters. The major category of aid, for districts with children who both live on and whose parents work on Federal property, is proposed at the freeze level. No funds are proposed for (1) new construction, other than for disaster-related construction, or (2) the current authority to provide funds to school districts with children who either live on or whose parents work on Federal property or are in the uniformed services. In general, the presence of these children imposes little or no burden on most districts.

*Vocational and adult education.*—Programs funded under these two recently reauthorized statutes are proposed at the freeze level in 1986. The vocational education funds, \$738 million, provide grants to help States improve secondary and postsecondary vocational training programs. Adult education grants, \$100 million, help States provide basic education and high school equivalency programs to adults.

*Other elementary and secondary education.*—This category includes grants to local and State governments for bilingual education, Indian education, and science and math education, as well as technical assistance for desegregation activities. Budget authority requests for the larger grant programs are nearly all at the freeze level. Several of the smaller grant programs are proposed for termination, which would become effective for some in 1985 with the rescission of \$110 million of 1985 budget authority. States can meet the goals of these programs by using block grant funds or their own resources. The administration proposes a reduction of one-third in grants for technical assistance for desegregation activities as part of a 3-year phaseout, since States and school districts are improving and expanding their own capability.

*Higher education.*—The budget requests \$6.8 billion in budget authority for higher education in 1986.

*Student aid.*—Budget authority requested for *student financial assistance* and *guaranteed student loans* for 1986, \$6.3 billion, is \$2.3 billion below the requested 1985 level.

The six current student aid programs will provide over \$13 billion in grants, subsidized work, and direct and guaranteed loans for the 1985-86 school year. Though most of this aid goes to help needy students, some of it goes to the relatively well off and finances an unreasonable share of cost at very expensive schools. It is appropriate for the Federal Government to help needy students obtain access to postsecondary education, but it cannot afford, and should not maintain the present excessive levels of spending under current unfocused policies. This budget includes significant reform proposals:

- A cap is proposed so that no student could receive more than \$4,000 in Federal aid per year from combined awards financed by Education Department student aid programs. Under current law, in some circumstances, a student could receive about \$11,000 per year in Federal grants, loans, and subsidized jobs.
- Students from families with adjusted gross income above \$25,000 (approximately the national median) would not qualify for grants, direct loans or subsidized jobs. Under current law, 5% of Pell grants and over 20% of all campus-based Federal aid (supplemental grants, subsidized jobs, direct loans) go to those with family incomes above \$25,000.
- Students from families with adjusted gross income above \$32,500 (130% of the median) would not qualify for loans that are both directly subsidized and guaranteed. Under current law, about 30% of directly subsidized, guaranteed loans go to students with family incomes above this level. Such students

could, however, qualify for guaranteed loans for which no interest or other direct subsidies would be available.

- All students would be expected to provide at least \$800 toward their education to qualify for Federal aid. Work-study grants could be used to provide subsidized jobs to help satisfy this requirement.
- Rules would be tightened to eliminate abuse of independent student status, reduce excessive cost-of-living allowances in award calculations, and require all recipients to have a high school degree or equivalent.
- Application validation and new quality control policies will provide strong incentives to address the grave error problem in the Pell grant program (25% of all dollars are awarded in error) and in the other student aid programs.

The guaranteed student loan (GSL) program would be further modified so that:

- The currently excessive special allowance paid to lenders would be reduced and restructured to conform more closely to lender administrative costs. The revised special allowance would be 1.5 percentage points on outstanding loans while the student is still in school, and 3 points on outstanding loans after the student begins repayment.
- To reflect changing costs of credit, borrowers would pay interest at a rate set annually at the rate of recent 91-day Treasury bills instead of the current fixed 8%.
- No further unneeded interest-free loan advances or administrative allowances would be provided to the State guarantee agencies. Outstanding advances would be recalled. These agencies can operate effectively without these funds.
- Federal default insurance payments would be adjusted to provide incentives for improved State and lender collections and default reduction programs. New regulations will establish tougher default prevention standards. Defaults are rising rapidly and must be controlled to preserve the integrity of the program.
- Loan principal would have to be disbursed as needed, instead of all at once. This will reduce unwarranted Federal expenses.

Later this year, the administration will propose to replace, beginning in 1987, all current student aid programs, except for GSL, with a single State grant program that will simplify and make more equitable and efficient the delivery of Federal aid. Within broad Federal guidelines to assure targeting on the poor and institutional equity, States would have the responsibility for allocating aid. The mix of grants, subsidized jobs, or direct loans would be decided by States and schools.

In order to operate the Pell grant program within the level of funds available for 1985, the administration proposes appropriation language to reduce the size of 1985-1986 school year awards established by the 1985 appropriation act. Schools will be notified that if the language is not enacted by April 15, 1985, the statutory "linear reduction" formula will be implemented, automatically reducing awards so that total payments do not exceed available funds. The administration's proposal would eliminate fewer recipients from the program than would the linear reduction formula.

*Other aid to higher education.*—The largest programs in this category are aid for developing institutions (including historically black colleges), Howard University, and Gallaudet College. Most activities are proposed for funding at the freeze level. No funding is requested for several smaller, lower priority programs.

*Research and general education aids.*—The budget requests \$1.0 billion in budget authority for these activities, which include educational research and statistics, the National Endowments for the Arts and the Humanities, the Smithsonian Institution, the Library of Congress, the Corporation for Public Broadcasting, and certain Department of Education administrative expenses. No new funds are provided for the Institute of Museum Services or the six programs supporting State, local, and research library activity. These programs are not high priorities for Federal funds, and most have met their objectives of stimulating other sources of funding.

*Credit programs.*—The GSL program is the principal education credit activity. It now primarily insures State agency guarantees of repayment of postsecondary education loans made by commercial lenders to students and their parents. The budget projects that \$7.5 billion in new GSL loans will be made in 1986. The outstanding loan portfolio at the end of 1986 is expected to be \$40 billion. Defaulted GSL's for which Federal insurance payments have been made become Federal obligations. Enhanced debt collection efforts are expected to lead to a 39% increase in collections of defaulted reinsured GSL loans from 1985 to 1986.

Under the national direct student loan (NDSL) program, schools maintain revolving funds capitalized in part by Federal funds. Changes in loans outstanding reflect the net of new Federal capital less repayments and defaults. Beginning in 1987, the Student Loan Marketing Association (SLMA) will repay loans from the Federal Financing Bank which it used as capital for GSL secondary market and other activities. SLMA does not plan any additional borrowing from the FFB.



## CREDIT PROGRAMS—EDUCATION

(In millions of dollars)

|  | Actual<br>1984 | Estimate     |              |              |              |
|--|----------------|--------------|--------------|--------------|--------------|
|  |                | 1985         | 1986         | 1987         | 1988         |
| <b>Direct loans:</b>   |                |              |              |              |              |
| Defaulted guaranteed student loans:                                    |                |              |              |              |              |
| New obligations .....  | 769            | 937          | 877          | 885          | 815          |
| Change in outstandings.....  | 552            | 552          | 344          | 425          | 292          |
| Outstandings .....   | 2,465          | 3,017        | 3,361        | 3,786        | 4,078        |
| National direct student loans:   |                |              |              |              |              |
| New obligations .....  | 169            | 192          |              |              |              |
| Change in outstandings.....  | 70             | 102          | 118          | —45          | —40          |
| Outstandings .....   | 4,974          | 5,076        | 5,194        | 5,149        | 5,109        |
| SLMA obligations (loans made by FFB):                                  |                |              |              |              |              |
| Change in outstandings.....  |                |              |              | —30          | —30          |
| Outstandings <sup>1</sup> .....  | 5,000          | 5,000        | 5,000        | 4,970        | 4,940        |
| Other education:   |                |              |              |              |              |
| New obligations .....  | 40             |              |              |              |              |
| Change in outstandings.....  | —400           | —399         | —54          | —104         | —110         |
| Outstandings .....   | 3,137          | 2,738        | 2,684        | 2,579        | 2,469        |
| <b>Total, direct loans:</b>  |                |              |              |              |              |
| New obligations .....  | 979            | 1,129        | 877          | 885          | 815          |
| Change in outstandings.....  | 222            | 256          | 408          | 245          | 111          |
| Outstandings .....   | 15,576         | 15,831       | 16,240       | 16,485       | 16,596       |
| <b>Guaranteed loans:</b>   |                |              |              |              |              |
| Guaranteed student loans:  |                |              |              |              |              |
| New commitments .....  | 7,597          | 7,941        | 7,547        | 7,006        | 7,695        |
| Change in outstandings.....  | 4,456          | 4,421        | 3,362        | 1,910        | 1,700        |
| Outstandings .....   | 31,962         | 36,383       | 39,745       | 41,655       | 43,355       |
| <b>Total credit budget (new obligations and new commitments) .....</b> | <b>8,576</b>   | <b>9,070</b> | <b>8,424</b> | <b>7,891</b> | <b>8,510</b> |

<sup>1</sup> These are outstanding commitments made by the agency to guarantee loans that the FFB has disbursed to SLMA. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

**Tax expenditures.**—A variety of exclusions, exemptions and deductions provide assistance for education. Student loans are subsidized through the exclusion of interest on State and local student loan bonds; students receive additional benefits because scholarship and fellowship awards are not subject to tax. These two tax expenditures are estimated as \$390 million and \$650 million, respectively, in 1986. Other assistance is provided through a special tax exemption available to parents of students age 19 or over and by the deductibility of charitable contributions for education. Tax expenditures for these two items are \$1.3 million and \$1.5 billion, respectively, in 1986. The exclusion of interest on State and local debt for private nonprofit educational facilities results in a tax expenditure of \$200 million in 1986.

The administration continues to support enactment of a tuition tax credit for parents with incomes below \$60,000 who choose to send their children to private elementary and secondary schools.

This is an essential measure that supports freedom of educational choice and is expected to help improve all aspects of elementary and secondary education. The tax expenditure estimate for this program is \$635 million in 1986. Tax expenditures for education total \$4.0 billion in 1986.

The administration also proposes to exclude from tax the earnings on savings deposited in special accounts that will be used to pay future higher education expenses of dependent children. The maximum annual contribution to these accounts will be \$1,000 per child. This maximum will be reduced 5 cents for each dollar that the taxpayer's adjusted gross income exceeds \$40,000, so that any taxpayer with adjusted gross income in excess of \$60,000 will be ineligible. If enacted, the proposal is scheduled to become effective January 1, 1986, and produce a tax expenditure of \$75 million in 1987.

### TRAINING, EMPLOYMENT AND OTHER LABOR SERVICES

Federal training and employment programs are designed to improve individuals' abilities to obtain and retain jobs and to facilitate the operation of the labor market. Those who have difficulty getting and keeping jobs may receive skill training or information on the location of suitable jobs and how to seek them. Other labor services include the compilation of labor statistics and the regulation of employer-employee relations. In 1986, outlays for these activities are expected to be \$5.6 billion, a decrease of \$0.4 billion from the estimate of \$6.0 billion for 1985.

*Training and employment.*—The major Federal activities for training and employment are financed through grants to States for training those having greatest difficulties in the job market, helping experienced workers displaced from their jobs find new employment, providing subsidized jobs for youth in the summer, and operating the Employment Service. In addition, the Federal Government contracts for the operation of other job training programs, including the Job Corps. The Job Training Partnership Act (JTPA), which was implemented in 1984, fundamentally restructured the major employment and training programs. Private sector involvement was strengthened, State control was increased, training was strongly emphasized, and categorical programs were consolidated into a block grant to provide State and localities greater discretion in the use of funds. To provide lead time for adequate planning, the budget authority enacted for a fiscal year finances a 12-month program year beginning on July 1 of that year. The 1984 budget authority for JTPA programs financed 21 months to cover an initial transition period and the 1984 program year.

*Block grants to States.*—Under JTPA the States, operating in close cooperation with private sector employers, design programs to meet the needs of their populations and the opportunities in the State job market. These programs are intended to prepare youth and unskilled adults for entry into the labor force and to provide job training to those who are in special need of such training in order to obtain productive employment. Activities are designed in conjunction with the Employment Service, educational institutions, and other vocational activities in the area to prepare individuals for jobs in the area. Although few restrictions are placed on the States and the service delivery areas, JTPA requires that 70% of the grant amount must be used for training, 90% of the participants must be economically disadvantaged, at least 40% of the resources must be spent for youth, and welfare recipients must be served on an equitable basis. Outlays of \$1.9 billion in 1986 reflect the budget authority provided to serve over 1 million people in both program years 1986 and 1987.

*Summer youth employment.*—Under the summer youth employment program, grants are made to States in the spring of each year to subsidize minimum-wage public sector jobs during the following summer for youth between the ages of 14 and 20. The 1984 budget authority provided \$825 million for jobs in the summer of 1984 and \$725 million for the summer of 1985. The 1985 enacted budget authority provides an additional \$100 million for the summer of 1985, for a total of \$825 million, and \$725 million for the summer of 1986. The appropriation for the summer of 1984 proved larger than could be effectively utilized. Local areas had a total of some \$240 million unspent at the end of fiscal year 1984. Therefore, the budget includes a proposal to rescind the extra \$100 million enacted for the summer of 1985 and to modify the formula distributing the appropriation so that resources are targeted to those areas with the greatest need. This will mean that service levels will be at least as great in the summers of 1985 and 1986 as experienced in the summer of 1984. The budget authority requested in 1986 for the summer of 1987 is \$60 million below the amount available for the summer of 1986, reflecting both expected improvements in the job market and a declining youth population.

To permit youth to gain the more valuable experience of work in real private sector summer jobs, the administration continues to urge a reduction in the minimum wage for youth during the summer months. Such legislation will create more jobs by reducing employers' costs to levels closer to the value of the work produced by youth just acquiring job skills. Youths with greater skills will, of course, be able to command higher wages. Limiting the reduction to the summer will allay fears that youths will replace adults in

jobs. In addition, the proposed legislation would penalize any employer who fires a worker in order to hire a youth at the lower minimum wage.

*Assistance to dislocated workers.*—JTPA began a new grant program to help dislocated workers obtain new jobs because of the fear that in a continually changing economy, some workers will find they are unable to retain their jobs or find new ones requiring their skills where they live. These workers can be shown new occupations that use their skills, trained in new skills for which there is a demand, aided in their job search, or helped to meet the costs of moving to new locations where they have found long-term jobs. Of amounts available for these grants, 75% are distributed to States by formula, and the remainder is granted to States at the discretion of the Secretary of Labor based on applications describing special needs.

Budget authority for JTPA grants in 1984 covered 21 months, which included both an initial start-up period and the 1984 program year, which began on July 1, 1984. For the 1985 program year, budget authority for grants to displaced workers was \$223 million. In addition, budget authority of \$26 million was enacted for 1985 specifically for training assistance to workers determined to have been displaced by increased imports. The types of service requested by unemployed workers under the JTPA program have resulted in a much less costly program than had been anticipated. In particular, few workers have indicated a need for extensive retraining, the most expensive of the authorized activities. As a result, relatively little of the amounts appropriated have been used, and \$190 million in unspent funds were available on June 30, 1984, the end of the start-up period. Therefore, the budget proposes to rescind \$120 million of 1985 budget authority for the JTPA program and \$25 million of the amount provided for workers displaced by increased imports. The administration proposes budget authority of \$100 million for 1986 which, together with remaining unused balances, will be sufficient to provide needed services to at least 150,000 displaced workers, including those displaced by increased imports. Based on experience to date, the amount will be sufficient to meet all expected needs.

*Job Corps.*—The Job Corps has now been operating for 20 years. In 1985, the budget authority of \$617 million would finance 40,400 training slots, at a cost of over \$15,200 each. Despite the amount of time available to develop an effective program and the large cost for the program as a whole as well as per training slot, the Job Corps has not been able to meet the needs of most of those it was intended to serve. About 65% of those leaving the program each year drop out without finishing training. Only 35% of all Job Corps

participants are recorded as being placed in jobs. Even though the Job Corps is intended to help those who are less job ready, this low placement rate occurs despite the fact that between 20 and 25% of those entering the Corps have completed 12 years of school. Therefore, the budget proposes to eliminate funding for the Job Corps in 1986. Since the 1985 appropriation is available for the July 1, 1985, to June 30, 1986, period, it will provide sufficient resources for closing down the program. States and localities will continue to have Federal vocational education grants and the 40% of the JTPA block grant that must be spent on youth to provide training for those now going to Job Corps camps.

*Older Americans employment.*—Part-time public service employment for older workers is provided under Title V of the Older Americans Act through contracts with eight national service organizations and through grants to States. Budget authority of \$326 million is requested for 1986, the same as provided in 1985. Since the wage payment is fixed by law, some 63,800 job opportunities will be provided for older workers in 1985 and 1986. Outlays are also estimated at \$326 million in 1986.

*Work incentive program.*—This separate categorical program has for years provided job services, training, and public service employment to recipients of aid to families with dependent children (AFDC). Although its aim is to help curb welfare dependency, it has not proved successful or cost-effective. The Job Training Partnership Act now requires equitable service to AFDC recipients in a program better designed to provide the skills needed for private sector jobs. The AFDC program itself has been reformed to create new opportunities for work experience. Further work enhancement legislation is being proposed, as described in the income security function. The need for this separate categorical program has ceased; no budget authority is requested for 1986.

*Other training programs.*—Outlays of \$237 million are estimated in 1986 for other national training programs, including special programs for veterans, native Americans, and migrant and seasonal farm workers.

*Federal-State employment services.*—Under the Wagner-Peyser Act, as amended by JTPA, grants for the Employment Service are made to States under a formula based on each State's share of the civilian labor force and of unemployed individuals. These grants support the total cost of job search and placement services to job seekers and recruitment and special technical services for employers. Almost all (97%) of the grants to States are financed from the Federal unemployment tax levied on employers. Working with the

States, the administration will develop and propose legislation to devolve to the States the responsibility for managing and financing their employment services and unemployment insurance services. The Federal unemployment tax will be reduced accordingly, freeing tax resources for the states. The legislation would become effective in 1988, allowing the states time to adjust their laws. This proposal would encourage efficiency in State administration by increasing the flexibility with which States carry out their programs. Certain employment services designed to meet national needs would continue to be financed with grants under specific agreements with the states. National activities to be financed in 1986 include special services to veterans, collection of general purpose labor market statistics, and determinations of labor needs under immigration laws. In 1986, outlays for all these employment service activities are estimated at \$930 million.

***Other labor services.***—The Federal Government establishes and enforces standards affecting the relationship between employers and employees and between unions and their members. This includes enforcement of the minimum wage and related laws, regulation of welfare and pension plans, supervision of labor-management relations, regulation of the equal employment practices of Federal contractors, and assurances that elections of labor union officials are democratic and that such officials do not abuse their stewardship. In addition, the Federal Government collects and disseminates employment and unemployment statistics and data on wages, prices, and productivity. Outlays for these activities are estimated at \$679 million in 1986.

***Tax expenditures.***—Training and employment is encouraged through a diverse group of tax expenditures. The largest employment incentive is provided by the deduction for two-earner married couples, \$7.7 billion in 1986. This provision, enacted as part of the Economic Recovery Tax Act of 1981 (ERTA), reduces the marriage penalty that arises because the income of second earners is stacked on top of their spouse's earnings, and thus taxed at a higher marginal rate than if the second earner had been taxed as a single person. ERTA also expanded the credit for child and dependent care and created a special exclusion for employer payments for child care. These provisions, designed to provide work incentives for families with children, are estimated to be \$3.4 billion and \$30 million, respectively, in 1986. The administration proposes to modify the dependent care credit by increasing benefits for low- and moderate-income families. The effective date of the proposed increase in the credit is January 1, 1986. If enacted, it will increase tax expenditures by \$235 million in 1987.

The targeted jobs tax credit, estimated at \$365 million in 1986, is intended to provide incentives for employers to hire disadvantaged individuals from certain target groups and recipients of certain welfare payments. The credit will expire on December 31, 1985, and is not proposed for extension. Special tax credits for employee stock ownership plans (ESOPs) are designed to encourage employee ownership of their employer's stock. The tax expenditure for ESOP provisions is \$3.7 billion in 1986. Total tax expenditures for training and employment are \$16.3 billion in 1986.

*Related programs.*—A number of other Federal programs are related to training and employment. Job training services provided by the Veterans Administration are included in the veterans function; job safety and health activities are included in the health function; and activities relating to job discrimination on the basis of race, age, or sex are included in the administration of justice function.

### SOCIAL SERVICES

The Federal Government makes grants to States and to local public and private institutions to defray the cost of social services. Beneficiaries are low-income persons, the elderly, the disabled, children, youth, and Native Americans. Federal outlays for social services are expected to decrease from \$7.0 billion in 1985 to \$6.9 billion in 1986.

*Social services block grant.*—Block grant funding of social services gives States discretion to determine which social services will be offered and who will be eligible to receive them. Child day care, foster care, child protective services, preparation and delivery of meals, and legal services are some examples of social services offered by the States. Block grant funds may also be used by State and local governments for administrative costs and are distributed among the States on the basis of population. States may transfer up to 10% of their social services block grant allotment to other block grants that support health services, health promotion and disease prevention, or low-income home energy assistance.

Budget authority of \$2.7 billion is requested for the social services block grant in 1986.

*Community service programs.*—In 1986, budget authority of \$4 million is requested to close out the community services block grant. States may continue community service programs under the social services block grant.

*Rehabilitation services.*—Budget authority of \$1.2 billion in 1986 is requested for these programs, which are aimed at helping phys-

ically and mentally handicapped individuals become employed and live more independently. Budget authority in 1986 for the major grant to States for vocational rehabilitation services and most smaller categorical authorities is proposed to be frozen at the 1985 level. Targeted reductions of \$17 million below 1985 budget authority are proposed in several of the smaller project grant activities, to eliminate one low priority program (recreation) and achieve needed reforms in others.

*Family social services.*—In 1986, budget authority of \$741 million is requested for foster care, adoption assistance, and child welfare services, training, and research. Funds support State programs to reunite children with their families or, when this is not possible, to place them promptly in adoptive homes. The administration proposes to freeze foster care, child welfare services, and child welfare training at 1985 levels in 1986.

The budget reflects a policy that taking children from their homes and placing them in foster care should be an explicitly short-term, last resort solution to children's problems. A bonus system will be proposed for 1986 to reward States that resolve children's problems quickly, and return them to permanent homes. The system will encourage reduction of duration and incidence of foster care.

*Services for children, the elderly, and other special groups.*—In 1986, budget authority of \$1.1 billion is requested to fund programs that augment State, local, and nonprofit funds to improve the lives of low-income, neglected, abused, or homeless children. Funding in this area is almost entirely for Head Start, which aids local community groups in offering comprehensive development services to preschool children from low-income families. The 1986 funding level will allow Head Start to maintain enrollment at more than 448,000 children.

In addition, budget authority of \$789 million is requested to aid the elderly, the developmentally disabled, and Native Americans. Grants for services for the elderly are made to State and area agencies on aging to finance programs for older Americans, particularly those with the greatest economic and social need. Services for the elderly offered by the States include transportation, information and referral, legal aid, and home maintenance. In addition, States use Older Americans Act funds to serve meals to senior groups and to deliver meals to the homebound elderly.

*Domestic volunteer programs.*—The ACTION agency operates programs to help citizens 60 and older provide various social services, pays stipends and other support costs of the volunteers in



service to America program (VISTA), and provides small grants to stimulate other volunteer services. In 1986, foster grandparents will support 18,425 older volunteers to work with 65,000 children with special needs. The senior companions program will provide support for approximately 6,900 volunteers to work with 24,000 older shut-ins. The retired senior volunteer program (RSVP) will support 407,000 part-time volunteers in 1986 who work on a great variety of community needs. Funds requested for the VISTA program will support 2,200 paid volunteers, the same number as in 1985.

***Tax expenditures.***—The provision of social services by a wide variety of private charitable and religious institutions is encouraged by the tax deductibility of contributions to those institutions. The tax expenditure estimate for charitable contributions, other than to educational and health institutions, is \$13.2 billion in 1986. For the same year, exclusion of parsonage allowances results in a tax expenditure estimated at \$175 million. In addition, the adoption of children with special needs is encouraged by a \$1,500 itemized deduction; this results in a tax expenditure of \$15 million in 1986. For social services, tax expenditures total \$13.4 billion in 1986.

Total tax expenditures for education, training, employment, and social services are estimated to be \$33.8 billion in 1986.

## HEALTH

The Federal Government contributes to meeting the Nation's health care needs by financing and providing health care services, promoting disease prevention, and supporting research and training. Rapid inflation of health care costs remains a major problem for both individuals and the Federal Government in meeting health care needs. Increasingly expensive health care costs undermine the American people's ability to purchase needed health care. Federal policies in the past have contributed significantly to the growth of health care costs. The budget contains major initiatives to reduce these cost increases that include building on reforms legislated recently by the Congress and steps to control costs in medicaid.

**Health care services.**—Four-fifths of Federal outlays for health in this function is devoted to financing or providing health care services directly to individuals. Federal outlays for health care services are estimated to rise from \$27.2 billion in 1985 to \$28.2 billion in 1986 and \$29.5 billion in 1987.

**Medicaid grants.**—In 1986, Federal and State governments are expected to spend \$23.7 billion and \$19.3 billion, respectively, to finance health care for 22.5 million poor Americans.

The Omnibus Budget Reconciliation Act of 1981 significantly reformed medicaid by increasing program economy and effectiveness, and controlling cost growth. However, these reforms expired in 1984. The growth of Federal and State medicaid costs, which dropped from a 15.3% annual rate during 1979-1981 to about 9% from 1981 to 1983, now faces the threat of a return to double-digit inflation.

For 1986, the administration proposes to reduce Federal medicaid outlays by \$0.9 billion from projected levels. In subsequent years, medicaid cost growth would be limited to the increase in prices in the medical care sector. The administration also proposes substantial new program reforms to increase significantly the States' ability to control costs. These reforms include increased flexibility to target services and to offer alternatives to more costly services, and new measures that would permit States to avoid medicaid costs through improved third-party liability efforts.

In addition, the administration proposes to reform Federal funding for medicaid administrative costs. The current open-ended State entitlement for Federal funding of administrative expenses would be replaced by new Federal grants. As part of the administration's spending freeze plan, States would receive about the same grant in 1986 as they received in 1985. In future years, increases in payments to States would be limited to the growth in the implicit

## NATIONAL NEED: HEALTH

(Functional code 550; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>   |                |                  |                  |                  |                  |
| <b>Health care services:</b>  |                |                  |                  |                  |                  |
| Medicaid grants:  |                |                  |                  |                  |                  |
| Existing law .....  | 20,674         | 21,845           | 24,631           | 26,789           | 29,285           |
| Proposed legislation .....  |                |                  | -940             | -2,017           | -3,098           |
| Federal employees' health benefits:                                 |                |                  |                  |                  |                  |
| Existing law .....  | 1,506          | 1,342            | 1,606            | 1,845            | 2,066            |
| Proposed legislation .....  |                |                  |                  | -56              | -171             |
| Other health care services:   |                |                  |                  |                  |                  |
| On-budget under current law .....                                   | 3,060          | 3,228            | 2,827            | 2,887            | 2,967            |
| Proposed legislation .....  |                |                  | 188              | 194              | 202              |
| Off-budget under current law# .....                                 | 1              | 8                | 1                |                  |                  |
| Subtotal, Health care services .....                                | 25,241         | 26,423           | 28,312           | 29,643           | 31,251           |
| <b>Health research:</b>   |                |                  |                  |                  |                  |
| National Institutes of Health research .....                        | 4,281          | 4,873            | 4,588            | 4,771            | 4,949            |
| Other research programs .....                                       | 492            | 523              | 511              | 525              | 539              |
| Subtotal, Health research .....                                     | 4,773          | 5,396            | 5,099            | 5,297            | 5,488            |
| <b>Education and training of health care work force:</b>            |                |                  |                  |                  |                  |
| Research training .....   | 213            | 266              | 265              | 271              | 281              |
| Clinical training .....   | 209            | 242              | 4                |                  |                  |
| Other .....   | 38             | 43               | 21               | 22               | 23               |
| Subtotal, Education and training of health care<br>work force ..... | 461            | 550              | 290              | 293              | 304              |
| <b>Consumer and occupational health and safety:</b>                 |                |                  |                  |                  |                  |
| Consumer safety:  |                |                  |                  |                  |                  |
| Existing law .....  | 782            | 807              | 791              | 800              | 810              |
| Proposed user fees .....  |                |                  | -115             | -231             | -345             |
| Other proposed legislation .....                                    |                |                  | -2               | -5               | -9               |
| Occupational safety and health .....                                | 374            | 379              | 367              | 377              | 386              |
| Subtotal, Consumer and occupational health and<br>safety .....      | 1,156          | 1,186            | 1,041            | 941              | 842              |
| <b>Total, budget authority .....</b>                                | <b>31,630</b>  | <b>33,556</b>    | <b>34,741</b>    | <b>36,174</b>    | <b>37,885</b>    |

price deflator for the gross national product (GNP deflator). Complicated and burdensome Federal-State matching requirements, detailed cost allocation plans, and Federal expenditure reviews would be eliminated. States would have increased flexibility to use the grants in the most efficient manner possible, including transferring up to 10% of these grants to other State-administered public assistance programs. Similar funding changes are proposed for aid to families with dependent children and food stamps, both described in the income security function.

*Federal employees health benefits (FEHB).*—The budget includes savings from the administration's proposal to reform the FEHB program, which is the world's largest multiple-choice health plan.

**NATIONAL NEED: HEALTH—Continued**

(Functional code 550; in millions of dollars)

| Major missions and programs                                      | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Health care services:</b>                                     |                |                  |                  |                  |                  |
| Medicaid grants:   |                |                  |                  |                  |                  |
| Existing law .....   | 20,061         | 22,985           | 24,631           | 26,789           | 29,285           |
| Proposed legislation .....                                       |                |                  | -940             | -2,017           | -3,098           |
| Federal employees' health benefits:                              |                |                  |                  |                  |                  |
| Existing law .....   | 1,342          | 1,143            | 1,460            | 1,612            | 1,794            |
| Proposed legislation .....                                       |                |                  |                  | 62               | -53              |
| Other health care services:                                      |                |                  |                  |                  |                  |
| On-budget under current law .....                                | 3,134          | 3,121            | 2,874            | 2,886            | 2,952            |
| Proposed legislation .....                                       |                |                  | 188              | 194              | 202              |
| Off-budget under current law# .....                              | -14            | -4               | -10              | -11              | -12              |
| Subtotal, Health care services .....                             | 24,522         | 27,244           | 28,202           | 29,516           | 31,071           |
| <b>Health research:</b>  |                |                  |                  |                  |                  |
| National Institutes of Health research .....                     | 3,963          | 4,437            | 4,681            | 4,416            | 4,581            |
| Other research programs .....                                    | 416            | 524              | 524              | 525              | 544              |
| Subtotal, Health research .....                                  | 4,379          | 4,961            | 5,204            | 4,942            | 5,124            |
| <b>Education and training of health care work force:</b>         |                |                  |                  |                  |                  |
| Research training .....  | 195            | 234              | 265              | 251              | 260              |
| Clinical training:   |                |                  |                  |                  |                  |
| Existing law .....   | 166            | 202              | 177              | 16               | 22               |
| Proposed legislation .....                                       |                |                  | -8               | -8               | -8               |
| Other .....  | 28             | 41               | 21               | 22               | 23               |
| Subtotal, Education and training of health care work force ..... | 388            | 478              | 455              | 281              | 296              |
| <b>Consumer and occupational health and safety:</b>              |                |                  |                  |                  |                  |
| Consumer safety:   |                |                  |                  |                  |                  |
| Existing law .....   | 762            | 815              | 807              | 813              | 815              |
| Proposed user fees .....   |                |                  | -115             | -231             | -345             |
| Other proposed legislation .....                                 |                |                  | -2               | -5               | -9               |
| Occupational safety and health .....                             | 367            | 381              | 369              | 376              | 385              |
| Subtotal, Consumer and occupational health and safety .....      | 1,129          | 1,196            | 1,059            | 953              | 845              |
| <b>Total, outlays .....</b>                                      | <b>30,417</b>  | <b>33,879</b>    | <b>34,920</b>    | <b>35,692</b>    | <b>37,337</b>    |

#Proposed to be included on-budget.

Since Federal employees pay a share of the cost of the FEHB program and have many plan choices available to them, competitive market forces help to restrain FEHB cost increases.

The administration's FEHB reform legislation would build on the competitive features of the FEHB program:

- The Federal Government's contribution for FEHB would no longer be based on the average premiums of the six largest plans in the program, but would be based instead on the GNP deflator.

- The current 75% limit on the Federal contribution to the premium of any employee's health benefits would be dropped. If an employee chose a plan with a premium lower than the Federal contribution, he or she would be entitled to a rebate of the difference between the contribution and the premium. This would increase the incentives for employees to select low-cost plans.
- A wider range of plans would be allowed to participate, increasing the number of choices available to Federal employees, further sharpening competitive forces.

*Other health care services.*—Budget authority of \$1.6 billion is requested for health block grants in 1986, \$190 million more than the 1985 level. This increase reflects proposed legislation to expand the primary care block grant to include narrow categorical programs for black lung clinics, migrant health, and family planning. The block grants allow States flexibility in coordinating and improving the effectiveness of services for their citizens. States are able to streamline program administration because unnecessary Federal regulatory, legal, and reporting requirements previously imposed on States and grantees no longer apply.

Budget authority of \$759 million is requested for the Indian Health Service (IHS) in 1986. In addition, the IHS will collect an estimated \$52 million in third-party reimbursements for health services provided to American Indians and Alaskan Natives.

Budget authority for the National Health Service Corps (NHSC) is requested at a level of \$50 million in 1986, a decrease of \$25 million from 1985. Increased emphasis will continue to be placed on encouraging NHSC scholarship recipients to enter into private practice in areas with a shortage of health professionals.

For 1986, the administration requests \$42 million in budget authority for the direct Federal subsidy for the care of District of Columbia residents at Saint Elizabeths Hospital. This request, a reduction of \$7 million from 1985, represents the fourth year of a 10-year phasedown of the direct Federal subsidy for care of District of Columbia residents. Legislation that passed late in the 98th Congress (P.L. 98-621) will transfer Saint Elizabeths Hospital to the District Government on October 1, 1987, and it affirms the continued phasedown of the direct Federal subsidies. In addition to continuing the phasedown of the direct Federal subsidy, P.L. 98-621 authorizes an additional Federal transition subsidy totalling \$135 million over 1986-1991 to assist the District during its assumption of full responsibility for Saint Elizabeths Hospital. This new subsidy will be requested as part of the 1986-1991 Federal payments to the District of Columbia Government. The transfer and the phase-

down of the direct Federal subsidy for Saint Elizabeths Hospital will make Federal policy with regard to the District of Columbia consistent with the Federal relationship to other States and jurisdictions.

**Health research.**—In 1986, the Federal Government will provide an estimated 85% of the Nation's expenditures on basic, health-related research, with the bulk of Federal support channeled through the National Institutes of Health (NIH). Total outlays are estimated to rise to \$5.2 billion, up 4% from the 1985 level of \$5.0 billion. To ensure this Nation's continued leadership in basic health research, it is essential to provide stable support for such research. At NIH, the 1985 program level of 5,000 fully-funded new and competing research project grants and 500 research centers is continued into 1986. As in 1985, the 1986 request would provide training stipends to over 9,800 research trainees, thus contributing to the growing supply of health researchers. Complementing the NIH efforts, the Alcohol, Drug Abuse, and Mental Health Administration would continue to fully fund 500 new and competing project grants.

**Education and training of the health care workforce.**—In 1986, \$290 million in budget authority is requested for these programs. The outlays for research training, discussed in the preceding paragraph, are projected to be \$265 million in 1986. Since the supply of health care professionals is now adequate, direct Federal subsidies for clinical health professions training are no longer essential. Between 1965, when Federal subsidies for health professions training began, and 1983, the supply of physicians per capita grew by 49%, and surpluses in the 1990's are projected for most health care disciplines. For this reason, no new budget authority is requested for clinical training of health care professionals in 1986. Most of the current subsidies will be spent by the end of 1986.

In 1986, 12,500 students in health professions programs will be supported by an estimated \$100 million in new loan guarantees under the health education assistance loan program. An additional 38,900 health professions students will continue to receive assistance through revolving loan funds for health professions and nursing student loans. Direct support will continue for about 10,000 students pursuing careers in health-related research.

**Consumer and occupational health and safety.**—Budget authority of \$1.0 billion in 1986 is requested for protecting consumers from unsafe and defective products and for protecting workers from occupational hazards.

*Consumer safety.*—Budget authority for consumer safety activities is proposed to be \$674 million in 1986. Funding will support research, consumer education, and the development of both voluntary and regulatory measures to protect consumers from unreasonable risks. Inspections will be continued to assure the safety and efficacy of drugs, medical devices, and foods. Legislation will be proposed to provide for more efficient meat and poultry processing inspection methods and to phase in over 3 years full recovery of inspection and related costs through fees assessed on the meat and poultry industry. Charging such fees will not lower inspection standards or affect consumer safety, but will reduce net Federal outlays by \$115 million in 1986 and \$345 million per year by 1988. Legislation is also being proposed to strengthen Federal enforcement powers under the meat and poultry inspection acts.

*Occupational safety and health.*—The budget includes \$367 million in budget authority to improve occupational safety and health in 1986. The Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) in the Department of Labor issue and enforce standards to eliminate workplace hazards causing injury, illness, or death. During 1985 and 1986, both OSHA and MSHA will continue efforts to revise or eliminate standards that burden employers without enhancing protection for workers. Resources will be focused on those activities most likely to ensure safe and healthful working conditions. Cooperative and voluntary efforts of employers and employees to increase workplace safety and health will be encouraged. All mine inspections required by the Mine Safety and Health Act of mines operating throughout 1985 and 1986 will be accomplished. OSHA will conduct the same number of inspections per year in 1985 and 1986 as were conducted in 1984.

*Credit programs.*—The health function includes the health-related student loan programs described above and assistance to health maintenance organizations. The proposed total credit budget for health programs is \$117 million in 1986.

*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. The estimate for this provision is \$31.6 billion for 1986. Individuals also are permitted to itemize as deductions certain expenses for health care. In 1986, the

## CREDIT PROGRAMS—HEALTH

(In millions of dollars)

|   | Actual<br>1984 | Estimate |       |       |       |
|---|----------------|----------|-------|-------|-------|
|   |                | 1985     | 1986  | 1987  | 1988  |
| Direct loans:   |                |          |       |       |       |
| Health programs:  |                |          |       |       |       |
| New obligations .....   | 8              | 14       | 17    | 19    | 22    |
| Change in outstandings .....                                    | -68            | 4        | 9     | 12    | 16    |
| Outstandings .....  | 582            | 587      | 595   | 607   | 623   |
| Health programs (loans held by the FFB): <sup>1</sup>           |                |          |       |       |       |
| Change in outstandings .....                                    | -14            | -4       | -10   | -11   | -12   |
| Outstandings .....  | 248            | 244      | 234   | 223   | 211   |
| Total, direct loans:  |                |          |       |       |       |
| New obligations .....   | 8              | 14       | 17    | 19    | 22    |
| Change in outstandings .....                                    | -82            | *        | -1    | 1     | 4     |
| Outstandings .....  | 831            | 830      | 830   | 830   | 834   |
| Guaranteed loans:   |                |          |       |       |       |
| Health programs:  |                |          |       |       |       |
| New commitments .....   | 250            | 250      | 100   | 100   | 100   |
| Change in outstandings .....                                    | 169            | 179      | 20    | 15    | 7     |
| Outstandings .....  | 1,722          | 1,901    | 1,921 | 1,936 | 1,943 |
| Total credit budget (new obligations and new commitments) ..... | 258            | 264      | 117   | 119   | 122   |

\* \$500 thousand or less.

<sup>1</sup> The direct lending activities of these programs are financed by the FFB. Loan assets are issued by the agency. According to law, these assets are backed by loans that the agency continues to service. The agency guarantees the loan assets, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for this account represent acquisition of loan assets less repurchases by the agency. Increases in the volume of sales of loan assets are added to FFB direct loan outstandings, while the agency's direct loan outstandings decrease by the amount of loan assets sold to the FFB.

estimated tax expenditure for these deductions is \$3.9 billion. In addition, health-related charitable contributions result in a tax expenditure estimate in 1986 of \$2.1 billion, and the exclusion of interest on State and local hospital bonds results in an estimate of \$1.8 billion. Since 1982, a tax credit of 50% has been allowed for qualified clinical testing of drugs used to treat certain rare diseases or conditions. The tax expenditure estimate for this provision is \$25 million in 1986. Estimated tax expenditures for existing health provisions total \$39.7 billion in 1986.

**Related programs.**—The Federal Government supports health-related expenditures that are reported in other functions. Among the most important are medicare, discussed in the next function, and medical care for veterans and military personnel, discussed in both veterans benefits and services and national defense functions. Agency contributions to Federal employees health benefits were described under health care services but are included in individual agency budgets.



## SOCIAL SECURITY AND MEDICARE

The Federal Government contributes to the income security and health of aged and disabled Americans through social security and medicare. Social security and medicare together represent more than a quarter of estimated Federal outlays in 1986 and provide benefits to one in every six Americans. Several proposals to control medicare costs are being made.

***Social security.***—The old-age and survivors insurance (OASI) and disability insurance (DI) programs affect most Americans, either through benefits received or through payroll taxes deducted from earnings. In almost all cases, beneficiaries paid into the system during their working years to help support these programs. Outlays for the combined OASDI programs are estimated to increase from \$191 billion in 1985 to \$202 billion in 1986 primarily because of benefit increases tied to the Consumer Price Index.

The budget incorporates a management initiative to unify administration of social security benefits. The Social Security Administration (SSA) would pay benefits to all new railroad retirees and to all retirees whose benefits have already been computed by SSA but are paid through the Railroad Retirement Board (RRB). These beneficiaries would be serviced at some 1,500 social security district offices instead of the 100 RRB offices, and would benefit from the improved service that is already resulting from modernization of SSA's computer systems. Rail pension benefits would be unaffected by this change.

The estimates for the DI program reflect enactment of the Disability Benefits Reform Act of 1984, which revised the process for reviewing continuing eligibility for DI payments. The budget authority interfund transactions of \$3.5 billion in 1985 and 1986 facilitate the financing of military service credit.

***Medicare.***—In 1986, the medicare program will provide health insurance for 28 million aged persons and 3 million persons who are disabled or suffer from end-stage renal (i.e., kidney) disease. Medicare outlays have been growing rapidly in recent years, having increased at an average annual rate of 13.2% since 1980. Medicare current services outlays are projected to reach \$87.5 billion by 1988. With savings from regulatory changes, outlays are projected to be \$84.2 billion in 1988. With additional savings from proposed legislation, outlays in 1988 are projected to be \$79.2 billion.

## NATIONAL NEED: SOCIAL SECURITY AND MEDICARE

(Functional code 570; in millions of dollars)

| Major missions and programs                  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                      |                |                  |                  |                  |                  |
| <b>Social security:</b>                      |                |                  |                  |                  |                  |
| Old-age and survivors insurance (OASI):      |                |                  |                  |                  |                  |
| Existing law .....                           | 160,750        | 175,984          | 189,554          | 201,979          | 241,055          |
| Proposed legislation .....                   |                |                  | 273              | 44               | 250              |
| Disability insurance (DI):                   |                |                  |                  |                  |                  |
| Existing law .....                           | 17,735         | 19,934           | 20,655           | 21,797           | 22,971           |
| Proposed legislation .....                   |                |                  | 25               | 2                | 25               |
| Interfund transactions .....                 | 27             | 3,500            | -3,500           |                  |                  |
| Subtotal, Social security .....              | 178,512        | 199,418          | 207,007          | 223,823          | 264,301          |
| <b>Medicare:</b>                             |                |                  |                  |                  |                  |
| Hospital insurance (HI):                     |                |                  |                  |                  |                  |
| Existing law .....                           | 45,545         | 52,683           | 62,266           | 69,715           | 69,679           |
| Proposed legislation .....                   |                |                  | 127              | 192              | 396              |
| Supplementary medical insurance (SMI):       |                |                  |                  |                  |                  |
| Existing law .....                           | 22,526         | 24,387           | 25,953           | 29,601           | 33,632           |
| Proposed legislation .....                   |                | 2                | -527             | -834             | -1,026           |
| Medicare premiums and collections:           |                |                  |                  |                  |                  |
| Existing law .....                           | -4,942         | -5,547           | -5,927           | -6,855           | -7,466           |
| Proposed legislation .....                   |                |                  | -194             | -712             | -1,763           |
| Interfund transactions:                      |                |                  |                  |                  |                  |
| Existing law .....                           | 92             | -52              |                  |                  |                  |
| Proposed legislation .....                   |                |                  |                  |                  |                  |
| Subtotal, Medicare .....                     | 63,220         | 71,473           | 81,698           | 91,107           | 93,452           |
| <b>Total, budget authority .....</b>         | <b>241,732</b> | <b>270,891</b>   | <b>288,705</b>   | <b>314,930</b>   | <b>357,753</b>   |
| <b>OUTLAYS</b>                               |                |                  |                  |                  |                  |
| <b>Social security:</b>                      |                |                  |                  |                  |                  |
| Old-age and survivors insurance (OASI) ..... | 159,841        | 171,158          | 181,922          | 194,838          | 208,035          |
| Disability insurance (DI) .....              | 18,382         | 19,949           | 20,323           | 21,097           | 22,092           |
| Interfund transactions .....                 |                |                  |                  |                  |                  |
| Subtotal, Social security .....              | 178,223        | 191,107          | 202,245          | 215,935          | 230,127          |
| <b>Medicare:</b>                             |                |                  |                  |                  |                  |
| Hospital insurance (HI):                     |                |                  |                  |                  |                  |
| Existing law .....                           | 42,108         | 48,750           | 49,115           | 53,009           | 58,602           |
| Proposed legislation .....                   |                |                  | -1,158           | -1,746           | -2,136           |
| Supplementary medical insurance (SMI):       |                |                  |                  |                  |                  |
| Existing law .....                           | 20,374         | 23,063           | 25,984           | 29,264           | 33,046           |
| Proposed legislation .....                   |                | -10              | -662             | -795             | -1,045           |
| Medicare premiums and collections:           |                |                  |                  |                  |                  |
| Existing law .....                           | -4,942         | -5,547           | -5,927           | -6,855           | -7,466           |
| Proposed legislation .....                   |                |                  | -194             | -712             | -1,763           |
| Interfund transactions:                      |                |                  |                  |                  |                  |
| Existing law .....                           |                |                  |                  |                  |                  |
| Proposed legislation .....                   |                |                  |                  |                  |                  |
| Subtotal, Medicare .....                     | 57,540         | 66,256           | 67,158           | 72,164           | 79,238           |
| <b>Total, outlays .....</b>                  | <b>235,764</b> | <b>257,363</b>   | <b>269,404</b>   | <b>288,100</b>   | <b>309,365</b>   |

Medicare consists of two parts: hospital insurance (Part A), financed by social security payroll taxes, helps pay for care in hospitals, skilled nursing facilities, home health agencies and hospices; and supplementary medical insurance (Part B), the voluntary part

of the program, helps pay for doctor services in and out of the hospital, hospital outpatient and laboratory services, durable medical equipment, treatment for end-stage renal disease, and medical supplies. When medicare began in 1966, premiums paid by beneficiaries paid for 50% of the cost of Part B, with the remaining 50% financed by general revenues. Between 1974 and 1982, however, the Part B premium was allowed to grow no faster than the social security cost-of-living adjustment. As a result, premiums financed less than 25% of program costs in 1982, with the Federal Government financing the remaining program costs.

*Hospital insurance.*—Hospital inpatient services are projected to account for four-fifths of the hospital insurance trust fund benefit payments in 1986. Until 1984, medicare paid for hospital services on a cost-reimbursement basis, giving hospitals little incentive to control their costs. Medicare is now paying for hospital inpatient services on the basis of prospective payment system (PPS) rates for specific classes of diagnoses, giving hospitals the incentive to cut unnecessary costs. Based on currently available information about the types of cases, productivity, and costs per day, the 1985 PPS rates, set in September 1984, appear excessive. The budget assumes that the 1986 rates will be maintained at the 1985 level.

The limits on skilled nursing facilities, PPS-exempt hospitals, and home health agencies would also remain at 1985 levels in 1986. Reimbursement for direct expenses of medical education would be frozen.

The administration is proposing legislation to reform medicare's indirect medical education payment by eliminating the inappropriate doubling of the adjustment factor and to establish a nominal copayment for home health visits after a beneficiary has 20 visits in a year. Several other proposals would affect both the hospital insurance and supplementary medical insurance trust funds: to begin eligibility in the first full month when a beneficiary is 65; to give working medicare beneficiaries over age 69 a choice between medicare and employer-based private insurance as their primary insurance plan, as is currently done for working beneficiaries who are 65 through 69; and to establish a voluntary medicare voucher that beneficiaries could use to purchase private health insurance.

*Supplementary medical insurance.*—The existing freeze on medicare payments to physicians is proposed to be extended until October 1986. In addition, payments for clinical laboratory tests, durable medical equipment, and other supplies would be frozen. The budget also proposes to increase the proportion of the estimated Part B program costs financed by beneficiary premiums from the level of 25% in 1985 to 35% by 1990. Under this proposal, the premium for 1986 would be set to cover 27% of program costs and

would be increased two percentage points annually until 1990. A final legislative change, effective in 1987, would increase annually the Part B deductible based on price changes; the current annual deductible of \$75 has not been increased since 1982.

***Tax expenditures.***—The exclusion from income tax of a portion of social security benefits, including those for dependents and survivors, results in a 1986 estimated tax expenditure of \$18.4 billion. The Social Security Amendments of 1983 require that beginning in 1984 up to one-half of social security benefits be subjected to tax. This provision affects single taxpayers whose incomes exceed \$25,000, or married taxpayers who file jointly and have incomes exceeding \$32,000. The threshold for married taxpayers filing separately is zero. This limited taxation of social security benefits has reduced the tax expenditure estimates from levels prevailing under prior law.

***Related programs.***—A number of programs related to social security and medicare are discussed in the health and income security functions; payroll taxes are discussed in Part 4, "Budget Receipts."

## INCOME SECURITY

Federal programs in the income security function help meet the needs of individuals by insuring against loss of income resulting from retirement, disability, death, or unemployment of a wage earner, and by assisting the truly needy who are unable to provide for themselves. The income security function includes retirement and disability programs for Federal civilian and military personnel, railroad employees, and coal miners. Retirement and disability benefits are financed by a combination of employer and employee contributions and direct Federal payments. The income security function also includes unemployment compensation programs and a wide range of housing, food, and cash assistance programs.

***General retirement and disability insurance (excluding social security).***—This subfunction includes programs that provide retirement and disability benefits for railroad workers and coal miners.

***Railroad retirement.***—The Railroad Retirement Board (RRB) will administer retirement and disability benefits to 958,000 former railroad employees, their dependents, and survivors in 1986. RRB payments include benefits equivalent to social security, rail industry pensions, and federally subsidized windfall payments. Benefits are financed through payroll deductions by railroad employers and employees, payments from social security trust funds, and direct subsidies from taxpayers. Estimated 1986 outlays of \$4.0 billion include \$392 million for the Federal windfall subsidy component, which represents a subsidy of over \$1,000 per active railroad employee.

The budget proposes legislation to freeze the 1986 cost-of-living adjustment (COLA) on the rail industry pension in 1986, to apply a uniform COLA to all rail industry pension payments beginning in 1987, and to apply the rules for taxing social security benefits only to the portion of railroad benefits that are equivalent to social security. This legislation would end the inconsistency under current law of treating some rail industry pension payments as if they were social security payments.

Legislation reforming sickness and unemployment payments for railroad employees is discussed in the unemployment compensation section below. In addition, some technical and management changes proposed under social security are discussed in the social security and medicare function.

***Special benefits for disabled coal miners.***—Miners who suffer from chronic dust disease of the lungs—black lung—and who meet specified medical criteria are entitled to monthly cash payments and medical benefits. Cash payments are also made to their de-

## NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>   |                |                  |                  |                  |                  |
| <b>General retirement and disability insurance (excluding social security):</b>         |                |                  |                  |                  |                  |
| Railroad retirement:  |                |                  |                  |                  |                  |
| Existing law .....  | 6,436          | 5,482            | 5,773            | 5,135            | 4,969            |
| Proposed legislation .....  |                |                  | 125              | 54               | -28              |
| Special benefits for disabled coal miners:  |                |                  |                  |                  |                  |
| Existing law .....  | 2,085          | 1,345            | 1,624            | 1,578            | 1,599            |
| Proposed legislation .....  |                |                  | 40               | 10               | -62              |
| Other .....   | 48             | 58               | 68               | 76               | 87               |
| Subtotal, General retirement and disability insurance (excluding social security) ..... | 8,570          | 6,886            | 7,630            | 6,853            | 6,565            |
| <b>Federal employee retirement and disability:</b>                                      |                |                  |                  |                  |                  |
| Civilian retirement and disability programs:  |                |                  |                  |                  |                  |
| Existing law .....  | 36,727         | 39,978           | 41,485           | 43,768           | 46,193           |
| Proposed legislation .....  |                |                  | 157              | 43               | 198              |
| Military retirement: <sup>1</sup>   |                |                  |                  |                  |                  |
| Existing law .....  | 16,512         | 27,095           | 29,977           | 33,199           | 36,431           |
| Proposed legislation .....  |                | 51               | 54               | 53               | 52               |
| Federal employees workers' compensation (FECA):   |                |                  |                  |                  |                  |
| Existing law .....  | 216            | 207              | 255              | 254              | 289              |
| Proposed legislation .....  |                |                  | -22              | -47              | -48              |
| Subtotal, Federal employee retirement and disability .....                              | 53,455         | 67,331           | 71,906           | 77,270           | 83,115           |
| <b>Unemployment compensation:</b>   |                |                  |                  |                  |                  |
| Existing law .....  | 24,320         | 20,987           | 21,195           | 21,989           | 21,639           |
| Proposed legislation .....  |                |                  | 76               | 107              | 121              |
| Subtotal, Unemployment compensation .....   | 24,320         | 20,987           | 21,271           | 22,096           | 21,760           |
| <b>Housing assistance:</b>  |                |                  |                  |                  |                  |
| Subsidized housing .....  | 9,467          | 10,759           | 499              | 1,904            | 5,181            |
| Public housing operating subsidies .....  | 1,718          | 885              | 1,011            | 999              | 999              |
| Low-rent public housing loans:  |                |                  |                  |                  |                  |
| On-budget under current law .....   | 1,120          | 14,949           | 1,847            | 1,344            | 280              |
| Proposed legislation .....  |                | -350             | -25              | 50               | 354              |
| Off-budget under current law# .....   | 153            |                  |                  |                  |                  |
| Other housing assistance .....  | 213            | 158              | 96               | 94               | 94               |
| Subtotal, Housing assistance .....  | 12,671         | 26,401           | 3,428            | 4,392            | 6,908            |

pendents and survivors. The basic monthly cash payment is based on the GS-2 Federal salary level. Although Federal civilian salaries are proposed to be reduced by 5%, the budget proposes to hold black lung benefits at their current levels during 1986. Total outlays are estimated to be \$1.7 billion in 1986.

Some but not all of the benefits are paid by the black lung disability trust fund, which is financed by a fee on coal production. This trust fund is projected to have a deficit of \$2.9 billion at the end of 1985. The budget proposes an increase in the coal fee to stabilize the deficit at about that level through 1990.

## NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>Food and nutrition assistance:</b>   |                |                  |                  |                  |                  |
| Food stamps and aid to Puerto Rico:   |                |                  |                  |                  |                  |
| Existing law .....  | 12,548         | 12,568           | 12,701           | 13,167           | 13,700           |
| Proposed legislation .....  |                |                  | -20              | -42              | -65              |
| Child nutrition and other programs:   |                |                  |                  |                  |                  |
| Existing law .....  | 5,687          | 5,981            | 6,274            | 6,669            | 7,086            |
| Proposed legislation .....  |                |                  | -686             | -925             | -1,018           |
| Subtotal, Food and nutrition assistance .....   | 18,235         | 18,549           | 18,268           | 18,869           | 19,703           |
| <b>Other income security:</b>   |                |                  |                  |                  |                  |
| Supplemental security income .....  | 8,651          | 9,210            | 9,861            | 10,279           | 11,542           |
| AFDC and child support enforcement:   |                |                  |                  |                  |                  |
| Existing law .....  | 8,862          | 8,919            | 8,926            | 9,471            | 9,690            |
| Proposed legislation .....  |                |                  | -180             | -159             | -151             |
| Earned income tax credit .....  | 1,193          | 1,054            | 1,255            | 1,175            | 1,112            |
| Refugee assistance .....  | 542            | 405              | 317              | 322              | 313              |
| Low income home energy assistance:  |                |                  |                  |                  |                  |
| Existing law .....  | 2,075          | 2,100            | 2,100            | 2,188            | 2,276            |
| Financing from petroleum overcharges (proposed) .....                                   |                |                  | -809             | -857             | -905             |
| Other .....   | 265            | 203              | 174              | 164              | 166              |
| Subtotal, Other income security .....   | 21,588         | 21,891           | 21,643           | 22,583           | 24,043           |
| <b>Total, budget authority .....</b>  | <b>138,838</b> | <b>162,045</b>   | <b>144,147</b>   | <b>152,063</b>   | <b>162,093</b>   |
| <b>OUTLAYS</b>  |                |                  |                  |                  |                  |
| <b>General retirement and disability insurance (excluding social security):</b>         |                |                  |                  |                  |                  |
| Railroad retirement:  |                |                  |                  |                  |                  |
| Existing law .....  | 3,716          | 3,895            | 4,057            | 4,065            | 4,227            |
| Proposed legislation .....  |                |                  | -34              | -61              | -82              |
| Special benefits for disabled coal miners:  |                |                  |                  |                  |                  |
| Existing law .....  | 1,692          | 1,714            | 1,629            | 1,589            | 1,598            |
| Proposed legislation .....  |                |                  | 40               | 7                | -56              |
| Pension Benefit Guaranty Corporation:   |                |                  |                  |                  |                  |
| Existing law .....  | -10            | -12              | 9                | 14               | 29               |
| Proposed legislation .....  |                | -145             | -184             | -206             | -231             |
| Other .....   | 44             | 53               | 63               | 72               | 83               |
| Subtotal, General retirement and disability insurance (excluding social security) ..... | 5,441          | 5,504            | 5,580            | 5,481            | 5,567            |
| <b>Federal employee retirement and disability:</b>                                      |                |                  |                  |                  |                  |
| Civilian retirement and disability programs:  |                |                  |                  |                  |                  |
| Existing law .....  | 22,069         | 23,293           | 24,949           | 26,684           | 28,509           |
| Proposed legislation .....  |                |                  | -741             | -1,413           | -2,002           |
| Military retirement: <sup>1</sup>   |                |                  |                  |                  |                  |
| Existing law .....  | 16,471         | 15,809           | 18,291           | 19,439           | 20,636           |
| Proposed legislation .....  |                | 51               | -491             | -713             | -761             |
| Federal employees workers' compensation (FECA):   |                |                  |                  |                  |                  |
| Existing law .....  | 219            | 207              | 255              | 254              | 289              |
| Proposed legislation .....  |                |                  | -22              | -47              | -48              |
| Federal employees life insurance fund .....   | -704           | -719             | -724             | -765             | -806             |
| Subtotal, Federal employee retirement and disability .....                              | 38,054         | 38,641           | 41,518           | 43,440           | 45,816           |
| <b>Unemployment compensation:</b>   |                |                  |                  |                  |                  |
| Existing law .....  | 18,421         | 16,780           | 16,297           | 16,600           | 16,751           |
| Proposed legislation .....  |                |                  | -3               | 3                | 10               |
| Subtotal, Unemployment compensation .....   | 18,421         | 16,780           | 16,294           | 16,603           | 16,761           |

## NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

| Major missions and programs                           | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>Housing assistance:</b>                            |                |                  |                  |                  |                  |
| Subsidized housing:                                   |                |                  |                  |                  |                  |
| Existing law .....                                    | 8,774          | 9,722            | 10,539           | 10,988           | 11,505           |
| Proposed legislation .....                            |                | -455             | -1,446           | -1,667           | -1,822           |
| Public housing operating subsidies .....              | 1,135          | 1,255            | 1,126            | 1,004            | 1,003            |
| Low-rent public housing loans:                        |                |                  |                  |                  |                  |
| On-budget under current law .....                     | 1,111          | 15,097           | 1,988            | 1,485            | 418              |
| Proposed legislation .....                            |                | -350             | -25              | 50               | 354              |
| Off-budget under current law# .....                   | 112            | -32              | -35              | -37              | -39              |
| Other housing assistance .....                        | 138            | 118              | 155              | 136              | 116              |
| Subtotal, Housing assistance .....                    | 11,270         | 25,355           | 12,304           | 11,960           | 11,536           |
| <b>Food and nutrition assistance:</b>                 |                |                  |                  |                  |                  |
| Food stamps and aid to Puerto Rico:                   |                |                  |                  |                  |                  |
| Existing law .....                                    | 12,375         | 12,599           | 12,698           | 13,158           | 13,691           |
| Proposed legislation .....                            |                |                  | -14              | -41              | -64              |
| Child nutrition and other programs:                   |                |                  |                  |                  |                  |
| Existing law .....                                    | 5,679          | 6,066            | 6,238            | 6,645            | 7,062            |
| Proposed legislation .....                            |                |                  | -654             | -912             | -1,013           |
| Subtotal, Food and nutrition assistance .....         | 18,055         | 18,664           | 18,268           | 18,850           | 19,676           |
| <b>Other income security:</b>                         |                |                  |                  |                  |                  |
| Supplemental security income .....                    | 8,498          | 9,511            | 9,890            | 10,279           | 11,542           |
| AFDC and child support enforcement:                   |                |                  |                  |                  |                  |
| Existing law .....                                    | 8,855          | 8,970            | 9,007            | 9,471            | 9,690            |
| Proposed legislation .....                            |                |                  | -180             | -159             | -151             |
| Earned income tax credit .....                        | 1,193          | 1,054            | 1,255            | 1,175            | 1,112            |
| Refugee assistance .....                              | 602            | 450              | 362              | 326              | 317              |
| Low income home energy assistance:                    |                |                  |                  |                  |                  |
| Existing law .....                                    | 2,026          | 2,100            | 2,100            | 2,188            | 2,276            |
| Financing from petroleum overcharges (proposed) ..... |                |                  | -809             | -857             | -905             |
| Other .....   | 254            | 212              | 181              | 166              | 167              |
| Subtotal, Other income security .....                 | 21,427         | 22,296           | 21,806           | 22,589           | 24,047           |
| <b>Total, outlays .....</b>                           | <b>112,668</b> | <b>127,240</b>   | <b>115,769</b>   | <b>118,923</b>   | <b>123,403</b>   |

<sup>1</sup> Includes the adjustment to show military retired pay for 1984 on a basis comparable to 1985 and subsequent years. See the discussion in Part 6.

#Proposed to be included on-budget.

**Pension Benefit Guaranty Corporation (PBGC).**—This Government corporation was established in 1974 to insure pension benefits promised workers by their private employers. When a defined benefit pension plan is terminated by a sponsoring employer, the Corporation pays the monthly pensions required by the particular plan, up to a maximum set by law. The Corporation may also lend insolvent multi-employer plans the amounts needed to prevent termination, consequently forestalling Government responsibility to pay benefits if the plan is terminated. PBGC revenues include premiums charged to all employers with defined benefit plans, earnings on investments, and collections from sponsors of terminated plans. Because liabilities assumed under terminated plans exceed income from all sources, the Corporation has a growing



deficit under current law that is expected to reach \$853 million by the end of 1986. The budget reflects the administration's request that the Congress approve an increase in the single-employer premium to a level sufficient to cover projected claims, and amortize the current deficit over a reasonable period of time. The administration also supports legislation to revise the insurance program for single-employer plans in order to close loopholes in the Employee Retirement Income Security Act of 1974 that allow unwarranted assignment to the Corporation of liabilities for unfunded benefits.

***Federal employee retirement and disability.***—There are a number of employee retirement and disability programs in the legislative, judicial, and executive branches of the Federal Government. The largest program is civil service retirement and disability. Payments to retired military personnel are also included here.

***Civilian retirement and disability programs.***—The civil service retirement and disability system is the largest retirement program provided for the Federal Government's 2.7 million employees. Under existing law, in 1985 an estimated 2.0 million retirees and survivors will receive payments totaling an estimated \$23 billion in outlays. Benefits are paid to former employees who meet eligibility requirements based on age and length of service, and to their survivors. Currently, full retirement benefits can begin at age 55 for employees with 30 years of service. Benefit levels are based on the employee's three highest salary years and are indexed to the Consumer Price Index (CPI). Current workers and their employing agencies each contribute 7% of wages toward retirement costs. The remainder—about 60% of total costs—is paid by taxpayers through annual payments to the civil service retirement fund.

The civil service retirement system has historically been separate from the social security system. However, employees hired after December 31, 1983, and senior policy officials are temporarily covered under a combination of civil service retirement and social security. In deciding to extend social security coverage to Federal employees, Congress intended that a new Federal retirement system supplementing social security would be in place by January 1986. In order to meet this goal, the administration plans to submit legislation for a new system containing a defined contribution plan and costing—including the employer share of the social security tax—approximately 20% of payroll on an actuarial normal cost basis.

The administration's priority continues to be to reform the high costs and generous benefits of the current civil service retirement system. The two aspects of the current system that diverge most

from private sector practice are retirement with full benefits at age 55, and full indexation of retirement benefits to the CPI. Therefore, the administration proposes to:

- *Reduce the annuities of employees retiring early.*—The retirement age for full benefits would be raised to 65. Employees could still retire at 55 with 30 years of service, but the benefits would be reduced by 5% for each year under 65 at the time of retirement, such that the same lifetime benefit is paid regardless of the age at which it begins. Employees who are already 55 would not be affected, and the proposal would be phased in over 10 years to avoid unduly upsetting the plans of employees who are already near 55.
- *Limit cost-of-living adjustments (COLAs).*—Three proposals would change the way civil service annuities are adjusted to reflect changes in the cost of living. The scheduled January 1986 COLA would be eliminated. COLAs would resume in January 1987, but the civil service retirement COLA would be limited to the lower of the increase in general schedule pay or the CPI. Furthermore, civil service retirement COLAs would be limited to 55% of the revised COLA on the amount by which annuities exceed \$10,000 in 1987. The \$10,000 level would be adjusted by the COLA in future years.

In addition, the administration will propose the following reforms:

- change the base on which benefits are computed from the highest 3 years to the highest 5 years of an employee's pay; employees not eligible for retirement or within 3 years of retirement eligibility would not be affected;
- phase out retirement credit for unused sick leave;
- conform civil service survivor, adult student, and minimum benefits to those provided by social security;
- require the Postal Service and the District of Columbia to phase in the paying of the full cost of employee pensions less the employee's contributions; and
- discontinue retirement, life, and health insurance coverage for employees first hired by the District of Columbia after September 30, 1985.

In 1986, the package of civil service retirement reforms is estimated to increase receipts by \$269 million and reduce outlays by \$731 million. Changes to other civilian retirement and disability programs are estimated to reduce outlays by \$10 million in 1986.

*Military retirement.*—Benefits are also paid to former military personnel and their survivors. It is estimated that there will be 1.5 million military retirees and survivors in 1986 receiving a total of \$18.3 billion in outlays under current law. Normal retirement eligi-

bility is attained at 20 years of service. The initial benefit is 2.5% of final basic pay per year of service. For personnel entering after September 1980, the average of the member's highest 3 years of basic pay will be used, as specified by current law, instead of final basic pay. Benefits are indexed to the CPI. Consistent with legislation for civil service retirement, the scheduled January 1986 COLA for military retirement would be eliminated. Military personnel also make contributions to and are eligible for social security.

*Federal employees workers' compensation.*—The Department of Labor provides tax-free cash and medical benefits to Federal employees or their survivors for job-related injuries, illnesses, or deaths. About 46,000 workers with long-term disabilities, or their survivors, will receive monthly payments in 1985. As a result of increased efforts to return recipients to work and to remove from the rolls those no longer eligible, the estimated recipient levels for 1986 are unchanged from 1985. The administration proposes to freeze the COLA for this program that otherwise would occur in 1986.

*Federal employees life insurance fund.*—The outlays of this fund are payments to survivors of Federal employees and former employees. Premium payments to this fund are projected to exceed outlays by \$724 million in 1986.

*Unemployment compensation.*—About 97% of wage and salaried employment in the United States is covered by unemployment compensation programs, which pay benefits to individuals who are temporarily out of work and are searching for jobs. Based on the economic assumptions described in Part 3, an estimated average of 2.4 million workers per week will receive unemployment benefits during 1985 and 2.3 million workers in 1986. Outlays are estimated to decrease from \$16.8 billion in 1985 to \$16.3 billion in 1986 because of the decline in the projected average unemployment rate from 7.0% in fiscal year 1985 to 6.9% in 1986.

Regular benefits, usually paid for up to 26 weeks, are financed by a State tax on employers, and vary according to benefit levels set by each State. State and Federal administrative costs are financed by a Federal tax on employers. Legislation is being developed with the States and will be proposed to reduce the Federal tax and have the States finance their own administrative costs starting in 1988. Extended unemployment benefits, which increase by 50% the number of weeks an unemployed worker can receive unemployment compensation, are payable in States with high rates of unemployment among covered individuals, as defined by statute. The total number of weeks of regular and extended benefits may not

exceed 39. Extended benefits are financed in equal portion by State and Federal taxes on employers.

Benefits paid to former Federal civilian and military employees are financed by the Federal agency that employed them. Additional benefits are available to certain workers in specific circumstances, such as former Conrail employees. Likewise, special trade adjustment assistance benefits are available through September 30, 1985, for workers deemed unemployed because of increased imports.

In 1985 the Department of Labor, working with the State employment security agencies, is implementing a quality control program. The quality control system will uniformly measure the accuracy of unemployment insurance payments in a systematic and representative sample of individual claims. It will identify eligibility and benefit errors and determine their causes. Using information from the system, State administrators will be able to identify sources of payment inaccuracies and allocate resources to correct them.

Without legislative action, the railroad sickness and unemployment insurance fund will be unable to pay full benefits on a timely basis during 1986. The budget proposes to ensure comprehensive, uninterrupted unemployment insurance coverage for rail workers by extending Federal-State unemployment insurance coverage to railroad employment beginning with a transitional program. Under this proposal, all rail workers becoming unemployed after September 30, 1985 would be eligible for the generally higher maximum weekly benefits available under the Federal-State program. Railroads would reimburse States for the costs of benefits paid during the transition, allowing States time to gain experience with railroad employment before regular State unemployment insurance contributions from the railroads begin. This proposal would ensure full repayment of the rail sickness and unemployment fund's debts to the rail pension fund.

**Housing assistance.**—The Federal Government provides housing subsidies for low-income families and individuals through several programs administered by the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA). Eligibility for assistance is limited to households with annual incomes below 80% of median income in each community. In subsidized rental programs, tenants are required to contribute 30% of their income toward their housing costs. At the end of 1984, 5.8 million households received housing assistance. As a result of 1985 and prior funding and completion of units already under construction, this number will grow to 6.2 million by the end of 1986—4.2

## CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

|  | Actual<br>1984 | Estimate      |              |              |            |
|--|----------------|---------------|--------------|--------------|------------|
|  |                | 1985          | 1986         | 1987         | 1988       |
| <b>Direct loans:</b>   |                |               |              |              |            |
| Low rent public housing:   |                |               |              |              |            |
| New obligations .....  | 1,413          | 14,303        | 1,822        | 1,395        | 634        |
| Change in outstandings .....   | 1,013          | -1,216        |              |              |            |
| Outstandings .....   | 1,216          |               |              |              |            |
| Low rent public housing (loans made by FFB): <sup>1</sup>              |                |               |              |              |            |
| Change in outstandings .....   | 112            | -32           | -35          | -37          | -39        |
| Outstandings .....   | 2,178          | 2,146         | 2,112        | 2,075        | 2,035      |
| Other income security:   |                |               |              |              |            |
| New obligations .....  | 2              | 3             | 2            | 1            | 3          |
| Change in outstandings .....   | -2             | -1            | -2           | -4           | -1         |
| Outstandings .....   | 21             | 20            | 18           | 15           | 14         |
| <b>Total, direct loans:</b>  |                |               |              |              |            |
| New obligations .....  | 1,414          | 14,306        | 1,824        | 1,396        | 637        |
| Change in outstandings .....   | -1,123         | -1,249        | -36          | -41          | -40        |
| Outstandings .....   | 3,416          | 2,166         | 2,130        | 2,089        | 2,049      |
| <b>Guaranteed loans:</b>   |                |               |              |              |            |
| Low rent public housing:   |                |               |              |              |            |
| New commitments .....  | 13,723         |               |              |              |            |
| Change in outstandings .....   | 51             | -13,311       | -325         | -350         | -375       |
| Outstandings .....   | 19,985         | 6,673         | 6,348        | 5,998        | 5,623      |
| <b>Total credit budget (new obligations and new commitments) .....</b> | <b>15,137</b>  | <b>14,306</b> | <b>1,824</b> | <b>1,396</b> | <b>637</b> |

<sup>1</sup> These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency. The totals for low rent public housing loans made by the FFB in this table are not identical to the entries in the addendum to the budget authority and outlays table for off-budget Federal entities due to timing differences between budget authority and new obligations.

million in HUD-assisted units and 2.0 million in USDA-assisted units—an increase of over 2.4 million units since 1980.

The budget proposes a 2-year moratorium on funding for additional HUD subsidized housing units. Therefore, no budget authority for new units is proposed in 1986 for these programs. Due to normal turnover in program beneficiaries, however, nearly 1 million families are estimated to begin receiving assistance during the moratorium period.

In addition, the budget proposes to terminate the separate USDA Farmers Home Administration (FmHA) housing assistance programs. This includes the FmHA credit activities supporting homeownership and rental housing construction described in the commerce and housing credit function. Consequently, no budget authority is requested for these programs except for small amounts to fund expiring rental housing assistance contracts and to repair single-family housing units occupied by low-income FmHA borrowers. At the end of the 2-year moratorium period, HUD will expand its role in nonmetropolitan areas and assume full responsibility for

providing housing assistance in both rural and urban areas. The allocation of the 100,000 new assisted units would be split evenly between metropolitan and nonmetropolitan areas, thereby approximating the urban-rural distribution in the total HUD- and FmHA-assisted units between 1980 and 1984. This change would consolidate housing assistance into one Federal agency, HUD.

Of HUD's privately-owned assisted units, 1.8 million are administered under the section 8 program. Its subsidies are either earmarked for specific units, or are "portable" and hence can be used for any private units that satisfy housing quality standards and rent at or below a specified level.

The new construction or substantial rehabilitation subsidies of section 8 are earmarked for specific units. Commitments made for these programs will result in \$95 billion in Federal outlays over the life of the subsidy contracts. Supplementing the required tenant rent contributions, these subsidies help defray operating and capital costs of the housing projects. In 1983, Congress repealed authority to make new section 8 commitments except for units designed to serve the elderly. At the end of 1984, 700,000 families benefited from this program.

The section 8 existing program currently provides "portable" subsidies for 770,000 families in standard quality units that rent at or below specified levels. In 1983, the administration created the housing voucher program. Like the section 8 existing program, the voucher is "portable" and makes up the difference between a specified private market rent level and the required tenant rent contribution. Unlike the section 8 existing program, tenants retain the savings if they select units that rent below the payments standards, giving them a powerful incentive to shop for high-quality but low-cost units.

Publicly-owned rental housing is provided by Public and Indian Housing Authorities (PHAs and IHAs). The Federal Government uses an operating-cost formula to provide operating subsidies to PHAs and IHAs to supplement the required tenant rent contributions. The budget includes \$1.0 billion in budget authority for operating subsidies for over 1.3 million public and Indian housing units. This request reflects a 1-year freeze in personnel and related expenses, but allows for inflation adjustments for utilities and other nonpersonnel expenses that are generally beyond the PHAs' and IHAs' ability to control. In addition, the budget projects savings of \$35 million from making units ineligible for subsidies if they are vacant for extended periods due to uninhabitability or insufficient demand for those units.

The Federal Government is also obligated to amortize the costs incurred by PHAs and IHAs to build or acquire housing units and their subsequent modernization. Since the changes in the tax law

in 1984, questions have been raised about the tax status of PHA and IHA obligations financing these projects. Consequently, tax-exempt financing has been suspended and replaced by direct Federal loans. Estimated outlays of \$14.3 billion in direct loans will be necessary in 1985 and \$1.8 billion in 1986 to meet ongoing construction needs and to repay maturing PHA and IHA short-term tax-exempt obligations. Since direct loans are being provided, no new loan guarantee commitments will be needed.

In response to this situation, the budget proposes to reform public and Indian housing capital financing. The proposal would not affect program levels, but would eliminate an unnecessarily complex financing procedure. For obligations incurred in 1985 and prior years, legislation will be proposed to forgive both the direct loans extended by HUD to the PHAs and IHAs and the Treasury borrowings used by HUD to extend those loans and to relieve the Federal Government of its obligations to provide debt service. By 1988, Federal outlays for these capital investment programs would be less than if the financing reform proposal is not adopted. This reform would move the repayment of \$20 billion of principal up to the next few years, producing a savings of over \$15 billion in debt service outlays over the next 30 years. In addition, this change would substantially reduce the administrative burden of PHAs, IHAs, and HUD by eliminating a cumbersome method of financing capital construction obligations that ultimately have been incurred by the Federal Government. That method is inefficient because the revenue losses are greater than the interest savings from the use of long-term tax-exempt financing.

In 1986, as part of the moratorium on new commitments, the budget proposes to limit modernization funding to \$175 million for emergency capital needs, a \$586 million reduction from previous levels. Instead of requesting budget authority to amortize this capital expenditure over 20 years, the budget requests funds for 1 year. As with the financing reform discussed above, this would result in future outlays savings.

***Food and nutrition assistance.***—Low- and middle-income families and individuals receive food and nutrition assistance through a number of Federal programs.

***Food stamps and aid to Puerto Rico.***—Food stamps help lower income Americans maintain a nutritious diet. Eligible households receive monthly allotments of stamps based on income and household size to finance food purchases. These benefits are entirely federally funded; administrative costs are shared by the States and the Federal Government. Beneficiaries receive a COLA each year,

with the next adjustment being made in October 1985. Monthly food stamp participation is estimated at 20 million individuals in 1986, with associated Federal outlays of \$11.9 billion under current law. Outlays for the nutrition assistance block grant for Puerto Rico are estimated to be \$825 million in 1986.

The administration proposes to reform Federal funding for State and local administrative costs. The current open-ended entitlement for these costs would be replaced with a new Federal grant. Consistent with the spending freeze plan, the total 1986 administrative grant would equal the 1985 level of spending—\$840 million. In 1987 and future years, increases in payments to States would be set at the rate of growth in the implicit price deflator for the gross national product. Complicated and burdensome Federal-State matching requirements, detailed cost allocation plans, and Federal expenditure reviews would be eliminated. In addition, States would have increased flexibility to allocate the grant in the most efficient manner possible, including transferring up to 10% of these funds to other State-administered public assistance programs. Similar changes are proposed for aid to families with dependent children (AFDC) and medicaid.

As in the case of AFDC, the administration is proposing that all States adopt a community work experience program, which would encourage recipients to work in the private sector or perform useful public services. The net savings in 1986 are estimated to be \$14 million, but the number of recipients would not be significantly affected.

*Child nutrition and other programs.*—The child nutrition programs subsidize meals for children in schools, child care facilities, and other institutional settings. Approximately 14.1 million young Americans will receive federally subsidized meals in 1986. Subsidies include both cash payments and commodities. Federal outlays in 1986 are estimated to be \$5.6 billion for all programs in this category.

Legislation is proposed to better target Federal nutrition benefits to children from lower income families. For students from non-needy families, meal subsidies would be discontinued in school lunch and breakfast programs and child care facilities. This proposal would save an estimated \$613 million in 1986 outlays. Another legislative proposal would eliminate the 1986 cost-of-living adjustment to child nutrition meal reimbursement rates, consistent with the 1-year freeze policy. This measure would reduce 1986 outlays by an estimated \$35 million.

The special supplemental food program for women, infants, and children (WIC) will provide nutritious food supplements every



month to an estimated 3 million low-income women and their young children in 1986. It is designed to lessen health problems associated with inadequate diets during critical stages of child development. The administration is requesting \$1,480 million in budget authority in 1986, which is \$56 million above the 1985 level.

*Related food assistance programs in other functions.*—The Commodity Credit Corporation (CCC) donates surplus food, such as cheese, butter, and nonfat dry milk, for distribution to food banks, charitable institutions, and schools. CCC commodities valued at \$1.3 billion are expected to be donated in 1986. In addition, the Department of Health and Human Services administers a nutrition program for the elderly with estimated 1986 outlays of approximately \$500 million.

*Other income security.*—A number of other income security programs assist the poor. Estimated outlays for these programs are \$21.8 billion in 1986.

*Supplemental security income.*—The Federal supplemental security income program will make cash payments to about 4 million needy aged, blind, or disabled persons in 1986. Benefits will automatically increase in January 1986 by the same percentage as social security benefits. Federal outlays in 1986 are estimated at \$9.9 billion. Some States also finance supplements to the basic Federal grant, which may be administered by the Federal Government at no charge to the States.

*AFDC and child support enforcement.*—Aid to families with dependent children (AFDC) helps State and local governments finance cash assistance to needy families. States administer the AFDC program, determining guidelines for eligibility and the level of benefits within broad Federal rules. The Federal Government reimburses States, on average, for slightly more than half of the benefit costs. Child support enforcement (CSE) finances most State and local administrative expenses for establishing paternity and collecting support from legally liable absent parents. These collections offset State and Federal AFDC costs. Federal outlays for AFDC and CSE are estimated to be \$8.8 billion in 1986, compared to \$9.0 billion in 1985. About 3.7 million families are expected to receive AFDC benefits in 1986 under current law. Child support collections on behalf of about 1.5 million of these families are also anticipated.

Reforms enacted during the past 4 years have helped refocus AFDC on its original goal: to serve as temporary aid where the resources for complete self-support do not exist. These reforms

created new opportunities for work, corrected inequities that provided higher benefits from receiving Federal and State assistance than from working, and retargeted assistance to the needy by taking into account resources and income sources that were previously not counted. The Child Support Enforcement Amendments of 1984 reformed Federal financing rules to reward and encourage increased CSE collections, improve cost effectiveness, and expand services for nonwelfare families. These CSE reforms also strengthen family responsibility and improve the financial situation of women.

The budget continues to propose selected reforms of AFDC. Legislation is proposed to require that employable AFDC applicants and recipients engage in job search and work activities as a condition of AFDC eligibility. The unsuccessful work incentive (WIN) program—classified in the education, training, employment, and social services function—would be replaced by this reform. Other legislative proposals would correct undesirable incentives by prohibiting unmarried minor mothers from leaving their parents' home to qualify for AFDC, and by eliminating payments to employable AFDC parents whose youngest child is age 16 or older.

In addition, the administration proposes to reform Federal funding for State and local AFDC administrative and training costs. The current open-ended entitlement for these costs would be replaced with a new Federal grant. As part of the administration's spending freeze plan, the total 1986 grant level would equal the 1985 spending level—\$928 million. In 1987 and future years, increases in payments to States would be set at the rate of growth in the GNP deflator. Complicated and burdensome Federal-State matching requirements, detailed cost allocation plans, and Federal expenditure reviews would be eliminated. In addition, States would have increased flexibility to allocate the grants in the most efficient manner possible, including transferring up to 10% of these funds to other State-administered public assistance programs. Similar changes are proposed for medicaid and food stamps.

These AFDC reforms would save an estimated \$180 million in Federal outlays in 1986 and a comparable amount in State and local costs.

*Earned income tax credit (EITC).*—Wage earners with children are eligible for tax credits if they earn less than \$11,000. When the credit exceeds a wage earner's income tax liability, the Treasury Department makes a cash payment. Credits can be received as additions to paychecks or as a lump sum at the end of the year. Total 1986 outlays for these payments are estimated to be \$1,255 million. When the credit does not exceed the wage earner's tax

liability such that no direct Treasury payment is made, the credit is considered a tax expenditure rather than an outlay. In 1986, EITC tax expenditures are estimated to be \$395 million.

*Refugee assistance.*—The Federal Government fully reimburses States for initial costs associated with refugee and entrant resettlement, including preventive health activities, cash and medical assistance, employment, and English language training. Estimated 1986 outlays are \$362 million. Assistance is designed to help refugees become self-sufficient as soon as possible after they arrive in the United States. Aid to refugees while they are overseas is discussed in the international affairs function.

Beginning in 1986, resettlement organizations would provide basic needs for refugees for the first 90 days after their arrival in the United States. This policy would encourage resettlement organizations to help refugees find employment before they become dependent on Federal and State aid and would focus voluntary sector efforts on resettlement by shifting resources from such aid to resettlement organizations.

*Low-income home energy assistance.*—The Department of Health and Human Services gives States block grants to help pay the fuel bills of low-income families. States can make direct cash payments to eligible families, payments to fuel vendors, or payments to public housing building operators. The States may also finance weatherization of homes for some low-income families. For 1986, the administration proposes to continue the current \$2.1 billion budget authority level. Legislation will be proposed to use recoveries from petroleum price overcharges to partially finance the block grant. The oil overcharge monies appear in the tables as offsetting receipts. Department of Energy programs, classified in the energy function, for low-income home weatherization and energy conservation for schools and hospitals would also be funded through these recoveries.

*Tax expenditures.*—The largest tax expenditure item in this function is the net exclusion of pension contributions and earnings, including contributions to individual retirement accounts (IRAs) and similar pension plans. The maximum IRA contribution is generally limited to \$2,000 annually. However, married taxpayers whose spouses have no earnings may invest up to \$2,250 in a spousal IRA.

Many tax expenditures related to income security programs result from Government benefits not being included in the taxable income of recipients. For example, workers' compensation benefits, unemployment compensation received by lower income taxpayers,

and other income security assistance for the needy are excluded from taxable income. In contrast, Federal employee retirement benefits are subject to tax. Therefore, the receipt of such benefits does not result in a tax expenditure.

### TAX EXPENDITURES FOR INCOME SECURITY

(Outlay equivalents; in millions of dollars)

| Description  | Estimates |         |         |
|--|-----------|---------|---------|
|  | 1984      | 1985    | 1986    |
| Net exclusion of pension contributions and earnings:                 |           |         |         |
| Employer plans .....   | 64,655    | 72,010  | 80,655  |
| Individual Retirement Accounts (IRAs) .....                          | 15,920    | 17,620  | 19,570  |
| Keogh plans .....  | 2,525     | 2,710   | 2,925   |
| Exclusion of other employee benefits:                                |           |         |         |
| Premiums on group term life insurance .....                          | 2,575     | 2,770   | 2,900   |
| Premiums on accident and disability insurance .....                  | 175       | 170     | 175     |
| Income of trust to finance supplementary unemployment benefits ..... | 20        | 20      | 20      |
| Additional exemption for elderly .....                               | 2,530     | 2,685   | 2,955   |
| Additional exemption for the blind .....                             | 40        | 45      | 50      |
| Tax credit for the elderly and disabled .....                        | 195       | 225     | 225     |
| Exclusion of disability pay .....                                    | 35        |         |         |
| Exclusion of military disability pensions .....                      | 120       | 120     | 125     |
| Exclusion of railroad retirement system benefits .....               | 525       | 450     | 455     |
| Exclusion of special benefits for disabled coal miners .....         | 155       | 150     | 150     |
| Exclusion of workmen's compensation benefits .....                   | 2,270     | 2,435   | 2,615   |
| Exclusion of untaxed unemployment insurance benefits .....           | 1,845     | 1,405   | 1,205   |
| Deductibility of casualty losses .....                               | 530       | 615     | 700     |
| Exclusion of public assistance benefits .....                        | 515       | 520     | 530     |
| Earned income credit <sup>1</sup> .....                              | 370       | 355     | 395     |
| Total (after interactions) income security <sup>2</sup> .....        | 91,925    | 103,045 | 114,345 |

<sup>1</sup> The figures in the table indicate the tax subsidies provided by the earned income tax credit. The effect on outlays is: 1984 \$1,193 million, 1985 \$1,054 million, 1986 \$1,255 million.

<sup>2</sup> The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore the estimates cannot simply be added.

## VETERANS BENEFITS AND SERVICES

Federal benefits and services for veterans and their survivors recognize the sacrifices that veterans made in military service. Benefits compensate for presumed loss of earnings resulting from service-related disabilities, provide medical care for physical and psychological disabilities, and assist returning veterans to prepare themselves for civilian life. In addition, veterans benefits assist needy veterans of wartime service and their survivors. Outlays for veterans benefits and services are estimated at \$26.8 billion in both 1985 and 1986.

The budget proposes two major reforms that would improve service delivery primarily to veterans injured during military service and low-income veterans. First, the budget proposes to maintain full services to veterans at all 59 regional offices while consolidating certain functions in the Veterans Administration's (VA's) Department of Veterans Benefits to achieve management efficiencies. Second, a comprehensive reform to medical care eligibility would allow scarce budgetary resources to be used to sustain quality care, while maintaining medical care at no charge to the most deserving veterans.

***Income security for veterans.***—In addition to Federal income security programs for the general population, such as social security and unemployment insurance, several VA programs help certain veterans and their survivors maintain their income when the veteran is disabled, aged, or deceased. Outlays for this purpose are estimated to increase from \$14.8 billion in 1985 to \$15.1 billion in 1986.

***Service-connected compensation.***—Veterans with disabilities resulting from military service receive monthly compensation payments scaled to the degree of disability. The payment is made regardless of the veteran's income or age. The amount depends on the average reduction in earnings capacity that is presumed for different individuals with the same degree of disability. Survivors of veterans who die from service-connected injuries also receive payments in the form of death and indemnity compensation. In 1985, benefits were increased by 3.2%. The administration is proposing legislation for an additional 4.1% cost-of-living increase in compensation benefits, the same as the increase proposed for social

security, effective with the January 1986 payments. Allowances provided to compensate beneficiaries for dependents and clothing would also be adjusted for increases in the cost of living.

The number of veterans and survivors of deceased veterans receiving compensation benefits is expected to decline from 2.6 million in 1984 to 2.5 million by 1988. However, because of the proposed cost-of-living adjustment, outlays for compensation benefits are estimated to increase from \$10.2 billion in 1985 to \$10.5 billion in 1986.

*Non-service-connected pensions.*—Pensions are provided to low-income wartime-service veterans—combat and non-combat veterans alike—who are 65 or older, or who have become permanently and totally disabled subsequent to their military service. Survivors of wartime-service veterans also may qualify for pension benefits based on financial need. A 3.5% cost-of-living increase became effective with the January 1985 payments. The next cost-of-living increase, effective with the January 1986 payments, is estimated to be 4.1%.

Although the number of veterans age 65 and over is expected to double during the 1980's, the number of pension recipients is expected to decline from 1.5 million in 1985 to 1.4 million in 1986, because veterans over age 65 increasingly have higher incomes. Outlays for veterans pensions are estimated at \$3.8 billion in both 1985 and 1986.

*Burial and other benefits.*—Families of deceased veterans who received pension or compensation benefits and who are to be buried in private cemeteries may receive allowances to apply toward the purchase of burial plots. Families of these veterans also receive burial benefits to assist in defraying funeral expenses. Outlays for burial and related benefits are estimated to increase from \$134 million in 1985 to \$137 million in 1986.

*Insurance programs.*—The budget assumes that life insurance programs for veterans and survivors of deceased veterans will continue to provide in excess of \$150 billion of coverage to nearly 8 million veterans and active duty personnel in 1986. Direct loan obligations against life insurance policies are expected to increase from \$150 million in 1985 to \$156 million in 1986.

*Veterans education, training, and rehabilitation.*—In addition to Federal programs that support education finance and job training for the general population, and several programs run by the Department of Labor exclusively for veterans, two programs—the GI bill and the post-Vietnam era education program—provide educa-

## NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES

(Functional code 700; in millions of dollars)

| Major missions and programs                                      | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>  |                |                  |                  |                  |                  |
| <b>Income security for veterans:</b>                             |                |                  |                  |                  |                  |
| Service-connected compensation:                                  |                |                  |                  |                  |                  |
| Existing law .....   | 10,004         | 10,222           | 10,186           | 10,066           | 9,945            |
| Proposed legislation .....                                       |                |                  | 343              | 783              | 1,234            |
| Non-service-connected pensions .....                             | 3,916          | 3,811            | 3,838            | 3,836            | 3,861            |
| Burial and other benefits .....                                  | 128            | 134              | 137              | 139              | 142              |
| National service life insurance trust fund .....                 | 1,249          | 1,249            | 1,297            | 1,319            | 1,310            |
| U.S. Government life insurance trust fund .....                  | 23             | 21               | 19               | 17               | 15               |
| All other insurance programs .....                               | 7              | 11               | 10               | 11               | 12               |
| Insurance program receipts .....                                 | -443           | -395             | -415             | -421             | -409             |
| Subtotal, Income security for veterans .....                     | 14,884         | 15,054           | 15,414           | 15,751           | 16,110           |
| <b>Veterans education, training, and rehabilitation:</b>         |                |                  |                  |                  |                  |
| G.I. bill .....  | 1,443          | 1,182            | 1,026            | 868              | 757              |
| Post-Vietnam era education <sup>1</sup> .....                    | 9              |                  |                  |                  |                  |
| All-volunteer force educational assistance .....                 |                | 50               | 225              | 242              | 217              |
| Veterans jobs program .....                                      | 130            |                  |                  |                  |                  |
| Subtotal, Veterans education, training, and rehabilitation ..... | 1,582          | 1,232            | 1,251            | 1,110            | 974              |
| <b>Veterans housing:</b>   |                |                  |                  |                  |                  |
| Loan guaranty revolving fund:                                    |                |                  |                  |                  |                  |
| Existing law .....   | 260            | 307              | 405              | 308              | 369              |
| Proposed legislation .....                                       |                |                  | -405             | -308             | -369             |
| Housing program receipts .....                                   | -59            |                  |                  |                  |                  |
| Subtotal, Veterans housing .....                                 | 201            | 307              |                  |                  |                  |
| <b>Other veterans benefits and services:</b>                     |                |                  |                  |                  |                  |
| Cemeteries, administration of veterans benefits and other .....  | 732            | 773              | 767              | 734              | 720              |
| Non-VA support programs .....                                    | 50             | 57               | 58               | 65               | 63               |
| Subtotal, Other veterans benefits and services .....             | 782            | 830              | 825              | 799              | 782              |
| <b>Hospital and medical care for veterans:</b>                   |                |                  |                  |                  |                  |
| Medical care and hospital services .....                         | 8,244          | 8,854            | 9,090            | 9,326            | 9,676            |
| Construction .....   | 549            | 803              | 634              | 779              | 848              |
| Medical administration, research, and other .....                | 285            | 261              | 243              | 247              | 250              |
| Third party reimbursement (proposed) .....                       |                |                  | -65              | -250             | -265             |
| Subtotal, Hospital and medical care for veterans .....           | 9,078          | 9,918            | 9,902            | 10,102           | 10,508           |
| <b>Total, budget authority .....</b>                             | <b>26,528</b>  | <b>27,340</b>    | <b>27,393</b>    | <b>27,763</b>    | <b>28,374</b>    |

tion, training, and rehabilitation benefits to veterans and military personnel who meet specific eligibility criteria. A new test program, the all-volunteer force educational assistance program, will provide education and training after military discharge to new recruits who enroll after July 1985. Outlays for these programs are estimated to decline from \$1.3 billion in 1985 to \$1.1 billion in 1986 and to \$0.8 billion by 1988 because of a continued decline in the number of eligible beneficiaries.

## NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES—Continued

(Functional code 700; in millions of dollars)

| Major missions and programs                                      | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Income security for veterans:</b>                             |                |                  |                  |                  |                  |
| Service-connected compensation:                                  |                |                  |                  |                  |                  |
| Existing law .....   | 9,961          | 10,213           | 10,194           | 10,060           | 9,939            |
| Proposed legislation .....                                       |                |                  | 286              | 722              | 1,171            |
| Non-service-connected pensions .....                             | 3,874          | 3,847            | 3,833            | 3,835            | 3,860            |
| Burial and other benefits .....                                  | 128            | 134              | 137              | 139              | 142              |
| National service life insurance trust fund .....                 | 922            | 982              | 1,043            | 1,089            | 1,110            |
| U.S. Government life insurance trust fund .....                  | 52             | 49               | 46               | 42               | 38               |
| All other insurance programs .....                               | -94            | -75              | 13               | -20              | -25              |
| Insurance program receipts .....                                 | -443           | -395             | -415             | -421             | -409             |
| Subtotal, Income security for veterans .....                     | 14,400         | 14,754           | 15,135           | 15,446           | 15,826           |
| <b>Veterans education, training, and rehabilitation:</b>         |                |                  |                  |                  |                  |
| G.I. bill .....  | 1,408          | 1,246            | 1,034            | 874              | 761              |
| Post-Vietnam era education <sup>1</sup> .....                    | -60            | -33              | 40               | 37               | 19               |
| All-volunteer force educational assistance .....                 |                | *                | 8                | 30               | 68               |
| Veterans jobs program .....                                      | 17             | 88               | 35               |                  |                  |
| Other:   |                |                  |                  |                  |                  |
| Existing law .....   | -7             | -7               | -8               | -8               | -7               |
| Proposed legislation .....                                       |                |                  | -*               | -*               | -*               |
| Subtotal, Veterans education, training, and rehabilitation ..... | 1,359          | 1,295            | 1,110            | 933              | 841              |
| <b>Veterans housing:</b>   |                |                  |                  |                  |                  |
| Loan guaranty revolving fund:                                    |                |                  |                  |                  |                  |
| Existing law .....   | 370            | 425              | 384              | 288              | 352              |
| Proposed legislation .....                                       |                |                  | -605             | -606             | -749             |
| Direct loan revolving fund .....                                 | -45            | -49              | -46              | -42              | -39              |
| Other (HUD participation sales trust fund) .....                 | -22            | -19              | -21              | -24              | 154              |
| Housing program receipts .....                                   | -59            |                  |                  |                  |                  |
| Subtotal, Veterans housing .....                                 | 244            | 358              | -288             | -384             | -283             |
| <b>Other veterans benefits and services:</b>                     |                |                  |                  |                  |                  |
| Cemeteries, administration of veterans benefits and other .....  | 707            | 766              | 765              | 732              | 718              |
| Non-VA support programs .....                                    | 44             | 58               | 52               | 63               | 69               |
| Subtotal, Other veterans benefits and services .....             | 751            | 823              | 817              | 795              | 786              |
| <b>Hospital and medical care for veterans:</b>                   |                |                  |                  |                  |                  |
| Medical care and hospital services .....                         | 8,124          | 8,742            | 9,052            | 9,293            | 9,628            |
| Construction .....   | 481            | 583              | 762              | 822              | 880              |
| Medical administration, research, and other .....                | 257            | 296              | 245              | 249              | 250              |
| Third party reimbursement (proposed) .....                       |                |                  | -65              | -250             | -265             |
| Subtotal, Hospital and medical care for veterans .....           | 8,861          | 9,621            | 9,994            | 10,114           | 10,493           |
| <b>Total, outlays .....</b>                                      | <b>25,614</b>  | <b>26,850</b>    | <b>26,769</b>    | <b>26,904</b>    | <b>27,664</b>    |

\* \$500 thousand or less.

<sup>1</sup> Net of balances transferred for the Reinstated Entitlement Program for Survivors.

**GI bill.**—The GI bill provides education benefits ranging from college courses to vocational and on-the-job training to veterans and active duty military personnel who served, at least in part, between February 1, 1955 and December 31, 1976. This program



assists beneficiaries in making the transition from military to civilian life by helping them finance the education they might otherwise have received during the time they were in military service. These benefits are also available to active duty personnel and spouses and children of veterans who have died or have been totally disabled in military service.

More than 80% of all eligible Vietnam era veterans who live in the United States or Puerto Rico have used GI bill benefits. In 1986, nearly 450,000 GI bill trainees are expected to participate in the program, compared with 490,000 in 1985. The number of GI bill trainees, including dependents, will continue to fall in the future as the number of eligible veterans and military personnel becomes smaller. A 10% increase in educational assistance and vocational rehabilitation benefits for Vietnam era veterans became effective October 1, 1984, to help offset increases in education costs.

Currently, persons training under the GI bill are eligible to borrow against their expiring entitlements. Because this program is rarely used and the default rate now exceeds 70%, legislation is being requested to repeal VA's authority to make such loans.

*Post-Vietnam era education.*—Individuals who entered military service after 1976 are eligible for the post-Vietnam era education program, which allows them to set aside \$25 to \$100 from their monthly pay to finance future education. These amounts are matched by the Government on a two-for-one basis and are returned to the beneficiary as education payments after discharge from the military. The VA administers this program, but it is funded by the Department of Defense (DOD). Enrollment in this program will be closed in July 1985 for three years while the all-volunteer force educational assistance test program is in effect.

*All-volunteer force educational assistance.*—As a recruiting incentive, the Department of Defense Authorization Act of 1984 (P.L. 98-525) established a test education program with a larger Federal contribution for individuals who enter the military between July 1985 and July 1988. An individual who enrolls upon entering the military will have \$100 deducted from his or her monthly pay for 12 months. Upon completion of 3 years of service, the individual is entitled to a basic monthly educational assistance rate of \$300 per month for up to 3 years, to be paid by funds appropriated to the VA. DOD may fund—and VA administer—additional educational assistance to retain military personnel or to help recruit individuals with critical skills or specialties.

***Veterans housing.***—In addition to assistance available to veterans through the FHA mortgage insurance program, VA mortgage loan guarantee and direct loan programs are expected to assist 225,000 veterans in obtaining mortgages in 1986. Guaranteed loan commitments and direct loan obligations for mortgage loans in 1986 are estimated at \$15.4 billion and \$0.6 billion, respectively. The administration is proposing to charge origination fees for participation in Federal credit programs. These fees should be large enough to cover servicing costs and provide reserves against future default losses. In line with this initiative, legislation is being proposed to increase the fee charged on VA guaranteed housing loans and vendee loans (which are direct loans made to veterans and nonveterans who purchase property from the VA portfolio) from the current 1% to 5% of the mortgage amount, and to allow the purchaser to add this amount to the mortgage. Veterans with service-connected disabilities would continue to be exempt from the fee. This change would be effective in October 1985. For vendee loans, legislation will also be proposed to require a 1% fee, a 5% downpayment, and private mortgage insurance as an alternative. Additional legislation will be proposed to permit negotiated interest rates on VA guaranteed mortgages.

***Other veterans benefits and services.***—Veterans benefits are provided through a network of 59 regional offices located throughout the Nation. The budget proposes that all 59 regional offices remain open for business, and that all functions that require face-to-face contact with veterans remain in place. In order to take advantage of improvements in communication and modern management techniques, those functions that are performed without need for direct contact with veterans are proposed to be consolidated and centralized at three sites over 1986-88. These functions (e.g., adjudication of claims, and processing of applications for guarantees of home mortgages under the G.I. bill) could be more efficiently performed at central locations, where economies of scale could be realized. Through attrition, employment would be reduced accordingly.

Several other initiatives are included in the budget to improve the management of veterans benefits, including better use of contractor support for services that business can provide most efficiently, and achieving a return on the Federal Government's investment in automated data processing equipment in the form of fewer administrative staff whose functions the equipment supplants.

Management of the national cemetery system, for burial of eligible veterans, active duty military personnel, and their survivors, is also included in this subfunction. Over 100 national cemeteries are open throughout the Nation. Initial construction of a new national cemetery in Florida is planned to begin in 1986. In addition, funding is being requested to acquire land in northern California for another new national cemetery.

Outlays for other veterans benefits and services are estimated to be \$0.8 billion in both 1985 and 1986.

*Hospital and medical care for veterans.*—The VA provides medical services, including hospital, outpatient and nursing home care, to veterans by operating a nationwide medical care system. It is expected to handle nearly 19 million outpatient visits and treat 1.4 million patients in VA and community facilities. This program is carried out in 172 hospitals, 229 outpatient clinics, 117 nursing homes and 16 domiciliary facilities. In addition, the VA may contract for the care of veterans with service-connected disabilities with another Federal facility or the private sector. Outlays for medical programs are estimated to be \$9.6 billion in 1985 and \$10.0 billion in 1986.

Outyear projections reflect the best current estimate of budget resources required for future system capacity. Because the eligibility reform discussed below could alter the ways in which veterans use the system, the allocation of budget resources to and within the medical system could change in future years.

*Medical care and hospital services.*—VA's primary health care mission is to treat veterans who were injured during military service for their service-connected disabilities. Currently, most of the system's users are either veterans with service-connected disabilities or low-to-moderate-income veterans. However, many users with no service-related disabilities have a higher income level and should be able to defray some or all of the costs of their medical care. This is especially true for younger veterans who are active in the workforce and participate in private health insurance plans, and for veterans over 65, most of whom are eligible for medicare. Therefore, the budget proposes a comprehensive reform of eligibility for VA medical care that would allow VA to sustain quality care for the most deserving veterans—primarily those with disabilities and those without resources to defray all or part of their health care expenses.

Under the proposed reform, the VA would continue to fulfill its primary mission of caring for service-connected disabilities and

would provide medical care on a space-available basis without charge to the following veterans:

- veterans with a VA compensation rating for treatment of nonservice-related disabilities;
- veterans who were prisoners of war;
- Vietnam war veterans exposed to certain herbicides (Agent Orange veterans);
- veterans exposed to ionizing radiation during service (Atomic testing veterans);
- VA pensioners;
- World War I, Spanish American War, and Mexican border period veterans; and
- veterans with incomes below an eligibility level set at twice the VA pension income standard, regardless of age. This level would be over \$15,000 in 1986 for a veteran with one dependent.

The reform would restrict the use of the system by all veterans—both under and over 65—whose income exceeds the eligibility level:

- In most cases, a higher income veteran would not be eligible for VA health care until his or her out-of-pocket medical expenses exceeded certain amounts.
- These out-of-pocket expenses, called the “expected medical expense contribution,” would be an increasing share of the amount that the veteran’s income exceeds the eligibility level. This share would increase with income, from 25% to 90%, requiring higher income veterans to finance a larger amount of their medical expenses before entering the VA system.
- In emergency and extraordinary circumstances, these veterans could receive care in the VA system by making their out-of-pocket contributions to the VA for the care that they receive.
- In exceptional and unusual circumstances, the Administrator could waive the veteran’s expected medical expense contribution.

Legislation will be proposed to require reimbursement from veteran-held private insurance plans for VA-sponsored care provided to non-service-connected veterans. Health insurance premiums are currently established to cover the insured individual, regardless of veteran status and regardless of any individual veteran’s choice of health care provider. Allowing the government to recover costs would shift the burden of paying for VA care of non-service-connected veterans from taxpayers to insurance companies and their policy holders with only minimal effects on premiums.

In the near term, as the reform takes effect and the veteran population ages, the demand for nursing home beds is likely to rise. As a cost-effective way to meet the needs of the veterans who use the VA system in all parts of the Nation, many unused hospital beds would be converted to nursing home beds, and other physical changes would be made to enhance the capability of existing VA facilities to provide long term care and nursing home care. Funds from the medical care and minor construction appropriations would be used for this purpose, and would exceed \$10 million in 1986.

As a result of improvements in productivity, 1% fewer staff will be required to treat the same number of patients. In order to ensure that the operations of both existing and newly built facilities are adequately funded, outlays for medical care and hospital services are estimated to be \$9.1 billion in 1986, an increase from the \$8.7 billion estimated for 1985.

*Construction of hospital and extended care facilities.*—New budget authority of \$612 million is requested for VA medical construction in 1986, \$157 million less than the enacted amount for 1985. An additional \$160 million is available from prior year appropriations thus bringing the total construction program level to \$772 million.

The budget proposes to maintain and upgrade the full network of medical facilities throughout the Nation. Rather than defer maintenance, renovation, and modification of older facilities, the budget continues funding to maintain and upgrade the physical system. Budget authority of \$304 million is requested to support 28 major projects and other maintenance, safety correction, and design activities.

The budget proposes to continue the average rate of construction over the last 10 years, replacing or modernizing two large hospitals each year. In 1986 and 1987, construction funds are proposed for four large hospital projects in Mountain Home, Tennessee; Houston, Texas; Philadelphia, Pennsylvania; and Augusta, Georgia. The budget proposes \$261 million for construction in 1986, to fund the Mountain Home project and begin construction in Houston and Philadelphia. In addition, two new nursing homes will be constructed in Amarillo, Texas and Tucson, Arizona.

Because the effects of the medical care eligibility reform in different parts of the Nation cannot be known, expansionary investments are not proposed in this year's budget. Budget resources

would be provided to expand facilities in later years in areas where their future use by service-connected veterans exceeds current capacity.

Budget authority of \$22 million is requested for 1986, \$12 million less than enacted for 1985, for grants to States for the construction or repair of State homes for the care of aging veterans.

## CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

(In millions of dollars)

|   | Actual<br>1984 | Estimate |         |         |         |
|---|----------------|----------|---------|---------|---------|
|   |                | 1985     | 1986    | 1987    | 1988    |
| Direct loans:   |                |          |         |         |         |
| Income security programs:                                       |                |          |         |         |         |
| New obligations .....   | 131            | 150      | 156     | 162     | 168     |
| Change in outstandings .....                                    | -43            | -27      | -27     | -14     | -9      |
| Outstandings .....  | 1,306          | 1,279    | 1,252   | 1,238   | 1,229   |
| Education programs:   |                |          |         |         |         |
| New obligations .....   | 1              | 1        | 1       | 1       | 1       |
| Change in outstandings .....                                    | -5             | -5       | -6      | -6      | -6      |
| Outstandings .....  | 57             | 52       | 46      | 40      | 35      |
| Mortgage insurance and other housing programs:                  |                |          |         |         |         |
| New obligations .....   | 945            | 858      | 643     | 572     | 519     |
| Change in outstandings .....                                    | -464           | -75      | -111    | -47     | -55     |
| Outstandings .....  | 1,234          | 1,159    | 1,048   | 1,001   | 946     |
| Total, direct loans:  |                |          |         |         |         |
| New obligations .....   | 1,077          | 1,009    | 800     | 736     | 688     |
| Change in outstandings .....                                    | -511           | -107     | -144    | -67     | -70     |
| Outstandings .....  | 2,597          | 2,490    | 2,346   | 2,280   | 2,210   |
| Guaranteed loans:   |                |          |         |         |         |
| Mortgage insurance and other housing programs:                  |                |          |         |         |         |
| New commitments .....   | 16,465         | 15,174   | 15,429  | 15,373  | 15,360  |
| Change in outstandings .....                                    | 5,449          | 9,550    | 9,403   | 9,167   | 8,959   |
| Outstandings .....  | 125,390        | 134,940  | 144,343 | 153,510 | 162,469 |
| Total credit budget (new obligations and new commitments) ..... | 17,542         | 16,183   | 16,229  | 16,109  | 16,048  |

**Tax expenditures.**—In addition to direct Federal funding, a number of tax expenditures provide assistance to veterans. All benefits administered by the Veterans Administration (disability compensation, pension, and GI bill benefits) are excluded from

taxable income. The estimates for these exclusions in 1986 are \$1.7 billion, \$190 million, and \$110 million, respectively. Veterans are aided in obtaining housing because interest on State and local debt for veterans is not subject to tax. In 1986, the estimate for this provision is \$270 million. Total tax expenditures for veterans are estimated to be \$2.3 billion for 1986.

***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, as well as preference for Federal jobs. Some of these programs have components specifically intended to assist veterans.

## ADMINISTRATION OF JUSTICE

One of the fundamental responsibilities of the Federal Government is to provide for the safety of its people and for the peaceful and fair resolution of disputes. The purposes of Federal expenditures for the administration of justice are to protect persons and property through enforcement of Federal laws, to provide Federal courts to resolve disputes, to defend the public interest in criminal and civil proceedings, and to operate detention and correctional facilities for those charged with or convicted of violating Federal law. The proposed budget authority for 1986 for this function is \$6.5 billion, approximately the same as the 1985 level.

A major focus of activity in 1985 and 1986 will be the implementation of the Comprehensive Crime Control Act, which became law in October 1984. This Act makes important changes in Federal criminal and civil law in the following areas:

- **Bail reform.**—The Act imposes tighter restrictions, such as the requirement to consider the safety of people in the community before granting bail.
- **Sentencing reform.**—The entire Federal sentencing system has been revised and parole provisions are being replaced with sentencing guidelines.
- **Drug enforcement amendments.**—The Act gives the Federal Government a greater ability to prevent the diversion of legitimate drugs to illicit uses.
- **Forfeiture reform.**—Criminal and civil forfeiture laws related to organized crime and drug felony cases have been strengthened and clarified.

**Federal law enforcement activities.**—As in past years, over half of the total Federal resources for the administration of justice are dedicated to law enforcement activities. Proposed budget authority of \$3.7 billion in both 1985 and 1986 will maintain current activities in priority areas and provide additional resources to achieve the reforms listed above.

**Criminal investigations.**—Criminal investigations are mainly carried out in the Justice Department by the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigation (FBI). They frequently work together with other Federal agencies in 13 regional organized crime drug enforcement (OCDE) task forces and have concurrent jurisdiction to combat drug trafficking.

In addition, the FBI enforces a broad range of criminal statutes, works with other Federal agencies, as well as State and local authorities when appropriate, and assists States and localities through training, dissemination of information, and other activities. Additional resources are being requested in 1986 to increase



## NATIONAL NEED: ADMINISTRATION OF JUSTICE

(Functional code 750; in millions of dollars)

| Major missions and programs                                | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                                    |                |                  |                  |                  |                  |
| <b>Federal law enforcement activities:</b>                 |                |                  |                  |                  |                  |
| Criminal investigations (DEA, FBI and OCDE) .....          | 1,445          | 1,509            | 1,531            | 1,579            | 1,593            |
| Alcohol, tobacco, and firearms investigation (ATF) .....   | 160            | 172              | 170              | 174              | 177              |
| Border enforcement activities (Customs and INS) .....      | 1,166          | 1,287            | 1,277            | 1,289            | 1,301            |
| Protection activities (Secret Service) .....               | 302            | 302              | 295              | 300              | 317              |
| Other enforcement:   |                |                  |                  |                  |                  |
| Existing law .....   | 361            | 386              | 369              | 371              | 374              |
| Proposed legislation .....                                 |                |                  | 10               | 10               | 10               |
| Subtotal, Federal law enforcement activities .....         | 3,433          | 3,656            | 3,652            | 3,724            | 3,771            |
| <b>Federal litigative and judicial activities:</b>         |                |                  |                  |                  |                  |
| Civil and criminal prosecution and representation .....    | 723            | 832              | 881              | 893              | 911              |
| Federal judicial activities .....                          | 907            | 1,061            | 1,163            | 1,215            | 1,270            |
| Representation of indigents in civil cases .....           | 275            | 305              |                  |                  |                  |
| Subtotal, Federal litigative and judicial activities ..... | 1,905          | 2,198            | 2,044            | 2,108            | 2,181            |
| <b>Federal correctional activities</b> .....               | 495            | 599              | 593              | 665              | 590              |
| <b>Criminal justice assistance</b> .....                   | 215            | 227              | 252              | 258              | 262              |
| <b>Total, budget authority</b> .....                       | <b>6,047</b>   | <b>6,681</b>     | <b>6,542</b>     | <b>6,755</b>     | <b>6,805</b>     |
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Federal law enforcement activities:</b>                 |                |                  |                  |                  |                  |
| Criminal investigations (DEA, FBI and OCDE) .....          | 1,301          | 1,543            | 1,514            | 1,530            | 1,539            |
| Alcohol, tobacco, and firearms investigation (ATF) .....   | 158            | 167              | 166              | 171              | 173              |
| Border enforcement activities (Customs and INS) .....      | 1,127          | 1,282            | 1,268            | 1,265            | 1,275            |
| Protection activities (Secret Service) .....               | 267            | 295              | 288              | 294              | 311              |
| Other enforcement:   |                |                  |                  |                  |                  |
| Existing law .....   | 352            | 394              | 368              | 372              | 374              |
| Proposed legislation .....                                 |                |                  | 6                | 10               | 10               |
| Subtotal, Federal law enforcement activities .....         | 3,205          | 3,681            | 3,610            | 3,643            | 3,682            |
| <b>Federal litigative and judicial activities:</b>         |                |                  |                  |                  |                  |
| Civil and criminal prosecution and representation .....    | 676            | 847              | 879              | 880              | 890              |
| Federal judicial activities .....                          | 878            | 1,043            | 1,150            | 1,173            | 1,224            |
| Representation of indigents in civil cases .....           | 271            | 302              | 37               |                  |                  |
| Subtotal, Federal litigative and judicial activities ..... | 1,825          | 2,192            | 2,066            | 2,053            | 2,114            |
| <b>Federal correctional activities</b> .....               | 494            | 580              | 632              | 633              | 604              |
| <b>Criminal justice assistance</b> .....                   | 136            | 233              | 280              | 271              | 262              |
| <b>Total, outlays</b> .....                                | <b>5,660</b>   | <b>6,686</b>     | <b>6,587</b>     | <b>6,600</b>     | <b>6,662</b>     |

the FBI's foreign counterintelligence activities, and to fund DEA and FBI activities related to the Comprehensive Crime Control Act.

Budget authority requested for criminal investigations for 1986 is \$1,531 million, an increase of \$22 million over the 1985 level.

*Border enforcement activities.*—The Immigration and Naturalization Service (INS) administers laws related to the admission, exclusion, deportation and naturalization of aliens. For 1986, the admin-

istration proposes a continuation of immigration activities at essentially the 1985 level.

The United States Customs Service administers laws regarding assessment and collection of customs duties, excise taxes, fees and penalties on imported merchandise; stopping and seizing contraband; and processing persons, carriers, cargo and mail into and out of the United States. The budget proposal for Customs will increase enforcement in the priority area of drug trafficking.

Budget authority for border enforcement activities is proposed to be \$1.3 billion in both 1985 and 1986.

***Federal litigative and judicial activities.***—The Department of Justice litigates all of the Federal Government's criminal cases and most of its civil cases.

***Civil and criminal prosecution and representation.***—The passage of the Comprehensive Crime Control Act will have a major impact on the Department of Justice's criminal litigative activities. For example, debt collection procedures will be strengthened, and fines imposed will be raised. Changes in bail procedures will make it more difficult for a defendant who is likely to be a threat to the community to be released on bail. Furthermore, clarification of forfeiture provisions will affect criminal litigation, and the provisions that establish Federal jurisdiction over certain criminal offenses have the potential to increase significantly the workload of Federal prosecuting attorneys. In addition, beginning in 1985, resources have been proposed for the U.S. Attorneys and Marshals to support 85 new judgeships created by the Congress.

***Federal judicial activities.***—By law, budget requests from the judiciary are included in the budget without modification by the executive branch. The U.S. Courts have proposed budget authority of \$1,163 million in 1986 for judicial branch activities in this function, a \$102 million increase over the 1985 level.

***Representation of indigents in civil cases.***—The Legal Services Corporation is a private non-profit organization that funds State and local agencies providing free civil legal assistance to the poor. Grantees are currently involved in cases both for individual clients and in broader "law reform" activities.

The administration again proposes that the Corporation not be reauthorized, and that no further separate Federal funding be provided. The social services block grant, which is discussed in the education, training, employment, and social services function, includes adequate authority to fund legal services activities through State and local governments. In addition, State and local bar associations have developed programs to provide free assistance to indigent clients, and we expect these efforts to continue to grow,

consistent with private attorneys' ethical obligations to provide such free services.

***Federal correctional activities.***—The Federal Government is responsible for the care and custody of prisoners charged with or convicted of violating Federal laws. In response to the continuing growth of the Federal prisoner population, 10 additions to existing facilities will be opened in 1986. Furthermore, additional renovation and expansion projects proposed in this budget will provide future increases in prison capacity. A new 1,000 bed detention center for illegal aliens, a joint venture by the Bureau of Prisons and the Immigration and Naturalization Services, is scheduled to open in 1986 in Oakdale, Louisiana. Construction funds for a new prison in the southeast have been deferred. Budget authority requested for correctional activities in 1986 is \$593 million, about the same as the 1985 level.

***Criminal justice assistance.***—Criminal justice assistance is provided through several programs. The State and local assistance program provides training, and technical and financial assistance to State and local criminal justice agencies through both formula and discretionary grants. These grants support innovative projects or programs of proven effectiveness.

In 1985, in accordance with the Comprehensive Crime Control Act, the administration will begin a new crime victims initiative, providing resources to State victim assistance and compensation programs. Funds for this Federal assistance, up to \$100 million annually, will be derived from Federal criminal fines and penalties.

Although the Congress has continued to fund the juvenile justice and delinquency prevention programs, the administration is again requesting that no new budget authority be provided for these programs because their primary objective—the separation of juvenile from adult offenders—has largely been accomplished. Resources to deal with serious juvenile offenders continue to be available through the State and local assistance program. In addition, the administration proposes continuing the missing children program at the 1985 funding level of \$4 million.

Budget authority of \$252 million is proposed for criminal justice assistance for 1986, an increase of \$25 million over 1985.

***Related programs.***—A number of programs 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.

## GENERAL GOVERNMENT

The general government function covers the overall management, policy, and central operations of the Federal Government, including the legislative branch. This function focuses primarily on Federal finances, tax collection, personnel management, and property control. A goal of this administration is to provide these basic services in a business-like and efficient manner.

The four central management agencies—the Office of Management and Budget, the Office of Personnel Management, the General Services Administration, and the Department of the Treasury—are working with other agencies on a variety of management reform initiatives. These management improvements include streamlining financial systems, simplifying procurement procedures, increasing reliance on the private sector, and better handling of cash management and debt collection practices.

Budget authority proposed for general government activities for 1986 is \$5.0 billion, a decrease of \$0.7 billion from 1985. Major goals in this function include broadening efforts to identify and collect unpaid taxes and improving productivity in the Federal Government.

***Legislative functions.***—By law, budget estimates submitted by the legislative branch are included in the budget without change. Budget authority proposed for the legislative branch activities in this function is \$1.4 billion in 1986 and includes funds for the operation of the Congress, the General Accounting Office, the Congressional Research Service, and similar activities. In this budget, an amount equivalent to a 10% reduction from 1986 levels for the legislative branch is shown as an executive branch recommendation. Executive branch agencies have made substantial reductions in their estimates; this allowance encourages the legislative branch to seek similar reductions. Some legislative branch activities appear in other functions. A complete listing of the legislative branch accounts is in the beginning of Part 8 of this volume.

***Executive direction and management.***—Budget authority proposed for the Executive Office of the President and related activities is \$113 million in 1986, a decrease of \$5 million from 1985.

***Central fiscal operations.***—The mission of central fiscal operations is to collect taxes, administer the public debt, supervise the Federal Financing Bank, and carry out certain other financial operations of the Federal Government. For 1986, \$3.2 billion of budget authority is requested, a decrease of \$0.4 billion from 1985.

## NATIONAL NEED: GENERAL GOVERNMENT

(Functional code 800; in millions of dollars)

| Major missions and programs                             | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                                 |                |                  |                  |                  |                  |
| <b>Legislative functions:</b>                           |                |                  |                  |                  |                  |
| Existing law.....                                       | 1,443          | 1,430            | 1,581            | 1,552            | 1,581            |
| Proposed legislation.....                               |                |                  | -193             | -191             | -195             |
| Subtotal, Legislative functions.....                    | 1,443          | 1,430            | 1,388            | 1,362            | 1,386            |
| <b>Executive direction and management:</b>              |                |                  |                  |                  |                  |
| Existing law.....                                       | 111            | 118              | 113              | 114              | 115              |
| Proposed legislation.....                               |                |                  |                  | 2                | 2                |
| Subtotal, Executive direction and management.....       | 111            | 118              | 113              | 115              | 117              |
| <b>Central fiscal operations:</b>                       |                |                  |                  |                  |                  |
| Collection of taxes.....                                | 3,326          | 3,551            | 3,511            | 3,687            | 3,864            |
| Surplus income, Federal Financing Bank.....             | -170           | -201             | -206             | -233             | -231             |
| Other fiscal operations:                                |                |                  |                  |                  |                  |
| On-budget under current law.....                        | 314            | 264              | 269              | 285              | 298              |
| Proposed customs fees.....                              |                |                  | -473             | -493             | -513             |
| Other proposed legislation.....                         |                |                  | 74               | 62               | 20               |
| Subtotal, Central fiscal operations.....                | 3,469          | 3,613            | 3,175            | 3,308            | 3,438            |
| <b>General property and records management:</b>         |                |                  |                  |                  |                  |
| Real property:  |                |                  |                  |                  |                  |
| On-budget under current law.....                        | -118           | -224             | -199             | -116             | -99              |
| Personal property.....                                  | 17             | 16               | 15               | 15               | 16               |
| Records management.....                                 | 93             | 101              | 100              | 102              | 104              |
| Other.....  | 344            | 354              | 338              | 339              | 343              |
| Subtotal, General property and records management.....  | 337            | 248              | 253              | 340              | 364              |
| <b>Central personnel management:</b>                    |                |                  |                  |                  |                  |
| Existing law.....                                       | 148            | 149              | 142              | 141              | 143              |
| Proposed legislation.....                               |                |                  |                  |                  |                  |
| Subtotal, Central personnel management.....             | 148            | 149              | 142              | 141              | 143              |
| <b>Other general government:</b>                        |                |                  |                  |                  |                  |
| Territories:  |                |                  |                  |                  |                  |
| On-budget under current law.....                        | 196            | 176              | 75               | 76               | 79               |
| Indian affairs.....                                     | 3              | 2                | 2                | 2                | 2                |
| Treasury claims.....                                    | 237            | 390              | 301              | 314              | 326              |
| Other.....  | 62             | 29               | 28               | 31               | 34               |
| Subtotal, Other general government.....                 | 498            | 597              | 406              | 423              | 441              |
| <b>Deductions for offsetting receipts:</b>              |                |                  |                  |                  |                  |
| Existing law.....                                       | -513           | -448             | -446             | -446             | -446             |
| Proposed Government-sponsored enterprise user fees..... |                |                  | -40              | -134             | -200             |
| Other proposed offsetting receipts.....                 |                |                  | -18              | -18              | -18              |
| Subtotal, Deductions for offsetting receipts.....       | -513           | -448             | -504             | -597             | -663             |
| <b>Total, budget authority.....</b>                     | <b>5,494</b>   | <b>5,708</b>     | <b>4,975</b>     | <b>5,093</b>     | <b>5,226</b>     |

## NATIONAL NEED: GENERAL GOVERNMENT—Continued

(Functional code 800; in millions of dollars)

| Major missions and programs                             | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>OUTLAYS</b>  |                |                  |                  |                  |                  |
| <b>Legislative functions:</b>                           |                |                  |                  |                  |                  |
| Existing law.....                                       | 1,319          | 1,464            | 1,588            | 1,545            | 1,565            |
| Proposed legislation.....                               |                |                  | -171             | -179             | -189             |
| Subtotal, Legislative functions.....                    | 1,319          | 1,464            | 1,417            | 1,366            | 1,375            |
| <b>Executive direction and management:</b>              |                |                  |                  |                  |                  |
| Existing law.....                                       | 97             | 119              | 112              | 111              | 113              |
| Proposed legislation.....                               |                |                  |                  | 2                | 2                |
| Subtotal, Executive direction and management.....       | 97             | 119              | 112              | 113              | 115              |
| <b>Central fiscal operations:</b>                       |                |                  |                  |                  |                  |
| Collection of taxes.....                                | 3,236          | 3,469            | 3,441            | 3,614            | 3,787            |
| Surplus income, Federal Financing Bank.....             | -170           | -201             | -206             | -233             | -231             |
| Other fiscal operations:                                |                |                  |                  |                  |                  |
| On-budget under current law.....                        | 248            | 265              | 276              | 257              | 302              |
| Proposed customs fees.....                              |                |                  | -473             | -493             | -513             |
| Other proposed legislation.....                         |                |                  | 67               | 62               | 20               |
| Off-budget under current law#.....                      | -60            |                  |                  |                  |                  |
| Subtotal, Central fiscal operations.....                | 3,254          | 3,533            | 3,105            | 3,207            | 3,365            |
| <b>General property and records management:</b>         |                |                  |                  |                  |                  |
| Real property:  |                |                  |                  |                  |                  |
| On-budget under current law.....                        | -111           | -60              | -273             | -214             | -346             |
| Off-budget under current law#.....                      | -4             | -4               | -5               | -5               | -6               |
| Personal property.....                                  | 15             | 16               | 15               | 15               | 15               |
| Records management.....                                 | 86             | 95               | 104              | 106              | 108              |
| Other.....  | 215            | 330              | 341              | 337              | 341              |
| Subtotal, General property and records management.....  | 201            | 376              | 182              | 239              | 112              |
| <b>Central personnel management:</b>                    |                |                  |                  |                  |                  |
| Existing law.....                                       | 139            | 153              | 143              | 141              | 142              |
| Proposed legislation.....                               |                |                  |                  |                  |                  |
| Subtotal, Central personnel management.....             | 139            | 153              | 143              | 141              | 142              |
| <b>Other general government:</b>                        |                |                  |                  |                  |                  |
| Territories:  |                |                  |                  |                  |                  |
| On-budget under current law.....                        | 175            | 207              | 93               | 76               | 78               |
| Off-budget under current law#.....                      | -*             | -*               | -1               | -1               | -1               |
| Indian affairs.....                                     | 3              | 2                | 2                | 2                | 2                |
| Treasury claims.....                                    | 237            | 391              | 301              | 314              | 326              |
| Other.....  | 143            | -14              | -6               | 8                | 135              |
| Subtotal, Other general government.....                 | 557            | 586              | 390              | 399              | 541              |
| <b>Deductions for offsetting receipts:</b>              |                |                  |                  |                  |                  |
| Existing law.....                                       | -513           | -448             | -446             | -446             | -446             |
| Proposed Government-sponsored enterprise user fees..... |                |                  | -40              | -134             | -200             |
| Other proposed offsetting receipts.....                 |                |                  | -18              | -18              | -18              |
| Subtotal, Deductions for offsetting receipts.....       | -513           | -448             | -504             | -597             | -663             |
| <b>Total, outlays.....</b>                              | <b>5,053</b>   | <b>5,782</b>     | <b>4,845</b>     | <b>4,869</b>     | <b>4,986</b>     |

\* \$500 thousand or less.

# Proposed to be included on-budget.

*Collection of taxes.*—The funds supporting this mission are for the Internal Revenue Service (IRS). Budget authority requested for the IRS in 1986 is \$3.5 billion, a slight reduction from the 1985 level. Within this level, the IRS plans to redirect resources in order to increase tax revenues and expand voluntary compliance. During the 1987-89 period, the administration proposes to increase the staff of tax return examiners by the equivalent of 2,500 positions each year. Advance hiring will begin in late 1986 in order to ensure the revenue potential in 1987.

The IRS will continue its program begun in 1982 to modernize and streamline its operations. Through these activities it will:

- begin the use of advanced technology for matching information on tax returns;
- begin implementing an automated data system for auditing tax returns promptly and efficiently;
- automate the process that identifies unreported income; and
- continue research on a major redesign of the tax processing system.

*Federal Financing Bank.*—Under current law, the Federal Financing Bank (FFB) is an off-budget Federal entity under the supervision of the Treasury Department. Legislation will be proposed to include all of the transactions of the FFB on-budget. Virtually all of the budget authority and outlays of the FFB are recorded in other functions that reflect the primary purpose of its activity. This function contains two credit programs financed by the FFB—one for lease purchase agreements administered by the General Services Administration, the other for loans to territories. These programs are shown in the credit table below. No new activity is proposed for credit programs in this function for 1986.

The FFB charges a fee to borrowers to cover its administrative expenses. Any unused monies are transferred to central fiscal operations where they are shown as offsetting Treasury receipts and recorded as surplus income of the FFB.

The FFB is discussed in Part 6 of this volume, in Special Analysis E, "Borrowing and Debt," and in Special Analysis F, "Federal Credit Programs." These sources also show FFB activity according to the agencies that the bank services.

*Other fiscal operations.*—A legislative proposal for new customs fees for processing passengers and commercial carriers will increase Treasury offsetting receipts by \$473 million in 1986. Other fiscal operations include the manufacture of coins by the Bureau of the Mint and the printing of currency by the Bureau of Engraving and Printing.

*General property and records management.*—The General Services Administration (GSA) is the Government's builder, landlord,

CREDIT PROGRAMS—GENERAL GOVERNMENT<sup>†</sup>

(In millions of dollars)

|   | Actual<br>1984 | Estimate |      |      |      |
|---|----------------|----------|------|------|------|
|   |                | 1985     | 1986 | 1987 | 1988 |
| Direct loans:                                     |                |          |      |      |      |
| Loans to U.S. territories (loans made by FFB):    |                |          |      |      |      |
| Change in outstandings <sup>1</sup> .....         | —*             | —*       | —1   | —1   | —1   |
| Outstandings .....                                | 65             | 64       | 64   | 63   | 63   |
| General Services Administration:                  |                |          |      |      |      |
| Federal buildings fund (GSA) (loans made by FFB): |                |          |      |      |      |
| Change in outstandings .....                      | —4             | —4       | —5   | —5   | —6   |
| Outstandings .....                                | 413            | 409      | 404  | 399  | 393  |
| Total, direct loans:                              |                |          |      |      |      |
| Change in outstandings .....                      | —5             | —5       | —5   | —6   | —6   |
| Outstandings .....                                | 478            | 473      | 468  | 462  | 456  |
| Guaranteed loans:                                 |                |          |      |      |      |
| Federal buildings fund (GSA):                     |                |          |      |      |      |
| Change in outstandings .....                      | —25            | —27      | —28  | —30  | —33  |
| Outstandings .....                                | 730            | 703      | 675  | 645  | 612  |

\* \$500 thousand or less.

<sup>1</sup> These are guarantees made by the agency for loans that the FFB disbursed. In effect, they are guarantees for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

wholesaler, and retailer. Its services support the activities of other Federal agencies. Record keeping activities, formerly carried out under the auspices of the GSA, have been transferred to a separate agency, the National Archives and Records Administration.

**Central personnel management.**—Personnel management functions are carried out by the Office of Personnel Management (OPM), the Federal Labor Relations Authority, and the Merit Systems Protection Board.

**Other general government.**—Other activities in the general government function include payments of claims and judgments against the Federal Government, funding for the territories, Indian affairs, and other activities.

**Territories.**—Budget authority of \$61 million is proposed for 1986 for continued support of the U.S. territories of Guam, American Samoa, the Virgin Islands, and the Northern Marianas. Budget authority of \$14 million in 1986 is requested for Trust Territory of the Pacific Islands operations, which includes Palau. The Compact of Free Association has been approved by the people of the Federated States of Micronesia and the Marshall Islands. Upon enactment of the Compact by Congress, the trusteeship for these two states will be ended. Funding for the Compact is discussed in the international affairs function. At present Palau has not ratified the Compact. The territories and the Trust Territory receive grants and payments from many other Federal agencies for programs classified in other functions.



***Indian affairs.***—Funding for American Indians in this function includes miscellaneous trust fund payments to tribes and program support for the Navajo and Hopi Indian Relocation Commission. Additional assistance to Indian tribes is also found in a number of other functions—health; natural resources and environment; community and regional development; and education, training, employment, and social services.

***User fees.***—The 1986 budget proposes legislation that would impose a user fee on certain Government-sponsored enterprises in order to reimburse the Government for financial advantages that stem from their special relationship with the Government.

***Tax expenditures.***—The tax code permits a 50% tax credit on political contributions of up to \$100 for individual returns and \$200 for joint returns. The tax expenditure estimate for this provision is \$295 million in 1986.

## GENERAL PURPOSE FISCAL ASSISTANCE

General purpose fiscal assistance provides financial aid to State and local governments without major restrictions or matching requirements. This assistance can generally be used for State or local services, construction, debt retirement, and other purposes of general government. Programs in this category include general revenue sharing, payments to the District of Columbia, Forest Service receipts paid to the States, payments in lieu of taxes, and payments to territories and Puerto Rico. Outlays for this function are estimated to decline from \$6.6 billion in 1985 to \$2.8 billion in 1986.

*General revenue sharing.*—The general revenue sharing program was first enacted in 1972 to bring the resources raised by the highly responsive Federal tax structure to bear on the needs of State and local governments, that had less flexible tax systems. The program was also intended to make State and local officials more responsive to local needs by giving them almost complete discretion in determining how the aid would be used.

In 1981, States were eliminated from the program as their capacity to raise revenue improved. Local governments utilized revenue sharing funds for basic services and they set a good example of government efficiency, using less than 1% for administration. However, in recent years, local governments have become less dependent on general revenue sharing due in part to improvements in the revenue-generating ability of local tax systems. While a few localities continue to rely heavily on general revenue sharing, the program accounted for less than 2.5% of total local government spending in 1983.

The Federal Government can no longer afford general revenue sharing. The administration finds it necessary to propose legislation to end the program in 1986, one year before the end of the current authorization. This termination is essential in order to achieve the President's goal of reducing the Federal deficit and it is consistent with other large reductions that are now needed to meet this national problem. In an austere Federal budget, national priorities must be met first. These national priority needs can best be achieved through block grants and other broad based support that provide flexible Federal funding in areas such as health, community development, and job training.

Outlays for the general revenue sharing program are estimated to be \$1.2 billion in 1986, reflecting the final quarterly payment from the 1985 program.

*Other general purpose fiscal assistance.*—Several other programs provide funds with minimal restrictions to States and localities. Outlays for these programs are estimated to be \$1.9 billion in 1985 and \$1.6 billion in 1986.

## NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

| Major missions and programs   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>   |                |                  |                  |                  |                  |
| <b>General revenue sharing:</b>   |                |                  |                  |                  |                  |
| General revenue sharing payments:   |                |                  |                  |                  |                  |
| Existing law .....  | 4,567          | 4,567            | 4,567            |                  |                  |
| Proposed legislation .....  |                |                  | -4,567           |                  |                  |
| Administration:   |                |                  |                  |                  |                  |
| Existing law .....  | 7              | 8                | 8                |                  |                  |
| Proposed legislation .....  |                |                  | -2               |                  |                  |
| Subtotal, General revenue sharing .....                                       | 4,574          | 4,575            | 6                |                  |                  |
| <b>Other general purpose fiscal assistance:</b>                               |                |                  |                  |                  |                  |
| Payments and loans to the District of Columbia .....                          | 570            | 499              | 498              | 507              | 506              |
| Payments to States and counties from Forest Service receipts:                 |                |                  |                  |                  |                  |
| Existing law .....  | 203            | 239              | 423              | 391              | 419              |
| Proposed legislation .....  |                |                  | -356             | -340             | -348             |
| Payments to States from receipts under the Mineral Leasing Act .....          | 736            | 511              | 479              | 522              | 566              |
| Payments to States and counties from Federal land management activities ..... | 74             | 95               | 57               | 46               | 59               |
| Payments in lieu of taxes .....   | 105            | 103              | 105              | 105              | 105              |
| Payments to territories and Puerto Rico .....                                 | 528            | 480              | 416              | 422              | 433              |
| Other .....   | 7              | 6                | 6                | 7                | 7                |
| Subtotal, Other general purpose fiscal assistance .....                       | 2,223          | 1,933            | 1,628            | 1,659            | 1,747            |
| <b>Total, budget authority .....</b>  | <b>6,797</b>   | <b>6,508</b>     | <b>1,634</b>     | <b>1,659</b>     | <b>1,747</b>     |
| <b>OUTLAYS</b>  |                |                  |                  |                  |                  |
| <b>General revenue sharing:</b>   |                |                  |                  |                  |                  |
| General revenue sharing payments:   |                |                  |                  |                  |                  |
| Existing law .....  | 4,567          | 4,610            | 4,576            |                  |                  |
| Proposed legislation .....  |                |                  | -3,414           |                  |                  |
| Administration:   |                |                  |                  |                  |                  |
| Existing law .....  | 7              | 7                | 7                | 1                |                  |
| Proposed legislation .....  |                |                  | -2               | *                |                  |
| Subtotal, General revenue sharing .....                                       | 4,573          | 4,617            | 1,168            | 1                |                  |
| <b>Other general purpose fiscal assistance:</b>                               |                |                  |                  |                  |                  |
| Payments and loans to the District of Columbia .....                          | 570            | 499              | 498              | 507              | 506              |
| Payments to States and counties from Forest Service receipts:                 |                |                  |                  |                  |                  |
| Existing law .....  | 203            | 239              | 423              | 391              | 419              |
| Proposed legislation .....  |                |                  | -356             | -340             | -348             |
| Payments to States from receipts under the Mineral Leasing Act .....          | 736            | 511              | 479              | 522              | 566              |
| Payments to States and counties from Federal land management activities ..... | 70             | 95               | 58               | 46               | 59               |
| Payments in lieu of taxes .....   | 104            | 103              | 105              | 105              | 105              |
| Payments to territories and Puerto Rico .....                                 | 507            | 480              | 416              | 422              | 433              |
| Other .....   | 6              | 7                | 6                | 7                | 7                |
| Subtotal, Other general purpose fiscal assistance .....                       | 2,197          | 1,934            | 1,629            | 1,659            | 1,747            |
| <b>Total, outlays .....</b>   | <b>6,770</b>   | <b>6,552</b>     | <b>2,797</b>     | <b>1,661</b>     | <b>1,747</b>     |

\*\$500 thousand or less.

*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 presence. The administration requests \$498 million in budget authority for the District of Columbia in 1986, net of loan repayments from the District. An estimated \$425 million is for the Federal payment and \$52 million is for the annual Federal contribution to the retirement funds for the District's police officers, firefighters, teachers, and judges, as required under pension reform legislation enacted in 1979. The remaining funds are requested for St. Elizabeths Hospital and for Federal water and sewer payments.

Since 1983, the District of Columbia has successfully met its short-term cash management needs through the private market. In December 1984, the District sold \$80 million in general obligation bonds, which was its first long term bond issue that was not backed by the Treasury. In anticipation of the District's continued success in the bond market, no loan authority has been requested for 1986.

The administration will propose legislation to increase the District's contribution for civil service retirement beginning in 1986. The contribution will increase by an additional two percent of payroll each year until the District assumes the full cost of the retirement benefits. This change will eliminate the Federal subsidy currently provided to the District Government.

*Other payments.*—Some jurisdictions receive payments from the Federal Government based on a percentage of Federal receipts generated from the sale of timber, mineral leases, grazing permits, and other activities on Federal property.

*Payments to States and counties from Forest Service receipts* will return an estimated \$239 million in 1985, and \$67 million in 1986, to States for the benefit of counties in which National forests are located. These funds are to be used for schools and roads. The administration is proposing legislation that will allow the Federal Government to deduct the costs of managing the lands that generate these receipts before calculating the States' and counties' shares. Upon enactment, the States and counties will receive the same percentage of net receipts that they now receive of gross receipts. Pursuant to the proposed realignment between the Bureau of Land Management and the Forest Service, the payments will include amounts distributed to counties from Oregon and California land grant receipts beginning in 1986.

*Payments to States from receipts under the Mineral Leasing Act* are estimated at \$511 million in 1985 and at \$479 million in 1986. The administration is also proposing to deduct the Federal costs of obtaining Mineral Leasing Act receipts before calculating the States' shares.

## CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

|   | Actual<br>1984 | Estimate |       |       |       |
|---|----------------|----------|-------|-------|-------|
|   |                | 1985     | 1986  | 1987  | 1988  |
| Direct loans:   |                |          |       |       |       |
| Loans to the District of Columbia:                              |                |          |       |       |       |
| New obligations .....   | 115            |          |       |       |       |
| Change in outstandings .....                                    | 84             | —107     | —36   | —39   | —42   |
| Outstandings .....  | 1,883          | 1,776    | 1,740 | 1,700 | 1,658 |
| Guaranteed loans:   |                |          |       |       |       |
| Guarantees of New York City loans:                              |                |          |       |       |       |
| Change in outstandings .....                                    | —373           | —390     | —233  | —205  |       |
| Outstandings .....  | 828            | 438      | 205   |       |       |
| Total credit budget (new obligations and new commitments) ..... | 115            |          |       |       |       |

*Payments to States and counties from Federal land management activities* are estimated to be \$95 million in 1985 and \$58 million in 1986 for shared revenues from oil and gas, coal, timber, and grazing activities on Federal lands. Beginning in 1986, the Forest Service will make payments to counties from Oregon and California land grant receipts.

*Payments in lieu of taxes* provide fees to local governments for some Federal lands located within their jurisdictions. The administration proposes to continue this program unchanged, estimating outlays of \$105 million for 1986.

*Payments to territories and Puerto Rico* are made because the Federal Government returns certain taxes to the territories and Puerto Rico. These payments comprise annual advance payments of certain income tax withholding and excise tax collections involving Guam and the Virgin Islands, and excise tax withholding for Puerto Rico. Outlays are estimated to be \$480 million in 1985 and \$416 million in 1986.

**Tax expenditures.**—The Federal Government provides general purpose fiscal assistance through several tax provisions. Interest on State and local government debt is excluded from the taxable income of both businesses, mainly commercial banks and casualty insurance companies, and individuals. As a result, State and local governments can borrow at lower interest rates than would be possible if such interest were taxable. In effect, the Federal Government subsidizes States and localities by paying part of their interest costs. Only the effect of excluding interest on general purpose obligations and revenue bonds for public purposes such as schools, sewers, and roads is included in this function. The exclusion of interest on tax-exempt bonds issued for private or quasi-public activities is covered in applicable budget functions, such as

commerce and housing credit. The tax expenditure estimate for the exclusion of interest on general purpose State and local debt is \$8.7 billion in 1986.

The Federal Government also provides indirect assistance to States and localities by allowing individuals to deduct nonbusiness State and local taxes, primarily income and sales taxes, from income in calculating their Federal tax liability. The value of this assistance is estimated at \$24.7 billion in 1986; the deductibility of taxes on owner-occupied homes is accounted for in the commerce and housing credit function.

As a means of providing assistance to U.S. possessions, primarily Puerto Rico, the Federal Government permits a special tax credit for qualifying U.S. corporations doing business in the possessions. This tax credit, which effectively exempts earnings attributable to the possessions, results in an estimated tax expenditure of \$2.6 billion in 1986. Tax expenditures for general purpose fiscal assistance are an estimated \$36.1 billion in 1986.

***Related programs.***—In addition to general purpose fiscal assistance, the Federal Government provides States and localities with assistance through a variety of Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to broader grant programs, are more restrictive than general purpose fiscal assistance, and are designed to meet other national needs and priorities. Therefore, they are not included as general purpose fiscal assistance, although they provide, when taken together, a large source—21% in 1984—of the financing of total State and local expenditures. Total grant-in-aid outlays to States and localities are estimated to decrease from \$107.0 billion in 1985 to \$100.7 billion in 1986.

Grants are discussed in more detail in Special Analysis H, "Federal Aid to State and Local Governments."

## NET INTEREST

Net interest includes the Federal Government's cost of borrowing and its income from lending money. Net interest outlays are estimated to rise from \$130.4 billion in 1985 to \$142.5 billion in 1986.

***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 funds, revolving funds, and deposit funds within the Federal Government. Outlays for interest on the public debt are estimated to be \$198.8 billion in 1986.

Estimates of interest outlays are directly affected by assumptions about interest rates and the size of the debt. It is assumed that the 91-day Treasury bill rate will decline steadily from an average of 9.6% in calendar year 1984 to 5.9% by 1988. Despite the projected decline in interest rates, interest on the public debt is estimated to increase by \$26.5 billion in 1985 and an additional \$18.5 billion in 1986. These increases stem from higher debt outstanding primarily due to Treasury borrowing to finance the Federal deficit. The estimates include proposed legislation that decreases net trust fund holdings of Treasury securities, and thus interest on the public debt, as described below.

***Interest received by trust funds.***—Most trust fund balances are required by law to be invested in Federal securities. The interest outlays on this debt are included in interest on the public debt. Interest earned by the trust funds is deducted in this subfunction so that the functional total for net interest includes only the Government's net transactions with the public, not payments between Government accounts. Trust fund interest earnings are estimated to be \$25.6 billion in 1985 and \$29.1 billion in 1986.

More than half of these interest earnings is received by the civil service retirement and disability fund, and about one-fourth is received by social security and medicare. Legislation is proposed for medicare and civil service retirement that will increase trust fund balances invested in public debt and thereby increase interest earnings. Other legislation, which is discussed in the transportation section, is proposed to reduce the surplus of the airport and airway trust fund. The total effect of these and other proposals is a net decrease in trust fund balances, as a result of which interest received by trust funds and interest on the public debt is estimated to decrease by \$0.6 billion in 1986.

***Other interest.***—This subfunction includes interest payments by the Government on tax refunds and, as an offset, interest collections from Federal agencies and the public.

## NET INTEREST

(Functional code 900; in millions of dollars)

| Major missions and programs                      | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                          |                |                  |                  |                  |                  |
| <b>Interest on the public debt:</b>              |                |                  |                  |                  |                  |
| Existing law.....                                | 153,822        | 180,293          | 199,392          | 215,088          | 223,665          |
| Proposed legislation.....                        |                | 2                | -587             | -74              | 327              |
| Subtotal, Interest on the public debt.....       | 153,822        | 180,295          | 198,805          | 215,015          | 223,992          |
| <b>Interest received by trust funds:</b>         |                |                  |                  |                  |                  |
| Existing law.....                                | -20,354        | -25,552          | -29,736          | -34,250          | -38,991          |
| Proposed legislation.....                        |                | -2               | 587              | 74               | -327             |
| Subtotal, Interest received by trust funds.....  | -20,354        | -25,554          | -29,149          | -34,177          | -39,318          |
| <b>Other interest:</b>                           |                |                  |                  |                  |                  |
| Interest on refunds of tax collections.....      | 1,301          | 1,185            | 1,258            | 1,182            | 1,187            |
| Interest on loans to Federal Financing Bank..... | -15,135        | -17,623          | -19,038          | -19,050          | -18,444          |
| OCS interest.....                                | -18            |                  | -953             | -1,648           |                  |
| Other:   |                |                  |                  |                  |                  |
| Existing law.....                                | -8,558         | -7,877           | -7,989           | -8,200           | -8,045           |
| Proposed legislation.....                        |                |                  | -384             | -269             | -157             |
| Subtotal, Other interest.....                    | -22,410        | -24,315          | -27,106          | -27,985          | -25,459          |
| <b>Total, budget authority.....</b>              | <b>111,058</b> | <b>130,426</b>   | <b>142,550</b>   | <b>152,853</b>   | <b>159,214</b>   |
| <b>OUTLAYS</b>                                   |                |                  |                  |                  |                  |
| <b>Interest on the public debt:</b>              |                |                  |                  |                  |                  |
| Existing law.....                                | 153,822        | 180,293          | 199,392          | 215,088          | 223,665          |
| Proposed legislation.....                        |                | 2                | -587             | -74              | 327              |
| Subtotal, Interest on the public debt.....       | 153,822        | 180,295          | 198,805          | 215,015          | 223,992          |
| <b>Interest received by trust funds:</b>         |                |                  |                  |                  |                  |
| Existing law.....                                | -20,354        | -25,552          | -29,736          | -34,250          | -38,991          |
| Proposed legislation.....                        |                | -2               | 587              | 74               | -327             |
| Subtotal, Interest received by trust funds.....  | -20,354        | -25,554          | -29,149          | -34,177          | -39,318          |
| <b>Other interest:</b>                           |                |                  |                  |                  |                  |
| Interest on refunds of tax collections.....      | 1,301          | 1,185            | 1,258            | 1,182            | 1,187            |
| Interest on loans to Federal Financing Bank..... | -15,135        | -17,623          | -19,038          | -19,050          | -18,444          |
| OCS interest.....                                | -18            |                  | -953             | -1,648           |                  |
| Other:   |                |                  |                  |                  |                  |
| Existing law.....                                | -8,559         | -7,877           | -7,989           | -8,200           | -8,045           |
| Proposed legislation.....                        |                |                  | -384             | -269             | -157             |
| Subtotal, Other interest.....                    | -22,410        | -24,315          | -27,106          | -27,985          | -25,459          |
| <b>Total, outlays.....</b>                       | <b>111,058</b> | <b>130,426</b>   | <b>142,550</b>   | <b>152,853</b>   | <b>159,214</b>   |

*Interest on refunds of tax collections.*—Interest payments by the Treasury on tax refunds are estimated to be \$1.2 billion in 1985 and \$1.3 billion in 1986. Under current law, the rate paid on refunds of tax collections is set semi-annually at the prime rate.

*Interest on loans to the Federal Financing Bank (FFB).*—The FFB is the major source of funds for a number of Government programs. The FFB is off-budget under current law, but legislation is



proposed to include the activities of the FFB on-budget. The FFB borrows directly from the Treasury and uses these funds to purchase agency debt and financial assets from various Government programs, and to make direct loans to the public that are guaranteed by various agencies. It then pays interest to the Treasury on its borrowings. Interest payments from the FFB to the Treasury are estimated to be \$17.6 billion in 1985 and \$19.0 billion in 1986.

*Other.*—Offsetting interest collections other than from the FFB are estimated to be \$7.9 billion in 1985 and \$9.3 billion in 1986. These come from two principal sources: interest charged by Treasury to Federal agency revolving funds, which is by far the largest source; and interest collected from the public by funds other than revolving funds. Revolving funds, such as the agricultural credit insurance fund, borrow from the Treasury primarily to finance direct loans to the public, and then pay interest to the Treasury on their borrowings. Other collections include interest on loans made to the public by non-revolving funds, interest received from the OCS escrow account, and interest paid by banks on Federal tax collections deposited in those banks.

*Net budgetary effect.*—The Federal Reserve System owns Government securities for the purpose of implementing monetary policy. Virtually all of the interest the Federal Reserve receives on these securities is paid to the Treasury as deposits of earnings of the Federal Reserve System and classified as budget receipts. As shown below, deposits of earnings are projected to be \$16.4 billion in 1985 and \$16.9 billion in 1986. Deducting these receipts from the function totals shows the net budgetary effect of interest transactions with the public:

(In millions of dollars)

|   | Actual<br>1984 | Estimate |         |         |         |
|---|----------------|----------|---------|---------|---------|
|   |                | 1985     | 1986    | 1987    | 1988    |
| Net interest function .....   | 111,058        | 130,426  | 142,550 | 152,853 | 159,214 |
| Deposits of earnings by the Federal Reserve System <sup>1</sup> ..... | 15,684         | 16,419   | 16,932  | 17,708  | 17,805  |
| Net budgetary effect .....  | 95,374         | 114,007  | 125,618 | 135,145 | 141,409 |

<sup>1</sup> Shown as budget receipts.

*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 earned, but the holder of a U.S. savings bond may defer paying tax until the bond is redeemed. The estimate for this provision is \$850 million in 1986.

## ALLOWANCES

The budget includes allowances to cover certain forms of budgetary transactions that are expected to occur, but are not reflected in the program details shown in the preceding functions. When these transactions actually take place, they are reported as outlays or offsetting receipts for the appropriate agencies and functions rather than as allowances. For this reason, allowances for completed years are always zero.

Two allowances are included in this category: civilian agency pay raises and allowances for contingencies. They account for estimated outlays of \$24 million in 1986.

### ALLOWANCES

(Functional code 920; in millions of dollars)

| Major missions and programs                | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>                    |                |                  |                  |                  |                  |
| <b>Civilian agency pay raises:</b>         |                |                  |                  |                  |                  |
| Civilian agency pay raises .....           |                |                  |                  | 705              | 1,711            |
| Coast Guard military pay raises:           |                |                  |                  |                  |                  |
| Existing law .....                         |                |                  |                  | 47               | 98               |
| Proposed legislation .....                 |                | 6                | 24               | 24               | 24               |
| Subtotal, Civilian agency pay raises ..... |                | 6                | 24               | 776              | 1,833            |
| <b>Allowances for contingencies:</b>       |                |                  |                  |                  |                  |
| Relatively uncontrollable programs .....   |                |                  |                  |                  |                  |
| Other requirements .....                   |                | 1,500            |                  |                  |                  |
| <b>Total, budget authority .....</b>       |                | <b>1,506</b>     | <b>24</b>        | <b>776</b>       | <b>1,833</b>     |
| <b>OUTLAYS</b>                             |                |                  |                  |                  |                  |
| <b>Civilian agency pay raises:</b>         |                |                  |                  |                  |                  |
| Civilian agency pay raises .....           |                |                  |                  | 677              | 1,671            |
| Coast Guard military pay raises:           |                |                  |                  |                  |                  |
| Existing law .....                         |                |                  |                  | 47               | 98               |
| Proposed legislation .....                 |                | 6                | 24               | 24               | 24               |
| Subtotal, Civilian agency pay raises ..... |                | 6                | 24               | 748              | 1,793            |
| <b>Allowances for contingencies:</b>       |                |                  |                  |                  |                  |
| Relatively uncontrollable programs .....   |                |                  |                  |                  |                  |
| Other requirements .....                   |                | 1,125            | 375              |                  |                  |
| <b>Total, outlays .....</b>                |                | <b>1,131</b>     | <b>399</b>       | <b>748</b>       | <b>1,793</b>     |

**Civilian agency pay raises.**—This allowance covers the costs of future pay raises for civilian agency employees and Coast Guard military personnel. Allowances to cover future pay raises for military and civilian personnel of the Department of Defense are included in the national defense function.

The administration proposes a 5.0% pay reduction for civilian employees in 1986 relative to the 1985 level and a 3.0% pay increase for Coast Guard military personnel effective in July 1985,

with no pay increase in 1986. The 1986 proposed pay reduction for civilian employees is distributed by agency and function, and is therefore not shown as an allowance. The President's final decision on the 1986 civilian pay adjustment will be made after he reviews the recommendations of his pay agent and the recommendations of the Advisory Committee on Federal Pay, as provided for by law. The pay raise allowances for 1987 and 1988 reflect the assumption that Federal civilian employees will receive a 3.0% pay raise in January of each year, and that Coast Guard military personnel will receive pay increases in October of each year that are equal to pay raises received by private sector employees.

*Allowances for contingencies.*—The Congressional Budget Act of 1974 requires that the budget include an allowance for unanticipated spending or savings in relatively uncontrollable programs, such as social security, and an allowance for other unanticipated spending or savings.

The contingency allowance for relatively uncontrollable programs is estimated to be zero for all years because the chance of these outlays being lower than the estimates is as great as the chance of being higher. The contingency allowance for other requirements, however, does contain amounts for 1985 and 1986 to account for potential reestimates and minor programmatic changes.

## UNDISTRIBUTED OFFSETTING RECEIPTS

Offsetting receipts are generally deducted from the budget authority and outlays of the agencies and functions of the receipt accounts. In three instances, however, such collections are deducted from the budget totals as undistributed offsetting receipts. These are for the employer share of employee retirement, rents and royalties on the Outer Continental Shelf, and the sale of Conrail.

Undistributed offsetting receipts are estimated to be \$32.3 billion in 1985 and \$37.5 billion in 1986. Details of all offsetting receipts are shown in table 14 in Part 9.

## UNDISTRIBUTED OFFSETTING RECEIPTS

(Functional code 950; in millions of dollars)

| Major missions and programs  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>BUDGET AUTHORITY</b>  |                |                  |                  |                  |                  |
| <b>Employer share, employee retirement:</b>                        |                |                  |                  |                  |                  |
| Military retired contributions <sup>1</sup> .....                  | -16,503        | -17,017          | -18,232          | -19,777          | -21,359          |
| Other contributions:   |                |                  |                  |                  |                  |
| Existing law .....   | -8,760         | -9,977           | -10,463          | -11,048          | -12,049          |
| Proposed legislation .....   |                |                  | -266             | -560             | -781             |
| Subtotal, Employer share, employee retirement .....                | -25,263        | -26,994          | -28,961          | -31,386          | -34,189          |
| <b>Rents and royalties on the Outer Continental Shelf:</b>         |                |                  |                  |                  |                  |
| Existing law .....   | -6,694         | -5,302           | -7,317           | -7,270           | -4,837           |
| Proposed legislation .....   |                |                  |                  |                  |                  |
| Subtotal, Rents and royalties on the Outer Continental Shelf ..... | -6,694         | -5,302           | -7,317           | -7,270           | -4,837           |
| <b>Sale of Conrail (proposed legislation) .....</b>                |                |                  | -1,200           |                  |                  |
| <b>Total, budget authority .....</b>                               | <b>-31,957</b> | <b>-32,296</b>   | <b>-37,478</b>   | <b>-38,656</b>   | <b>-39,026</b>   |
| <b>OUTLAYS</b>   |                |                  |                  |                  |                  |
| <b>Employer share, employee retirement:</b>                        |                |                  |                  |                  |                  |
| Military retired contributions <sup>1</sup> .....                  | -16,503        | -17,017          | -18,232          | -19,777          | -21,359          |
| Other contributions:   |                |                  |                  |                  |                  |
| Existing law .....   | -8,760         | -9,977           | -10,463          | -11,048          | -12,049          |
| Proposed legislation .....   |                |                  | -266             | -560             | -781             |
| Subtotal, Employer share, employee retirement .....                | -25,263        | -26,994          | -28,961          | -31,386          | -34,189          |
| <b>Rents and royalties on the Outer Continental Shelf:</b>         |                |                  |                  |                  |                  |
| Existing law .....   | -6,694         | -5,302           | -7,317           | -7,270           | -4,837           |
| Proposed legislation .....   |                |                  |                  |                  |                  |
| Subtotal, Rents and royalties on the Outer Continental Shelf ..... | -6,694         | -5,302           | -7,317           | -7,270           | -4,837           |
| <b>Sale of Conrail (proposed legislation) .....</b>                |                |                  | -1,200           |                  |                  |
| <b>Total, outlays .....</b>  | <b>-31,957</b> | <b>-32,296</b>   | <b>-37,478</b>   | <b>-38,656</b>   | <b>-39,026</b>   |

<sup>1</sup> Includes the adjustment to show military retired pay for 1984 on a basis comparable to 1985 and subsequent years. See the discussion in Part 6.

**Employer share, employee retirement.**—The payments made by Federal agencies to employee retirement funds are counted as out-

lays of the agencies and in the functions of the paying accounts.<sup>1</sup> Since these are payments made by budget accounts to other budget accounts, they must be deducted prior to arriving at total budget authority and outlays in order to measure properly the Federal Government's transactions with the public. The deductions are not made against the paying agencies and functions because they are deemed appropriate charges to be included in the costs of these programs. Deductions are also not made against the receiving agencies and functions because the size of the deductions would cause the budget authority and outlay totals to seriously understate the amount of resources used to carry out these programs. Hence, the deductions for these collections are recorded as undistributed offsetting receipts.

Almost all of these receipts are collected by the civil service retirement fund and a new military retirement trust fund that was established beginning October 1, 1984. (A detailed discussion of the budget accounting for this trust fund may be found in Part 6.) Most of the remainder is collected by the social security and medicare trust funds.

The administration's proposal to require the Postal Service to begin paying the full actuarial cost of employee pensions will increase employing agency contributions for employee retirement and, therefore, undistributed offsetting receipts. This proposal is discussed in greater detail in the commerce and housing credit function.

***Rents and royalties on the Outer Continental Shelf (OCS).***—Collections for rents and royalties on the Outer Continental Shelf by the Federal Government are very large. They arise as a benefit of land ownership by the Federal Government rather than as a result of any major spending program. Their inclusion as an offsetting receipt in any particular function would greatly understate the amount of Federal budget authority and outlays used to carry out programs in that function; hence, they are undistributed by function. These collections include cash bonuses received from the leasing of OCS lands that have the promise of containing oil and gas; annual rents on existing leases; and royalties, based on a percentage of the value of production. Collections to which title is in dispute are not recorded as offsetting receipts in the budget. Until the dispute is settled, the collections are retained in an account outside the budget, known as a deposit fund. When settlement is reached, only the amounts determined to belong to the Federal Government are recorded as undistributed offsetting re-

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<sup>1</sup> Included in the estimate of employing agency payments to trust funds is the effect of future pay increases assumed for Federal civilian employees, which are discussed in the allowances section.

ceipts. On September 30, 1984, deposit funds of disputed OCS collections held \$6.4 billion of balances.

The 5-year OCS leasing program now in effect significantly accelerates leasing by offering larger areas and by streamlining leasing procedures. The current estimates of \$5.3 billion in 1985 and \$7.3 billion in 1986 assume that four OCS sales will be conducted in 1985 and seven sales in 1986. 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.

***Sale of Conrail.***—The Northeast Rail Services Act of 1981 stipulates that the Federal Government should sell Conrail as part of a market solution to rail problems. The administration proposes to sell Conrail in 1986. According to normal budget accounting principles, the receipts from this sale would be treated as offsets to the budget authority and outlays for Conrail in the transportation function. However, since the receipts from the sale of Conrail are relatively large and occur in only one year, this treatment would seriously distort the budget estimates for the transportation function. Hence, the receipts are classified as undistributed offsetting receipts.

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**PART 6**

**PERSPECTIVES ON  
THE BUDGET**

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6-1

## PERSPECTIVES ON THE BUDGET

This part of the budget explains several topics that help to interpret the budget totals and to place the budget in perspective:

- the relationship of budget authority to outlays;
- limitations on the availability of funds;
- fiscal activities outside the Federal budget:
  - outlays of the off-budget Federal entities (which are proposed to be included on-budget),
  - Government-sponsored enterprises,
  - loan guarantees, and
  - tax expenditures;
- Federal debt and the relationship of budget funds to changes in Federal debt;
- the difference between the initial 1984 budget estimate and the actual outcome for:
  - total outlays,
  - outlays of relatively uncontrollable programs,
  - total receipts, and
  - the total deficit;
- military retirement accruals; and
- the allocation of windfall profit tax receipts.

### RELATIONSHIP OF BUDGET AUTHORITY TO OUTLAYS

The Congress must usually provide budget authority, which is generally in the form of appropriations, before Federal agencies can obligate the Government to make outlays. For 1986, \$1,060.0 billion of new budget authority is proposed for the Federal Government.<sup>1</sup>

Of this total new budget authority, \$544.6 billion will require congressional action. New budget authority of \$708.0 billion will be available through permanent appropriations 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. This gross amount of new budget authority is partially offset by \$192.6 billion of deductions for offsetting receipts, which

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<sup>1</sup> Budget authority is discussed further in Part 7 of this volume.



consist of transactions within the Government and proprietary receipts from the public.

### BUDGET AUTHORITY

(In billions of dollars)

| Description   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>Available through current action by the Congress:</b>                            |                |                  |                  |                  |                  |
| Enacted and pending appropriations <sup>1</sup> .....                               | 544.9          | 548.4            |                  |                  |                  |
| Proposed in this budget:  |                |                  |                  |                  |                  |
| Appropriations .....  |                |                  | 552.1            | 608.0            | 664.5            |
| Supplemental requests .....   |                | 8.3              | 3.5              |                  |                  |
| Rescission proposals .....  |                | -1.7             |                  |                  |                  |
| To be requested separately:   |                |                  |                  |                  |                  |
| Upon enactment of proposed legislation .....  |                | 0.2              | -11.1            | -5.8             | -7.4             |
| Allowances:   |                |                  |                  |                  |                  |
| Civilian agencies <sup>2</sup> .....  |                | *                | *                | 0.8              | 1.8              |
| Department of Defense—  |                |                  |                  |                  |                  |
| Military <sup>3</sup> .....   |                |                  |                  | 3.0              | 7.8              |
| Other allowances <sup>4</sup> .....   |                | 1.5              |                  |                  |                  |
| Subtotal, available through current action by the Congress .....                    | 544.9          | 556.8            | 544.6            | 605.9            | 666.8            |
| <b>Available without current action by the Congress (permanent appropriations):</b> |                |                  |                  |                  |                  |
| Trust funds (existing law) .....  | 358.1          | 417.6            | 442.5            | 469.0            | 518.8            |
| Interest on the public debt .....   | 153.8          | 180.3            | 199.4            | 215.1            | 223.7            |
| Other .....   | 60.9           | 93.4             | 66.2             | 50.2             | 49.0             |
| Subtotal, available without current action by the Congress .....                    | 572.8          | 691.3            | 708.0            | 734.2            | 791.5            |
| <b>Deductions for offsetting receipts .....</b>                                     | -168.0         | -183.2           | -192.6           | -197.1           | -205.3           |
| <b>Total, budget authority .....</b>  | <b>949.8</b>   | <b>1,064.9</b>   | <b>1,060.0</b>   | <b>1,143.0</b>   | <b>1,253.0</b>   |

\* \$50 million or less.

<sup>1</sup> Includes an imputed amount in 1984 (\$16.5 billion) for accruals for military retirement contributions in order to adjust data for comparability with the military retirement presentation that begins in 1985. Deductions for offsetting receipts in 1984 include an amount equal to the imputed accruals.

<sup>2</sup> Allowance for civilian agency pay raises and Coast Guard military pay raises.

<sup>3</sup> Includes allowances for civilian and military pay raises for Department of Defense—Military.

<sup>4</sup> Allowance for contingencies and other requirements.

Not all of the new budget authority for 1986 will be obligated or spent in that year: <sup>2</sup>

- Budget authority for most trust funds comes from the authority of these funds to spend their receipts. Any balances remain available to these trust funds indefinitely in order to finance benefits and other purposes specified by law.
- Budget authority for most major construction and procurement projects covers the entire cost estimated when the projects are initiated, even though work will take place and outlays will be made over a period extending beyond the year for which the budget authority is enacted. Some exceptions

<sup>2</sup> This subject is also discussed in a separate OMB report, "Balances of Budget Authority," which can be purchased from the National Technical Information Service shortly after the budget is transmitted.

are made to this convention, notably for water resource programs.

- Government enterprises are occasionally given budget authority for standby reserves that will be used only in the event of special circumstances.
- Budget authority for the subsidized housing programs is equal to the Government's estimated obligation to pay subsidies under contracts, which may extend for periods of up to 40 years.
- Budget authority for most other long-term contracts also covers the estimated maximum obligation of the Government.
- 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 contingent claims made upon the programs.

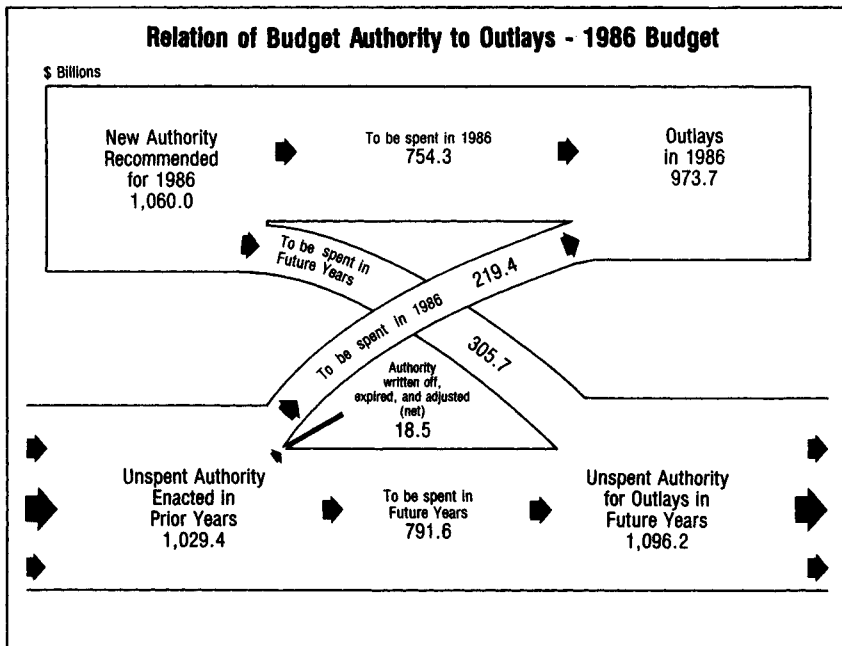
As a result of these factors, a substantial amount of budget authority carries over from one year to the next. Most of this is earmarked for specific uses and is not available for new programs. A small part may never be obligated or spent, because it is primarily for contingencies that do not occur or reserves that never have to be used.

As shown in the chart on the next page, \$219.4 billion of the budget outlays in 1986 (23% of the total) will be made from budget authority enacted in previous years. At the same time, \$305.7 billion of the new budget authority proposed for 1986 (29% of the total amount proposed) will not lead to budget outlays until future years. Thus, the total budget authority for a particular year is not useful for the analysis of that year's 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 this volume and displayed in table 9 of Part 9.

## LIMITATIONS ON THE AVAILABILITY OF FUNDS

Limitations on the availability of funds are a control mechanism that supplements the use of appropriations or other budget authority discussed in the previous section. Limitations on the availability of funds generally are not the source of authority to incur obligations; rather, they place a special ceiling on the use of authority by limiting the amount that can be obligated or committed for a specific purpose. These limitations are established most often through the appropriations process.

Some limitations establish stricter control over amounts provided by appropriations or other acts by limiting the amount to be allo-



cated for specific purposes within an appropriation or fund account.

- Many appropriation accounts provide funding for several activities. A limitation can single out and restrict the amount of obligations for one or more of these activities within the overall budget authority provided for the account. For example, the 1985 appropriation of \$896 million for Operation of Indian programs in the Department of the Interior includes language specifying that an amount not to exceed \$56 million is available for higher education scholarships and assistance to public schools.
- A limitation can be established on the amount that can be used for a particular type of expense, such as the purchase of passenger vehicles, travel, consultants, or publications. These limitations can apply to (1) a single account; (2) all amounts within a single appropriations act; or (3) amounts in more than one appropriations act or amounts provided in substantive law.

Other limitations can affect the total level—not just the composition—of obligations and spending. They are used to control funds that would otherwise become available under relatively broad authority provided in substantive law without Appropriations Committee action. In most cases these limitations apply either 1) to

trust fund activities, which are normally financed through earmarked receipts, like the payroll tax receipts for the social security trust funds; 2) to revolving funds, which finance business-type operations that generate their own income to pay their expenses; or 3) to other accounts for which substantive law provides spending authority.

Under the credit control system, limitations on Federal direct loan obligations and guaranteed loan commitments are the principal method of controlling the allocation of Federal credit.<sup>3</sup> These limitations provide a mechanism for annual Congressional review of the gross level of new loan activity including the loan activity that affects outlays. All direct lending and all loan guarantees that result in direct loans by the Treasury Department's Federal Financing Bank will result in outlays. The other guaranteed loans, though also important because of effects of loan guarantees generally on the credit market and the economy, ordinarily do not lead to Government spending except in the event of default.

Certain Federal program levels in addition to credit activities are also constrained through the use of limitations on operating and administrative expenses. For example, the use of the budget authority of the highway and the airport and airway trust funds is controlled by limitations on the agencies' ability to obligate the Federal Government to make payments. Non-loan, business-type activities that are controlled through limitations include the Federal buildings fund and the national defense stockpile transaction fund; both are controlled through limitations on the use of receipts.

For many trust funds, all receipts of the fund automatically become budget authority and are available for spending. The Congress exercises control over the benefits that are paid from these funds through the use of eligibility criteria and benefit levels established in substantive law. Through the use of limitations, the Congress can also exercise control over the administrative expenses of these trust funds. Such limits apply, for example, to the old-age and survivors insurance trust fund, the hospital insurance trust fund, and the unemployment insurance trust fund.

#### SELECTED LIMITATIONS THAT AFFECT OUTLAYS

(In billions of dollars)

|  | 1984<br>enacted | 1985<br>estimate | 1986<br>estimate |
|--|-----------------|------------------|------------------|
| Direct loans:  |                 |                  |                  |
| Direct loan obligations .....  | 11.9            | 12.3             | 2.0              |
| Guaranteed loan commitments resulting in direct loans by the FFB ..... | 8.8             | 2.6              | 0.3              |
| Program levels (other than loans) .....                                | 16.9            | 17.9             | 16.8             |
| Administrative expenses of trust funds .....                           | 27.7            | 24.3             | 23.7             |
| Total, selected limitations .....                                      | 65.3            | 57.1             | 42.8             |

<sup>3</sup> The credit control system is discussed further in Part 7 of this volume and in Special Analysis F, "Federal Credit Programs."

The preceding table summarizes some of the major limits on the availability of funds that affect budget spending. The amounts identified do not include all limitations, especially for credit programs, but they illustrate that there can be significant spending changes without changing budget authority.

### FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include a number of activities of the Federal Government that result in spending similar to budget outlays. These activities, nevertheless, channel economic resources toward particular uses in ways that are analogous to the effects of budget spending.

In previous years the outlays of the off-budget Federal entities were a major exclusion from the budget. This year, however, the Administration proposes to put these entities into the budget, so that they will no longer be exceptions to the principle of a unified budget. Accordingly, the data for the entities that are off-budget under current law have been included in the budget for all years. The reasons for this proposal, and the activities and background of these entities, are discussed in some detail below.

This is followed by a discussion of fiscal activities that are properly outside the scope of the unified budget. The Government-sponsored enterprises are outside the budget because of their private ownership. Loan guarantees allocate economic resources toward particular uses by making credit available to borrowers at more favorable terms than would otherwise be available in the private market. Taxation and tax expenditures, which also have significant allocative effects on the economy, are discussed subsequently.

The regulation of economic activity changes resource allocation in different ways. Some types of regulation have economic effects that in certain respects are similar to budget outlays by requiring the private sector to make expenditures for specified purposes such as safety and pollution control. The effects of this spending are very important, but many of them have not been quantified satisfactorily and therefore cannot be clearly related to the budget.

***Outlays of off-budget Federal entities.***—The Federal Government has used the unified budget concept as the foundation for its budgetary analysis and presentation since the 1969 budget. Starting in 1971, however, laws were enacted under which several Federal entities were removed from the budget or created outside of the budget. The off-budget Federal entities are federally owned and controlled, but their transactions were excluded from the budget

totals under these provisions of law. Thus, they have been exceptions to the principle of a unified budget.

In the past few years the trend toward steadily increasing the number of off-budget Federal entities has been changed. Several entities were put on-budget in a series of legislative actions. The executive and the Congress have on several occasions expressed concern about the practice of excluding some Federal outlays from the budget and have taken steps to control off-budget spending. In particular, this Administration has been very concerned about the effects of off-budget direct loans in allocating credit toward specific uses and about the necessity of financing these loans by additional Federal borrowing from the public. Last year the Administration supported the basic intent of the bills before the Congress that would have included the outlays of the Federal Financing Bank in the budget. These outlays comprise most of the spending that is off-budget under current law.

*Legislative proposal.*—The Administration proposes that all the off-budget Federal entities be placed on-budget, and thus that the principles of the President's Commission on Budget Concepts be adhered to. The Commission, whose recommendations underlie the concept of the unified budget, declared: "Following from the definition of a budget as a basic part of a comprehensive financial plan, the budget should include all programs of the Federal Government and its agencies." <sup>4</sup> The unified budget concept, therefore, measures the Government's net fiscal transactions with the public.

The Administration believes that the comprehensive coverage of the unified budget concept is needed for the budget of the United States Government. Comprehensive coverage is necessary:

- to inform the public of the full extent of how much the Government is spending both in total and for particular purposes;
- to make rational and informed choices between public and private activities;
- to establish priorities in allocating the Government's resources among alternative programs; and
- to understand and thereby influence the impact of Government spending on the economy.

Therefore, the Administration is proposing legislation to restore the complete coverage of the unified budget by shifting the off-budget entities into the budget. In order to be consistent with this proposal, the present budget volume and the other budget documents treat the entities that are off-budget under current law as though they were on-budget. Thus, in the present budget documents, unlike the ones for previous years, the spending of these

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<sup>4</sup> *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), p. 7. Also see the further discussion on pp. 24-25.

entities is reflected in both budget outlays and the budget deficit; and the appropriations requests and permanent budget authority for their programs are included in the totals of budget authority for the budget. This treatment extends throughout all schedules and other presentations.<sup>5 6</sup> The actual budget data for 1984 and all previous years were revised to include the entities that are off-budget under current law, so that the year-to-year comparisons and historical series would be as accurate and consistent as possible.

This change in treatment does not affect Federal borrowing or debt. As shown in the table on page 6-26, the outlays of the off-budget entities have always had to be added to the on-budget deficit to derive the total Government deficit, which, for the most part, must be financed by borrowing from the public. When off-budget outlays are financed by Treasury borrowing, as is usual, the additional debt is subject to the statutory debt limitation; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt and adds to the Federal debt held by the public.

The proposed treatment does not change the nature of the transactions recorded in the budget. Most of the outlays of the off-budget Federal entities are incurred in order to carry out direct loan programs. These programs have the same economic, financial, and accounting characteristics as the direct loan programs in the budget under current law, such as those of the foreign military sales credit program and the housing for the elderly or handicapped fund. The outlays of the direct loan programs, whether on-budget or off-budget under current law, are approximately equal to the difference between the new loans disbursed and the repayments of principal. Of the remaining off-budget outlays, some are incurred for the Postal Service, which is a public enterprise fund, analogous in its business-type operations to the Tennessee Valley Authority. Finally, some off-budget outlays are for the strategic petroleum reserve account to buy oil. This purchase is similar in nature to the purchases of goods from the private sector by the Department of Defense, the General Services Administration, and most other Federal agencies. Thus, the outlays that are off-budget under current law, like the outlays that are on-budget, are designed to allocate economic resources toward particular purposes of the Federal Government.

*Background and current operations.*—The first departure from the unified budget concept occurred in August 1971, when the Export-Import Bank was excluded by statute from the budget. Fur-

<sup>5</sup> Financial statements for those entities that are off-budget under current law are published in the *Appendix, Budget of the United States Government, Fiscal Year 1986, Part I*.

<sup>6</sup> The Board of Governors of the Federal Reserve System is a Federal organization. It is excluded from the budget and from this discussion and the legislative proposals. Financial statements are published in the *Appendix, Part V, "Government-Sponsored Enterprises."*

ther departures followed in the next few years under various statutes. 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 it was initially classified as a deposit fund instead of an off-budget Federal entity.

In subsequent years the trend toward steadily increasing the number of off-budget Federal entities was changed. The Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation were put on-budget by statute in different years. The operations of the Exchange Stabilization Fund were put on-budget in a series of legislative and administrative actions. Most of the transactions of the U.S. Railway Association were brought into the budget by legislation that required its purchases of Conrail securities to be included in the budget. Whenever a former off-budget entity was put on-budget, the budget outlays and deficits of previous years were revised to include the entity to the extent feasible so that the historical series measuring budget transactions would be as accurate and consistent as possible.

Despite these reversals, two new off-budget Federal entities were established to carry out energy programs. The Synthetic Fuels Corporation was created outside of the budget in 1980, although all of its funding is provided in the budget totals of the Treasury Department. The cost of purchasing oil for the strategic petroleum reserve was put off-budget beginning in 1982. The costs of operations, maintenance, construction, and administration, however, remain in the budget.

Notwithstanding the exclusion of the off-budget entities from the budget, some of the outlays related to their operations were nonetheless included in the budget totals. The budget totals included the funding of the Synthetic Fuels Corporation, certain expenses of the strategic petroleum reserve, the Federal payment to the Postal Service fund, the administrative expenses of the U.S. Railway Association, and the administrative expenses and appropriations to reimburse losses of the Rural Electrification Administration lending programs. Moreover, while the budget authority and outlays of off-budget Federal entities were excluded from the budget totals, some of their activities were subject to other methods of Presidential and congressional review. For example, the credit budget, discussed on page 6-20 and in Part 7 of this volume, includes the direct loans and guaranteed loans of off-budget entities as well as on-budget agencies;



and the outstanding debt and annual borrowing of the Postal Service are limited by statute.

Within Congress, the budget resolutions for 1980 recommended that the congressional budget process should accurately relate off-budget activities to the budget. Following this procedural recommendation, the budget resolutions beginning in 1981 have included targets for credit that covered the obligations for new direct loans made by the off-budget Federal entities.

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. As the following table shows, the Federal Financing Bank (FFB) accounts for most of the outlays that are off-budget under current law. The only other off-budget entities with comparatively large outlays are, in some years, the strategic petroleum reserve account and the Postal Service fund. The outlays of the Postal Service fund and the Synthetic Fuels Corporation are calculated net of offsets for the payments that they receive from accounts in the budget. These offsets are estimated to be \$1.4 billion and \$0.3 billion, respectively, in 1986. The payment to the Postal Service fund is lowered in 1986 because of the proposal to abolish the payment for revenue forgone from carrying certain mail at free or reduced rates; this is an estimated \$0.8 billion in 1985. The payment to the Synthetic Fuels Corporation is to fund its entire operations.

#### OFF-BUDGET OUTLAYS UNDER CURRENT LAW <sup>1</sup>

(In billions of dollars)

| Entity  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| Federal Financing Bank.....                             | 7.3            | 10.4             | 0.1              | -3.3             | -4.1             |
| Rural Electrification and Telephone revolving fund..... | —*             |                  |                  |                  | -.3              |
| Rural Telephone Bank.....                               | *              | .1               | .1               | .1               | .1               |
| Strategic Petroleum Reserve account.....                | 2.3            | 1.6              | .1               |                  |                  |
| Postal Service fund.....                                | .4             | .3               | 1.2              |                  |                  |
| U.S. Railway Association.....                           | —*             | —*               |                  |                  |                  |
| Synthetic Fuels Corporation.....                        |                |                  |                  |                  |                  |
| <b>Total.....</b>                                       | <b>10.0</b>    | <b>12.5</b>      | <b>1.5</b>       | <b>-3.2</b>      | <b>-4.3</b>      |

\*\$50 million or less.

<sup>1</sup> Proposed to be included on-budget.

The Federal Financing Bank does not operate programs itself. Rather, the FFB finances other programs within the Government by purchasing their debt securities, making direct loans on their behalf, or purchasing their loan assets. FFB obtains the funds for these transactions by borrowing an equal amount from Treasury. The operation of the assisted programs remains with the agencies that FFB finances.

FFB purchases of agency debt securities do not increase FFB outlays. An agency incurs outlays when it spends the proceeds of its borrowing from the FFB, so FFB outlays must exclude this borrowing transaction in order to prevent double counting.

In contrast, FFB outlays are generated by its direct loans and its purchases of loan assets. Both types of transactions are connected with loan guarantees by another agency. FFB makes direct loan disbursements to the public upon the request of an agency, with the repayment of the loan to the FFB being guaranteed by that agency. These direct loans are outlays outside the budget under current law but would be on-budget outlays under proposed legislation.

FFB purchases loan assets from various agencies, also upon agency request. Loan assets are loans that an agency has made to the public and for which repayments are still owed. The agency guarantees the loan assets sold to the FFB, which ensures that the FFB will be paid in the event of default. Loan asset sales are offsets to the outlays of the agency that sells them, regardless of whether they are sold to the FFB or the public. Sales thus reduce the size of an agency's outlays immediately rather than over the normal course of time during which the loans that are sold would be repaid. Therefore, if the selling agency's outlays are included in the budget, the budget outlays caused by its direct loans are offset by the amount of its sales of loan assets. As a result, when the FFB buys loan assets, under current law it effectively converts direct loans that have already been made by another agency into off-budget direct loans of the FFB. Putting the FFB on budget will have the effect that these transactions between two Federal agencies will not reduce the budget totals.

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 agencies continue to hold and service, and they comprise almost all of the loan assets bought by FFB. 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 little 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."<sup>7</sup>

The remainder of FFB outlays consists of the interest that it pays on its borrowings from Treasury, its administrative expenses, and its payment of surplus income to the general fund, the sum of

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<sup>7</sup> See *Report of the President's Commission on Budget Concepts*, pp. 8, 47-48 and 54-55.

which is offset by the interest that it receives on its holdings of loans and debt. Under current policy, the net interest received (less administrative expenses) is paid in the same year to the general fund. Therefore, this remainder is approximately zero, and FFB outlays approximately equal direct loan disbursements to the public plus purchases of loan assets from other agencies, less repayments.

Since the FFB finances other programs within the Government, rather than operating programs itself, the Administration's proposal for putting the FFB in the budget would charge its outlays to the agencies that use the FFB to finance their programs. This proposal is consistent with the basic intent of several bills that have been introduced in the Congress. This method of putting the FFB in the budget would improve the review and control of Federal outlays by both the Congress and the executive branch. At the same time, the proposed legislation would prevent agencies from avoiding the budgetary control process by financing their programs through fully guaranteed obligations of the type ordinarily financed in the investment securities market. Thus, this change would improve budgetary control while maintaining the principle of efficient debt management that was the purpose for setting up the FFB. For transition purposes only, however, in this budget the outlays of the FFB are charged to the Treasury Department, in which the FFB is organizationally located, rather than the agencies that use the FFB to finance their programs.

Because of this transition treatment, in several places the budget documents attribute the FFB outlays that are made on behalf of an agency to that agency itself. This is done so as to present the effects of the FFB's transactions for different programs. The table on the next page summarizes this attribution, showing the direct loans to the public or purchases of loan assets, less repayments, for selected agencies and programs. The FFB outlays are attributed by function in the tables throughout Part 5 and elsewhere, and a complete attribution by both agency and function is given in Part 8 in the section for the Treasury Department that displays the FFB.

As shown in this table, FFB finances a wide variety of programs. FFB outlays for these programs reached a peak of \$21.0 billion in 1981 but have declined every year since then, falling to \$7.3 billion in 1984. Although FFB outlays are estimated to rise in 1985, they are estimated to fall very sharply in 1986 and to become negative amounts of increasing size in 1987 and subsequent years. This occurs primarily for two reasons: several lending programs financed by FFB are proposed to be terminated, and FFB will continue to receive repayments of principal on loans made in previous years. These effects show up most strongly for the Farmers Home Administration, which has accounted for a little over half of all

## ATTRIBUTION OF FEDERAL FINANCING BANK OUTLAYS

(In millions of dollars)

| Description   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate | 1987<br>estimate | 1988<br>estimate |
|---|----------------|------------------|------------------|------------------|------------------|
| Outlays from loans, by agency or program:                               |                |                  |                  |                  |                  |
| Farmers Home Administration: certificates of beneficial ownership ..... | 2,820          | 4,099            | -904             | -4,248           | -4,141           |
| Rural Electrification and Telephone revolving fund:                     |                |                  |                  |                  |                  |
| Certificates of beneficial ownership .....                              | 69             | 447              | 253              | 53               | .....            |
| Direct loans to public .....  | 1,648          | 2,685            | 2,222            | 1,700            | 1,490            |
| Foreign military sales credit .....                                     | 2,818          | 2,340            | 282              | -693             | -1,001           |
| Energy .....  | 366            | 353              | 14               | -1               | -105             |
| Housing and Urban Development:  |                |                  |                  |                  |                  |
| Community development grants .....                                      | 31             | 42               | 25               | 23               | -59              |
| Low-rent public housing .....   | 112            | -32              | -35              | -37              | -39              |
| Transportation: Railroad programs .....                                 | -904           | -5               | -9               | -10              | -12              |
| National Aeronautics and Space Administration .....                     | 8              | -67              | -107             | -112             | -98              |
| Small Business Administration .....                                     | 254            | 500              | -1,735           | -10              | -10              |
| Tennessee Valley Authority: Seven States Energy Corporation .....       | 137            | 90               | 87               | 73               | -40              |
| Other .....   | -22            | -9               | -16              | -45              | -46              |
| Subtotal, outlays from loans .....                                      | 7,336          | 10,442           | 77               | -3,306           | -4,063           |
| Interest, administrative expenses, and payment of surplus income .....  | -60            | .....            | .....            | .....            | .....            |
| <b>Total, FFB outlays .....</b>   | <b>7,277</b>   | <b>10,442</b>    | <b>77</b>        | <b>-3,306</b>    | <b>-4,063</b>    |

FFB outlays since FFB began operation. The Farmers Home Administration direct loan programs are proposed for termination or major reduction in this budget. In addition, FFB outlays for the foreign military sales credit program decline beginning in 1985 because new obligations for direct loans are financed independently from FFB; and outlays for the Small Business Administration are a large negative amount in 1986 because of a proposed transfer of these loans to a separate account in the Treasury Department before being sold to the public. By 1988 the only program with a large amount of new direct loans financed by the FFB is the Rural Electrification and Telephone revolving fund.

Since the Farmers Home Administration is on-budget, FFB's purchase of its certificates of beneficial ownership reduces total on-budget outlays under current law as well as Farmers Home outlays. The total outlays of the Federal Government are not affected, since the decrease in on-budget outlays under current law is exactly offset by the increase in off-budget outlays. Under the legislative proposal to include FFB in the budget, the budget outlays of the Federal Government will also not be affected by the FFB's transactions with the Farmers Home Administration. FFB's purchase of certificates of beneficial ownership from the off-budget Rural Electrification and Telephone revolving fund reduces the outlays of this

**COMPARISON OF TOTAL FEDERAL OUTLAYS WITH CLASSIFICATION UNDER CURRENT LAW AND  
WITH GOVERNMENT-SPONSORED ENTERPRISES**

(In billions of dollars)

| Fiscal year        | Federal Government |                                  |                         | Government-sponsored enterprises <sup>a</sup> |
|--------------------|--------------------|----------------------------------|-------------------------|---|
|                    | Total budget       | Classification under current law |                         |   |
|                    |                    | On-budget <sup>1</sup>           | Off-budget <sup>2</sup> |   |
| 1970.....          | 195.7              | 195.7                            | .....                   | 9.6   |
| 1971.....          | 210.2              | 210.2                            | .....                   | *   |
| 1972.....          | 230.7              | 230.7                            | .....                   | 4.4   |
| 1973.....          | 245.7              | 245.6                            | 0.1                     | 11.4  |
| 1974.....          | 269.4              | 267.9                            | 1.4                     | 14.5  |
| 1975.....          | 332.3              | 324.2                            | 8.1                     | 7.0   |
| 1976.....          | 371.8              | 364.5                            | 7.3                     | 4.6   |
| TQ.....            | 96.0               | 94.2                             | 1.8                     | 2.3   |
| 1977.....          | 490.2              | 400.5                            | 8.7                     | 9.7   |
| 1978.....          | 458.7              | 448.4                            | 10.4                    | 24.5  |
| 1979.....          | 503.5              | 491.0                            | 12.5                    | 25.9  |
| 1980.....          | 590.9              | 576.7                            | 14.2                    | 25.3  |
| 1981.....          | 678.2              | 657.2                            | 21.0                    | 33.4  |
| 1982.....          | 745.7              | 728.4                            | 17.3                    | 42.4  |
| 1983.....          | 808.3              | 796.0                            | 12.4                    | 34.3  |
| 1984.....          | 851.8              | 841.8                            | 10.0                    | 44.7  |
| 1985 estimate..... | 959.1              | 946.6                            | 12.5                    | 44.3  |
| 1986 estimate..... | 973.7              | 972.2                            | 1.5                     | 43.2  |
| 1987 estimate..... | 1,026.6            | 1,029.9                          | — 3.2                   | (*)   |
| 1988 estimate..... | 1,094.8            | 1,099.1                          | — 4.3                   | (*)   |

\*\$50 million or less.

<sup>1</sup> 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 as on-budget instead of off-budget. The administrative expenses and interest collections of the Exchange Stabilization Fund are included on-budget beginning in 1976, and the actual profits and losses realized from foreign exchange transactions are included beginning in 1979. Earlier data for the ESF are not available on a comparable basis.

<sup>2</sup> Proposed to be included on-budget.

<sup>3</sup> To prevent double counting, outlays of Government-sponsored enterprises exclude loans to other Government-sponsored enterprises and loans to or from all Federal entities.

<sup>4</sup> Not available.

fund to a very small amount, as shown in the preceding table on the outlays of off-budget entities. The purchase reduces this fund's outlays and augments the outlays of the FFB by an equal amount.

The table above compares total Federal outlays with the outlays that are on-budget and off-budget under current law.<sup>8</sup> The outlays of the entities that are off-budget under current law were negligible in 1973 but grew rapidly afterwards for several years and reached a peak of \$21.0 billion in 1981. This was 3.1% of total Federal outlays. The loan programs financed by the Federal Financing Bank were the primary reason for this growth. After 1981, however, the off-budget outlays fell sharply, and by 1984 they had approximately halved. They are estimated to decrease sharply

<sup>8</sup> The historical data for on-budget outlays under current law include Federal entities that are off-budget under current law for any period when they were in the budget, and include the present Government-sponsored enterprises for periods when they had any Government ownership. The outlays of former off-budget entities are included in the on-budget totals for all years to the extent practicable.

again after 1985 and to become sizable negative amounts in 1987 and later years.

**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. In time, however, 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 Commission on Budget Concepts. The Commission basically recommended that the budget exclude those Government-sponsored enterprises that are entirely privately owned. However, the Commission recommended that financial statements of their operations be included in the budget documents, because the enterprises carry out federally designed programs and receive benefits from their close association with the Government.<sup>9 10</sup>

These benefits differ from one enterprise to another and from one type of debt security to another. In most cases, but not all, they include such advantages as the following: their debt securities can be held by federally regulated financial institutions under circumstances where other private securities or State and local securities are not eligible; they are exempt from Federal income taxation; the interest on their debt securities is exempt from State and local income taxation; and the enterprises are perceived by the securities market to have a special relationship with the Federal Government. Because of these benefits, the Government-sponsored enterprises can borrow at interest rates only slightly higher than the interest rates paid by Treasury on Federal debt. Consequently, this budget proposes that fees for this privilege be imposed on new borrowings (including mortgage-backed securities) of the Government-sponsored enterprises.

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 from the unified budget. 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

<sup>9</sup> *Report of the President's Commission on Budget Concepts*, pp. 29-30.

<sup>10</sup> Financial statements for the Government-sponsored enterprises are published in the *Appendix*, Part V, "Government-Sponsored Enterprises." Their borrowing and lending are discussed in Special Analysis E, "Borrowing and Debt," and Special Analysis F, "Federal Credit Programs."

Marketing Association were later established with full private ownership. The Federal Home Loan Mortgage Corporation is not privately operated, however, because its board of directors consists entirely of members of the Federal Home Loan Bank Board, who are Federal Government officials appointed by the President.

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. The loans of these enterprises primarily support housing, but also support agriculture and higher education. As shown in the previous table, their outlays have grown considerably—from relatively moderate amounts through the middle 1970's to over \$20 billion in 1978 and over \$30 billion each year since 1981.

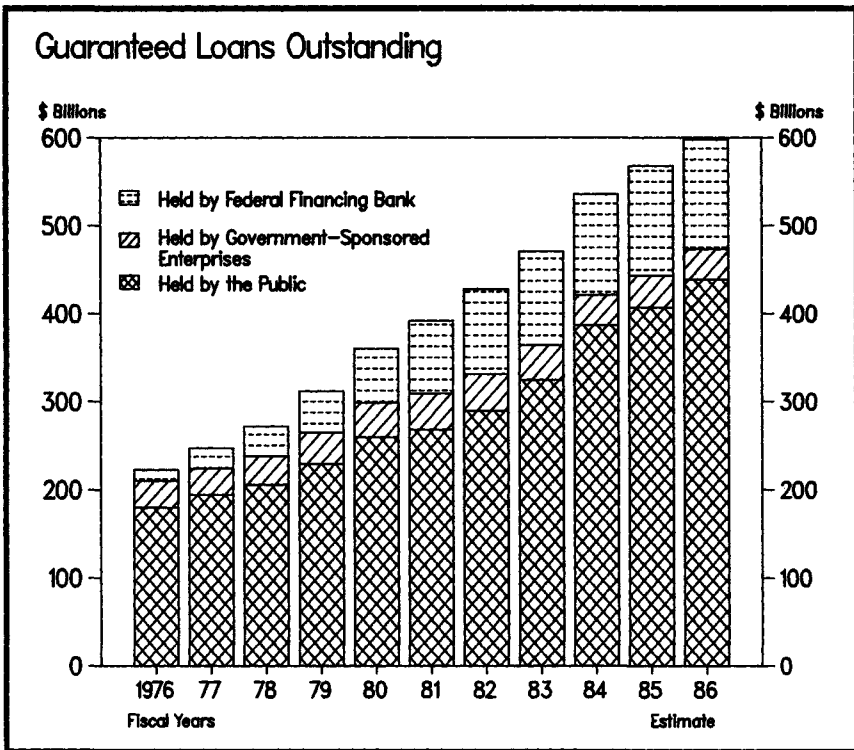
The operations of the Government-sponsored enterprises are not subject to the Federal budget review process, and the economic assumptions on which their estimates are based are not necessarily the same as the Administration's economic assumptions shown in Part 3. These enterprises estimate that they will spend \$43.2 billion in 1986, which equals 4.4% of total Federal 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 1984-86, in billions of dollars: <sup>11</sup>

|                                      | 1984 actual | 1985 estimate | 1986 estimate |
|--------------------------------------|-------------|---------------|---------------|
| Loans outstanding, end of year ..... | 314.1       | 360.1         | 405.9         |
| Net loans.....                       | 53.1        | 46.0          | 45.8          |

**Loan guarantees.**—Government-guaranteed loans are loans for which the Government guarantees the payment of the principal and the interest in whole or in part in the event of borrower default. Loan guarantees are contingent liabilities of the Federal Government. They generally do not result in budget outlays except in case of default.

Guaranteed loans may be made to many types of borrowers, including individuals, businesses, State and local governments, and foreign governments. The guarantees may be full or partial, and in some programs, such as the guaranteed student loan program, they are supplemented by explicit subsidies or other forms of assistance. Most guaranteed loans are made by banks or other private institutional lenders, and may take the form of mortgages or bank loans. Others are sold in securities markets. In 1984, 27.5% of total guaranteed loan commitments were used to guarantee direct loans disbursed or purchased by the Federal Financing Bank, which is described above on pages 6-11 to 6-15. An additional amount of guaranteed loans originally made by private institutions is pur-

<sup>11</sup> In order to prevent double counting in adding Government-sponsored loans to Federal direct loans and guaranteed loans, this table excludes loans from one Government-sponsored enterprise to another, loans from the Federal Government, and guaranteed loans acquired.

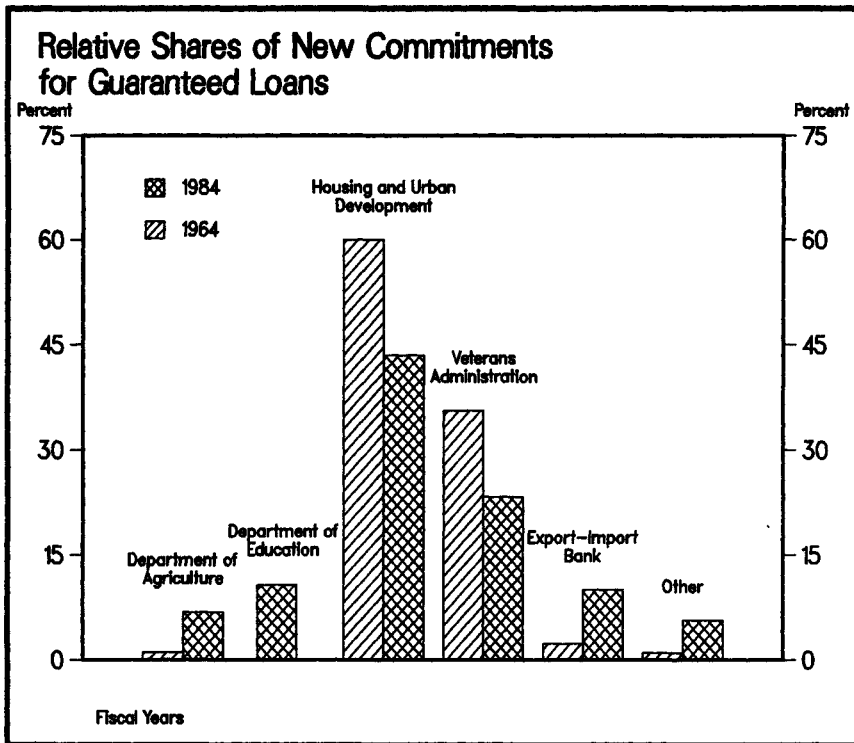


chased and held by privately owned, Government-sponsored enterprises, as the chart above shows.

A loan guarantee transfers some or all of the default risk of the loan from the private lender to the Government. Where the Government guarantees timely payment of 100% of the loan principal and interest, it transforms a private loan into a near-government loan financed by a near-government security. The guaranteed loan will not have all the attributes of a Government loan, since private lenders will negotiate different financial terms and conditions (e.g., fees) than would a Government agency. Nor will the guaranteed loan have all of the attributes of a U.S. Treasury security. It will be less liquid and may involve higher transaction costs.

Loan guarantees are designed to allocate economic resources to particular uses by providing credit at more favorable terms than are otherwise available in the private market. If loan guarantee recipients are not sufficiently creditworthy to borrow without Federal assistance, the subsidy provided by the guarantee is large and the guarantee will directly reallocate credit toward federally selected uses, thereby increasing the total volume of credit channeled into these uses. This leaves a smaller supply of credit to be allocated to those potential borrowers who do not receive assistance, and increases the interest rate to these borrowers. However, the guarantee does not always change the allocation of credit to such a





large degree. Some beneficiaries of loan guarantee programs would have been able to secure the funds privately, without Government support. For example, guaranteed mortgage credit might be used to finance, at a lower cost, a house that would have been purchased anyway.

Many of the guarantee programs operated by the Federal Government began in efforts to revive the economy during the depression of the 1930s. The Reconstruction Finance Corporation, created in 1932, was the forerunner of the Export-Import Bank, the Small Business Administration, and other credit programs. The Nation's single largest credit program, the Federal Housing Administration's (FHA) home mortgage insurance program, was created in 1934 to stimulate housing purchases.

During the 1950s and 1960s housing credit dominated Federal credit activities. The home mortgage programs of the FHA and Veterans Administration accounted for 95.6% of the total volume of new commitments for guaranteed loans in 1964. As the chart above shows, the range of activities financed with Federal guarantees has widened since that time. Guarantees are now offered for business, agriculture, energy, and education, though housing continues to dominate. For the 1986 budget, home mortgage programs

account for 62.4% of all new guaranteed loan commitments. Aid to international business accounts for 15.8%. The remaining 21.8% is primarily for the guaranteed student loan program and for agriculture.

Because loan guarantees are not included in the outlay totals, they were formerly excluded as well from normal budget discipline. In January 1980 a central control system for Federal credit was instituted to subject guaranteed and direct loans to greater scrutiny throughout the budget process. This system consisted of the Federal credit budget and appropriations bill limitations. The credit budget covers all direct and guaranteed loans by Federal agencies. Control is effected through appropriations bill limitations, which cover 63% of all new guaranteed loan commitments to be extended in 1986 and 33% of new direct loan obligations. (See Part 5 for a discussion of credit programs by function, Part 7 for a more complete description of the credit budget and credit control system, and Special Analysis F, "Federal Credit Programs," for a detailed discussion of Federal credit activities.)

***Taxation and tax expenditures.***—Taxation provides the Government with receipts, which withdraw purchasing power from the private sector in order to finance direct Government expenditure. The structure of the tax system has important effects on the allocation of resources among private uses and the distribution of income among individuals. These effects are caused by the choice of taxes and by the structural characteristics of each different tax—for example, by the rate schedules, exemptions, deductions, and exclusions of the individual income tax. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays.

Some features of the tax system have been defined as "tax expenditures" and receive special attention in the budget. Tax expenditures are defined as amounts attributable to provisions of the Federal income tax laws that allow a special exclusion, exemption, or deduction from gross income or that provide a special credit, a preferential rate of tax, or a deferral of tax liability. The Congressional Budget Act requires that estimates of tax expenditures be published in the budget.

Tax expenditures are so designated because they are one means by which the Federal Government pursues public policy objectives, and because in many cases they can be regarded as an alternative means of achieving the same objectives as direct expenditures. They can also be regarded as an alternative means of achieving the same objectives as other instruments of Government policy, such as loan guarantees, regulations, and provisions of the tax law other than those provisions that cause tax expenditures. There are numerous examples of the similarity in objective between tax expend-

itures and direct outlays. For instance, the cost of buying ships built in U.S. shipyards is reduced both by construction subsidies and by the deferral of tax on the shipping company income used to buy new ships; and the cost of borrowing by eligible persons and businesses is reduced both by direct loans at subsidized interest rates and by tax exemption for bonds. Similarly, State and local governments benefit both from direct grants and from the ability to borrow funds at tax-exempt rates; and individuals benefit both from social security payments and from the tax exemption of most of these payments.

Tax expenditures ordinarily result from permanent legislation. They therefore are not submitted to the Congress each year and do not routinely receive a formal and systematic annual review. In this sense they share a legislative status with entitlement programs, such as social security, which do not require annual appropriations. However, tax expenditures, other provisions of the income tax, and other tax laws are generally reviewed whenever fiscal policy decisions are considered regarding the overall level of tax receipts. Many tax expenditures and other tax law provisions were changed in the revenue acts of the last four years; and during the past year the Treasury Department comprehensively reviewed the income tax law including both its tax expenditures and its other provisions.

The classification of certain provisions of law as resulting in tax expenditures requires some baseline tax structure against which the actual tax law can be compared. Deviations of the law from this baseline are deemed to cause tax expenditures. The Congressional Budget Act does not provide an exact specification of the baseline against which tax expenditures are to be measured.

The baseline used in the budget is intended to consist of the general provisions of the Internal Revenue Code. For the individual income tax, the baseline in the budgets since 1983 has included those provisions that exist under current law for the definition of taxpaying units (including the separate corporation income tax), graduated rate schedules, personal exemptions, zero-bracket amounts (standard deductions), and basic accounting rules. The baseline before 1983 was similar but in addition required that the time pattern of depreciation deductions approximate the useful life of assets and that all cash transfers from government be included in taxable income. By definition, characteristics of the tax structure included in the baseline do not give rise to tax expenditures.

The use of many of the general provisions of the Internal Revenue Code for defining both of these baseline tax structures makes it clear that listing an item as a tax expenditure does not imply that it is either a desirable or an undesirable provision. When different provisions of the Code are considered to be in the base-

line, the list of tax expenditures is different and the amounts of particular tax expenditures may also be different. For example, in contrast with the baseline used in earlier years, the baseline used in the budgets since 1983 has considered the accelerated cost recovery system (ACRS) to be the general method for depreciating assets and therefore has included ACRS as part of the baseline; this baseline has also excluded public assistance payments from baseline income. Therefore, under this baseline, unlike the pre-1983 baseline, tax expenditures do not arise from either the use of ACRS or the exclusion of public assistance benefits from adjusted gross income. This year's tax expenditure estimates show tax expenditures relative to both of these baselines.

These two baselines are not the only ones that might be used. In particular, a baseline tax structure might reflect a normative judgment about a fully comprehensive income tax base or consumption tax base. A fully comprehensive income tax base, among other changes, would adjust incomes for the effects of inflation; would integrate the individual and corporation income taxes rather than regarding the separate tax treatment of individuals and corporations as part of the baseline tax structure; would include imputed income, such as the consumption benefits received from owner-occupied homes; and would tax income when it was accrued instead of when it was realized. Thus, for example, the failure under present law to take account of inflation in measuring capital gains, depreciation, and interest income would be regarded as negative tax expenditures. Alternatively, under a consumption tax base, income would not be taxed until consumed. However, the proceeds of borrowing and of withdrawals from savings accounts would be taxable if they were used for consumption. Under either of these alternative baseline structures, the list of tax expenditures and their estimated amounts would be different than they are now.

Some of the items listed as tax expenditures under one or both of the present baselines can be regarded to some degree as inexact but practicable adjustments to correct for departures of the baseline from a fully comprehensive tax base. For example, the exclusion of 60 percent of long-term capital gains from taxable income may be regarded as a method of adjusting for the overstatement of real income from capital gains during a period of inflation. Similarly, the use of more accelerated depreciation methods than economic life—which is a tax expenditure under the pre-1983 baseline—may be regarded as a means of offsetting the failure to adjust depreciation deductions for increases in the price level.

Regardless of how the baseline is defined, the provisions of tax law that do not result in tax expenditures deserve as much scrutiny as the provisions of tax law that do. This is because the other provisions also have major effects on the allocation of resources

and the distribution of income, and because these other provisions may be alternative means of achieving the same objectives or analogous objectives as tax expenditures achieve. For example, investment in equipment may be stimulated by either an increase in the investment tax credit or a decrease in the corporation income tax rate; the former is a change in a tax expenditure, but the latter is not. Similarly, income support may be provided by either the exclusion of social security benefits from taxable income or by the zero-bracket amount (standard deduction); the former causes a tax expenditure, but the latter does not.

Tax expenditures are estimated in two steps. First, the revenue loss of a tax provision is estimated, i.e., the difference between tax receipts and what tax receipts would be if the tax law conformed to a specified baseline. If removing a tax provision would increase taxable income, for example, the revenue loss is estimated as the increase in taxable income multiplied by the tax rate that would be paid on the additional income.

The revenue loss is then adjusted to an outlay equivalent, i.e., the amount of outlays that would be required to provide an equal after-tax income to the taxpayer (and thereby an equal incentive) as the special tax provision provides. In many cases the required outlays are greater than the revenue loss, because taxpayers would have to pay taxes on the higher income derived from the outlays. For example, one tax expenditure provision is the exclusion from taxable income of the value of housing and meals supplied to military personnel. If the Government were to repeal this tax exclusion and instead pay higher salaries, the increase in salaries would be taxed. Consequently, if the Government were to use taxable direct expenditures rather than tax expenditures and were to provide the same total after-tax compensation, the increase in direct outlays for higher salaries would have to be greater than the revenue loss under the special tax provision. The Federal deficit would be the same in either case, however, because higher outlays would be required only to the extent needed to make up the difference caused by higher tax receipts.

This adjustment makes the tax expenditures more comparable with direct outlays than the revenue loss would be and therefore more useful in analyzing Federal programs. For some tax expenditures, though, the revenue loss is equivalent to a direct outlay without any adjustment. Special Analysis G, "Tax Expenditures," presents estimates of tax expenditures defined both as outlay equivalents and as revenue losses, but for program analysis in this budget only the outlay equivalent estimates are used.

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 reductions in the

income tax rate schedule enacted in 1981, for example, automatically decreased many tax expenditures below what they otherwise would have been. A tax rate reduction decreases the amount of receipts that would be gained by repealing deductions, exemptions, and exclusions, because lower tax rates are applied to the increase in taxable income.

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 using the zero-bracket amount (standard deduction). Consequently, adding together separate tax expenditures would usually be misleading, and they are not aggregated in this budget except for the specially computed totals by functional category.

Tax expenditures are presented at two places in the budget. Part 5, "Meeting National Needs: the Federal Program by Function," discusses the major tax expenditures in each functional category, together with outlays and guaranteed loans, in order to describe more fully the Government's policy. Special Analysis G, "Tax Expenditures," analyzes the concept and measurement of tax expenditures and presents a complete list of tax expenditure estimates for 1984-86. The discussion in Part 5 and the functional totals are based on the pre-1983 baseline.

As discussed in Part 4 of this volume, "Budget Receipts," the Deficit Reduction Act of 1984 increased tax receipts significantly. Some of its provisions repeal or reduce tax expenditures. For example, the Act repealed the exclusion of a limited amount of net interest income that had been scheduled to begin in 1985, and it limited the amount of tax-exempt, private purpose industrial development bonds. At the same time, the Act also extended or increased a few tax expenditure provisions, such as continuing the tax-exemption for mortgage subsidy bonds through 1987.

The Administration is proposing a number of tax changes in the present budget. Several new, expanded, or continued tax expenditures would serve diverse purposes. These tax expenditures include a three-year extension of the tax credit for increasing research and experimentation expenditures; a larger tax credit for dependent care expenses paid by low income individuals; a group of incentives

for the redevelopment of depressed areas designated as "enterprise zones"; a tuition tax credit for students at private elementary and secondary schools; and education savings accounts for college and university expenses. Other proposed measures would change receipts but not tax expenditures.

### BUDGET FUNDS AND THE FEDERAL DEBT

The budget consists of two major groups of funds: Federal funds and trust funds. The Federal funds are derived mainly from tax receipts 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.

#### BUDGET TOTALS BY FUND GROUP

(In billions of dollars)

|  | 1984 actual   | 1985 estimate | 1986 estimate | 1987 estimate  | 1988 estimate  |
|--|---------------|---------------|---------------|----------------|----------------|
| <b>Budget receipts:</b>                          |               |               |               |                |                |
| Federal funds.....                               | 418.1         | 459.3         | 493.5         | 537.9          | 588.9          |
| Trust funds.....                                 | 338.1         | 396.5         | 421.3         | 447.4          | 496.1          |
| Interfund transactions.....                      | -89.7         | -118.9        | -121.1        | -123.7         | -134.6         |
| <b>Total, budget receipts.....</b>               | <b>666.5</b>  | <b>736.9</b>  | <b>793.7</b>  | <b>861.7</b>   | <b>950.4</b>   |
| <b>Budget outlays:</b>                           |               |               |               |                |                |
| Federal funds <sup>1</sup> .....                 | 636.3         | 731.6         | 734.9         | 772.7          | 827.8          |
| Trust funds.....                                 | 305.2         | 346.4         | 359.9         | 377.6          | 401.5          |
| Interfund transactions.....                      | -89.7         | -118.9        | -121.1        | -123.7         | -134.6         |
| <b>Total, budget outlays.....</b>                | <b>851.8</b>  | <b>959.1</b>  | <b>973.7</b>  | <b>1,026.6</b> | <b>1,094.8</b> |
| <b>Budget surplus or deficit (-):</b>            |               |               |               |                |                |
| Federal funds <sup>1</sup> .....                 | -218.2        | -272.3        | -241.4        | -234.8         | -238.9         |
| Trust funds.....                                 | 32.9          | 50.1          | 61.4          | 69.8           | 94.5           |
| <b>Total, budget surplus or deficit (-).....</b> | <b>-185.3</b> | <b>-222.2</b> | <b>-180.0</b> | <b>-164.9</b>  | <b>-144.4</b>  |

<sup>1</sup> Includes the outlays of the off-budget Federal entities, which have been excluded from the budget under current law but are proposed to be included on-budget. In previous years they were shown as a grouping separate from Federal funds or trust funds.

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. Under proposed legislation the budget includes the net transactions with the public of the Federal Financing Bank and the other off-budget Federal entities, which have been excluded from the budget under provisions of law. The outlays that are off-budget under current law are classified as Federal funds outlays when included in the

BUDGET FINANCING AND CHANGE IN DEBT OUTSTANDING <sup>1</sup>

(In billions of dollars)

| Description  | 1984 actual     | 1985 estimate   | 1986 estimate   | 1987 estimate   | 1988 estimate   |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Budget surplus or deficit (—)</b> .....                                     | —185.3          | —222.2          | —180.0          | —164.9          | —144.4          |
| <i>(On-budget under current law)</i> .....                                     | <i>(—175.4)</i> | <i>(—209.8)</i> | <i>(—178.5)</i> | <i>(—168.2)</i> | <i>(—148.7)</i> |
| <i>(Off-budget under current law; proposed to be included on-budget)</i> ..... | <i>(—10.0)</i>  | <i>(—12.5)</i>  | <i>(—1.5)</i>   | <i>(3.2)</i>    | <i>(4.3)</i>    |
| <b>Means of financing other than borrowing from the public:</b>                |                 |                 |                 |                 |                 |
| Decrease or increase (—) in Treasury operating cash balance.....               | 6.6             | 10.4            |                 |                 |                 |
| Increase or decrease (—) in:   |                 |                 |                 |                 |                 |
| Checks outstanding, etc.....   | 5.4             | 9.4             | 9.4             |                 |                 |
| Deposit fund balances.....   | 1.9             | .5              | —2.5            |                 |                 |
| Seigniorage on coins.....  | .5              | .6              | .5              | .7              | .8              |
| Total, means of financing other than borrowing from the public.....            | 14.5            | 20.8            | 7.4             | .7              | .8              |
| Total, requirements for borrowing from the public.....                         | —170.8          | —201.4          | —172.6          | —164.2          | —143.6          |
| <b>Change in debt held by the public</b> .....                                 | 170.8           | 201.4           | 172.6           | 164.2           | 143.6           |
| Change in Federal agency investments in Federal debt:                          |                 |                 |                 |                 |                 |
| Federal funds <sup>2</sup> .....   | 2.5             | 2.2             | .8              |                 |                 |
| Trust funds <sup>3</sup> .....   | 20.7            | 60.3            | 62.3            | 69.8            | 94.5            |
| Deposit funds <sup>4</sup> .....   | .8              | .5              | —2.5            |                 |                 |
| Total, change in Federal agency investments in Federal debt.....               | 24.0            | 63.0            | 60.5            |                 |                 |
| <b>Change in gross Federal debt</b> .....                                      | 194.9           | 264.3           | 233.2           | 234.0           | 238.1           |

<sup>\*</sup>\$50 million or less.<sup>1</sup> Several amounts have been assumed to be zero in 1987 and 1988 because they are usually small and cannot be estimated accurately.<sup>2</sup> Includes the off-budget Federal entities, which have been excluded from the budget under current law but are proposed to be included on-budget.<sup>3</sup> Estimates for 1987 and 1988 are equal to the total trust fund surplus.<sup>4</sup> Only those deposit funds classified as Government accounts.

budget and are therefore shown as Federal funds outlays in this table.<sup>12</sup>

Thus, as shown in the table above, the budget deficit or surplus is the principal determinant of the change in the Federal debt held by the public.<sup>13</sup> The budget deficit, together with the other factors noted in this table, is estimated to increase the Federal debt held by the public from \$1,312.6 billion at the end of 1984 to \$1,686.6 billion at the end of 1986, with the increase in 1986 being less than in 1985. Borrowing is projected on a basis consistent with the economic assumptions that are explained in Part 3 of this volume.

<sup>12</sup> Special Analysis C, "Funds in the Budget," discusses further the two major groups of funds and the effect on the accounts of shifting the off-budget Federal entities into the budget.

<sup>13</sup> Table 12 in Part 9 of this *Budget* contains more detail on budget financing through 1986 and shows the levels of debt from 1983 to 1986. Federal debt is discussed further in Special Analysis E, "Borrowing and Debt." Historical data since 1940 are published in *Historical Tables, Budget of the United States Government, FY 1986*.



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 1986 gross Federal debt is estimated to be \$2,074.2 billion, of which debt held by the Government itself is \$387.6 billion. Thus, gross Federal debt is much larger than the Federal debt held by the public.

Gross Federal debt is estimated to rise by \$233.2 billion during 1986. As indicated in the lower section of the previous table, \$60.5 billion of this increment will be held in trust funds and other Government accounts. This is mainly due to the investment of trust fund surpluses in Treasury 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 1984 the public held \$3.4 billion of agency debt, most of which was issued some years ago. The greater part consists of revenue bonds issued by the Tennessee Valley Authority and participation certificates in pools of loans issued by the Government National Mortgage Association on behalf of several agencies. Agency 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.

Almost all Treasury securities are covered by a general statutory debt limitation. The present limit is \$1,823.8 billion. However, the debt subject to limit is estimated to rise to \$1,837.4 billion by the end of 1985. Therefore, to permit the Federal Government to meet its obligations, the limit will have to be raised during 1985.

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 must be financed primarily by borrowing. This debt is almost entirely subject to the statutory limit. As shown in the table on the next page, the Federal funds deficit was \$218.2 billion in 1984, and the increase in debt subject to statutory limit was \$195.0

## FEDERAL FUNDS FINANCING AND CHANGE IN DEBT SUBJECT TO LIMIT

(In billions of dollars)

| Description  | 1984<br>actual  | 1985<br>estimate | 1986<br>estimate |
|--|-----------------|------------------|------------------|
| <b>Federal funds surplus or deficit (—)</b> .....  | —218.2          | —272.3           | —241.4           |
| <i>(On-budget under current law)</i> .....   | <i>(—208.3)</i> | <i>(—259.9)</i>  | <i>(—239.9)</i>  |
| <i>(Off-budget under current law; proposed to be included on-budget)</i> .....                                   | <i>(—10.0)</i>  | <i>(—12.5)</i>   | <i>(—1.5)</i>    |
| <b>Means of financing other than borrowing:</b>  |                 |                  |                  |
| Decrease or increase (—) in Treasury operating cash balance.....   | 6.6             | 10.4             |                  |
| Increase or decrease (—) in:   |                 |                  |                  |
| Checks outstanding, etc.....   | 17.7            | — .8             | 8.5              |
| Deposit fund balances.....   | 1.9             | .5               | —2.5             |
| Seigniorage on coins.....  | .5              | .6               | .5               |
| Total, means of financing other than borrowing.....  | 26.7            | 10.7             | 6.5              |
| Decrease or increase (—) in investments in Federal debt by Federal<br>funds and deposit funds <sup>1</sup> ..... | —3.4            | —2.7             | 1.7              |
| Increase or decrease (—) in Federal funds debt not subject to limit.....   | — .1            | — .1             | — .1             |
| Total, requirements for borrowing subject to debt limit.....   | —195.0          | —264.4           | —233.3           |
| <b>Change in debt subject to limit</b> .....   | <b>195.0</b>    | <b>264.4</b>     | <b>233.3</b>     |

\* \$50 million or less.

<sup>1</sup> Only those deposit funds classified as Government accounts.

billion. Thus, the Federal funds deficit roughly accounted for the increase in the debt subject to limit.

### THE DECREASE IN TOTAL 1984 OUTLAYS FROM THE INITIAL BUDGET ESTIMATE

Total outlays for 1984 were \$851.8 billion, which is \$10.7 billion less than the initial estimate made by the Administration in its budget transmitted to Congress in January 1983. Outlays that are on-budget under current law account for \$6.7 billion of this decrease, while outlays that are off-budget under current law account for the remaining \$4.0 billion. This is the first budget in recent years to record a shortfall in spending and continues the trend since 1980 of continually narrower differences between the initial budget estimate and actual outlays. Although actual outlays exceeded the initial estimate in each of the preceding four years, the percentage difference declined steadily from 9.3% in 1980 to 4.5% in 1983. This section reviews the major causes of the 1984 decrease. It includes the outlays of Federal entities that are off-budget under current law in order to be consistent with the Administration's proposal to move them on-budget.

The following table compares the initial outlay estimate with the actual outlay total in current and constant dollars and as a percent of GNP. Current dollar outlays were 1.2% below the initial estimate, while constant dollar outlays were 0.8% higher. The table also compares defense with nondefense outlays in current dollars.

## 1984 OUTLAY DIFFERENCES

(Dollars in billions)

|   | January 1983<br>estimate | Actual | Percent<br>change |
|---|--------------------------|--------|-------------------|
| Total outlays:                                  |                          |        |                   |
| Current dollars .....                           | 862.5                    | 851.8  | -1.2              |
| National defense .....                          | 245.3                    | 227.4  | -7.3              |
| Nondefense .....                                | 617.2                    | 624.4  | +1.2              |
| Constant (fiscal year 1972) dollars .....       | 363.5                    | 366.3  | +0.8              |
| As a percent of GNP .....                       | 24.7                     | 23.8   | -3.6              |
| Classification under current law:               |                          |        |                   |
| On-budget under current law .....               | 848.5                    | 841.8  | -0.8              |
| Off-budget under current law <sup>1</sup> ..... | 14.0                     | 10.0   | -29.0             |

<sup>1</sup> Proposed to be included on-budget.

Actual outlays for defense were 7.3% below the initial estimate, while outlays for nondefense programs were 1.2% higher.

**Chronology of outlay decrease.**—The Administration's initial outlay estimate for 1984 was \$862.5 billion. The table below shows subsequent revisions to this estimate. In April 1983, the estimate decreased by \$4.2 billion, largely as a result of a stronger than forecast economic recovery, changes in agricultural market conditions, and lower projections of inflation. This decrease was mostly offset by a \$3.8 billion increase in July 1983. Higher than expected

## CHRONOLOGY OF THE 1984 OUTLAY DECREASE

(In billions of dollars)

|   |       |
|---|-------|
| January 1983 .....  | 862.5 |
| Changes:  |       |
| April 1983 (April Update): A \$2.3 billion increase due to the 1983 jobs bill and a \$1.9 billion decrease in offsetting receipts from the Outer Continental Shelf were more than offset by a \$2.5 billion decrease in farm price supports, a \$4.2 billion net decrease in unemployment compensation, and a \$1.1 billion decrease in social security .....   | -4.2  |
| July 1983 (Mid-Session Review): A \$3.0 billion decrease for the Department of Defense and a \$2.8 billion decrease in unemployment compensation were more than offset by a \$4.1 billion increase in farm price supports, a \$1.3 billion increase in mortgage credit and thrift insurance, a \$1.0 billion increase in social security, and a \$1.2 billion increase in net interest .....  | +3.8  |
| February 1984 (1985 Budget): Decreases of \$4.7 billion in the Department of Defense and \$4.2 billion in farm price supports were more than offset by increases in many programs including \$1.3 billion in social security, \$1.6 billion in medicare, \$1.4 billion in food and nutrition assistance programs, and \$1.7 billion in net interest, and a \$1.5 billion decrease in offsetting receipts from the Outer Continental Shelf ..... | +7.9  |
| April 1984 (April Update): The largest decreases were in farm price supports (\$1.5 billion) and unemployment compensation (\$1.4 billion) .....  | -4.3  |
| August 1984 (Mid-Session Review): A \$1.7 billion increase in FDIC was more than offset by a \$3.9 billion decrease in the Department of Defense, a \$1.4 billion decrease in medicare, and \$0.8 billion decrease in unemployment compensation .....   | -7.7  |
| October 1984 (Year-End Statement): Increases of \$1.0 billion in farm price supports, \$1.4 billion in FHA, \$1.0 billion in low-rent housing funds, and \$1.7 billion in net interest were more than offset by decreases of \$6.2 billion for the Department of Defense, \$1.5 billion in medicare, and \$2.7 billion for the Federal Financing Bank .....   | -6.2  |
| Total decrease .....  | -10.7 |
| Actual .....  | 851.8 |

payments for farm price supports under the payment-in-kind program were the largest increase. In February 1984, the outlay estimate increased by \$7.9 billion due to increases in many programs that more than offset outlay decreases of \$4.7 billion in the Department of Defense due to Congressional action on appropriations bills and a \$4.2 billion upward reestimate of outlays for farm price supports. Estimated outlays fell by \$12.0 billion overall in April and August 1984, with the largest reestimates due to defense outlays and unemployment compensation. Lower than anticipated spending by many agencies caused actual outlays to be \$6.2 billion below the August 1984 estimate. The largest shortfalls occurred in the Department of Defense, medicare, and the Federal Financing Bank.

*Major causes of the decrease.*—Actual 1984 outlays were \$10.7 billion below the original estimate. The following table shows the distribution of this decrease according to three categories: (1) policy changes, (2) economic conditions, and (3) estimating and other differences. The amounts in the first two categories account for only the major items while the third category is a residual. The figures, therefore, are approximations.

*Policy changes* to the 1984 budget proposals were a result of revised Administration proposals and congressional action that differed from the initial Administration proposals. The net increase due to policy changes was \$13.8 billion. Outlays for national defense programs were \$5.3 billion lower than proposed, whereas outlays for nondefense programs were \$19.1 billion higher. A similar pattern also occurred for the two previous budget estimates.

Outlays for nondefense discretionary programs were about \$9 billion above the Administration's proposals due to policy changes. This includes increases in regular and supplemental appropriations bills and the 4% pay raise for Federal civilian workers in January 1984. The 1984 budget assumed no increase in pay.

Outlays for benefit payments to individuals were also about \$7 billion above the Administration's proposals due to policy changes. About 70% of this increase is accounted for by changes affecting medicare, unemployment compensation, food stamps, and aid to families with dependent children. Outlays for these programs were \$5.3 billion above the Administration's proposals primarily due to the failure of Congress to enact many of the Administration's cost saving reforms. However, Congress did adopt most of the reforms proposed by the bipartisan National Commission on Social Security Reform and recommended by the Administration for the social security program.

Policy changes for other mandatory programs and inaction on several user fee proposals also increased outlays. Outlays increased

## SUMMARY OF REASONS FOR DIFFERENCE IN 1984 OUTLAYS

(In billions of dollars)

|  | Total |
|--|-------|
| Reasons for difference (net):                  |       |
| Policy changes .....                           | +13.8 |
| Economic conditions .....                      | -17.0 |
| Estimating differences and other changes ..... | -7.5  |
| Total .....                                    | -10.7 |

by \$1.7 billion because of increases in direct export credit and the failure of Congress to enact the Administration's proposal to freeze target prices at 1983 crop levels for Commodity Credit Corporation programs. Failure of the Congress to enact several proposed user fees, including navigation user fees and Pension Benefit Guaranty Corporation premium increases, raised outlays by almost \$1.0 billion.

*Economic conditions* differed from those forecast in January 1983 as shown in the following table. Growth in real GNP exceeded the growth projected by 3.2 percentage points in 1983 and by 1.3 percentage points in 1984. Inflation, as measured by both the GNP deflator and the Consumer Price Index, was lower than projected for both 1983 and 1984. The total unemployment rate also was lower than anticipated in both years, by 0.9 percentage point in 1983 and 2.1 percentage points in 1984. Conversely, interest rates, as measured by the 91-day Treasury bill rate, were 0.6 percentage points higher than projected in 1983 and 1.7 percentage points higher in 1984.

## COMPARISON OF JANUARY 1983 ECONOMIC FORECAST AND ACTUAL ECONOMIC PERFORMANCE

(Calendar years)

|   | January 1983 estimate |      | Actual |      | Difference |      |
|---|-----------------------|------|--------|------|------------|------|
|   | 1983                  | 1984 | 1983   | 1984 | 1983       | 1984 |
| Percent change:   |                       |      |        |      |            |      |
| GNP (constant 1972 dollars): 4th quarter over 4th quarter ..... | 3.1                   | 4.0  | 6.3    | 5.3  | 3.2        | 1.3  |
| Inflation (4th quarter over 4th quarter):                       |                       |      |        |      |            |      |
| GNP deflator .....  | 5.6                   | 5.0  | 3.8    | 3.7  | -1.8       | -1.3 |
| Consumer Price Index (CPI) .....                                | 5.0                   | 4.4  | 2.9    | 3.6  | -2.1       | -0.8 |
| Total unemployment rate (annual average) .....                  | 10.4                  | 9.5  | 9.5    | 7.4  | -0.9       | -2.1 |
| Interest rate (91-day bills, annual average) .....              | 8.0                   | 7.9  | 8.6    | 9.6  | 0.6        | 1.7  |

The difference between the economic forecast and economic performance resulted in a net outlay decrease of \$17.0 billion. Estimates of the major components of this decrease are shown in the following table. Lower than anticipated unemployment accounts for almost all of the total net decrease, most of which was for

unemployment compensation. Lower inflation reduced outlays by \$9.0 billion. Most of this decrease was for defense purchases, primarily because of lower than anticipated fuel costs; social security and medical care programs account for most of the remainder. Outlays increased by \$1.8 billion due to the net effect of higher interest rates and the lower borrowing requirements associated with changes in economic conditions that reduced the deficit below its initial estimate. Conversely, receipts for rents and royalties on the Outer Continental Shelf were \$5.2 billion lower than initially estimated due to changes in economic conditions in world oil markets.

**EFFECT OF DIFFERENCES BETWEEN ESTIMATED AND ACTUAL ECONOMIC CONDITIONS ON 1984  
OUTLAYS**

(In billions of dollars)

|  |                   |
|--|-------------------|
| Unemployment rate differences:                 | <i>Difference</i> |
| Unemployment compensation.....                 | -12.9             |
| Other.....                                     | -3.5              |
| Subtotal, unemployment rate differences.....   | <u>-16.4</u>      |
| Price differences:                             |                   |
| Cost of living adjustments:                    |                   |
| Social security.....                           | -1.2              |
| Other.....                                     | -0.4              |
| Medical prices:                                |                   |
| Medicare and medicaid.....                     | -0.8              |
| Defense purchases.....                         | -6.6              |
| Subtotal, price differences.....               | <u>-9.0</u>       |
| Interest differences:                          |                   |
| Net interest:                                  |                   |
| Interest rates.....                            | +3.0              |
| Differences in borrowing <sup>1</sup> .....    | -1.7              |
| Guaranteed student loans.....                  | +0.5              |
| Subtotal, interest differences.....            | <u>+1.8</u>       |
| Receipts from the Outer Continental Shelf..... | +5.2              |
| Other adjustments.....                         | +1.4              |
| Total.....                                     | <u>-17.0</u>      |

<sup>1</sup> Includes only the effect of differences in borrowing associated with differences in economic conditions.

*Estimating differences and other changes* account for a \$7.5 billion decrease in 1984 outlays. The largest estimating adjustment, \$5.3 billion, was for the Federal Financing Bank (FFB). The largest changes for FFB include a \$3.0 billion decrease in the Rural Electrification Administration's loan programs due to a reduction in the rate of growth in the demand for electricity that lowered the demand for loans for new electrical power generation, and a \$1.4 billion decrease

in the foreign military sales credit program because of delayed military purchases by foreign governments. The second largest estimating adjustment was for farm price supports. Crop production was lower than estimated due to weather conditions, resulting in an outlay decrease of over \$4.0 billion. This was offset in part by increased outlays for subsidizing greater tobacco and dairy production.

### 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 1984 budget, which was submitted in January 1983 for the fiscal year ending on September 30, 1984.

*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. Prior-year contracts and obligations are also legally binding.

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. Budget estimates of relatively uncontrollable outlays do not include the effects of proposed legislation.

A number of factors may cause differences between the amounts estimated in the budget and the actual outlays. 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.

The following table shows the differences between actual outlays for relatively uncontrollable programs in 1984 and the amounts

estimated in the 1984 budget. The list of programs is the same as in Table 18 (Controllability of Budget Outlays) in Part 9. None of the activities that are off-budget under current law and proposed to be on-budget are included in these totals, because the data are not identified by controllability classification. Actual outlays for relatively uncontrollable programs in 1984 were \$624.1 billion, which is \$19.6 billion or 3.0% lower than the estimate based on existing law in January 1983. Outlays for open-ended programs and fixed costs were \$11.3 billion below the initial estimate, while outlays from prior-year contracts and obligations were \$8.4 billion lower.

#### RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1984

(In billions of dollars)

| Relatively uncontrollable under present law                                  | January 1983<br>estimate<br>(existing law) | Actual       | Change       |
|--|--|--------------|--------------|
| Open-ended programs and fixed costs:   |  |              |              |
| Payments for individuals: <sup>1</sup>                                       |  |              |              |
| Social security and railroad retirement.....                                 | 183.3                                      | 179.3        | -4.0         |
| Federal employees' retirement and insurance.....                             | 50.5                                       | 49.0         | -1.5         |
| (Military retired pay).....  | 17.1                                       | 16.5         | -0.6         |
| (Other).....   | 33.4                                       | 32.6         | -0.9         |
| Unemployment compensation.....   | 26.8                                       | 16.9         | -9.9         |
| Medical care.....  | 85.0                                       | 79.9         | -5.0         |
| Assistance to students.....  | 3.7  | 4.8          | 1.1          |
| Food and nutrition assistance.....   | 3.3  | 3.6          | 0.3          |
| Public assistance and related programs.....                                  | 19.5                                       | 21.0         | 1.6          |
| Other.....   | 2.8  | 2.9          | 0.1          |
| <b>Subtotal, payments for individuals.....</b>                               | <b>374.8</b>                               | <b>357.4</b> | <b>-17.4</b> |
| Other open-ended programs and fixed costs:                                   |  |              |              |
| Net interest.....  | 105.8                                      | 111.1        | 5.2          |
| General revenue sharing.....   | 4.6  | 4.6          | -*           |
| Farm price supports (CCC) <sup>2</sup> .....                                 | 9.6  | 7.3          | -2.2         |
| Other.....   | -4.8                                       | -1.6         | 3.1          |
| <b>Subtotal, other open-ended programs and fixed costs.....</b>              | <b>115.2</b>                               | <b>121.3</b> | <b>6.1</b>   |
| <b>Total, open-ended programs and fixed costs.....</b>                       | <b>490.0</b>                               | <b>478.7</b> | <b>-11.3</b> |
| Outlays from prior-year contracts and obligations:                           |  |              |              |
| National defense.....  | 85.9                                       | 79.5         | -6.4         |
| Civilian programs.....   | 67.8                                       | 65.8         | -2.0         |
| <b>Total, outlays from prior-year contracts<br/>    and obligations.....</b> | <b>153.7</b>                               | <b>145.3</b> | <b>-8.4</b>  |
| <b>Total, relatively uncontrollable outlays.....</b>                         | <b>643.7</b>                               | <b>624.1</b> | <b>-19.6</b> |

\*\$50 million or less.

<sup>1</sup> Beginning in the 1985 budget, the administrative costs of relatively uncontrollable payments for individuals, which are controlled through limitations, are classified as relatively controllable. In addition, there were some changes in the treatment of interest payments for interfund borrowing. The January 1983 estimates were adjusted to be consistent with these changes.

<sup>2</sup> The initial estimate of farm price supports was adjusted to reflect savings from the payment-in-kind program, which was implemented administratively before the beginning of 1984.

Payments for individuals, which are essentially income transfers, were 75% of all open-ended programs and fixed costs in 1984. Actual outlays for this grouping were \$17.4 billion lower than



originally estimated. This decrease was the net effect of legislative action, differences between actual and assumed economic conditions, differences between the anticipated and actual number of beneficiaries, and technical reestimates.

Outlays for social security and railroad retirement, the largest category of payments for individuals, were \$4.0 billion lower than estimated. Outlays for these programs were lower primarily because of the enactment of the Social Security Amendments of 1983 and the Railroad Retirement Solvency Act of 1983, which delayed automatic cost-of-living adjustments. Outlays also decreased because lower than anticipated inflation reduced the size of the cost-of-living adjustment.

Outlays for Federal employees' retirement and disability insurance programs were \$1.5 billion below the budget estimate. These programs consist of military retired pay, civilian employee retirement and disability, and veterans service-connected compensation. Except for veterans service-connected compensation, these benefits are automatically indexed to the consumer price index. Outlays for the indexed programs were below the initial estimates by \$1.6 billion primarily due to lower than expected inflation and six-month delays in applying cost-of-living adjustments. Outlays for veterans' compensation were \$0.1 billion above the original estimate due to the net effect of congressional enactment of a cost-of-living adjustment and a lower caseload than anticipated.

Outlays for unemployment compensation programs were \$9.9 billion below the initial estimate. This decrease was the result of a lower than forecast rate of unemployment offset partially by increases due to enacted legislation. Lower unemployment reduced outlays by \$12.9 billion; an extension of Federal supplemental unemployment compensation raised 1984 outlays by \$3.0 billion.

Outlays for medical care were \$5.0 billion lower than estimated. Medicare outlays were \$4.1 billion below the initial estimate as a result of lower than anticipated medical prices and technical reestimates related to the new prospective payment system. Outlays for the medicaid program were \$0.9 billion below the initial estimate.

Assistance to students consists of GI bill benefits and the guaranteed student loans program. Outlays for the guaranteed student loans program were \$1.1 billion above the estimate due primarily to the effect of higher than expected interest rates, loan volume, and default rates.

Food and nutrition assistance includes the child nutrition and special milk programs. Outlays for these programs were \$0.3 billion higher than estimated because a greater number of meals were served than originally anticipated.

Public assistance and related programs include public assistance payments, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays for these programs were \$1.6 billion above the estimate. The largest change, \$1.0 billion, occurred in the supplemental security income program. This change was the net effect of a greater number of beneficiaries and higher average benefits than anticipated, a delay in the cost-of-living adjustment, and legislation that allowed a \$20 monthly deduction from income used to calculate benefit awards.

Relatively uncontrollable outlays for all other payments to individuals were \$0.1 billion higher than estimated, due primarily to higher than expected payments for black lung disabilities.

Open-ended programs and fixed costs other than payments for individuals were 25% of all open-ended programs and fixed costs in 1984. Outlays for net interest were \$5.2 billion or 4.9% higher than the original estimate. This increase is the net effect of higher than anticipated interest rates and less Federal borrowing than expected. The budget estimate assumed an 8.0% interest rate on 91-day Treasury bills for fiscal year 1984, whereas the actual rate averaged 9.5%.

Outlays for farm price supports (Commodity Credit Corporation) were \$2.2 billion below the initial estimate. A large drop in crop production due to a drought accounts for a decrease of \$3.7 billion in outlays. This was partially offset by a \$1.4 billion increase in outlays for export credit.

Outlays for prior-year contracts and obligations for civilian and national defense programs were \$8.4 billion below the initial estimate. National defense outlays were below the estimate because of slower than anticipated spending. Outlays for civilian programs were also lower than the initial estimate.

***Comparison of actual and estimated receipts.***—Budget receipts in 1984 were \$666.5 billion, which is \$6.8 billion greater than the January 1983 estimate of \$659.7 billion.

Differences in economic assumptions—higher than anticipated incomes and interest rates, and lower than expected oil prices—accounted for a net increase in 1984 receipts of \$21.4 billion above the budget estimate. This increase was partially offset by changes in collection patterns and effective tax rates, which reduced receipts by \$7.6 billion. Differences in tax law from the legislation proposed in the budget reduced 1984 receipts by an additional \$7.0 billion. These legislative differences consisted of congressional inaction on, or modification of, the proposals in the 1984 budget, and of changes in law that were not proposed at that time.

A bipartisan social security plan, designed to ensure the future solvency of the social security trust funds, was proposed in the 1984

budget. This plan was estimated to increase 1984 receipts by \$8.2 billion. Other proposals, which were estimated to increase 1984 receipts by a net \$2.9 billion, included the taxation of employer-paid health insurance premiums in excess of a specified level, increases in contributions to civil service retirement, tax incentives for the redevelopment of economically distressed areas, a tuition tax credit, and a jobs tax credit for the long-term unemployed. Altogether, the January 1983 proposals were estimated to increase 1984 receipts by \$11.2 billion.

Four major laws affecting 1984 receipts were enacted after January 1983: the Social Security Amendments of 1983, the Interest and Dividends Tax Compliance Act of 1983, the Railroad Retirement Revenue Act of 1983, and the Deficit Reduction Act of 1984. These four Acts, together with several minor legislative changes, increased 1984 receipts by a net \$4.2 billion, which is \$7.0 billion less than the \$11.2 billion in increases that the administration had proposed.

Many of the provisions of the Social Security Amendments of 1983 were modifications of the recommendations of the bi-partisan National Commission on Social Security Reform, which were reflected in the January budget. The other major laws affecting 1984 receipts generally contained provisions that were not proposed in January 1983. The primary feature of the Interest and Dividends Tax Compliance Act of 1983 repealed the withholding of taxes on interest and dividend income provided in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). The Railroad Retirement Revenue Act of 1983 included increases in railroad retirement taxes, which—together with the benefit reductions provided in the Railroad Retirement Solvency Act of 1983—were designed to place the railroad retirement program on a sound financial basis. The major revenue provisions of the Deficit Reduction Act of 1984 (DEFRA) affecting 1984 receipts reduced the tax benefits available to those who lease property to governments and other tax-exempt entities, restricted the use of tax-straddles to avoid tax, and reformed the taxation of life insurance companies.

Individual income taxes were \$296.2 billion in 1984, \$0.6 billion more than the budget estimate of \$295.6 billion. Higher than anticipated personal incomes increased individual income taxes by \$5.9 billion. This increase was partially offset by different collection patterns and effective tax rates than had been assumed, which reduced individual income tax receipts by \$1.4 billion. Substitution of the Social Security Amendments of 1983 for the bi-partisan social security plan reflected in the 1984 budget, and repeal of the withholding of taxes on interest and dividend income, reduced individual income taxes by \$0.8 billion and \$2.6 billion, respectively. The Railroad Retirement Revenue Act and DEFRA, together

## COMPARISON OF ACTUAL 1984 BUDGET RECEIPTS WITH THE JANUARY 1983 ESTIMATES

(in billions of dollars)

|   | January<br>1983<br>estimate | Differ-<br>ences in<br>tax law<br>from<br>1983<br>proposals | Different<br>economic<br>conditions | Technical<br>factors | Net<br>change | Actual |
|---|-----------------------------|---|-------------------------------------|----------------------|---------------|--------|
| Individual income taxes.....                  | 295.6                       | -3.9  | 5.9                                 | -1.4                 | 0.6           | 296.2  |
| Corporation income taxes.....                 | 51.8                        | 0.6   | 11.8                                | -7.3                 | 5.1           | 56.9   |
| Social insurance taxes and contributions..... | 242.9                       | -3.4  | 3.5                                 | -1.4                 | -1.3          | 241.7  |
| Excise taxes.....                             | 40.4                        | -0.3  | -1.7                                | -1.0                 | -3.0          | 37.4   |
| Estate and gift taxes.....                    | 5.9                         | *   | *                                   | 0.1                  | 0.1           | 6.0    |
| Customs duties.....                           | 9.1                         | *   | 0.8                                 | 1.4                  | 2.2           | 11.4   |
| Miscellaneous receipts.....                   | 14.0                        | -*  | 1.1                                 | 1.9                  | 3.0           | 17.0   |
| Total.....                                    | 659.7                       | -7.0  | 21.4                                | -7.6                 | 6.8           | 666.5  |

\*\$50 million or less.

with congressional inaction on several administration proposals, reduced individual income taxes by a net \$0.5 billion.

Corporation income taxes were \$5.1 billion above the budget estimate. Higher than anticipated corporate profits increased receipts by \$11.8 billion. This increase was partially offset by different collection patterns and effective tax rates than had been assumed, which reduced receipts by \$7.3 billion. Differences in tax law from the changes proposed in January 1983 increased corporation income taxes by \$0.6 billion.

Social insurance taxes and contributions (which are composed of employment taxes and contributions, unemployment insurance receipts, and other retirement contributions) were \$1.3 billion less than the January 1983 estimate of \$242.9 billion. Higher than anticipated wages and salaries and self-employment earnings increased these receipts by \$3.5 billion. This increase was partially offset by a technical overestimate of collections of \$1.4 billion. In addition, substitution of the Social Security Amendments of 1983 for the proposed bi-partisan social security plan reduced these receipts by \$1.6 billion. Congressional inaction on the administration's proposals to increase contributions to civil service retirement and to tax a portion of employer-paid health insurance premiums reduced this category by \$1.2 billion and \$0.6 billion, respectively.

Lower than estimated collections of the windfall profit tax, due in large part to the unanticipated decline in oil prices, reduced 1984 excise taxes by \$3.4 billion. This decline was partially offset by a \$0.4 billion increase in other excise taxes.

Estate and gift taxes and customs duties were above the January 1983 estimates by \$0.1 billion and \$2.2 billion, respectively. Higher than expected imports, due primarily to the continued strength of the dollar relative to foreign currencies, were in large part responsible for the increase in customs duties receipts.

A \$2.9 billion increase in deposits of earnings by the Federal Reserve System, primarily reflecting higher interest rates than anticipated in January 1983, accounted for most of the \$3.0 billion increase in miscellaneous receipts.

### THE DECREASE IN THE TOTAL 1984 DEFICIT FROM THE INITIAL BUDGET ESTIMATE

The preceding two sections discuss in detail the differences between the January 1983 budget estimates and the actual amounts of Federal Government receipts and outlays in 1984. This section summarizes the net impact of these differences on estimates of the total deficit. The total deficit is the difference between receipts and outlays, where outlays include the spending of Federal entities that are off-budget under current law but are proposed to be included on-budget.

The deficit for 1984 was originally estimated to be \$202.8 billion; the actual deficit was \$185.3 billion, a \$17.5 billion decrease. The following table shows the approximate distribution of this difference according to three categories: (1) policy; (2) economic conditions that were different from the original forecast; and (3) estimating and other differences. Each category is subdivided to show the impact of receipts compared to outlays. An increase in receipts is shown as positive because it reduces the deficit, while an increase in outlays is shown as negative because it raises the deficit.

#### SUMMARY OF REASONS FOR THE DIFFERENCE IN THE TOTAL 1984 DEFICIT

(In billions of dollars)

|  |        |
|--|--------|
| January 1983 estimate of deficit (—)       | —202.8 |
| Changes:                                   |        |
| Policy:                                    |        |
| Receipts                                   | —7.0   |
| Outlays                                    | —13.8  |
| Subtotal, policy                           | —20.8  |
| Economic conditions:                       |        |
| Receipts                                   | +21.4  |
| Outlays                                    | +17.0  |
| Subtotal, economic conditions              | +38.4  |
| Estimating and other differences:          |        |
| Receipts                                   | —7.6   |
| Outlays                                    | +7.5   |
| Subtotal, estimating and other differences | —0.1   |
| Total, changes                             | +17.5  |
| Actual deficit (—)                         | —185.3 |
| <b>MEMORANDUM:</b>                         |        |
| Total change in receipts                   | +6.8   |
| Total change in outlays                    | +10.7  |

The actual deficit was below the initial estimate due to both higher receipts and lower outlays. Changes in economic conditions account for a \$38.4 billion decrease. Receipts were raised by higher than estimated incomes. Outlays were decreased by lower than forecast unemployment and inflation. This decrease was partially offset by policy changes, both revised Administration proposals and congressional action that differed from the Administration's original proposals. These increased the deficit by \$20.8 billion. Technical reestimates, which decreased receipts and outlays, had the net effect of further increasing the deficit by \$0.1 billion.

### MILITARY RETIREMENT ACCRUALS

In the past, retirement benefits paid to former military personnel were direct charges to the current operating costs of the Department of Defense. The budget authority and outlays for this activity were included in the national defense function (subfunction 051: Department of Defense, Military). However, starting October 1, 1984, a new retirement system was placed in effect. Benefits are now paid from the newly created military retirement trust fund. This new trust fund is included in the civil activities administered by the Defense Department, and in the income security function (subfunction 602: Federal employee retirement and disability).

*Sources of financing for the new trust fund.*—The agencies that employ active duty military personnel pay a charge adequate to cover the anticipated future retirement benefits from the fund for those services currently rendered (the "accrual charge"). The total of the accruals paid over the service career of any cohort of military personnel, along with the accumulated interest on the balances, should be sufficient to finance all of the retirement benefits paid to these personnel and their dependents. While most military personnel and the associated accrual charges are financed from the Department of Defense, Military (and subfunction 051), some military personnel are employed in the Corps of Engineers, Civil program (subfunction 301), and some are on detail to other agencies. In each case, the agency and function responsible for paying the current military salary also pays for the accrual charges.

Since the accrual charge is a payment by the Government to itself, the collection is an offset against budget outlays. This offsetting collection is included in the agency and functional tables as undistributed offsetting receipts (subfunction 951 employer share, employee retirement).

The law establishing this new system also provided for an independent Board of Actuaries, which determines the appropriate percent of payroll charge for accruals. This Board will periodically review trends in military pay, personnel retirement, and related

factors in order to determine what changes—if any—must be made to the accrual charges to keep them consistent with this objective.

Prior to the establishment of this fund, military retirement benefits were not pre-funded. The current value of military retirement benefits that had been earned and will have to be paid out in subsequent periods (the “unfunded liability”) was estimated to be approaching \$0.5 trillion when the fund was established. Under terms of the law establishing this fund, the unfunded liability will be gradually paid off by the general fund over a period of decades. These payments are included in the Department of Defense, Civil portion of the budget (subfunction 054: other national defense); the offsetting collections arising from these payments are offset in the same agency and subfunction.

The income of the new trust fund is thus formed by the combination of the current accrual charges, the payments on the unfunded liability, and interest on balances invested in public debt securities. This income is significantly greater than the cost of current retirement benefits paid by the trust fund, so the trust fund is projected to accumulate large balances. As a normal rule virtually all of the balances are to be invested in public debt securities, so the fund will be partially financed from interest income. The payments of interest are made by the Treasury Department (subfunction 901, interest on the public debt). The offsetting interest income is included in undistributed interest received by trust funds in the agency presentation, and in net interest (subfunction 902; interest received by trust funds) in the functional presentation.

*Restructuring the historical data for comparability.*—This new system for financing military retired pay creates a severe discontinuity in the historical data base as between 1984 and 1985. It was possible, however, to reconstruct the pre-1985 data on a basis roughly comparable to the new system. The reconstruction was done to show the agency and functional totals approximately the way they would have appeared if the new system for paying for military retirement had been in effect for all years. The reconstruction was done by making the following calculations for each year:

- estimating the amount of accruals that had been earned in that year;
- imputing to (including in) the recorded costs of the Department of Defense, Military and of the national defense function an amount equal to these accruals, and imputing an equal amount of undistributed offsetting receipts (employer share, employee retirement); and
- shifting the current cash benefits (and budget authority for the benefits) from the Department of Defense, Military to the Department of Defense, Civil, and from subfunction 051 to subfunction 602.

**COMPARISON OF 1984 OUTLAYS ON AN UNADJUSTED AND AN ADJUSTED BASIS WITH 1985 OUTLAYS**

(In millions of dollars)

| Subfunctional code and agency   | Amounts            |               |               |
|---|--------------------|---------------|---------------|
|   | 1984<br>unadjusted | 1984 adjusted | 1985 estimate |
| <b>Department of Defense, Military</b>  |                    |               |               |
| 051 Retired military personnel cash benefits (Federal funds) .....              | 16,471             |               |               |
| 051 Imputed accruals for currently earned military retirement .....             |                    | 16,503        |               |
| 051 All other agency outlays .....  | 204,334            | 204,334       | 246,300       |
| Total for agency .....  | 220,805            | 220,837       | 246,300       |
| <b>Department of Defense, Civil: Military Retirement</b>                        |                    |               |               |
| 602 Retired military personnel cash benefits (Federal funds) <sup>1</sup> ..... |                    | 16,471        | 22            |
| 602 Military retirement trust fund <sup>2</sup> .....                           |                    |               | 15,838        |
| 054 Payment to military retirement fund (for unfunded liability) .....          |                    |               | 9,551         |
| 054 Interfund transactions .....  |                    |               | -9,551        |
| Total for agency .....  |                    | 16,471        | 15,860        |
| <b>Offsetting receipts undistributed by agency: Interfund transactions</b>      |                    |               |               |
| 902 Interest received by trust funds .....                                      | -20,333            | -20,333       | -25,554       |
| 951 Employer share, employee retirement <sup>2</sup> .....                      | -8,760             | -25,263       | -26,994       |
| Total interfund transactions .....  | -29,093            | -45,596       | -52,548       |
| <b>Recapitulation of above data by subfunction</b>                              |                    |               |               |
| 051 Department of Defense, Military .....                                       | 220,805            | 220,837       | 246,300       |
| 054 Defense-related activities .....  |                    |               |               |
| 602 Federal employee retirement and disability <sup>3</sup> .....               |                    | 16,471        | 15,860        |
| 902 Interest received by trust funds .....                                      | -20,333            | -20,333       | -25,554       |
| 951 Employer share, employee retirement .....                                   | -8,760             | -25,263       | -26,994       |
| Total of above .....  | 191,712            | 191,712       | 209,612       |

<sup>1</sup> The 1985 estimate is a relatively small carry over from prior year obligations. There will be no remaining activity in this account in subsequent years.

<sup>2</sup> For 1984 and prior years, the military retired pay was and is included as Federal fund (rather than trust fund) outlays. Hence, for those years the offset for Federal employee retirement is included as a Federal intrafund receipt rather than as an interfund receipt.

<sup>3</sup> As a result of separate legislation, the monthly payments of benefits permanently slips one day starting in 1985—from the last day of the month to the first day of the next month. Hence, the decline from 1984 to 1985 is because 1985 has only 11 monthly payments.

These adjustments made the data for 1984 and earlier years as comparable as possible to the data for subsequent years. The table above shows the components of the agency and functional totals for 1984 that were affected by the adjustment for comparability, and it shows for comparison the estimates for 1985 on the new basis.

As can be seen for 1984, the adjustment for imputed accruals has virtually no effect on the totals for the Department of Defense, Military, either for the agency or for the subfunction (subfunction 051). The increase from adding imputed accruals is almost entirely offset by the decrease from deducting the cash benefits. However, the adjustment does substantially raise the military retirement components of the Department of Defense, Civil and subfunction 602 (Federal employee retirement and disability); it also causes large increases in the undistributed offsetting receipts, both by agency and by function (subfunction 951).



In the 1985 budget the historical data for 1984 and earlier years showed alternative series with and without the adjustment to accruals. This dual presentation is inevitably confusing and awkward. Hence, in the 1986 budget the affected data are shown only one way—adjusted to include the imputed accruals—so that for all years they are reasonably consistent with the current law and budgetary practice.

### 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 a Windfall Profit Tax Account in the Treasury "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 1986 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, 1986

(In millions of dollars)

|   | Section 102 Formula | 1986 Budget         |
|---|---------------------|---------------------|
| Total net receipts.....                 | 2,528               | 2,528               |
| Allocation:                             |                     |                     |
| Low-income assistance.....              | 1,517               | <sup>1</sup> 21 806 |
| Energy and transportation programs..... | 632                 | <sup>2</sup> 22,437 |
| Income tax reductions.....              | 379                 |                     |
| Total .....                             | 2,528               | 44,243              |

<sup>1</sup> This amount is the total outlays for the other income security subfunction (609).

<sup>2</sup> This amount is the total outlays for all 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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7-1

## 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 three main phases: (1) executive formulation and transmittal; (2) congressional action; and (3) budget execution and control. Each of these 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 culmination of many months of planning and analysis throughout the executive branch.

Formulation of a budget begins not later than the spring of the year before it is transmitted. The budget is formulated in the context of a multi-year budget planning and tracking system that extends coverage to the 4 years following the budget year and integrates long-range planning into the executive budget process. This multi-year budget planning system requires that broad fiscal goals and agency spending and employment targets be established beyond the budget year.

During the period when a budget is 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. The President also receives projections of the economic outlook that are prepared jointly by the Council of Economic Advisers, OMB, and the Treasury. The next step in the process occurs when the President establishes general budget and fiscal policy guidelines. General policy directions and planning ceilings for both the fiscal year that will begin about 15 months later and for the 4 years beyond are then given to the agencies to govern the preparation of their budget requests.

The primary phase of the budget process involves the formulation and preparation of the President's budget for transmittal to

the Congress. Throughout the fall and early winter, the executive branch is involved in this phase of the process. Agency budget requests are submitted to OMB, where they are reviewed in detail, and recommendations are made. These recommendations may be revised as a result of Presidential review. Fiscal policy issues, which affect budget outlays and receipts, are reexamined. The effect of budget decisions on receipts, budget authority, and outlays in the years that follow are also considered and are explicitly taken into account, consistent with the multi-year budget planning system. 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 Congressional Budget Act of 1974 requires that current services estimates be transmitted to provide the Congress with a basis for reviewing the President's budget. These estimates are projections of budget authority and outlays required to continue Federal programs and activities without policy changes from the fiscal year in progress. These current services estimates and similar estimates for receipts are included in the President's budget to facilitate comparison with the budget estimates.<sup>1</sup>

**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 also enacts legislation affecting taxes and other sources of revenue.

In making appropriations, the Congress does not 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 appropriations 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.

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<sup>1</sup> See Special Analysis A, "Current Services Estimates."

Congressional review of the budget begins when the President transmits his budget estimates to the Congress, generally within 15 days after the start of each new session in January, as required by law. The transmittal date may be modified by a joint resolution of the Congress.

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 each standing committee of the Congress to report on budget estimates to the House and Senate Budget Committees by March 15. It also requires the Congressional Budget Office to submit a fiscal policy report to the two budget committees. The Congress adopts the first concurrent budget resolution as a guide in its subsequent consideration of appropriations and revenue measures. The first budget resolution, which is scheduled to be adopted by May 15, sets targets for total receipts and for budget authority and outlays, in total and by functional category.

Congressional budget resolutions do not require Presidential approval. Frequently there is informal consultation between the congressional leadership and the Administration, however, because subsequent legislation developed to attain congressional budget targets must be sent to the President for his approval. In recent years, the Congress enacted omnibus reconciliation legislation that reduced budget authority and outlays or increased revenues in response to directives in the concurrent budget resolution. Last year the Congress enacted the Deficit Reduction Act of 1984, which cut spending and raised revenues starting in fiscal year 1984.

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 requests for appropriations and examines in detail each agency's performance. The Ways and Means Committee 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 as an enrolled bill, for his approval or veto.

The Congressional Budget Act also calls for the Congress to adopt a second concurrent budget resolution by September 15. After the second budget resolution is adopted, the Congressional

Budget Act provides that Congress may not consider any spending or revenue legislation that would breach the totals specified in this resolution. The Congress may, however, modify or waive the requirement not to exceed the resolution totals or adopt a new budget resolution. In 1981, however, the second resolution simply endorsed the totals in the first resolution. Congress has not passed a second resolution since 1981. All subsequent resolutions have included a provision that endorses the levels in the first resolution if a second resolution is not adopted by October 1. The September 15 target was originally set in anticipation of the enactment of all regular appropriations bills by that time.

When 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 financing operations up to a specified date or until their regular appropriations are enacted.

***Budget execution and control.***—Once approved, the President's budget, as modified by the Congress, becomes the basis for 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 or by activities, to ensure the effective use of available resources and to preclude the need for additional appropriations.

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 hand, reserves may be established under certain circumstances 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 for other reasons. The Impoundment Control Act of 1974 provides that the executive branch, in regulating the rate of spending, must report to the Congress any deferrals or proposed rescissions<sup>2</sup> of budget authority; that is, any effort through administrative action to postpone or eliminate spending provided by law. Deferrals, which are temporary withholdings of budget authority, may be overturned by an act of the Congress at any time. Rescissions, which permanently cancel budget authority, must be enacted by the Congress within 45 days of continuing session. Otherwise, the withheld funds must be made available for spending.

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<sup>2</sup> See pages 7-9 for further discussion of these terms.

## COVERAGE OF THE BUDGET TOTALS

**Agencies and programs.**—The budget totals cover all agencies and programs (including Government corporations) no matter how funded. The transactions of several Federal entities are off-budget under current law. Legislation will be proposed to include these amounts in the budget totals. In all the budget documents, these transactions are integrated with those of the on-budget entities. The currently off-budget Federal entities proposed for inclusion are:

- Rural electrification and telephone revolving fund
- Rural Telephone Bank
- SPR petroleum account
- Federal Financing Bank
- Postal Service fund
- United States Railway Association
- United States Synthetic Fuels Corporation

The presentation for the Board of Governors of the Federal Reserve System is included in Part V of the Budget Appendix. Those amounts are presented for information only because of the independent status of the System.

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, these enterprises are discussed in Part 6 of the Budget and Special Analyses E and F, and financial statements are presented in Part V of the Budget Appendix.

**Functional classification.**<sup>3</sup>—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 Congressional budget resolutions establish 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 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 to it must be significant.
- Each basic unit of classification (generally the appropriation or fund account) is classified into the single best or predomi-

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<sup>3</sup> Part 5 of this volume discusses the budget by function.

nant purpose and assigned to only one subfunction. 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 according to their primary 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.

To meet that requirement of law, the functional classification was refined to focus more sharply on end purposes and accomplishments. Each major function is described in Part 5 ("Meeting National Needs: the Federal Program by Function") in the context of national needs being served, and subfunctions are described in the context of major missions devoted to serving national needs. In addition, Part 5 addresses the requirements of the Full Employment and Balanced Growth Act of 1978.

**Types of funds.**—Agency activities are financed through Federal funds and trust funds.

*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 and management funds, finance operations within and between Government agencies and are credited with collections primarily 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. *Trust revolving funds* 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 financial assets.<sup>4</sup>

### BUDGET AUTHORITY AND RELATED TRANSACTIONS

**Budget authority.**—Government agencies 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 in the form of budget authority. In addition, collections specifically authorized to be credited to appropriation and fund accounts (e.g., repayments of loan principal) while not scored as budget authority, are also available for obligation. Budget authority, and in some cases the use of other resources, usually requires the approval of both authorizing and Appropriations Committees. The availability or use of budgetary resources may be restrained by the imposition of legally binding limitations on obligations for direct loans or for other purposes.<sup>5</sup>

Budget authority and other budgetary resources permit *obligations* to be incurred. The amounts of budget authority requested are determined by the nature of the programs or projects being financed and the amount of other resources available for the purpose.

For activities such as operation and maintenance, entitlement programs, and continuing research programs, for which the cost depends upon the program level during the 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, budget authority is requested in sufficient amounts at the time the project is initiated to complete it, 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 revenues to liquidate (pay) these obligations. There is also *authority to borrow*; such budget authority permits obligations to be incurred and liquidated by using funds that are borrowed, generally from the Treasury.

<sup>4</sup> These categories of outlays are discussed in Special Analysis D, “Federal Investment and Operating Outlays.”

<sup>5</sup> See, “Limitations on the Availability of Funds,” Part 6.

It is not 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 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 for trust funds, 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 obligation 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 that will become available one year or more beyond the fiscal year for which the appropriations act is passed (*advance appropriations*). Accounts in which budget authority is made available on these bases are listed in Part IV of the Budget Appendix.

When budget authority is made available by the Congress for a specific period of time, any part that is not obligated during that period expires and cannot be used later. Congressional actions that continue the availability of unobligated amounts that have expired or would otherwise expire are known as *reappropriations*. The amounts involved are counted as new budget authority in the fiscal year of the legislation in which the reappropriation action is included, regardless of when the amounts were originally appropriated or when they would otherwise lapse.

A *rescission* is a legislative action that cancels new budget authority or the availability of unobligated balances, prior to the time the authority would otherwise have expired. Rescissions of new budget authority becoming available are downward adjustments to such authority for that year. Rescissions of unobligated balances reduce the amounts of those balances available for obligation. A *deferral* is an executive branch action or inaction—including the establishment of reserves under the Antideficiency Act—that delays the obligation and expenditure of funds within the year that the action is taken. Deferrals are not separately identified in the budget.

Most authority to obligate funds is enacted by the Congress during or immediately preceding the fiscal year in which it be-

comes 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 as the result of previously enacted legislation and does not require current action by the Congress (*permanent authority*). Such authority is presented as "current" in the year in which the legislation is enacted and "permanent" in succeeding years.

The amount of budget authority is usually stated specifically or in an amount stated as "not to exceed" a specific aggregate sum 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 only to the amount of debt 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 many special and trust funds, and in the amount needed to finance obligations incurred or estimated to be incurred in the case of certain appropriations, contract authority, and authority to borrow.

**Obligations incurred.**—Following the enactment of budget authority and the completion of required apportionment action, obligations are incurred by Government agencies. Such obligations include the current liabilities for salaries, wages, and interest; agreements to make loans; contracts for the purchase of supplies and equipment, construction, and the acquisition of land; and other 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 also may be liquidated (and outlays recorded) by the accrual of interest on public issues of Treasury debt securities (including an increase in the redemption value of bonds outstanding); or by the issuance of bonds, debentures, notes, or monetary credits. Non-cash outlays also may occur when a Government-owned asset is sold on credit terms. Refunds of receipts are treated as reductions of receipts, rather than as outlays. However, payments for tax credits in excess of tax liabilities are treated as outlays rather than as an adjustment to budget receipts. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year. 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.<sup>6</sup> Total budget outlays are stated net of offsetting collections.

**Balances of authority.**<sup>7</sup>—Not all budget authority enacted for a fiscal year is obligated and paid out in the same year. In multiple-year or no-year accounts, budget authority that is still available for obligation at the end of a year (*unobligated balances*) may be carried forward for obligation in the following 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, payment may occur over several years. Obligated balances of budget authority are carried forward until the obligations are subsequently paid.<sup>8</sup>

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 possible by the establishment of allocations from the “parent” account, that is, the account to which the appropriation was made. Obligations incurred under 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).

## THE CREDIT BUDGET<sup>9</sup>

The credit budget is a presentation of direct loan obligations and guaranteed loan commitments in a framework for making policy decisions on the amount of Federal credit to be extended. It also provides a means to analyze, evaluate, and control Federal credit activity. Development of the credit budget is integrated thoroughly with the executive budget process. The credit budget totals and the limitations on credit activity proposed for enactment in appropria-

<sup>6</sup> See “Relationship of Budget Authority to Outlays”, Part 6.

<sup>7</sup> These balances may also include collections credited directly to appropriation or fund accounts.

<sup>8</sup> Additional information is provided in a separate report, “Balances of Budget Authority,” which is available from the National Technical Information Service, Department of Commerce, shortly after the budget is transmitted.

<sup>9</sup> The credit budget is shown by function in Part 5, and guaranteed loans are discussed in Part 6 of this volume. Credit schedules and proposed credit limitations in appropriations language are included in the Budget Appendix. Additional information is provided in Special Analysis F, “Federal Credit Programs.”

tions language are transmitted to the Congress as part of the President's budget.

**Concepts used in the credit budget.**—The credit budget totals are presented in two parts: total direct loan obligations and total guaranteed loan commitments. These totals are based on the following concepts:

- All direct loan and loan guarantee activities of the Government are included.
- The credit budget totals measure gross levels of credit activity, without offsets for repayments and other recoveries, except that existing loans that are extended on similar maturities are not treated as new loans. By excluding repayments and other recoveries, the credit budget measures the level of new program activity and thereby enables control to be based on an activity over which the Government has discretion—new extensions of credit.
- The credit budget is based on the amount of *obligations* incurred for direct loans and the amount of *commitments* for guaranteed loans. Obligations for direct loans result from agreements requiring the Government to make a loan immediately or at some future time. Commitments for guaranteed loans result from agreements entered into by the Government to guarantee the repayment of principal and/or interest. Since guaranteed loans, unlike direct loans, do not require obligational authority and do not require Federal disbursements, the amounts are not included in the President's budget totals. They create Government liabilities of a contingent nature that result in obligations and outlays *only* in the event of a borrower default. Direct loan obligations and guaranteed loan commitments occur when the Government becomes bound legally to extend credit assistance; the point at which control can most directly be exercised.
- The amount of guaranteed loan commitments presented in the credit budget is calculated on the basis of the full principal amount of the loan, even though the guarantee may extend to only a portion of the loan principal. This is done in order to show the full amount of the loans that may be made under the guarantee program.

**Limits on Federal credit programs.**—Separate limitations on the amount of new direct loan obligations and guaranteed loan commitments are proposed for enactment in the appropriations language for the accounts that support credit activities. These limitations, if enacted, place annual ceilings on credit programs that, in most cases, would otherwise be relatively unlimited.

Appropriation bill limitations are proposed for about 56% of the credit budget totals. Exemptions are primarily for entitlements and emergency and disaster programs. These programs can be controlled, however, through changes in authorizing legislation.

Since initiation of the credit budget, the Congress has voted non-binding targets in the concurrent budget resolutions for total direct loan obligations and total guaranteed loan commitments. Actual control of credit program levels, however, remains with authorizing legislation and appropriations acts.

## COLLECTIONS

*In general.*—Amounts collected by the Government are classified into two major categories:

- *Budget receipts*, which are compared with budget outlays in calculating the budget surplus or deficit.
- *Offsetting collections*, which are deducted from gross disbursements in calculating budget outlays.

*Budget receipts.*—These are collections from the public that result from the exercise of the Government's sovereign or governmental powers. These collections, also called *governmental receipts*, consist primarily of tax receipts (including social insurance taxes), but also include receipts from customs duties, 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.

*Offsetting collections.*—These are amounts received from other Government accounts or 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, collections deposited in receipt accounts). The offset is applied differently for each type.

When specifically authorized by law, *offsetting collections* are credited to appropriation or fund accounts. In general, they may be used without further action by the Congress. Collections are netted against gross obligations in calculating outlays.

*Offsetting receipts*, generally, are deducted from budget authority and outlays by 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. These collections arise out of the business-type or market-oriented activities of the Government (for example, loan repayments, interest, sale of prop-

erty and products, charges for nonregulatory services, and rents and royalties).

Collections from rents and royalties from Outer Continental Shelf (OCS) lands are deducted from total budget authority and outlays for the Government as a whole rather than from any single agency or subfunction. When there is a legal dispute over the disposition of these collections, the disputed amounts are placed in deposit fund accounts and are not included in the receipts totals. Upon settlement of such disputes, the amounts that the courts decide belong to the Government are added to other similar OCS receipts and deducted in the same manner. The one-time receipts from the sale of Conrail also will be deducted from total budget authority and outlays.

- *Intragovernmental transactions.*—These are payments into receipt accounts from governmental appropriation or fund accounts. Intragovernmental transactions are deducted from both the outlays and the budget authority for the agency receiving the payment, with two exceptions. Intragovernmental transactions that involve agencies' payments as employers into employee retirement trust funds and interest received by trust funds appear as special deduct lines in computing total budget authority and outlays for the Government. Under current law, there are two major categories of intragovernmental transactions—intrabudgetary receipts and receipts from off-budget Federal entities. Intrabudgetary receipts arise from payments by on-budget accounts. Since the budget is presented on the basis of proposed legislation to move off-budget transactions to on-budget status, this includes treating receipts from off-budget entities as intrabudgetary transactions.

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*, where the payment and receipt both occur within the Federal fund group; and (3) *trust intrafund transactions*, where the payment and receipt both occur within the trust fund group.

## OTHER TRANSACTIONS

*Borrowing and repayment.*—Borrowing and debt repayment are not treated as receipts or outlays. If they were, the budget would be balanced simply by classifying borrowing as income or revenue. This rule applies both to borrowing in the form of public debt securities and to specialized borrowing in the form of agency securities, including the sale of certificates representing participation

in a pool of loans. However, some sales of participation certificates, which otherwise would be treated as borrowing, are required by law to be treated as a sale of assets. This results in the proceeds of such sales being credited to an appropriation or fund account with a corresponding reduction in outlays and in the requirement for new budget authority in that account.

To a large extent, such sales have been made by credit programs to the Federal Financing Bank (FFB). Since the FFB is an off-budget entity under current law but will be presented on-budget in accordance with legislation to be proposed, these sales do not lower total budget outlays in this budget. This is due to the fact that the FFB payments for the participation certificates will be included in the budget outlay totals in the same amount as that which is credited to the credit program accounts.

***Exercise of monetary power.***—Seigniorage is the profit from coining money. It is the difference between the value of coins as money and their cost of production. 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 deficit or as a supplementary amount to be applied to reduce debt or to increase the cash in the Treasury in a year with a surplus. The increment (profit) resulting from the sale of gold as a monetary asset also is treated as a means of financing, since the value of gold is determined by its value as a monetary asset rather than as a commodity.

***Balances in deposit fund accounts.***—Certain accounts outside the budget, known as deposit funds, are established to record amounts held in suspense temporarily (for example, proceeds from mineral leases on the Outer Continental Shelf to which title is in dispute) or held by the Government as agent for others (for example, 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). To the extent that transactions are conducted with nongovernment entities, Treasury's cash balances are affected, even though the transactions are not a part of the budget. To the extent that deposit fund balances are not invested, changes in the amounts are treated as a means of financing.

***Exchange of cash.***—The Government's deposits with the International Monetary Fund are considered to be monetary assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not considered in itself a receipt or an outlay, borrowing, or lending. In a similar manner, the holdings of



foreign currency by the Exchange Stabilization Fund are considered to be cash assets. Changes in these holdings are outlays only to the extent there is a realized loss on the exchange and are offsetting collections only to the extent there is a realized profit.

### BASIS FOR BUDGET FIGURES

***In general.***—Outlays usually are stated in terms of checks issued, including cash paid in lieu of checks, net of offsetting collections received. When a financial instrument is developed to use as a substitute for cash or checks, the monetary value of the instrument is normally counted in the budget to prevent the use of cash equivalent instruments that would otherwise avoid recording transactions as receipts or outlays. The accrual basis is used for interest on the public issues of Treasury debt securities; however, interest on special issues of the debt securities held by trust and other Government accounts is stated on a cash basis. When a Government account purchases debt at a premium (or sells it at a discount), the difference between the purchase (or sales) price and the redemption value is treated as an obligation and an outlay in the year of the transaction in the investing account.

***Data for 1984.***—The 1984 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. However, it has been adjusted to include the transactions of off-budget Federal entities, which are proposed for inclusion in the budget totals.

***Data for 1985.***—Five of the regular appropriations acts for 1985 have been enacted (Energy and Water Development; Legislative; Housing and Urban Development and Independent Offices; Commerce, Justice, and State; and Labor, Health and Human Resources and Education.) Five more appropriations bills were enacted in their entirety in a continuing resolution, Public Law 98-473 (Defense; Foreign Assistance; Interior; Military Construction; and Transportation). Finally, the three remaining appropriations bills were enacted by reference in the same continuing resolution (Agriculture; District of Columbia; and Treasury, Postal Service, and General Government). Supplemental appropriations are proposed in the 1986 budget for various civilian agency pay raises, principally those that were effective in January 1985, and for additional amounts requested to meet unforeseen program requirements. In addition, amounts are proposed for rescission, including amounts of reductions for certain categories of spending (e.g., travel, consulting services, etc.) specified in section 2901 of the Deficit Reduction Act of 1984.

Where the word "enacted" is used with reference to 1985 as in tables 1 and 9 of Part 9 of the Budget, the amount generally 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 both enacted budget authority and requested supplementals.

**Data for 1986.**—This budget includes complete estimates for 1986. Part I of the Budget Appendix generally includes the proposed appropriations language for the various items identified in the budget. In some instances, estimates are included in the budget schedules without appropriation language for 1985 and 1986. For these, proposed legislation may be required or the estimated amounts will be requested later when the new legislation has been enacted and the specific requirements are known. In certain tables of the budget, the items for later transmittal and the related outlays are identified separately. Estimates of the total requirements for 1986 include both the amounts requested formally and the amounts planned for later transmittal.

**Data for 1987 through 1990.**—To place emphasis on longer term objectives and plans consistent with the multi-year budget planning system, this budget presents estimates through 1990. These data 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 expected additional changes. In the government-wide totals, separate allowances for pay raises are shown for nondefense civilian employees (1987-1990) and military personnel of the Coast Guard, Department of Transportation (1985-1990). Allowances for pay raises for civilian employees (1987-1990) and military personnel (1985, 1987-1990) of the Department of Defense also are shown separately but are included in the figures for that department.

An allowance for relatively uncontrollable programs is shown separately, as required by the Congressional Budget Act. The estimates for such programs are zero because the probability of net decreases or net increases for such programs is believed to be equal. The allowance for other requirements contains amounts for potential reestimates and minor programmatic changes. An amount equivalent to a 10 percent reduction from the 1986 current services levels for the legislative branch is included (as an executive branch recommendation) with the figures for that branch. Executive branch agencies have reflected substantial reductions in their estimates; this allowance encourages legislative branch action to seek similar reductions.

Budget authority and outlays included in the allowance section are never appropriated as undistributed allowances, but rather 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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8-1

## 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, off-budget entities other than the Board of Governors of the Federal Reserve System will be presented on-budget, under proposed legislation. Within the Federal Financing Bank (FFB) presentation, now included in the Department of the Treasury Chapter, 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 table 15, 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.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|--|-----|----------------|--------------------|------------------|
| <b>Legislative Branch</b>  |     |                |                    |                  |
| <b>Senate</b>  |     |                |                    |                  |
| <i>Federal funds</i>   |     |                |                    |                  |
| <b>General and Special Funds:</b>  |     |                |                    |                  |
| Compensation of Members, Senate  | 801 |                |                    |                  |
| Appropriation, permanent, indefinite.....  | BA  | 8,793          | 8,856              | 8,976            |
| Outlays.....   | O   | 8,278          | 8,856              | 8,976            |
| Mileage of the Vice President and Senators   | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 60             | 60                 | 60               |
| Outlays.....   | O   | 48             | 60                 | 60               |
| Expense allowances of the Vice President, President<br>Pro Tempore, Majority and Minority Leaders and<br>Majority and Minority Whips         | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 50             | 50                 | 50               |
| Outlays.....   | O   | 35             | 50                 | 50               |
| Salaries, officers and employees   | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 160,347        | 165,642<br>D 4,301 | 174,162          |
| Outlays.....   | O   | 151,707        | 169,943            | 174,162          |
| Total Salaries, officers and employees .....   | BA  | 160,347        | 169,943            | 174,162          |
|  | O   | 151,707        | 169,943            | 174,162          |
| Payments to widows and heirs of deceased members<br>of Congress  | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 70             | .....              | .....            |
| Outlays.....   | O   | 70             | .....              | .....            |
| Office of the Legislative Counsel of the Senate  | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 1,318          | 1,400<br>D 37      | 1,590            |
| Outlays.....   | O   | 1,068          | 1,437              | 1,590            |
| Total Office of the Legislative Counsel of the<br>Senate .....   | BA  | 1,318          | 1,437              | 1,590            |
|  | O   | 1,068          | 1,437              | 1,590            |
| Office of Senate Legal Counsel   | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 545            | 565                | 575              |
| Outlays.....   | O   | 399            | 565                | 575              |
| Expense allowances of the Secretary of the Senate,<br>Sergeant at Arms, and Doorkeeper of the Senate<br>and secretaries for the majority and | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 12             | 12                 | 12               |
| Outlays.....   | O   | 8              | 12                 | 12               |
| Joint Study Panel on Social Security Administration,<br>Senate   | 801 |                |                    |                  |
| Outlays.....   | O   | 146            | .....              | .....            |
| Senate policy committees   | 801 |                |                    |                  |
| Appropriation, current.....  | BA  | 1,898          | 1,898<br>D 50      | 1,981            |
| Outlays.....   | O   | 1,670          | 1,948              | 1,981            |
| Total Senate policy committees.....  | BA  | 1,898          | 1,948              | 1,981            |
|  | O   | 1,670          | 1,948              | 1,981            |
| Automobiles and maintenance  | 801 |                |                    |                  |
| Outlays.....   | O   | 19             | .....              | .....            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                  |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|--|-----|----------------|--------------------|------------------|
| <b>Legislative Branch—Con.</b>                               |     |                |                    |                  |
| <b>Senate—Con.</b>   |     |                |                    |                  |
| Inquiries and investigations                                 | 801 |                |                    |                  |
| Appropriation, current.....                                  | BA  | <b>46,916</b>  | <b>48,050</b>      | <b>53,916</b>    |
|  |     |                | <sup>A</sup> 3,448 |                  |
| Outlays.....   | O   | 44,221         | 48,050             | 53,916           |
|  |     |                | <sup>A</sup> 3,448 |                  |
| Total Inquiries and investigations.....                      | BA  | <b>46,916</b>  | <b>51,498</b>      | <b>53,916</b>    |
|  | O   | 44,221         | 51,498             | 53,916           |
| Miscellaneous items  | 801 |                |                    |                  |
| Appropriation, current.....                                  | BA  | <b>9,614</b>   | <b>10,341</b>      | <b>9,659</b>     |
| Outlays.....   | O   | 15,318         | 10,341             | 9,659            |
| Secretary of the Senate                                      | 801 |                |                    |                  |
| Appropriation, current.....                                  | BA  | <b>652</b>     | <b>711</b>         | <b>760</b>       |
| Outlays.....   | O   | 480            | 711                | 760              |
| Sergeant at Arms and Doorkeeper of the Senate                | 801 |                |                    |                  |
| Appropriation, current.....                                  | BA  | <b>34,421</b>  | <b>41,214</b>      | <b>43,989</b>    |
|  |     |                | <sup>A</sup> 843   |                  |
| Outlays.....   | O   | 25,698         | 41,214             | 43,989           |
|  |     |                | <sup>A</sup> 843   |                  |
| Total Sergeant at Arms and Doorkeeper of the Senate .....    | BA  | <b>34,421</b>  | <b>42,057</b>      | <b>43,989</b>    |
|  | O   | 25,698         | 42,057             | 43,989           |
| Stationery (revolving fund)                                  | 801 |                |                    |                  |
| Appropriation, current.....                                  | BA  | <b>100</b>     | <b>12</b>          | <b>13</b>        |
| Outlays.....   | O   | 170            | 12                 | 13               |
| Congressional use of foreign currency, Senate                | 801 |                |                    |                  |
| Appropriation, permanent.....                                | BA  | <b>1,000</b>   |                    |                  |
| Outlays.....   | O   | 324            |                    |                  |
| <b>Public Enterprise Funds:</b>                              |     |                |                    |                  |
| Senate restaurant fund (revolving fund)                      | 801 |                |                    |                  |
| Outlays.....   | O   | 1,035          |                    |                  |
| Recording studio (revolving fund)                            | 801 |                |                    |                  |
| Outlays.....   | O   | — 62           |                    |                  |
| Senate barber shops (revolving fund)                         | 801 |                |                    |                  |
| Outlays.....   | O   | — 9            |                    |                  |
| Total Federal funds Senate .....                             | BA  | <b>265,796</b> | <b>287,490</b>     | <b>295,743</b>   |
|  | O   | 250,623        | 287,490            | 295,743          |
| <b>House of Representatives</b>                              |     |                |                    |                  |
| <i>Federal funds</i>   |     |                |                    |                  |
| <b>General and Special Funds:</b>                            |     |                |                    |                  |
| Payments to widows and heirs of deceased members of Congress | 801 |                |                    |                  |
| Appropriation, current.....                                  | BA  | <b>285</b>     | <b>69</b>          |                  |
| Outlays.....   | O   | 285            | 69                 |                  |
| Compensation of Members and related administrative expenses  | 801 |                |                    |                  |
| Appropriation, permanent.....                                | BA  | <b>35,600</b>  | <b>36,410</b>      | <b>37,633</b>    |
| Outlays.....   | O   | 35,467         | 34,954             | 36,128           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate             | 1986<br>estimate |
|---|-----|----------------|------------------------------|------------------|
| <b>Legislative Branch—Con.</b>  |     |                |                              |                  |
| <b>House of Representatives—Con.</b>                                    |     |                |                              |                  |
| Mileage of Members  | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 210            | 210                          | 210              |
| Outlays.....  | O   | 105            | 202                          | 210              |
| House leadership offices  | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 3,215          | 3,240<br>D 91                | 3,357            |
| Outlays.....  | O   | 2,823          | 3,331                        | 3,223            |
| Total House leadership offices .....                                    | BA  | 3,215          | 3,331                        | 3,357            |
|   | O   | 2,823          | 3,331                        | 3,223            |
| Salaries, officers and employees  | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 46,079         | 46,947<br>A 130<br>D 1,176   | 48,981           |
| Outlays.....  | O   | 45,259         | 48,123<br>A 130              | 47,022           |
| Total Salaries, officers and employees .....                            | BA  | 46,079         | 48,253                       | 48,981           |
|   | O   | 45,259         | 48,253                       | 47,022           |
| Committee employees   | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 37,836         | 37,808<br>A 2,799<br>D 1,012 | 44,325           |
| Outlays.....  | O   | 40,813         | 38,820<br>A 2,799            | 42,552           |
| Total Committee employees.....  | BA  | 37,836         | 41,619                       | 44,325           |
|   | O   | 40,813         | 41,619                       | 42,552           |
| Committee on Appropriations (Studies and Investiga-<br>tions)           | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 4,075          | 4,315<br>D 16                | 4,500            |
| Outlays.....  | O   | 3,377          | 4,331                        | 4,320            |
| Total Committee on Appropriations (Studies and<br>Investigations) ..... | BA  | 4,075          | 4,331                        | 4,500            |
|   | O   | 3,377          | 4,331                        | 4,320            |
| Committee on the Budget (Studies)                                       | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 299            | 329                          | 329              |
| Outlays.....  | O   | 267            | 329                          | 316              |
| Members' clerk hire   | 801 |                |                              |                  |
| Appropriation, current.....   | BA  | 160,531        | 164,126<br>D 4,136           | 169,641          |
| Outlays.....  | O   | 156,977        | 168,262                      | 169,641          |
| Total Members' clerk hire.....  | BA  | 160,531        | 168,262                      | 169,641          |
|   | O   | 156,977        | 168,262                      | 169,641          |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                     |     | 1984<br>actual | 1985<br>estimate                                  | 1986<br>estimate |
|---|-----|----------------|---|------------------|
| <b>Legislative Branch—Con.</b>                                  |     |                |   |                  |
| <b>House of Representatives—Con.</b>                            |     |                |   |                  |
| Allowances and expenses   | 801 |                |   |                  |
| Appropriation, current.....                                     | BA  | 122,002        | 122,565<br><sup>A</sup> 6,075<br><sup>D</sup> 844 | 137,058          |
| Outlays.....  | O   | 112,966        | 123,409<br><sup>A</sup> 6,075                     | 131,576          |
| Total Allowances and expenses.....                              | BA  | 122,002        | 129,484   | 137,058          |
|   | O   | 112,966        | 129,484   | 131,576          |
| Stationery (revolving fund)                                     | 801 |                |   |                  |
| Outlays.....  | O   | —175           | —175  | —175             |
| Special and select committees                                   | 801 |                |   |                  |
| Appropriation, current.....                                     | BA  | 45,400         | 45,667<br><sup>D</sup> 970                        | 46,960           |
| Outlays.....  | O   | 43,731         | 46,637  | 45,082           |
| Total Special and select committees.....                        | BA  | 45,400         | 46,637  | 46,960           |
|   | O   | 43,731         | 46,637  | 45,082           |
| Congressional use of foreign currency, House of Representatives | 801 |                |   |                  |
| Appropriation, permanent.....                                   | BA  | 1,800          | 1,800   | 1,500            |
| Outlays.....  | O   | 723            | 1,710   | 1,500            |
| <b>Public Enterprise Funds:</b>                                 |     |                |   |                  |
| House of Representatives restaurant fund (revolving fund)       | 801 |                |   |                  |
| Outlays.....  | O   | 31             | 31  | 31               |
| Recording studio (revolving fund)                               | 801 |                |   |                  |
| Outlays.....  | O   | —179           | —179  | —179             |
| Beauty shop (revolving fund)                                    | 801 |                |   |                  |
| Outlays.....  | O   | 17             | 17  | 17               |
| House barber shops (revolving fund)                             | 801 |                |   |                  |
| Outlays.....  | O   | 3              | 3   | 3                |
| Page residence hall and meal plan                               | 801 |                |   |                  |
| Outlays.....  | O   | —76            |   |                  |
| Total Federal funds House of Representatives.....               | BA  | 457,332        | 480,735   | 494,494          |
|   | O   | 442,414        | 478,878   | 481,267          |
| <b>Joint Items</b>  |     |                |   |                  |
| <i>Federal funds</i>  |     |                |   |                  |
| <b>General and Special Funds:</b>                               |     |                |   |                  |
| Joint Economic Committee  | 801 |                |   |                  |
| Appropriation, current.....                                     | BA  | 2,512          | 2,569<br><sup>D</sup> 75                          | 2,680            |
| Outlays.....  | O   | 2,306          | 2,644   | 2,680            |
| Total Joint Economic Committee.....                             | BA  | 2,512          | 2,644   | 2,680            |
|   | O   | 2,306          | 2,644   | 2,680            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                            |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate |
|--|-----|----------------|---------------------|------------------|
| <b>Legislative Branch—Con.</b>                         |     |                |                     |                  |
| <b>Joint Items—Con.</b>                                |     |                |                     |                  |
| Joint Committee on Printing                            | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 876            | 909                 | 945              |
|  |     |                | <sup>D</sup> 23     |                  |
| Outlays.....   | O   | 986            | 891                 | 945              |
| Total Joint Committee on Printing.....                 | BA  | 876            | 932                 | 945              |
|  | O   | 986            | 891                 | 945              |
| Joint Committee on Inaugural Ceremonies of 1985        | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 786            |                     |                  |
| Outlays.....   | O   | 1              | 785                 |                  |
| Statements of appropriations, Senate                   | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 6              | 13                  | 13               |
| Outlays.....   | O   |                | 13                  | 13               |
| Joint Committee on Taxation                            | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 3,483          | 3,605               | 3,897            |
| Outlays.....   | O   | 3,105          | 3,605               | 3,741            |
| Office of the Attending Physician                      | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 731            | 956                 | 1,078            |
| Outlays.....   | O   | 294            | 956                 | 1,035            |
| General expenses, Capitol police                       | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 1,737          | 1,471               | 1,670            |
| Outlays.....   | O   | 1,252          | 1,471               | 1,603            |
| Capitol Police Board                                   | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 213            | 141                 | 109              |
| Outlays.....   | O   | 224            | 141                 | 109              |
| Education of pages                                     | 801 |                |                     |                  |
| Outlays.....   | O   | — 4            |                     |                  |
| Official mail costs                                    | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 84,144         | 73,944              | 144,458          |
|  |     |                | <sup>A</sup> 11,853 |                  |
| Outlays.....   | O   | 111,145        | 73,944              | 144,458          |
|  |     |                | <sup>A</sup> 11,853 |                  |
| Total Official mail costs.....                         | BA  | 84,144         | 85,797              | 144,458          |
|  | O   | 111,145        | 85,797              | 144,458          |
| Capitol Guide Service                                  | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 794            | 810                 | 954              |
|  |     |                | <sup>D</sup> 20     |                  |
| Outlays.....   | O   | 737            | 830                 | 954              |
| Total Capitol Guide Service.....                       | BA  | 794            | 830                 | 954              |
|  | O   | 737            | 830                 | 954              |
| Statements of appropriations, House of Representatives | 801 |                |                     |                  |
| Appropriation, current.....                            | BA  | 6              | 13                  | 13               |
| Outlays.....   | O   |                | 13                  | 13               |
| Total Federal funds Joint Items.....                   | BA  | 95,288         | 96,402              | 155,817          |
|  | O   | 120,046        | 97,146              | 155,551          |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |         | 1984<br>actual   | 1985<br>estimate        | 1986<br>estimate |
|---|---------|------------------|-------------------------|------------------|
| <b>Legislative Branch—Con.</b>  |         |                  |                         |                  |
| <b>Congressional Budget Office</b>  |         |                  |                         |                  |
| <i>Federal funds</i>  |         |                  |                         |                  |
| <b>General and Special Funds:</b>   |         |                  |                         |                  |
| Salaries and expenses   | 801     |                  |                         |                  |
| Appropriation, current.....   | BA      | 16,723           | 17,418<br>D 245         | 18,455           |
| Outlays.....  | O       | 15,727           | 17,591                  | 18,369           |
| Total Salaries and expenses.....  | BA<br>O | 16,723<br>15,727 | 17,663<br>17,591        | 18,455<br>18,369 |
| <b>Architect of the Capitol</b>   |         |                  |                         |                  |
| <i>Federal funds</i>  |         |                  |                         |                  |
| <b>General and Special Funds:</b>   |         |                  |                         |                  |
| Office of the Architect of the Capitol: Salaries                            | 801     |                  |                         |                  |
| Appropriation, current.....   | BA      | 4,906            | 5,137<br>C 25<br>D 94   | 5,675            |
| Outlays.....  | O       | 4,754            | 5,235                   | 5,875            |
| Total Office of the Architect of the Capitol.....                           | BA<br>O | 4,906<br>4,754   | 5,256<br>5,235          | 5,675<br>5,875   |
| Contingent expenses   | 801     |                  |                         |                  |
| Appropriation, current.....   | BA      | 360              | 235                     | 235              |
| Outlays.....  | O       | 267              | 543                     | 235              |
| Capitol buildings   | 801     |                  |                         |                  |
| Appropriation, current.....   | BA      | 13,380           | 11,544<br>C 118<br>D 36 | 12,621           |
| Outlays.....  | O       | 9,859            | 15,096                  | 16,221           |
| Total Capitol buildings.....  | BA<br>O | 13,380<br>9,859  | 11,698<br>15,096        | 12,621<br>16,221 |
| Capitol grounds   | 801     |                  |                         |                  |
| Appropriation, current.....   | BA      | 3,449            | 2,796<br>C 49<br>D 4    | 3,364            |
| Reappropriation.....  | BA      | 230              |                         |                  |
| Outlays.....  | O       | 3,688            | 4,237                   | 3,785            |
| Total Capitol grounds.....  | BA<br>O | 3,679<br>3,688   | 2,849<br>4,237          | 3,364<br>3,785   |
| West central front of the Capitol   | 801     |                  |                         |                  |
| Outlays.....  | O       | 1,389            | 16,724                  | 21,000           |
| Congressional cemetery  | 801     |                  |                         |                  |
| Outlays.....  | O       | 5                | 294                     |                  |
| Master plan for future development of the Capitol grounds and related areas | 801     |                  |                         |                  |
| Outlays.....  | O       |                  | 6                       |                  |
| Acquisition of property as an addition to the Capitol grounds               | 801     |                  |                         |                  |
| Outlays.....  | O       | 1                | 4,673                   |                  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Legislative Branch—Con.</b>  |     |                |                  |                  |
| <b>Architect of the Capitol—Con.</b>  |     |                |                  |                  |
| Senate office buildings   | 801 |                |                  |                  |
| Appropriation, current.....   | BA  | 26,233         | 19,241<br>c 260  | 23,598           |
| Outlays.....  | 0   | 18,754         | 27,036           | 28,948           |
| Total Senate office buildings.....  | BA  | 26,233         | 19,501           | 23,598           |
|   | 0   | 18,754         | 27,036           | 28,948           |
| Construction of an extension to the New Senate Office Building  | 801 |                |                  |                  |
| Outlays.....  | 0   | 5,014          | 5,386            |                  |
| House office buildings  | 801 |                |                  |                  |
| Appropriation, current.....   | BA  | 21,684         | 22,750<br>c 340  | 41,323           |
| Outlays.....  | 0   | 21,414         | 24,976           | 27,041           |
| Total House office buildings.....   | BA  | 21,684         | 23,090           | 41,323           |
|   | 0   | 21,414         | 24,976           | 27,041           |
| Acquisition of property, construction, and equipment, additional House Office Building                    | 801 |                |                  |                  |
| Outlays.....  | 0   |                | 79               |                  |
| Installation of solar collectors in House office buildings  | 801 |                |                  |                  |
| Outlays.....  | 0   | 120            | 60               |                  |
| Capitol Power Plant   | 801 |                |                  |                  |
| Appropriation, current.....   | BA  | 23,602         | 23,834<br>c 70   | 25,375           |
| Outlays.....  | 0   | 21,618         | 24,572           | 26,895           |
| Total Capitol Power Plant .....   | BA  | 23,602         | 23,904           | 25,375           |
|   | 0   | 21,618         | 24,572           | 26,895           |
| Expansion of facilities, Capitol Power Plant  | 801 |                |                  |                  |
| Outlays.....  | 0   |                | 97               |                  |
| Modifications and enlargement, Capitol Power Plant  | 801 |                |                  |                  |
| Outlays.....  | 0   | 155            | 1,114            |                  |
| Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped | 801 |                |                  |                  |
| Outlays.....  | 0   | 39             | 692              | 600              |
| Structural and mechanical care, Library buildings and grounds   | 801 |                |                  |                  |
| Appropriation, current.....   | BA  | 87,570         | 5,709<br>c 90    | 7,380            |
| Outlays.....  | 0   | 7,134          | 15,244           | 24,480           |
| Total Structural and mechanical care, Library buildings and grounds.....                                  | BA  | 87,570         | 5,799            | 7,380            |
|   | 0   | 7,134          | 15,244           | 24,480           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|---|-----|----------------|--------------------|------------------|
| <b>Legislative Branch—Con.</b>  |     |                |                    |                  |
| <b>Architect of the Capitol—Con.</b>                                      |     |                |                    |                  |
| Library of Congress James Madison Memorial Building 801                   |     |                |                    |                  |
| Outlays.....  | 0   | 252            | 102                | .....            |
| Total Federal funds Architect of the Capitol.....                         | BA  | 181,414        | 92,332             | 119,571          |
|   | 0   | 94,463         | 146,166            | 155,080          |
| <b>Library of Congress</b>  |     |                |                    |                  |
| <i>Federal funds</i>  |     |                |                    |                  |
| <b>General and Special Funds:</b>   |     |                |                    |                  |
| Salaries and expenses   | 503 |                |                    |                  |
| Appropriation, current.....   | BA  | 140,376        | 133,192            | 142,307          |
|   |     |                | <sup>c</sup> 133   |                  |
|   |     |                | <sup>d</sup> 2,477 |                  |
| Outlays.....  | 0   | 127,935        | 138,294            | 145,786          |
| Total Salaries and expenses.....  | BA  | 140,376        | 135,802            | 142,307          |
|   | 0   | 127,935        | 138,294            | 145,786          |
| Copyright Office: Salaries and expenses 376                               |     |                |                    |                  |
| Appropriation, current.....   | BA  | 11,122         | 11,102             | 12,081           |
|   |     |                | <sup>d</sup> 399   |                  |
| Outlays.....  | 0   | 11,180         | 11,333             | 12,035           |
| Total Copyright Office.....   | BA  | 11,122         | 11,501             | 12,081           |
|   | 0   | 11,180         | 11,333             | 12,035           |
| Congressional Research Service: Salaries and expenses 801                 |     |                |                    |                  |
| Appropriation, current.....   | BA  | 37,632         | 39,833             | 43,292           |
|   |     |                | <sup>d</sup> 917   |                  |
| Outlays.....  | 0   | 37,255         | 40,062             | 43,012           |
| Total Congressional Research Service.....                                 | BA  | 37,632         | 40,750             | 43,292           |
|   | 0   | 37,255         | 40,062             | 43,012           |
| Books for the blind and physically handicapped: Salaries and expenses 503 |     |                |                    |                  |
| Appropriation, current.....   | BA  | 35,099         | 36,592             | 38,402           |
|   |     |                | <sup>c</sup> 5     |                  |
|   |     |                | <sup>d</sup> 101   |                  |
| Outlays.....  | 0   | 30,739         | 40,181             | 36,783           |
| Total Books for the blind and physically handicapped.....                 | BA  | 35,099         | 36,698             | 38,402           |
|   | 0   | 30,739         | 40,181             | 36,783           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Legislative Branch—Con.</b>  |    |                |                  |                  |
| <b>Library of Congress—Con.</b>   |    |                |                  |                  |
| Collection and distribution of library materials (special foreign currency program) 503       |    |                |                  |                  |
| Appropriation, current.....   | BA | 2,962          | 3,318            | 832              |
|   |    |                | <sup>D</sup> 11  |                  |
| Outlays.....  | O  | 3,745          | 3,577            | 2,406            |
| Total Collection and distribution of library materials (special foreign currency program).... | BA | 2,962          | 3,329            | 832              |
|   | O  | 3,745          | 3,577            | 2,406            |
| Furniture and furnishings 503   |    |                |                  |                  |
| Appropriation, current.....   | BA | 1,524          | 1,673            | 5,915            |
| Outlays.....  | O  | 1,661          | 1,691            | 3,921            |
| Payments to copyright owners 376  |    |                |                  |                  |
| Appropriation, permanent, indefinite.....   | BA | 94,865         | 95,000           | 95,000           |
| Outlays.....  | O  | 48,296         | 76,880           | 83,486           |
| Oliver Wendell Holmes devise fund 503   |    |                |                  |                  |
| Appropriation, permanent, indefinite.....   | BA | 4              | 12               | 8                |
| Outlays.....  | O  | 2              | 12               | 8                |
| <i>Trust funds</i>  |    |                |                  |                  |
| Gift and trust fund accounts 503  |    |                |                  |                  |
| Appropriation, permanent, indefinite.....   | BA | 7,807          | 7,378            | 7,628            |
| Outlays.....  | O  | 6,982          | 7,299            | 7,830            |
| Total Federal funds Library of Congress.....  | BA | 323,584        | 324,765          | 337,837          |
|   | O  | 260,813        | 312,030          | 327,437          |
| Total Trust funds Library of Congress.....  | BA | 7,807          | 7,378            | 7,628            |
|   | O  | 6,982          | 7,299            | 7,830            |
| <b>Government Printing Office</b>   |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| <b>General and Special Funds:</b>   |    |                |                  |                  |
| Printing and binding 801  |    |                |                  |                  |
| Appropriation, current.....   | BA | 13,420         | 13,200           | 14,500           |
| Outlays.....  | O  | 13,337         | 13,391           | 14,271           |
| Congressional printing and binding 801  |    |                |                  |                  |
| Appropriation, current.....   | BA | 86,580         | 80,800           | 78,900           |
| Outlays.....  | O  | 66,536         | 72,540           | 75,720           |
| Office of Superintendent of Documents: Salaries and expenses 806                              |    |                |                  |                  |
| Appropriation, current.....   | BA | 25,700         | 28,868           | 28,868           |
|   |    |                | <sup>D</sup> 109 |                  |
| Outlays.....  | O  | 21,802         | 27,327           | 28,923           |
| Total Office of Superintendent of Documents.....  | BA | 25,700         | 28,977           | 28,868           |
|   | O  | 21,802         | 27,327           | 28,923           |
| <b>Intragovernmental Funds:</b>   |    |                |                  |                  |
| Government Printing Office revolving fund 806   |    |                |                  |                  |
| Outlays.....  | O  | 5,132          | — 5,288          | 2,678            |
| Total Federal funds Government Printing Office....  | BA | 125,700        | 122,977          | 122,268          |
|   | O  | 106,807        | 107,970          | 121,592          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                       |     | 1984<br>actual | 1985<br>estimate                                    | 1986<br>estimate           |
|---|-----|----------------|---|----------------------------|
| <b>Legislative Branch—Con.</b>                    |     |                |   |                            |
| <b>General Accounting Office</b>                  |     |                |   |                            |
| <i>Federal funds</i>                              |     |                |   |                            |
| <b>General and Special Funds:</b>                 |     |                |   |                            |
| Salaries and expenses                             | 801 |                |   |                            |
| Appropriation, current.....                       | BA  | 271,710        | 294,704<br><sup>A</sup> 1,121<br><sup>D</sup> 5,674 | 339,639                    |
| Outlays.....                                      | O   | 262,141        | 289,825<br><sup>A</sup> 1,082                       | 328,129<br><sup>A</sup> 39 |
| Total Salaries and expenses.....                  | BA  | 271,710        | 301,499   | 339,639                    |
|   | O   | 262,141        | 290,907   | 328,168                    |
| <b>United States Tax Court</b>                    |     |                |   |                            |
| <i>Federal funds</i>                              |     |                |   |                            |
| <b>General and Special Funds:</b>                 |     |                |   |                            |
| Salaries and expenses                             | 752 |                |   |                            |
| Appropriation, current.....                       | BA  | 15,965         | 22,344<br><sup>D</sup> 350                          | 24,556                     |
| Outlays.....                                      | O   | 14,872         | 22,880  | 24,331                     |
| Total Salaries and expenses.....                  | BA  | 15,965         | 22,694  | 24,556                     |
|   | O   | 14,872         | 22,880  | 24,331                     |
| <i>Trust funds</i>                                |     |                |   |                            |
| Tax Court judges survivors annuity fund           | 602 |                |   |                            |
| Appropriation, permanent, indefinite.....         | BA  | 253            | 251   | 261                        |
| Outlays.....                                      | O   | 85             | 31  | 30                         |
| <b>Other Legislative Branch Agencies</b>          |     |                |   |                            |
| <i>Federal funds</i>                              |     |                |   |                            |
| <b>General and Special Funds:</b>                 |     |                |   |                            |
| Commission on Security and Cooperation in Europe: |     |                |   |                            |
| Salaries and expenses                             | 801 |                |   |                            |
| Appropriation, current.....                       | BA  | 544            | 550   | 550                        |
| Outlays.....                                      | O   | 515            | 660   | 670                        |
| Botanic Garden: Salaries and expenses             |     |                |   |                            |
| 801   |     |                |   |                            |
| Appropriation, current.....                       | BA  | 2,058          | 2,044<br><sup>C</sup> 36                            | 2,197                      |
| Outlays.....                                      | O   | 2,000          | 2,283   | 2,323                      |
| Total Botanic Garden.....                         | BA  | 2,058          | 2,080   | 2,197                      |
|   | O   | 2,000          | 2,283   | 2,323                      |
| Copyright Royalty Tribunal: Salaries and expenses |     |                |   |                            |
| 376   |     |                |   |                            |
| Appropriation, current.....                       | BA  | 210            | 217   | 227                        |
| Outlays.....                                      | O   | —37            | 182   | 221                        |
| Prospective Payment Assessment Commission         |     |                |   |                            |
| 551   |     |                |   |                            |
| Appropriation, current.....                       | BA  |                | 2,424   | 3,240                      |
| Outlays.....                                      | O   | —2,670         | 3,294   | 3,240                      |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                      |    | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate |
|--|----|------------------|------------------|------------------|
| <b>Legislative Branch—Con.</b>                                   |    |                  |                  |                  |
| <b>Other Legislative Branch Agencies—Con.</b>                    |    |                  |                  |                  |
| Railroad Accounting Principles Board: Salaries and expenses 801  |    |                  |                  |                  |
| Appropriation, current.....                                      | BA |                  | <b>1,000</b>     | <b>1,000</b>     |
| Outlays.....   | O  |                  | 965              | 1,000            |
| Office of Technology Assessment: Salaries and expenses 801       |    |                  |                  |                  |
| Appropriation, current.....                                      | BA | <b>14,831</b>    | <b>15,549</b>    | <b>17,000</b>    |
|  |    |                  | <sup>D</sup> 306 |                  |
| Outlays.....   | O  | 13,579           | 15,675           | 16,990           |
| Total Office of Technology Assessment.....                       | BA | <b>14,831</b>    | <b>15,855</b>    | <b>17,000</b>    |
|  | O  | 13,579           | 15,675           | 16,990           |
| <i>Trust funds</i>   |    |                  |                  |                  |
| Office of Technology Assessment: Contributions and donations 801 |    |                  |                  |                  |
| Appropriation, permanent, indefinite.....                        | BA | <b>1</b>         | <b>3</b>         | <b>3</b>         |
| Outlays.....   | O  | 1                | 3                | 3                |
| Total Federal funds Other Legislative Branch Agencies.....       | BA | <b>17,643</b>    | <b>22,126</b>    | <b>24,214</b>    |
|  | O  | 13,387           | 23,059           | 24,444           |
| Total Trust funds Other Legislative Branch Agencies.....         | BA | <b>1</b>         | <b>3</b>         | <b>3</b>         |
|  | O  | 1                | 3                | 3                |
| <b>Summary</b>   |    |                  |                  |                  |
| <b>Federal funds:</b>  |    |                  |                  |                  |
| (As shown in detail above).....                                  | BA | <b>1,771,155</b> | <b>1,768,683</b> | <b>1,932,594</b> |
|  | O  | 1,581,293        | 1,784,117        | 1,931,982        |
| Deductions for offsetting receipts:                              |    |                  |                  |                  |
| Intrafund transactions 803                                       | BA |                  |                  |                  |
|  | O  | 4                | -254             | -262             |
| 908  | BA |                  |                  |                  |
|  | O  | -3,871           | -5,012           | -5,008           |
| Total Federal funds.....   | BA | <b>1,767,288</b> | <b>1,763,417</b> | <b>1,927,324</b> |
|  | O  | 1,577,426        | 1,778,851        | 1,926,712        |
| <b>Trust funds:</b>  |    |                  |                  |                  |
| (As shown in detail above).....                                  | BA | <b>8,061</b>     | <b>7,632</b>     | <b>7,892</b>     |
|  | O  | 7,068            | 7,333            | 7,863            |
| Deductions for offsetting receipts:                              |    |                  |                  |                  |
| Proprietary receipts from the public 503                         | BA |                  |                  |                  |
|  | O  | -4,813           | -5,352           | -5,475           |
| 908  | BA |                  |                  |                  |
|  | O  | -402             | -135             | -135             |
| Total Trust funds.....   | BA | <b>2,846</b>     | <b>2,145</b>     | <b>2,282</b>     |
|  | O  | 1,853            | 1,846            | 2,253            |
| Total Legislative Branch.....                                    | BA | <b>1,770,134</b> | <b>1,765,562</b> | <b>1,929,606</b> |
|  | O  | 1,579,279        | 1,780,697        | 1,928,965        |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Legislative Branch—Con.</b>  |    |                |                  |                  |
| <b>Allowances</b>   |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| <b>General and Special Funds:</b>   |    |                |                  |                  |
| Allowance for ten percent reduction in Legislative Branch (Executive recommendation) <sup>1</sup> 801 |    |                |                  |                  |
| Appropriation, current.....   | BA |                |                  | J — 192,661      |
| Outlays.....  | O  |                |                  | J — 171,468      |
| Total Federal funds Allowances.....   | BA |                |                  | — 192,661        |
|   | O  |                |                  | — 171,468        |
| Total Legislative Branch with ten percent reduction.....  | BA | 1,770,134      | 1,765,562        | 1,736,945        |
|   | O  | 1,579,279      | 1,780,697        | 1,757,497        |

**The Judiciary****Supreme Court of the United States***Federal funds***General and Special Funds:**

|   |    |        |                 |        |
|---|----|--------|-----------------|--------|
| Salaries and expenses 752   |    |        |                 |        |
| Appropriation, current.....   | BA | 13,635 | 14,143<br>D 281 | 15,176 |
| Outlays.....  | O  | 11,922 | 13,270          | 15,176 |
| Total Salaries and expenses.....  | BA | 13,635 | 14,424          | 15,176 |
|   | O  | 11,922 | 13,270          | 15,176 |
| Care of the building and grounds 752  |    |        |                 |        |
| Appropriation, current.....   | BA | 2,571  | 2,242<br>C 20   | 2,106  |
| Outlays.....  | O  | 1,616  | 3,310           | 2,606  |
| Total Care of the building and grounds.....   | BA | 2,571  | 2,262           | 2,106  |
|   | O  | 1,616  | 3,310           | 2,606  |
| Acquisition of property as an addition to the grounds of the Supreme Court building 752 |    |        |                 |        |
| Outlays.....  | O  |        | 6               |        |
| Total Federal funds Supreme Court of the United States.....                             | BA | 16,206 | 16,686          | 17,282 |
|   | O  | 13,538 | 16,586          | 17,782 |

<sup>1</sup> Recommended for consideration under the plan to freeze FY 1986 spending at FY 1985 levels.  
See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate                                   | 1986<br>estimate |
|--|-----|----------------|--|------------------|
| <b>The Judiciary—Con.</b>  |     |                |  |                  |
| <b>United States Court of Appeals for the Federal Circuit</b>          |     |                |  |                  |
| <i>Federal funds</i>   |     |                |  |                  |
| <b>General and Special Funds:</b>                                      |     |                |  |                  |
| Salaries and expenses  | 752 |                |  |                  |
| Appropriation, current.....  | BA  | 4,730          | 5,150<br><sup>D</sup> 87                           | 5,720            |
| Outlays.....   | 0   | 4,422          | 5,193  | 5,606            |
| Total Salaries and expenses.....                                       | BA  | 4,730          | 5,237  | 5,720            |
|  | 0   | 4,422          | 5,193  | 5,606            |
| <b>Court of Customs and Patent Appeals</b>                             |     |                |  |                  |
| <i>Federal funds</i>   |     |                |  |                  |
| <b>General and Special Funds:</b>                                      |     |                |  |                  |
| Salaries and expenses  | 752 |                |  |                  |
| Outlays.....   | 0   | —1,436         |  |                  |
| <b>United States Court of International Trade</b>                      |     |                |  |                  |
| <i>Federal funds</i>   |     |                |  |                  |
| <b>General and Special Funds:</b>                                      |     |                |  |                  |
| Salaries and expenses  | 752 |                |  |                  |
| Appropriation, current.....  | BA  | 5,725          | 6,070<br><sup>D</sup> 98                           | 6,538            |
| Outlays.....   | 0   | 5,472          | 6,027  | 6,531            |
| Total Salaries and expenses.....                                       | BA  | 5,725          | 6,168  | 6,538            |
|  | 0   | 5,472          | 6,027  | 6,531            |
| <b>Court of Claims</b>   |     |                |  |                  |
| <i>Federal funds</i>   |     |                |  |                  |
| <b>General and Special Funds:</b>                                      |     |                |  |                  |
| Salaries and expenses  | 752 |                |  |                  |
| Outlays.....   | 0   | 40             | 25   |                  |
| <b>Courts of Appeals, District Courts, and other Judicial Services</b> |     |                |  |                  |
| <i>Federal funds</i>   |     |                |  |                  |
| <b>General and Special Funds:</b>                                      |     |                |  |                  |
| Salaries of judges   | 752 |                |  |                  |
| Appropriation, current.....  | BA  | 73,275         | 74,540<br><sup>A</sup> 3,098<br><sup>D</sup> 1,910 | 104,826          |
| Outlays.....   | 0   | 73,203         | 76,450<br><sup>A</sup> 3,098                       | 104,826          |
| Total Salaries of judges.....  | BA  | 73,275         | 79,548   | 104,826          |
|  | 0   | 73,203         | 79,548   | 104,826          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate              | 1986<br>estimate   |
|---|-----|----------------|-------------------------------|--------------------|
| <b>The Judiciary—Con.</b>   |     |                |                               |                    |
| <b>Courts of Appeals, District Courts, and<br/>other Judicial Services—Con.</b> |     |                |                               |                    |
| Salaries of supporting personnel  | 752 |                |                               |                    |
| Appropriation, current.....   | BA  | 332,500        | 370,228<br>^ 5,548<br>D 9,150 | 509,010            |
| Outlays.....  | O   | 331,230        | 377,074<br>^ 4,986            | 501,635<br>^ 562   |
| Total Salaries of supporting personnel.....                                     | BA  | 332,500        | 384,926                       | 509,010            |
|   | O   | 331,230        | 382,060                       | 502,197            |
| Defender services   | 752 |                |                               |                    |
| Appropriation, current.....   | BA  | 41,465         | 42,000<br>^ 17,575<br>D 375   | 68,955             |
| Outlays.....  | O   | 29,197         | 41,975<br>^ 5,387             | 51,233<br>^ 9,640  |
| Total Defender services.....  | BA  | 41,465         | 59,950                        | 68,955             |
|   | O   | 29,197         | 47,362                        | 60,873             |
| Fees of jurors and commissioners  | 752 |                |                               |                    |
| Appropriation, current.....   | BA  | 42,400         | 42,000<br>^ 1,700             | 46,200             |
| Outlays.....  | O   | 43,054         | 42,107<br>^ 1,615             | 46,000<br>^ 85     |
| Total Fees of jurors and commissioners.....                                     | BA  | 42,400         | 43,700                        | 46,200             |
|   | O   | 43,054         | 43,722                        | 46,085             |
| Expenses of Operation and Maintenance of the<br>Courts                          | 752 |                |                               |                    |
| Appropriation, current.....   | BA  | 72,475         | 101,500<br>^ 13,526           | 144,926            |
| Outlays.....  | O   | 67,470         | 96,674<br>^ 7,125             | 137,058<br>^ 6,401 |
| Total Expenses of Operation and Maintenance of<br>the Courts.....               | BA  | 72,475         | 115,026                       | 144,926            |
|   | O   | 67,470         | 103,799                       | 143,459            |
| Salaries and expenses of magistrates  | 752 |                |                               |                    |
| Outlays.....  | O   | — 94           |                               |                    |
| Bankruptcy courts, salaries and expenses  | 752 |                |                               |                    |
| Appropriation, current.....   | BA  | 107,795        | 116,950<br>D 2,540            |                    |
| Outlays.....  | O   | 106,653        | 118,154                       | 11,815             |
| Total Bankruptcy courts, salaries and expenses...                               | BA  | 107,795        | 119,490                       |                    |
|   | O   | 106,653        | 118,154                       | 11,815             |
| Services for drug dependent offenders   | 752 |                |                               |                    |
| Appropriation, current.....   | BA  | 5,000          |                               |                    |
| Outlays.....  | O   | 4,535          | 875                           |                    |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate        | 1986<br>estimate |
|---|-----|----------------|-------------------------|------------------|
| <b>The Judiciary—Con.</b>   |     |                |                         |                  |
| <b>Courts of Appeals, District Courts, and<br/>other Judicial Services—Con.</b>             |     |                |                         |                  |
| Space and facilities  | 752 |                |                         |                  |
| Appropriation, current.....   | BA  | 136,364        | 140,000<br>^ 2,384      | 155,018          |
| Outlays.....  | O   | 131,945        | 155,319<br>^ 2,240      | 154,394<br>^ 144 |
| Total Space and facilities.....   | BA  | 136,364        | 142,384                 | 155,018          |
|   | O   | 131,945        | 157,559                 | 154,538          |
| Furniture and furnishings   | 752 |                |                         |                  |
| Outlays.....  | O   | 37             | 248                     | 167              |
| Court security  | 752 |                |                         |                  |
| Appropriation, current.....   | BA  | 18,690         | 25,500<br>^ 1,492       | 38,116           |
| Outlays.....  | O   | 19,097         | 19,470<br>^ 1,492       | 30,248           |
| Total Court security.....   | BA  | 18,690         | 26,992                  | 38,116           |
|   | O   | 19,097         | 20,962                  | 30,248           |
| Special rail reorganization court   | 752 |                |                         |                  |
| Outlays.....  | O   | 230            | 278                     | 299              |
| Total Federal funds Courts of Appeals, District<br>Courts, and other Judicial Services..... | BA  | 829,964        | 972,016                 | 1,067,051        |
|   | O   | 806,557        | 954,567                 | 1,054,507        |
| <b>Administrative Office of the United States<br/>Courts</b>                                |     |                |                         |                  |
| <i>Federal funds</i>  |     |                |                         |                  |
| <b>General and Special Funds:</b>   |     |                |                         |                  |
| Salaries and expenses   | 752 |                |                         |                  |
| Appropriation, current.....   | BA  | 26,075         | 28,250<br>^ 86<br>D 452 | 32,217           |
| Outlays.....  | O   | 26,618         | 28,500<br>^ 84          | 31,858<br>^ 2    |
| Total Salaries and expenses.....  | BA  | 26,075         | 28,788                  | 32,217           |
|   | O   | 26,618         | 28,584                  | 31,860           |
| <b>Federal Judicial Center</b>  |     |                |                         |                  |
| <i>Federal funds</i>  |     |                |                         |                  |
| <b>General and Special Funds:</b>   |     |                |                         |                  |
| Salaries and expenses   | 752 |                |                         |                  |
| Appropriation, current.....   | BA  | 8,565          | 9,330<br>^ 51<br>D 90   | 9,923            |
| Outlays.....  | O   | 7,906          | 9,102<br>^ 50           | 9,750<br>^ 1     |
| Total Salaries and expenses.....  | BA  | 8,565          | 9,471                   | 9,923            |
|   | O   | 7,906          | 9,152                   | 9,751            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                 |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>The Judiciary—Con.</b>                   |     |                |                  |                  |
| <b>Bicentennial Expenses, The Judiciary</b> |     |                |                  |                  |
| <i>Federal funds</i>                        |     |                |                  |                  |
| <b>General and Special Funds:</b>           |     |                |                  |                  |
| Bicentennial activities                     | 806 |                |                  |                  |
| Outlays.....                                | 0   | 90             | 139              | 30               |
| <b>Judiciary Trust Funds</b>                |     |                |                  |                  |
| <i>Trust funds</i>                          |     |                |                  |                  |
| Judicial survivors' annuities fund          | 602 |                |                  |                  |
| Appropriation, permanent, indefinite.....   | BA  | 12,802         | 14,306           | 15,681           |
| Outlays.....                                | 0   | 3,148          | 3,801            | 3,956            |
| <b>Summary</b>                              |     |                |                  |                  |
| <b>Federal funds:</b>                       |     |                |                  |                  |
| (As shown in detail above).....             | BA  | 891,265        | 1,038,366        | 1,138,731        |
|   | 0   | 863,207        | 1,020,273        | 1,126,067        |
| <b>Trust funds:</b>                         |     |                |                  |                  |
| (As shown in detail above).....             | BA  | 12,802         | 14,306           | 15,681           |
|   | 0   | 3,148          | 3,801            | 3,956            |
| Total The Judiciary.....                    | BA  | 904,067        | 1,052,672        | 1,154,412        |
|   | 0   | 866,355        | 1,024,074        | 1,130,023        |

**Executive Office of the President**

|                                      |     |        |                 |        |
|--------------------------------------|-----|--------|-----------------|--------|
| <b>Compensation of the President</b> |     |        |                 |        |
| <i>Federal funds</i>                 |     |        |                 |        |
| <b>General and Special Funds:</b>    |     |        |                 |        |
| Compensation of the President        | 802 |        |                 |        |
| Appropriation, current.....          | BA  | 250    | 250             | 250    |
| Outlays.....                         | 0   | 234    | 250             | 250    |
| <b>The White House Office</b>        |     |        |                 |        |
| <i>Federal funds</i>                 |     |        |                 |        |
| <b>General and Special Funds:</b>    |     |        |                 |        |
| Salaries and expenses                | 802 |        |                 |        |
| Appropriation, current.....          | BA  | 23,186 | 24,985<br>D 204 | 24,906 |
| Outlays.....                         | 0   | 15,651 | 24,433          | 24,166 |
| Total Salaries and expenses.....     | BA  | 23,186 | 25,189          | 24,906 |
|                                      | 0   | 15,651 | 24,433          | 24,166 |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate |
|---|-----|----------------|-----------------------|------------------|
| <b>Executive Office of the President—Con.</b>                                   |     |                |                       |                  |
| <b>Executive Residence at the White House</b>                                   |     |                |                       |                  |
| <i>Federal funds</i>  |     |                |                       |                  |
| <b>General and Special Funds:</b>   |     |                |                       |                  |
| Operating expenses  | 802 |                |                       |                  |
| Appropriation, current.....   | BA  | 4,632          | 4,601<br>C 26<br>D 31 | 4,577            |
| Outlays.....  | O   | 5,154          | 4,731                 | 4,608            |
| Total Operating expenses.....   | BA  | 4,632          | 4,658                 | 4,577            |
|   | O   | 5,154          | 4,731                 | 4,608            |
| <b>Official Residence of the Vice President</b>                                 |     |                |                       |                  |
| <i>Federal funds</i>  |     |                |                       |                  |
| <b>General and Special Funds:</b>   |     |                |                       |                  |
| Operating expenses  | 802 |                |                       |                  |
| Appropriation, current.....   | BA  | 262            | 219                   | 204              |
| Outlays.....  | O   | 488            | 237                   | 210              |
| <b>Special Assistance to the President</b>                                      |     |                |                       |                  |
| <i>Federal funds</i>  |     |                |                       |                  |
| <b>General and Special Funds:</b>   |     |                |                       |                  |
| Salaries and expenses   | 802 |                |                       |                  |
| Appropriation, current.....   | BA  | 1,593          | 1,663<br>D 13         | 1,659            |
| Outlays.....  | O   | 1,510          | 1,625                 | 1,602            |
| Total Salaries and expenses.....  | BA  | 1,593          | 1,676                 | 1,659            |
|   | O   | 1,510          | 1,625                 | 1,602            |
| <b>Council of Economic Advisers</b>   |     |                |                       |                  |
| <i>Federal funds</i>  |     |                |                       |                  |
| <b>General and Special Funds:</b>   |     |                |                       |                  |
| Salaries and expenses   | 802 |                |                       |                  |
| Appropriation, current.....   | BA  | 2,464          | 2,560                 | 2,301            |
| Outlays.....  | O   | 2,144          | 2,509                 | 2,255            |
| <b>Council on Environmental Quality and Office of Environmental Quality</b>     |     |                |                       |                  |
| <i>Federal funds</i>  |     |                |                       |                  |
| <b>General and Special Funds:</b>   |     |                |                       |                  |
| Council on Environmental Quality and Office of Environmental Quality            | 802 |                |                       |                  |
| Appropriation, current.....   | BA  | 1,300          | 700<br>D 5            | 705              |
| Reappropriation.....  | BA  | 175            |                       |                  |
| Outlays.....  | O   | 348            | 2,137                 | 1,065            |
| Total Council on Environmental Quality and Office of Environmental Quality..... | BA  | 1,475          | 705                   | 705              |
|   | O   | 348            | 2,137                 | 1,065            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|-----|----------------|------------------|------------------|
| <b>Executive Office of the President—Con.</b>  |     |                |                  |                  |
| <b>Council on Environmental Quality and Office of Environmental Quality—Con.</b>         |     |                |                  |                  |
| <b>Intragovernmental Funds:</b>  |     |                |                  |                  |
| Management fund, Office of Environmental Quality   |     |                |                  |                  |
|  | 802 |                |                  |                  |
| Outlays.....   | 0   | .....          | —57              | .....            |
| Total Federal funds Council on Environmental Quality and Office of Environmental Quality | BA  | 1,475          | 705              | 705              |
|  | O   | 348            | 2,080            | 1,065            |
| <b>Council on Wage and Price Stability</b>   |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Outlays.....   | 0   | 5              |                  |                  |
| <b>Office of Policy Development</b>  |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 2,861          | 3,020            | 2,726            |
| Outlays.....   | O   | 2,582          | 3,106            | 2,791            |
| <b>National Security Council</b>   |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 4,497          | 4,605            | 4,627            |
| Outlays.....   | O   | 3,864          | 4,467            | 4,627            |
| <b>Office of Administration</b>  |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 14,295         | 16,172<br>D 68   | 15,597           |
| Outlays.....   | O   | 13,862         | 15,749           | 15,125           |
| Total Salaries and expenses.....   | BA  | 14,295         | 16,240           | 15,597           |
|  | O   | 13,862         | 15,749           | 15,125           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|-----|----------------|------------------|------------------|
| <b>Executive Office of the President—Con.</b>                      |     |                |                  |                  |
| <b>Office of Management and Budget</b>                             |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>                                  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 37,311         | 38,500<br>D 352  | 38,430           |
|  |     |                |                  | J 1,611          |
| Outlays.....   | O   | 34,987         | 39,264           | 38,355           |
|  |     |                |                  | J 1,611          |
| Total Salaries and expenses.....                                   | BA  | 37,311         | 38,852           | 40,041           |
|  | O   | 34,987         | 39,264           | 39,966           |
| <b>Office of Federal Procurement Policy: Salaries and expenses</b> |     |                |                  |                  |
|  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 1,874          | 1,615<br>D 15    | 1,611            |
|  |     |                |                  | J — 1,611        |
| Outlays.....   | O   | 1,781          | 1,651            | 1,611            |
|  |     |                |                  | J — 1,611        |
| Total Office of Federal Procurement Policy .....                   | BA  | 1,874          | 1,630            | .....            |
|  | O   | 1,781          | 1,651            | .....            |
| Total Federal funds Office of Management and Budget.....           | BA  | 39,185         | 40,482           | 40,041           |
|  | O   | 36,768         | 40,915           | 39,966           |
| <b>Office of Science and Technology Policy</b>                     |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>                                  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 1,950          | 2,194<br>D 20    | 2,091            |
| Outlays.....   | O   | 1,744          | 2,214            | 2,091            |
| Total Salaries and expenses.....                                   | BA  | 1,950          | 2,214            | 2,091            |
|  | O   | 1,744          | 2,214            | 2,091            |
| <b>Office of the United States Trade Representative</b>            |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>                                  |     |                |                  |                  |
| Salaries and expenses  | 802 |                |                  |                  |
| Appropriation, current.....  | BA  | 11,999         | 13,582           | .....            |
|  |     |                |                  | K 11,431         |
| Outlays.....   | O   | 10,768         | 14,215           | 11,431           |
| Total Salaries and expenses.....                                   | BA  | 11,999         | 13,582           | 11,431           |
|  | O   | 10,768         | 14,215           | 11,431           |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate      |
|--|-----|----------------|-----------------------|-----------------------|
| <b>Executive Office of the President—Con.</b>                      |     |                |                       |                       |
| <b>Property Review Board</b>                                       |     |                |                       |                       |
| <i>Federal funds</i>   |     |                |                       |                       |
| <b>General and Special Funds:</b>                                  |     |                |                       |                       |
| Salaries and expenses  | 802 |                |                       |                       |
| Appropriation, current.....  | BA  | 415            |                       |                       |
| Outlays.....   | O   | 210            | 109                   |                       |
| <b>Special Action Office for Drug Abuse Prevention</b>             |     |                |                       |                       |
| <i>Federal funds</i>   |     |                |                       |                       |
| <b>General and Special Funds:</b>                                  |     |                |                       |                       |
| Miscellaneous expired accounts                                     | 554 |                |                       |                       |
| Outlays.....   | O   | —15            | 96                    |                       |
| <b>Summary</b>   |     |                |                       |                       |
| <b>Federal funds:</b>  |     |                |                       |                       |
| Total Executive Office of the President.....                       | BA  | 109,064        | 115,400               | 111,115               |
|  | O   | 95,317         | 116,736               | 110,187               |
| <b>Funds Appropriated to the President</b>                         |     |                |                       |                       |
| <b>Appalachian Regional Development Programs</b>                   |     |                |                       |                       |
| <i>Federal funds</i>   |     |                |                       |                       |
| <b>General and Special Funds:</b>                                  |     |                |                       |                       |
| Appalachian regional development programs                          | 452 |                |                       |                       |
| Appropriation, current.....  | BA  | 159,400        | 149,000               |                       |
|  |     |                | <sup>H</sup> — 99,000 |                       |
| Outlays.....   | O   | 212,178        | 189,000               | 178,000               |
|  |     |                | <sup>H</sup> — 5,000  | <sup>H</sup> — 26,000 |
| Total Appalachian regional development programs.....               | BA  | 159,400        | 50,000                |                       |
|  | O   | 212,178        | 184,000               | 152,000               |
| <b>Public Enterprise Funds:</b>                                    |     |                |                       |                       |
| Appalachian housing fund   | 452 |                |                       |                       |
| Outlays.....   | O   |                | —2                    |                       |
| Total Federal funds Appalachian Regional Development Programs..... | BA  | 159,400        | 50,000                |                       |
|  | O   | 212,178        | 183,998               | 152,000               |
| <b>Disaster Relief</b>   |     |                |                       |                       |
| <i>Federal funds</i>   |     |                |                       |                       |
| <b>General and Special Funds:</b>                                  |     |                |                       |                       |
| Disaster relief  | 453 |                |                       |                       |
| Appropriation, current.....  | BA  |                | 100,000               |                       |
|  |     |                |                       | <sup>K</sup> 194,000  |
| Outlays.....   | O   | 243,014        | 200,000               | 194,000               |
| Total Disaster relief.....   | BA  |                | 100,000               | 194,000               |
|  | O   | 243,014        | 200,000               | 194,000               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                     |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate       |
|---|-----|----------------|------------------|------------------------|
| <b>Funds Appropriated to the President—Con.</b> |     |                |                  |                        |
| <b>Disaster Relief—Con.</b>                     |     |                |                  |                        |
| <i>Trust funds</i>                              |     |                |                  |                        |
| Bequests and gifts                              | 453 |                |                  |                        |
| Appropriation, permanent, indefinite            | BA  | 128            | 100              | 89                     |
| Outlays   | 0   | 29             | 50               | 150                    |
| <b>Unanticipated Needs</b>                      |     |                |                  |                        |
| <i>Federal funds</i>                            |     |                |                  |                        |
| <b>General and Special Funds:</b>               |     |                |                  |                        |
| Unanticipated needs                             | 802 |                |                  |                        |
| Appropriation, current                          | BA  | 1,000          | 1,000            | 1,000                  |
| Outlays   | 0   | 373            | 1,000            | 1,000                  |
| <b>Expenses of Management Improvement</b>       |     |                |                  |                        |
| <i>Federal funds</i>                            |     |                |                  |                        |
| <b>General and Special Funds:</b>               |     |                |                  |                        |
| Expenses of management improvement              | 802 |                |                  |                        |
| Outlays   | 0   | 2              |                  |                        |
| <b>International Security Assistance</b>        |     |                |                  |                        |
| <i>Federal funds</i>                            |     |                |                  |                        |
| <b>General and Special Funds:</b>               |     |                |                  |                        |
| Foreign military sales credit                   | 152 |                |                  |                        |
| Appropriation, current                          | BA  | 1,315,000      | 4,939,500        | <sup>K</sup> 5,655,000 |
| Outlays   | 0   | 1,059,983      | 2,802,169        | 4,862,852              |
| Limitation on guaranteed loan commitments       |     | (4,401,250)    |                  |                        |
| Total Foreign military sales credit             | BA  | 1,315,000      | 4,939,500        | 5,655,000              |
|   | 0   | 1,059,983      | 2,802,169        | 4,862,852              |
| Guarantee reserve                               | 152 |                |                  |                        |
| Outlays   | 0   |                |                  | <sup>J</sup> 277,600   |
| Economic support fund                           | 152 |                |                  |                        |
| Appropriation, current                          | BA  | 3,244,250      | 3,841,000        | <sup>K</sup> 2,824,000 |
| Reappropriation                                 | BA  | 144,807        |                  |                        |
| Outlays   | 0   | 2,873,811      | 3,937,252        | 2,825,000              |
| Total Economic support fund                     | BA  | 3,389,057      | 3,841,000        | 2,824,000              |
|   | 0   | 2,873,811      | 3,937,252        | 2,825,000              |
| Military assistance                             | 152 |                |                  |                        |
| Appropriation, current                          | BA  | 711,750        | 805,100          | <sup>K</sup> 949,350   |
| Outlays   | 0   | 928,007        | 848,018          | 957,536                |
| Total Military assistance                       | BA  | 711,750        | 805,100          | 949,350                |
|   | 0   | 928,007        | 848,018          | 957,536                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                              |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate       |
|--|-----|----------------|------------------|------------------------|
| <b>Funds Appropriated to the President—Con.</b>          |     |                |                  |                        |
| <b>International Security Assistance—Con.</b>            |     |                |                  |                        |
| International military education and training            | 152 |                |                  |                        |
| Appropriation, current.....                              | BA  | 51,532         | 56,221           | .....<br>K 65,650      |
| Outlays.....   | O   | 43,870         | 55,750           | 61,241                 |
| Total International military education and training..... | BA  | 51,532         | 56,221           | 65,650                 |
|  | O   | 43,870         | 55,750           | 61,241                 |
| Peacekeeping operations                                  | 152 |                |                  |                        |
| Appropriation, current.....                              | BA  | 56,200         | 44,000           | .....<br>K 37,000      |
| Outlays.....   | O   | 39,150         | 43,000           | 40,900                 |
| Total Peacekeeping operations.....                       | BA  | 56,200         | 44,000           | 37,000                 |
|  | O   | 39,150         | 43,000           | 40,900                 |
| Assistance for relocation of facilities in Israel        | 152 |                |                  |                        |
| Outlays.....   | O   | —687           | 500              | 453                    |
| <b>Public Enterprise Funds:</b>                          |     |                |                  |                        |
| Guarantee reserve fund                                   | 152 |                |                  |                        |
| Appropriation, current, indefinite.....                  | BA  | .....          | 109,000          | .....                  |
| Outlays.....   | O   | 247,950        | 239,000          | 277,600<br>J — 277,600 |
| Total Guarantee reserve fund.....                        | BA  | .....          | 109,000          | .....                  |
|  | O   | 247,950        | 239,000          | .....                  |
| <b>Summary</b>   |     |                |                  |                        |
| <b>Federal funds:</b>                                    |     |                |                  |                        |
| (As shown in detail above).....                          | BA  | 5,523,539      | 9,794,821        | 9,531,000              |
|  | O   | 5,192,084      | 7,925,689        | 9,025,582              |
| Deductions for offsetting receipts:                      |     |                |                  |                        |
| Proprietary receipts from the public                     | 152 |                |                  |                        |
|  | BA  | —85,945        | —93,200          | —99,200                |
|  | O   |                |                  |                        |
|  | 908 |                |                  |                        |
|  | BA  | —72,372        | —128,700         | —384,400               |
|  | O   |                |                  |                        |
| Total International Security Assistance.....             | BA  | 5,365,222      | 9,572,921        | 9,047,400              |
|  | O   | 5,033,767      | 7,703,789        | 8,541,982              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate    |
|--|----|----------------|----------------------|---------------------|
| <b>Funds Appropriated to the President—Con.</b>  |    |                |                      |                     |
| <b>International Development Assistance</b>  |    |                |                      |                     |
| <i>Multilateral Assistance</i>   |    |                |                      |                     |
| <i>Federal funds</i>   |    |                |                      |                     |
| <b>General and Special Funds:</b>  |    |                |                      |                     |
| Contribution to the International Bank for Reconstruc-<br>tion and Development 151       |    |                |                      |                     |
| Appropriation, current.....  | BA | 79,721         | 109,722              | 117,152             |
|  |    |                | <sup>A</sup> 30,001  | <sup>K</sup> 65,719 |
| Outlays.....   | O  | 33,854         | 27,019               | 56,100              |
|  |    |                | <sup>A</sup> 3,000   |                     |
| Total Contribution to the International Bank for<br>Reconstruction and Development ..... | BA | 79,721         | 139,723              | 182,871             |
|  | O  | 33,854         | 30,019               | 56,100              |
| Contribution to the International Development Associa-<br>tion 151                       |    |                |                      |                     |
| Appropriation, current.....  | BA | 945,000        | 900,000              | 750,000             |
| Outlays.....   | O  | 911,162        | 841,545              | 737,500             |
| Contribution to the International Finance Corpora-<br>tion 151                           |    |                |                      |                     |
| Appropriation, current.....  | BA |                |                      | <sup>K</sup> 35,033 |
| Outlays.....   | O  |                |                      | <sup>K</sup> 35,033 |
| Contribution to the Inter-American Development<br>Bank 151                               |    |                |                      |                     |
| Appropriation, current.....  | BA | 118,424        | 120,501              | 143,501             |
|  |    |                | <sup>A</sup> 115,501 |                     |
| Outlays.....   | O  | 325,038        | 333,756              | 356,563             |
|  |    |                | <sup>A</sup> 3,000   | <sup>A</sup> 2,215  |
| Total Contribution to the Inter-American Devel-<br>opment Bank .....                     | BA | 118,424        | 236,002              | 143,501             |
|  | O  | 325,038        | 336,756              | 358,778             |
| Contribution to the Asian Development Bank 151   |    |                |                      |                     |
| Appropriation, current.....  | BA | 113,233        | 113,233              | 143,233             |
|  |    |                | <sup>A</sup> 91,232  |                     |
| Outlays.....   | O  | 69,170         | 108,265              | 123,240             |
|  |    |                |                      | <sup>A</sup> 1,825  |
| Total Contribution to the Asian Development<br>Bank.....                                 | BA | 113,233        | 204,465              | 143,233             |
|  | O  | 69,170         | 108,265              | 125,065             |
| Contribution to the African Development Fund 151   |    |                |                      |                     |
| Appropriation, current.....  | BA | 50,000         | 50,000               | <sup>K</sup> 75,000 |
| Outlays.....   | O  | 34,219         | 68,960               | 56,650              |
| Total Contribution to the African Development<br>Fund .....                              | BA | 50,000         | 50,000               | 75,000              |
|  | O  | 34,219         | 68,960               | 56,650              |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate       |
|--|-----|----------------|----------------------|------------------------|
| <b>Funds Appropriated to the President—Con.</b>    |     |                |                      |                        |
| <b>International Development Assistance—Con.</b>   |     |                |                      |                        |
| <i>Multilateral Assistance—Con.</i>                |     |                |                      |                        |
| Contribution to the African Development Bank       | 151 |                |                      |                        |
| Appropriation, current.....                        | BA  | 17,987         | 17,988               | 17,987                 |
| Outlays.....                                       | O   | 17,987         | 17,987               | 17,987                 |
| International organizations and programs           | 151 |                |                      |                        |
| Appropriation, current.....                        | BA  | 315,164        | 358,676              | .....                  |
|  |     |                |                      | <sup>K</sup> 196,211   |
| Outlays.....                                       | O   | 307,965        | 299,708              | 265,519                |
| Total International organizations and programs.... | BA  | 315,164        | 358,676              | 196,211                |
|  | O   | 307,965        | 299,708              | 265,519                |
| Total Federal funds Multilateral Assistance.....   | BA  | 1,639,529      | 1,906,854            | 1,543,836              |
|  | O   | 1,699,395      | 1,703,240            | 1,652,632              |
| <b>Agency for International Development</b>        |     |                |                      |                        |
| <i>Federal funds</i>                               |     |                |                      |                        |
| <b>General and Special Funds:</b>                  |     |                |                      |                        |
| Functional development assistance program          | 151 |                |                      |                        |
| Appropriation, current.....                        | BA  | 1,400,372      | 1,651,522            | .....                  |
|  |     |                | <sup>H</sup> — 5,168 | <sup>K</sup> 1,655,900 |
| Reappropriation.....                               | BA  | 37,573         | .....                | .....                  |
| Outlays.....                                       | O   | 1,204,398      | 1,359,329            | 1,425,000              |
|  |     |                | <sup>H</sup> — 520   | <sup>H</sup> — 2,500   |
| Total Functional development assistance program    | BA  | 1,437,945      | 1,646,354            | 1,655,900              |
|  | O   | 1,204,398      | 1,358,809            | 1,422,500              |
| Sahel development program                          | 151 |                |                      |                        |
| Appropriation, current.....                        | BA  | 103,000        | 97,500               | .....                  |
| Outlays.....                                       | O   | 78,281         | 84,800               | 90,200                 |
| American schools and hospitals abroad              | 151 |                |                      |                        |
| Appropriation, current.....                        | BA  | 30,000         | 30,000               | .....                  |
|  |     |                |                      | <sup>K</sup> 10,000    |
| Outlays.....                                       | O   | 25,975         | 28,100               | 22,800                 |
| Total American schools and hospitals abroad.....   | BA  | 30,000         | 30,000               | 10,000                 |
|  | O   | 25,975         | 28,100               | 22,800                 |
| International disaster assistance                  | 151 |                |                      |                        |
| Appropriation, current.....                        | BA  | 50,500         | 25,000               | .....                  |
|  |     |                | <sup>B</sup> 25,000  | <sup>K</sup> 25,000    |
| Outlays.....                                       | O   | 97,689         | 105,900              | 81,400                 |
|  |     |                | <sup>B</sup> 25,000  |                        |
| Total International disaster assistance.....       | BA  | 50,500         | 50,000               | 25,000                 |
|  | O   | 97,689         | 130,900              | 81,400                 |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate             | 1986<br>estimate               |
|--|-----|----------------|------------------------------|--------------------------------|
| <b>Funds Appropriated to the President—Con.</b>                          |     |                |                              |                                |
| <b>International Development Assistance—Con.</b>                         |     |                |                              |                                |
| <b>Agency for International Development—Con.</b>                         |     |                |                              |                                |
| Operating expenses Agency for International Development                  | 151 |                |                              |                                |
| Appropriation, current.....  | BA  | 372,512        | 391,533                      | <sup>K</sup> 387,000           |
| Outlays.....   | O   | 358,064        | 382,931                      | 382,330                        |
| Total Operating expenses Agency for International Development.....       | BA  | 372,512        | 391,533                      | 387,000                        |
|  | O   | 358,064        | 382,931                      | 382,330                        |
| Payment to the Foreign Service retirement and disability fund            | 153 |                |                              |                                |
| Appropriation, current.....  | BA  | 40,620         | 40,562<br><sup>A</sup> 1,302 | 43,122                         |
| Outlays.....   | O   | 40,620         | 40,562<br><sup>A</sup> 1,302 | <sup>J</sup> - 7,560<br>43,122 |
| Total Payment to the Foreign Service retirement and disability fund..... | BA  | 40,620         | 41,864                       | 35,562                         |
|  | O   | 40,620         | 41,864                       | 35,562                         |
| Miscellaneous appropriations   | 151 |                |                              |                                |
| Outlays.....   | O   | 3,050          | 1,933                        | 1,439                          |
| <b>Public Enterprise Funds:</b>  |     |                |                              |                                |
| Housing and other credit guaranty programs                               | 151 |                |                              |                                |
| Appropriation, current.....  | BA  |                | 40,000                       |                                |
| Outlays.....   | O   | 8,216          | 25,867                       | 26,216                         |
| Private sector revolving fund  | 151 |                |                              |                                |
| Appropriation, current.....  | BA  | 14,500         | 16,000                       | 20,000                         |
| Outlays.....   | O   |                | 7,992                        | 16,329                         |
| Development loans--revolving fund  | 151 |                |                              |                                |
| Outlays.....   | O   | 126            |                              |                                |
| <b>Intragovernmental Funds:</b>  |     |                |                              |                                |
| Advance acquisition of property--revolving fund                          | 151 |                |                              |                                |
| Outlays.....   | O   | -250           |                              |                                |
| Office of the Inspector General of Foreign Assistance                    | 151 |                |                              |                                |
| Outlays.....   | O   | 139            |                              |                                |
| <b>Trust funds</b>   |     |                |                              |                                |
| Miscellaneous trust funds  | 151 |                |                              |                                |
| Appropriation, permanent, indefinite.....                                | BA  | 4,436          | 15,000                       | 15,000                         |
| Outlays.....   | O   | 3,339          | 15,000                       | 15,000                         |
| <b>Summary</b>   |     |                |                              |                                |
| Federal funds:   |     |                |                              |                                |
| (As shown in detail above).....  | BA  | 2,049,077      | 2,313,251                    | 2,133,462                      |
|  | O   | 1,816,308      | 2,063,196                    | 2,078,776                      |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                      |        | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|--|--------|----------------|----------------------|----------------------|
| <b>Funds Appropriated to the President—Con.</b>  |        |                |                      |                      |
| <b>International Development Assistance—Con.</b> |        |                |                      |                      |
| <b>Agency for International Development—Con.</b> |        |                |                      |                      |
| Deductions for offsetting receipts:              |        |                |                      |                      |
| Proprietary receipts from the public             | 151 BA |                |                      |                      |
|  | O      | — 372,267      | — 324,308            | — 344,608            |
|  | 908 BA |                |                      |                      |
|  | O      | — 360,870      | — 301,102            | — 309,795            |
| Total Federal funds .....                        | BA     | 1,315,940      | 1,687,841            | 1,479,059            |
|  | O      | 1,083,171      | 1,437,786            | 1,424,373            |
| <b>Trust funds:</b>                              |        |                |                      |                      |
| (As shown in detail above) .....                 | BA     | 4,436          | 15,000               | 15,000               |
|  | O      | 3,339          | 15,000               | 15,000               |
| Deductions for offsetting receipts:              |        |                |                      |                      |
| Proprietary receipts from the public             | 151 BA |                |                      |                      |
|  | O      | — 4,429        | — 15,000             | — 15,000             |
| Total Trust funds .....                          | BA     | 7              |                      |                      |
|  | O      | — 1,090        |                      |                      |
| Total Agency for International Development ..... | BA     | 1,315,947      | 1,687,841            | 1,479,059            |
|  | O      | 1,082,081      | 1,437,786            | 1,424,373            |
| <b>Trade and Development Program</b>             |        |                |                      |                      |
| <i>Federal funds</i>                             |        |                |                      |                      |
| <b>General and Special Funds:</b>                |        |                |                      |                      |
| Trade and development program                    | 151    |                |                      |                      |
| Appropriation, current .....                     | BA     | 16,250         | 21,000               |                      |
|  |        |                |                      | <sup>K</sup> 20,000  |
| Outlays .....                                    | O      | 10,228         | 15,179               | 18,200               |
| Total Trade and development program .....        | BA     | 16,250         | 21,000               | 20,000               |
|  | O      | 10,228         | 15,179               | 18,200               |
| <b>Peace Corps</b>                               |        |                |                      |                      |
| <i>Federal funds</i>                             |        |                |                      |                      |
| <b>General and Special Funds:</b>                |        |                |                      |                      |
| Peace Corps operating expenses                   | 151    |                |                      |                      |
| Appropriation, current .....                     | BA     | 117,000        | 128,600              |                      |
|  |        |                |                      | <sup>K</sup> 124,400 |
|  |        |                | <sup>H</sup> — 1,231 |                      |
| Outlays .....                                    | O      | 110,076        | 126,378              | 124,324              |
|  |        |                | <sup>H</sup> — 1,046 | <sup>H</sup> — 185   |
| Total Peace Corps operating expenses .....       | BA     | 117,000        | 127,369              | 124,400              |
|  | O      | 110,076        | 125,332              | 124,139              |
| <i>Trust funds</i>                               |        |                |                      |                      |
| Peace Corps miscellaneous trust funds            | 151    |                |                      |                      |
| Appropriation, permanent, indefinite .....       | BA     | 180            | 550                  | 600                  |
| Outlays .....                                    | O      | 534            | 450                  | 600                  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate |
|---|-----|----------------|---------------------|------------------|
| <b>Funds Appropriated to the President—Con.</b>               |     |                |                     |                  |
| <b>International Development Assistance—Con.</b>              |     |                |                     |                  |
| <i>Overseas Private Investment Corporation</i>                |     |                |                     |                  |
| <i>Federal funds</i>  |     |                |                     |                  |
| <b>Public Enterprise Funds:</b>                               |     |                |                     |                  |
| Overseas Private Investment Corporation                       | 151 |                |                     |                  |
| Outlays.....  | 0   | —99,039        | —104,389<br># — 838 | —110,067         |
| Limitation on direct loan obligations.....                    |     | (15,000)       | (15,000)            | (15,000)         |
| Total Overseas Private Investment Corporation....             | 0   | —99,039        | —105,227            | —110,067         |
| <i>Inter-American Foundation</i>                              |     |                |                     |                  |
| <i>Federal funds</i>  |     |                |                     |                  |
| <b>Public Enterprise Funds:</b>                               |     |                |                     |                  |
| Inter-American Foundation                                     | 151 |                |                     |                  |
| Appropriation, current.....                                   | BA  | 13,000         | 11,992              | κ 8,699          |
| Outlays.....  | 0   | 13,996         | 10,474              | 10,329           |
| Total Inter-American Foundation .....                         | BA  | 13,000         | 11,992              | 8,699            |
|   | 0   | 13,996         | 10,474              | 10,329           |
| <i>Trust funds</i>  |     |                |                     |                  |
| <b>Gifts and contributions, Inter-American Foundation</b>     |     |                |                     |                  |
|   | 151 |                |                     |                  |
| Appropriation, permanent, indefinite.....                     | BA  | 5              |                     |                  |
| Outlays.....  | 0   | 1              | 7                   |                  |
| <i>African Development Foundation</i>                         |     |                |                     |                  |
| <i>Federal funds</i>  |     |                |                     |                  |
| <b>General and Special Funds:</b>                             |     |                |                     |                  |
| African Development Foundation                                | 151 |                |                     |                  |
| Appropriation, current.....                                   | BA  | 3,000          | 1,000               | κ 1,000          |
| Reappropriation.....  | BA  |                | 1,769               |                  |
| Outlays.....  | 0   | 646            | 3,154               | 3,885            |
| Total African Development Foundation .....                    | BA  | 3,000          | 2,769               | 1,000            |
|   | 0   | 646            | 3,154               | 3,885            |
| Total Federal funds International Development Assistance..... | BA  | 3,104,719      | 3,757,825           | 3,176,994        |
|   | 0   | 2,818,473      | 3,189,938           | 3,123,491        |
| Total Trust funds International Development Assistance .....  | BA  | 192            | 550                 | 600              |
|   | 0   | —555           | 457                 | 600              |
| <b>International Commodity Agreements</b>                     |     |                |                     |                  |
| <i>Federal funds</i>  |     |                |                     |                  |
| <b>General and Special Funds:</b>                             |     |                |                     |                  |
| Contributions to international buffer stocks                  | 155 |                |                     |                  |
| Outlays.....  | 0   | —4,669         | 10,000              |                  |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Funds Appropriated to the President—Con.</b>               |     |                |                  |                  |
| <b>International Monetary Programs</b>                        |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                             |     |                |                  |                  |
| United States quota, International Monetary Fund              |     |                |                  |                  |
|   | 155 |                |                  |                  |
| Appropriation, current, indefinite .....                      | BA  | 5,527,828      |                  |                  |
| Outlays .....   | 0   | 545,894        |                  |                  |
| Supplementary financing facility, International Monetary Fund |     |                |                  |                  |
|   | 155 |                |                  |                  |
| Outlays .....   | 0   | 19,566         |                  |                  |
| Loans to International Monetary Fund                          |     |                |                  |                  |
|   | 155 |                |                  |                  |
| Appropriation, current .....                                  | BA  | 2,245,771      |                  |                  |
| Total Federal funds International Monetary Programs           |     |                |                  |                  |
|   | BA  | 7,773,599      |                  |                  |
|   | 0   | 565,460        |                  |                  |
| <b>Military Sales Programs</b>                                |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>Public Enterprise Funds:</b>                               |     |                |                  |                  |
| Special defense acquisition fund                              |     |                |                  |                  |
|   | 155 |                |                  |                  |
| Outlays .....   | 0   | —88,822        | —13,451          | 35,924           |
| <i>Trust funds</i>  |     |                |                  |                  |
| Foreign military sales trust fund                             |     |                |                  |                  |
|   | 155 |                |                  |                  |
| Contract authority, permanent, indefinite .....               | BA  | 10,435,717     | 12,834,000       | 13,378,000       |
| Liquidation of contract authority, permanent .....            |     | (11,236,837)   | (12,100,000)     | (12,400,000)     |
| Outlays .....   | 0   | 10,936,403     | 11,900,000       | 12,500,000       |
| <b>Summary</b>  |     |                |                  |                  |
| <b>Federal funds:</b>   |     |                |                  |                  |
| (As shown in detail above) .....                              | 0   | —88,822        | —13,451          | 35,924           |
| <b>Trust funds:</b>   |     |                |                  |                  |
| (As shown in detail above) .....                              | BA  | 10,435,717     | 12,834,000       | 13,378,000       |
|   | 0   | 10,936,403     | 11,900,000       | 12,500,000       |
| <b>Deductions for offsetting receipts:</b>                    |     |                |                  |                  |
| Proprietary receipts from the public                          |     |                |                  |                  |
|   | 155 |                |                  |                  |
|   | BA  | —11,236,837    | —12,100,000      | —12,400,000      |
|   | 0   |                |                  |                  |
| Total Trust funds .....                                       |     |                |                  |                  |
|   | BA  | —801,120       | 734,000          | 978,000          |
|   | 0   | —300,434       | —200,000         | 100,000          |
| Total Military Sales Programs .....                           |     |                |                  |                  |
|   | BA  | —801,120       | 734,000          | 978,000          |
|   | 0   | —389,256       | —213,451         | 135,924          |
| <b>Petroleum Reserves</b>                                     |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                             |     |                |                  |                  |
| Petroleum reserves  |     |                |                  |                  |
|   | 271 |                |                  |                  |
| Outlays .....   | 0   |                | 2                |                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                     |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|--------|----------------|------------------|------------------|
| <b>Funds Appropriated to the President—Con.</b> |        |                |                  |                  |
| <b>Public Works Acceleration</b>                |        |                |                  |                  |
| <i>Federal funds</i>                            |        |                |                  |                  |
| <b>General and Special Funds:</b>               |        |                |                  |                  |
| Public works acceleration                       | 452    |                |                  |                  |
| Outlays.....                                    | 0      | 1,136          |                  |                  |
| <b>Summary</b>                                  |        |                |                  |                  |
| <b>Federal funds:</b>                           |        |                |                  |                  |
| (As shown in detail above).....                 | BA     | 17,295,394     | 14,329,056       | 13,557,397       |
|   | O      | 9,672,366      | 12,122,586       | 13,186,400       |
| <b>Deductions for offsetting receipts:</b>      |        |                |                  |                  |
| Proprietary receipts from the public            | 151 BA |                |                  |                  |
|   | O      | -372,267       | -324,308         | -344,608         |
|   | 152 BA |                |                  |                  |
|   | O      | -85,945        | -93,200          | -99,200          |
|   | 908 BA |                |                  |                  |
|   | O      | -433,242       | -429,802         | -694,195         |
| Total Federal funds.....                        | BA     | 16,403,940     | 13,481,746       | 12,419,394       |
|   | O      | 8,780,912      | 11,275,276       | 12,048,397       |
| <b>Trust funds:</b>                             |        |                |                  |                  |
| (As shown in detail above).....                 | BA     | 10,440,466     | 12,849,650       | 13,393,689       |
|   | O      | 10,940,306     | 11,915,507       | 12,515,750       |
| <b>Deductions for offsetting receipts:</b>      |        |                |                  |                  |
| Proprietary receipts from the public            | 151 BA |                |                  |                  |
|   | O      | -4,429         | -15,000          | -15,000          |
|   | 155 BA |                |                  |                  |
|   | O      | -11,236,837    | -12,100,000      | -12,400,000      |
| Total Trust funds.....                          | BA     | -800,800       | 734,650          | 978,689          |
|   | O      | -300,960       | -199,493         | 100,750          |
| Total Funds Appropriated to the President.....  | BA     | 15,603,140     | 14,216,396       | 13,398,083       |
|   | O      | 8,479,952      | 11,075,783       | 12,149,147       |

**Department of Agriculture****Office of the Secretary***Federal funds*

|                                    |     |       |                    |       |
|------------------------------------|-----|-------|--------------------|-------|
| <b>General and Special Funds:</b>  |     |       |                    |       |
| Office of the Secretary            | 352 |       |                    |       |
| Appropriation, current.....        | BA  | 5,095 | 5,240              | 4,659 |
|                                    |     |       | <sup>D</sup> 129   |       |
|                                    |     |       | <sup>H</sup> - 114 |       |
| Outlays.....                       | O   | 4,512 | 5,366              | 4,659 |
|                                    |     |       | <sup>H</sup> - 114 |       |
| Total Office of the Secretary..... | BA  | 5,095 | 5,255              | 4,659 |
|                                    | O   | 4,512 | 5,252              | 4,659 |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |     | 1984<br>actual | 1985<br>estimate                  | 1986<br>estimate |
|--|-----|----------------|-----------------------------------|------------------|
| <b>Department of Agriculture—Con.</b>              |     |                |                                   |                  |
| <b>Office of the Secretary—Con.</b>                |     |                |                                   |                  |
| <i>Trust funds</i>                                 |     |                |                                   |                  |
| Gifts and bequests                                 | 352 |                |                                   |                  |
| Appropriation, permanent.....                      | BA  | 150            |                                   |                  |
| Outlays.....                                       | 0   | 8              | 72                                | 71               |
| <b>Departmental Administration</b>                 |     |                |                                   |                  |
| <i>Federal funds</i>                               |     |                |                                   |                  |
| <b>General and Special Funds:</b>                  |     |                |                                   |                  |
| Departmental administration                        | 352 |                |                                   |                  |
| Appropriation, current.....                        | BA  | 18,282         | 18,873<br>C 5<br>D 295<br>H — 149 | 16,776           |
| Outlays.....                                       | 0   | 15,806         | 19,173<br>H — 149                 | 16,776           |
| Total Departmental administration .....            | BA  | 18,282         | 19,024                            | 16,776           |
|  | 0   | 15,806         | 19,024                            | 16,776           |
| Standard level user charges                        | 352 |                |                                   |                  |
| Appropriation, current.....                        | BA  | 64,270         | 67,254                            | 77,300           |
| Outlays.....                                       | 0   | 56,136         | 67,254                            | 77,300           |
| Advisory committees                                | 352 |                |                                   |                  |
| Appropriation, current.....                        | BA  | 1,398          | 1,385                             | 1,323            |
| Outlays.....                                       | 0   | 949            | 1,385                             | 1,323            |
| <b>Intragovernmental Funds:</b>                    |     |                |                                   |                  |
| Working capital fund                               | 352 |                |                                   |                  |
| Appropriation, current.....                        | BA  |                | 6,000                             | 6,000            |
| Outlays.....                                       | 0   | — 1,761        | 6,000                             | 6,000            |
| Total Federal funds Departmental Administration.   | BA  | 83,950         | 93,663                            | 101,399          |
|  | 0   | 71,130         | 93,663                            | 101,399          |
| <b>Office of Governmental and Public Affairs</b>   |     |                |                                   |                  |
| <i>Federal funds</i>                               |     |                |                                   |                  |
| <b>General and Special Funds:</b>                  |     |                |                                   |                  |
| Office of Governmental and Public Affairs          | 352 |                |                                   |                  |
| Appropriation, current.....                        | BA  | 7,466          | 7,615<br>D 62<br>H — 497          | 6,799            |
| Outlays.....                                       | 0   | 6,917          | 7,677<br>H — 497                  | 6,799            |
| Total Office of Governmental and Public Affairs .. | BA  | 7,466          | 7,180                             | 6,799            |
|  | 0   | 6,917          | 7,180                             | 6,799            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                |     | 1984<br>actual | 1985<br>estimate            | 1986<br>estimate            |
|--|-----|----------------|-----------------------------|-----------------------------|
| <b>Department of Agriculture—Con.</b>      |     |                |                             |                             |
| <b>Office of the Inspector General</b>     |     |                |                             |                             |
| <i>Federal funds</i>                       |     |                |                             |                             |
| <b>General and Special Funds:</b>          |     |                |                             |                             |
| Office of the Inspector General            | 352 |                |                             |                             |
| Appropriation, current.....                | BA  | 44,996         | 45,890<br><i>C</i> 431      | 40,866                      |
|  |     |                | <i>H</i> — 41               |                             |
| Outlays.....                               | O   | 42,296         | 45,608<br><i>H</i> — 41     | 40,224                      |
|  |     |                |                             |                             |
| Total Office of the Inspector General..... | BA  | 44,996         | 46,280                      | 40,866                      |
|  | O   | 42,296         | 45,567                      | 40,224                      |
| <b>Office of the General Counsel</b>       |     |                |                             |                             |
| <i>Federal funds</i>                       |     |                |                             |                             |
| <b>General and Special Funds:</b>          |     |                |                             |                             |
| Office of the General Counsel              | 352 |                |                             |                             |
| Appropriation, current.....                | BA  | 15,306         | 15,715<br><i>D</i> 206      | 13,961                      |
|  |     |                | <i>H</i> — 24               |                             |
| Outlays.....                               | O   | 15,090         | 15,921<br><i>H</i> — 24     | 13,961                      |
|  |     |                |                             |                             |
| Total Office of the General Counsel.....   | BA  | 15,306         | 15,897                      | 13,961                      |
|  | O   | 15,090         | 15,897                      | 13,961                      |
| <b>Agricultural Research Service</b>       |     |                |                             |                             |
| <i>Federal funds</i>                       |     |                |                             |                             |
| <b>General and Special Funds:</b>          |     |                |                             |                             |
| Agricultural Research Service              | 352 |                |                             |                             |
| Appropriation, current.....                | BA  | 475,406        | 487,022<br><i>H</i> — 1,313 | 485,286                     |
| Appropriation, permanent.....              | BA  | 2,800          | 2,800                       |                             |
| Outlays.....                               | O   | 481,307        | 485,804<br><i>H</i> — 1,313 | 477,835                     |
|  |     |                |                             |                             |
| Total Agricultural Research Service.....   | BA  | 478,206        | 488,509                     | 485,286                     |
|  | O   | 481,307        | 484,491                     | 477,835                     |
| <b>Buildings and facilities</b>            |     |                |                             |                             |
| Appropriation, current.....                | BA  | 77,925         | 23,050<br><i>H</i> — 20,950 |                             |
| Outlays.....                               | O   | 3,886          | 19,204<br><i>H</i> — 3,154  | 64,865<br><i>H</i> — 19,626 |
|  |     |                |                             |                             |
| Total Buildings and facilities.....        | BA  | 77,925         | 2,100                       |                             |
|  | O   | 3,886          | 16,050                      | 45,239                      |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |     | 1984<br>actual | 1985<br>estimate         | 1986<br>estimate |
|--|-----|----------------|--------------------------|------------------|
| <b>Department of Agriculture—Con.</b>              |     |                |                          |                  |
| <b>Agricultural Research Service—Con.</b>          |     |                |                          |                  |
| <i>Trust funds</i>                                 |     |                |                          |                  |
| Miscellaneous contributed funds                    | 352 |                |                          |                  |
| Appropriation, permanent, indefinite.....          | BA  | 732            | 2,000                    | 2,000            |
| Outlays.....                                       | O   | 1,352          | 2,000                    | 2,000            |
| Total Federal funds Agricultural Research Service  | BA  | 556,131        | 490,609                  | 485,286          |
|  | O   | 485,193        | 500,541                  | 523,074          |
| Total Trust funds Agricultural Research Service... | BA  | 732            | 2,000                    | 2,000            |
|  | O   | 1,352          | 2,000                    | 2,000            |
| <b>Cooperative State Research Service</b>          |     |                |                          |                  |
| <i>Federal funds</i>                               |     |                |                          |                  |
| <b>General and Special Funds:</b>                  |     |                |                          |                  |
| Cooperative State Research Service                 | 352 |                |                          |                  |
| Appropriation, current.....                        | BA  | 247,655        | 289,276<br>H — 151       | 251,161          |
| Outlays.....                                       | O   | 239,490        | 257,798<br>H — 151       | 258,500          |
| Total Cooperative State Research Service .....     | BA  | 247,655        | 289,125                  | 251,161          |
|  | O   | 239,490        | 257,647                  | 258,500          |
| <b>Extension Service</b>                           |     |                |                          |                  |
| <i>Federal funds</i>                               |     |                |                          |                  |
| <b>General and Special Funds:</b>                  |     |                |                          |                  |
| Extension Service                                  | 352 |                |                          |                  |
| Appropriation, current.....                        | BA  | 334,340        | 343,727<br>H — 310       | 264,808          |
| Outlays.....                                       | O   | 329,580        | 342,093<br>H — 310       | 266,700          |
| Total Extension Service .....                      | BA  | 334,340        | 343,417                  | 264,808          |
|  | O   | 329,580        | 341,783                  | 266,700          |
| <b>National Agricultural Library</b>               |     |                |                          |                  |
| <i>Federal funds</i>                               |     |                |                          |                  |
| <b>General and Special Funds:</b>                  |     |                |                          |                  |
| National Agricultural Library                      | 352 |                |                          |                  |
| Appropriation, current.....                        | BA  | 10,382         | 11,400<br>D 64<br>H — 11 | 11,100           |
| Outlays.....                                       | O   | 10,024         | 11,198<br>H — 11         | 11,000           |
| Total National Agricultural Library .....          | BA  | 10,382         | 11,453                   | 11,100           |
|  | O   | 10,024         | 11,187                   | 11,000           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                 |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|---|-----|----------------|--|------------------|
| <b>Department of Agriculture—Con.</b>       |     |                |  |                  |
| <b>Statistical Reporting Service</b>        |     |                |  |                  |
| <i>Federal funds</i>                        |     |                |  |                  |
| <b>General and Special Funds:</b>           |     |                |  |                  |
| Salaries and expenses                       | 352 |                |  |                  |
| Appropriation, current.....                 | BA  | 54,430         | 56,289<br><sup>A</sup> 1,560<br><sup>D</sup> 538<br><sup>H</sup> — 206 | 57,179           |
| Outlays.....                                | 0   | 55,538         | 56,619<br><sup>A</sup> 1,560<br><sup>H</sup> — 206                     | 56,349           |
| Total Salaries and expenses.....            | BA  | 54,430         | 58,181   | 57,179           |
|   | 0   | 55,538         | 57,973   | 56,349           |
| <i>Trust funds</i>                          |     |                |  |                  |
| Miscellaneous contributed funds             | 352 |                |  |                  |
| Appropriation, permanent.....               | BA  | 224            | 275  | 275              |
| Outlays.....                                | 0   | 143            | 275  | 275              |
| <b>Economic Research Service</b>            |     |                |  |                  |
| <i>Federal funds</i>                        |     |                |  |                  |
| <b>General and Special Funds:</b>           |     |                |  |                  |
| Salaries and expenses                       | 352 |                |  |                  |
| Appropriation, current.....                 | BA  | 44,329         | 45,614<br><sup>D</sup> 489<br><sup>H</sup> — 132                       | 44,596           |
| Reappropriation.....                        | BA  |                | 545  |                  |
| Outlays.....                                | 0   | 40,929         | 46,013<br><sup>H</sup> — 132   | 44,287           |
| Total Salaries and expenses.....            | BA  | 44,329         | 46,516   | 44,596           |
|   | 0   | 40,929         | 45,881   | 44,287           |
| <i>Trust funds</i>                          |     |                |  |                  |
| Miscellaneous contributed funds             | 352 |                |  |                  |
| Appropriation, permanent.....               | BA  | 44             | 54   | 24               |
| Outlays.....                                | 0   | 55             | 54   | 24               |
| <b>World Agricultural Outlook Board</b>     |     |                |  |                  |
| <i>Federal funds</i>                        |     |                |  |                  |
| <b>General and Special Funds:</b>           |     |                |  |                  |
| World agricultural outlook board            | 352 |                |  |                  |
| Appropriation, current.....                 | BA  | 1,533          | 1,642<br><sup>D</sup> 34<br><sup>H</sup> — 32                          | 1,619            |
| Outlays.....                                | 0   | 1,520          | 1,603<br><sup>H</sup> — 32   | 1,616            |
| Total World agricultural outlook board..... | BA  | 1,533          | 1,644  | 1,619            |
|   | 0   | 1,520          | 1,571  | 1,616            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate           | 1986<br>estimate |
|---|-----|----------------|----------------------------|------------------|
| <b>Department of Agriculture—Con.</b>   |     |                |                            |                  |
| <b>Foreign Agricultural Service</b>   |     |                |                            |                  |
| <i>Federal funds</i>  |     |                |                            |                  |
| <b>General and Special Funds:</b>   |     |                |                            |                  |
| Foreign Agricultural Service  | 352 |                |                            |                  |
| Appropriation, current.....   | BA  | 83,983         | 83,448<br>D 274<br>H — 424 | 82,446           |
| Outlays.....  | 0   | 73,711         | 83,722<br>H — 424          | 82,642           |
| Total Foreign Agricultural Service.....                                       | BA  | 83,983         | 83,298                     | 82,446           |
|   | 0   | 73,711         | 83,298                     | 82,642           |
| <b>Salaries and expenses (special foreign currency program)</b>               |     |                |                            |                  |
|   | 352 |                |                            |                  |
| Outlays.....  | 0   |                | 74                         |                  |
| Total Federal funds Foreign Agricultural Service..                            | BA  | 83,983         | 83,298                     | 82,446           |
|   | 0   | 73,711         | 83,372                     | 82,642           |
| <b>Office of International Cooperation and Development</b>                    |     |                |                            |                  |
| <i>Federal funds</i>  |     |                |                            |                  |
| <b>General and Special Funds:</b>   |     |                |                            |                  |
| Salaries and expenses   | 352 |                |                            |                  |
| Appropriation, current.....   | BA  | 5,016          | 5,038<br>H — 52            | 3,790            |
| Outlays.....  | 0   | — 1,258        | 4,638<br>H — 52            | 3,803            |
| Total Salaries and expenses.....  | BA  | 5,016          | 4,986                      | 3,790            |
|   | 0   | — 1,258        | 4,586                      | 3,803            |
| <b>Scientific activities overseas (foreign currency program)</b>              |     |                |                            |                  |
|   | 352 |                |                            |                  |
| Appropriation, current.....   | BA  | 5,000          | 5,000<br>H — 9             |                  |
| Outlays.....  | 0   | 2,905          | 4,792<br>H — 9             | 4,528            |
| Total Scientific activities overseas (foreign currency program) .....         | BA  | 5,000          | 4,991                      |                  |
|   | 0   | 2,905          | 4,783                      | 4,528            |
| <i>Trust funds</i>  |     |                |                            |                  |
| <b>Miscellaneous contributed funds</b>  |     |                |                            |                  |
|   | 352 |                |                            |                  |
| Appropriation, permanent, indefinite.....                                     | BA  | 4,689          | 7,900                      | 7,083            |
| Outlays.....  | 0   | 6,167          | 7,900                      | 7,083            |
| Total Federal funds Office of International Cooperation and Development ..... | BA  | 10,016         | 9,977                      | 3,790            |
|   | 0   | 1,647          | 9,369                      | 8,331            |
| Total Trust funds Office of International Cooperation and Development .....   | BA  | 4,689          | 7,900                      | 7,083            |
|   | 0   | 6,167          | 7,900                      | 7,083            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate  | 1986<br>estimate                |
|---|----|----------------|---|---------------------------------|
| <b>Department of Agriculture—Con.</b>   |    |                |   |                                 |
| <b>Foreign Assistance Programs</b>  |    |                |   |                                 |
| <i>Federal funds</i>  |    |                |   |                                 |
| <b>General and Special Funds:</b>   |    |                |   |                                 |
| Expenses, Public Law 480, foreign assistance programs, Agriculture 151        |    |                |   |                                 |
| Appropriation, current.....   | BA | 1,377,000      | 1,355,000   | .....<br><sup>K</sup> 1,307,000 |
| Outlays.....  | 0  | 1,085,393      | <sup>A</sup> 185,000<br>1,590,000<br><sup>A</sup> 201,000 | 1,307,000                       |
| Total Expenses, Public Law 480, foreign assistance programs, Agriculture..... | BA | 1,377,000      | 1,540,000   | 1,307,000                       |
|   | 0  | 1,085,393      | 1,791,000   | 1,307,000                       |
| <b>Agricultural Stabilization and Conservation Service</b>                    |    |                |   |                                 |
| <i>Federal funds</i>  |    |                |   |                                 |
| <b>General and Special Funds:</b>   |    |                |   |                                 |
| Salaries and expenses 351   |    |                |   |                                 |
| Appropriation, current.....   | BA | 52,092         | 50,857  | .....<br><sup>H</sup> — 100     |
| Outlays.....  | 0  | 50,491         | 58,218<br><sup>H</sup> — 100                              | 35,303                          |
| Total Salaries and expenses.....  | BA | 52,092         | 50,757  | .....                           |
|   | 0  | 50,491         | 58,118  | 35,303                          |
| Rural clean water program 304   |    |                |   |                                 |
| Outlays.....  | 0  | 5,169          | 9,000   | 11,000                          |
| Agricultural conservation program 302   |    |                |   |                                 |
| Appropriation, current.....   | BA | 190,000        | 190,000   | .....                           |
| Outlays.....  | 0  | 180,051        | 197,000   | 133,000                         |
| Water Bank program 302  |    |                |   |                                 |
| Appropriation, current.....   | BA | 8,800          | 8,800   | .....                           |
| Outlays.....  | 0  | 10,034         | 10,200  | 8,137                           |
| Cropland adjustment program 351   |    |                |   |                                 |
| Outlays.....  | 0  | 15             | .....   | .....                           |
| Emergency conservation program 453  |    |                |   |                                 |
| Appropriation, current.....   | BA | 19,000         | .....   | .....                           |
| Outlays.....  | 0  | 15,488         | 11,363  | 12,362                          |
| Dairy indemnity program 351   |    |                |   |                                 |
| Appropriation, current.....   | BA | 1,800          | 100   | .....<br><sup>H</sup> — 88      |
| Outlays.....  | 0  | 2,442          | 100<br><sup>H</sup> — 88                                  | .....                           |
| Total Dairy indemnity program.....  | BA | 1,800          | 12  | .....                           |
|   | 0  | 2,442          | 12  | .....                           |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate         |
|--|-----|----------------|----------------------|--------------------------|
| <b>Department of Agriculture—Con.</b>  |     |                |                      |                          |
| <b>Agricultural Stabilization and Conservation Service—Con.</b>              |     |                |                      |                          |
| Forestry incentives program  | 302 |                |                      |                          |
| Appropriation, current.....  | BA  | 12,500         | 12,500               |                          |
| Outlays.....   | O   | 10,826         | 13,443               | 11,994                   |
| Total Federal funds Agricultural Stabilization and Conservation Service..... | BA  | 284,192        | 262,069              |                          |
|  | O   | 274,516        | 299,136              | 211,796                  |
| <b>Federal Crop Insurance Corporation</b>                                    |     |                |                      |                          |
| <i>Federal funds</i>   |     |                |                      |                          |
| <b>General and Special Funds:</b>  |     |                |                      |                          |
| Administrative and operating expenses  | 351 |                |                      |                          |
| Appropriation, current.....  | BA  | 200,000        | 200,000              | 239,234                  |
|  |     |                | <sup>D</sup> 502     |                          |
|  |     |                | <sup>H</sup> - 1,906 | <sup>J</sup> - 74,977    |
| Outlays.....   | O   | 126,508        | 200,502              | 239,234                  |
|  |     |                | <sup>H</sup> - 1,906 | <sup>J</sup> - 74,977    |
| Total Administrative and operating expenses.....                             | BA  | 200,000        | 198,596              | 164,257                  |
|  | O   | 126,508        | 198,596              | 164,257                  |
| <b>Public Enterprise Funds:</b>  |     |                |                      |                          |
| Federal Crop Insurance Corporation fund                                      | 351 |                |                      |                          |
| Appropriation, current.....  | BA  | 160,000        | 110,000              | 135,000                  |
|  |     |                | <sup>A</sup> 50,000  | <sup>J</sup> - 42,952    |
| Outlays.....   | O   | 449,141        | 222,227              | 109,497                  |
|  |     |                |                      | <sup>J</sup> - 25,817    |
| Total Federal Crop Insurance Corporation fund.....                           | BA  | 160,000        | 160,000              | 92,048                   |
|  | O   | 449,141        | 222,227              | 83,680                   |
| Total Federal funds Federal Crop Insurance Corporation.....                  | BA  | 360,000        | 358,596              | 256,305                  |
|  | O   | 575,649        | 420,823              | 247,937                  |
| <b>Commodity Credit Corporation</b>  |     |                |                      |                          |
| <i>Federal funds</i>   |     |                |                      |                          |
| <b>Public Enterprise Funds:</b>  |     |                |                      |                          |
| Commodity Credit Corporation Fund  | 351 |                |                      |                          |
| Appropriation, permanent, indefinite.....                                    | BA  | 93,575         | 131,959              | 99,065                   |
| Authority to borrow, permanent.....  | BA  | 66,205         | 12,866,409           | 11,217,370               |
|  |     |                |                      | <sup>L</sup> - 1,821,130 |
| Liquidation of contract authority, current.....                              |     | (9,607,431)    |                      |                          |
| Outlays.....   | O   | 7,315,488      | 15,031,085           | 12,343,523               |
|  |     |                | <sup>H</sup> - 31    | <sup>L</sup> - 1,821,130 |
| Total Commodity Credit Corporation Fund.....                                 | BA  | 159,780        | 12,998,368           | 9,495,305                |
|  | O   | 7,315,488      | 15,031,054           | 10,522,393               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |         | 1984<br>actual       | 1985<br>estimate                         | 1986<br>estimate        |
|--|---------|----------------------|--|-------------------------|
| <b>Department of Agriculture—Con.</b>  |         |                      |  |                         |
| <b>Commodity Credit Corporation—Con.</b>   |         |                      |  |                         |
| <b>General and Special Funds:</b>  |         |                      |  |                         |
| Temporary emergency food assistance program  |         |                      |  |                         |
|  | 351     |                      |  |                         |
| Appropriation, current.....  | BA      | 50,000               | 50,000                                   |                         |
| Outlays.....   | O       | 48,752               | 50,190                                   | 16,734                  |
| Total Federal funds Commodity Credit Corpora-<br>tion.....   | BA<br>O | 209,780<br>7,364,240 | 13,048,368<br>15,081,244                 | 9,495,305<br>10,539,127 |
| <b>Office of Rural Development Policy</b>  |         |                      |  |                         |
| <i>Federal funds</i>   |         |                      |  |                         |
| <b>General and Special Funds:</b>  |         |                      |  |                         |
| Salaries and expenses  |         |                      |  |                         |
|  | 452     |                      |  |                         |
| Appropriation, current.....  | BA      | 2,017                | 2,345<br><i>D</i> 18<br><i>H</i> — 36    | 2,173                   |
| Outlays.....   | O       | 2,006                | 2,448<br><i>H</i> — 36                   | 2,214                   |
| Total Salaries and expenses.....   | BA<br>O | 2,017<br>2,006       | 2,327<br>2,412                           | 2,173<br>2,214          |
| <b>Rural Electrification Administration</b>  |         |                      |  |                         |
| <i>Federal funds</i>   |         |                      |  |                         |
| <b>General and Special Funds:</b>  |         |                      |  |                         |
| Salaries and expenses  |         |                      |  |                         |
|  | 271     |                      |  |                         |
| Appropriation, current.....  | BA      | 29,905               | 30,340<br><i>D</i> 324<br><i>H</i> — 288 | 28,392                  |
| Outlays.....   | O       | 27,817               | 30,987<br><i>H</i> — 264                 | 28,389<br><i>H</i> — 24 |
| Total Salaries and expenses.....   | BA<br>O | 29,905<br>27,817     | 30,376<br>30,723                         | 28,392<br>28,365        |
| Reimbursement to the Rural electrification and tele-<br>phone revolving fund for interest subsidies and<br>losses          |         |                      |  |                         |
|  | 271     |                      |  |                         |
| Appropriation, current.....  | BA      | 197,862              | 215,964<br><i>H</i> — 215,964            |                         |
| Outlays.....   | O       | 197,862              | 215,964<br><i>H</i> — 215,964            |                         |
| Total Reimbursement to the Rural electrification<br>and telephone revolving fund for interest<br>subsidies and losses..... | BA<br>O | 197,862<br>197,862   |  |                         |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual           | 1985<br>estimate         | 1986<br>estimate       |
|---|-----|--------------------------|--------------------------|------------------------|
| <b>Department of Agriculture—Con.</b>                         |     |                          |                          |                        |
| <b>Rural Electrification Administration—Con.</b>              |     |                          |                          |                        |
| Purchase of Rural Telephone Bank capital stock                |     |                          |                          |                        |
|   | 452 |                          |                          |                        |
| Appropriation, current.....                                   | BA  | 30,000                   | 30,000                   |                        |
|   |     |                          | <sup>H</sup> — 30,000    |                        |
| Outlays.....  | O   | 30,000                   | 30,000                   |                        |
|   |     |                          | <sup>H</sup> — 30,000    |                        |
| Total Purchase of Rural Telephone Bank capital stock.....     | BA  | 30,000                   |                          |                        |
|   | O   | 30,000                   |                          |                        |
| <b>Public Enterprise Funds:</b>                               |     |                          |                          |                        |
| Rural communication development fund                          |     |                          |                          |                        |
|   | 452 |                          |                          |                        |
| Appropriation, current.....                                   | BA  | 375                      | 841                      | 1,203                  |
| Authority to borrow, permanent, indefinite.....               | BA  | 819                      | 763                      | 631                    |
| Outlays.....  | O   | 4,950                    | 10,130                   | 1,834                  |
| Total Rural communication development fund.....               | BA  | 1,194                    | 1,604                    | 1,834                  |
|   | O   | 4,950                    | 10,130                   | 1,834                  |
| Rural electrification and telephone revolving fund            |     |                          |                          |                        |
|   | 271 |                          |                          |                        |
| Authority to borrow, permanent.....                           | BA  | <sup>Y</sup> 323,917     |                          |                        |
| Outlays.....  | O   | <sup>Y</sup> — 728       |                          |                        |
| Limitation on direct loan obligations.....                    |     | <sup>Y</sup> (1,078,559) | <sup>Y</sup> (1,121,706) | <sup>Y</sup> (575,000) |
| Limitation on guaranteed loan commitments.....                |     | <sup>Y</sup> (4,145,000) | <sup>Y</sup> (2,345,000) | <sup>Y</sup> (300,000) |
| Rural telephone bank  |     |                          |                          |                        |
|   | 452 |                          |                          |                        |
| Authority to borrow, permanent, indefinite.....               | BA  | <sup>Y</sup> 75,048      | <sup>Y</sup> 113,633     | <sup>Y</sup> 141,348   |
| Outlays.....  | O   | <sup>Y</sup> 15,319      | <sup>Y</sup> 70,232      | <sup>Y</sup> 97,948    |
| Limitation on direct loan obligations.....                    |     | <sup>Y</sup> (220,000)   | <sup>Y</sup> (220,000)   | <sup>Y</sup> (185,000) |
| Total Federal funds Rural Electrification Administration..... | BA  | 657,926                  | 145,613                  | 171,574                |
|   | O   | 275,220                  | 111,085                  | 128,147                |
| <b>Farmers Home Administration</b>                            |     |                          |                          |                        |
| <i>Federal funds</i>  |     |                          |                          |                        |
| <b>General and Special Funds:</b>                             |     |                          |                          |                        |
| Rural water and waste disposal grants                         |     |                          |                          |                        |
|   | 452 |                          |                          |                        |
| Appropriation, current.....                                   | BA  | 90,000                   | 115,000                  | 25,000                 |
| Outlays.....  | O   | 134,883                  | 183,769                  | 170,890                |
| Salaries and expenses   |     |                          |                          |                        |
|   | 452 |                          |                          |                        |
| Appropriation, current.....                                   | BA  | 330,403                  | 327,251                  | 227,940                |
|   |     |                          | <sup>A</sup> 16,866      |                        |
|   |     |                          | <sup>C</sup> 11          |                        |
|   |     |                          | <sup>D</sup> 8,035       |                        |
|   |     |                          | <sup>H</sup> — 1,315     |                        |
| Outlays.....  | O   | 324,079                  | 334,671                  | 227,676                |
|   |     |                          | <sup>A</sup> 16,023      | <sup>A</sup> 843       |
|   |     |                          | <sup>H</sup> — 1,315     |                        |
| Total Salaries and expenses.....                              | BA  | 330,403                  | 350,848                  | 227,940                |
|   | O   | 324,079                  | 349,379                  | 228,519                |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                 |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Department of Agriculture—Con.</b>       |     |                |                  |                  |
| <b>Farmers Home Administration—Con.</b>     |     |                |                  |                  |
| Rural community fire protection grants      | 452 |                |                  |                  |
| Appropriation, current                      | BA  | 3,250          | 3,250            |                  |
| Outlays                                     | O   | 2,952          | 3,377            | 2,325            |
| Mutual and self-help housing                | 604 |                |                  |                  |
| Appropriation, current                      | BA  | 6,000          | 8,000            |                  |
| Outlays                                     | O   | 7,560          | 8,085            | 4,537            |
| Very low income housing repair grants       | 604 |                |                  |                  |
| Appropriation, current                      | BA  | 12,500         | 12,500           |                  |
| Outlays                                     | O   | 13,643         | 12,039           | 625              |
| Rural rental assistance payments            | 604 |                |                  |                  |
| Appropriation, current                      | BA  | 49,000         | 52,250           |                  |
| Outlays                                     | O   |                | 17,038           | 18,657           |
| Compensation for construction defects       | 371 |                |                  |                  |
| Appropriation, current                      | BA  | 2,000          | 1,000            |                  |
| Outlays                                     | O   | 395            | 1,000            |                  |
| Rural housing preservation grants           | 604 |                |                  |                  |
| Appropriation, current                      | BA  | 15,000         | 5,000            |                  |
| Outlays                                     | O   |                | 1,000            | 8,000            |
| Miscellaneous expiring appropriations:      |     |                |                  |                  |
| (Mortgage credit and deposit insurance)     | 371 |                |                  |                  |
| (Outlays)                                   | O   | 202            | 16               |                  |
| (Area and regional development)             | 452 |                |                  |                  |
| (Outlays)                                   | O   | 835            | 1,545            | 772              |
| (Housing assistance)                        | 604 |                |                  |                  |
| (Appropriation, current)                    | BA  | 4,393          |                  |                  |
| (Outlays)                                   | O   | 11,075         | 10,771           | 9,699            |
| Total Miscellaneous expiring appropriations | BA  | 4,393          |                  |                  |
|   | O   | 12,112         | 12,332           | 10,471           |
| <b>Public Enterprise Funds:</b>             |     |                |                  |                  |
| Agricultural credit insurance fund          | 351 |                |                  |                  |
| Appropriation, current                      | BA  | 895,522        | 1,089,943        | 1,477,565        |
| Authority to borrow, permanent, indefinite  | BA  | 1,621,165      | 844,600          |                  |
| Outlays                                     | O   | 2,477,506      | 1,608,980        | 1,242,833        |
|   |     |                |                  | — 44,000         |
| Limitation on direct loan obligations       |     | (2,987,000)    | (2,612,000)      | (400,000)        |
| Total Agricultural credit insurance fund    | BA  | 2,516,687      | 1,934,543        | 1,477,565        |
|   | O   | 2,477,506      | 1,608,980        | 1,198,833        |
| Self-help housing land development fund     | 371 |                |                  |                  |
| Outlays                                     | O   | — 1,021        | 492              | 609              |
| Rural housing insurance fund                | 371 |                |                  |                  |
| Appropriation, current                      | BA  | 1,508,082      | 1,843,927        | 2,136,784        |
| Indefinite                                  | BA  | 112,769        | 148,413          | 142,786          |
| Authority to borrow, permanent, indefinite  | BA  | 982,749        | 281,444          |                  |
| Outlays                                     | O   | 2,340,479      | 2,227,120        | 2,490,927        |
| Limitation on direct loan obligations       |     | (3,265,000)    | (3,238,000)      | (30,000)         |
| Total Rural housing insurance fund          | BA  | 2,603,600      | 2,273,784        | 2,279,570        |
|   | O   | 2,340,479      | 2,227,120        | 2,490,927        |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                          |     | 1984<br>actual | 1985<br>estimate                              | 1986<br>estimate          |
|--|-----|----------------|---|---------------------------|
| <b>Department of Agriculture—Con.</b>                |     |                |   |                           |
| <b>Farmers Home Administration—Con.</b>              |     |                |   |                           |
| Rural development insurance fund                     | 452 |                |   |                           |
| Appropriation, current.....                          | BA  | 477,829        | 560,005                                       | 612,098                   |
| Authority to borrow, permanent, indefinite.....      | BA  | 229,198        | 76,000  | 3,239                     |
| Outlays.....   | O   | 753,116        | 709,270                                       | 747,400                   |
| Limitation on direct loan obligations.....           |     | (400,000)      | (455,000)                                     | (50,000)                  |
| Total Rural development insurance fund.....          | BA  | 707,027        | 636,005                                       | 615,337                   |
|  | O   | 753,116        | 709,270                                       | 747,400                   |
| Total Federal funds Farmers Home Administration..... | BA  | 6,339,860      | 5,392,180                                     | 4,625,412                 |
|  | O   | 6,065,704      | 5,133,881                                     | 4,881,793                 |
| <b>Soil Conservation Service</b>                     |     |                |   |                           |
| <i>Federal funds</i>                                 |     |                |   |                           |
| <b>General and Special Funds:</b>                    |     |                |   |                           |
| Conservation operations                              | 302 |                |   |                           |
| Appropriation, current.....                          | BA  | 355,085        | 356,364<br><i>G</i> 8,365                     | 354,179                   |
|  |     |                | <i>H</i> — 5,174                              |                           |
| Outlays.....   | O   | 353,051        | 364,323<br><i>H</i> — 4,864                   | 354,849<br><i>H</i> — 310 |
| Total Conservation operations.....                   | BA  | 355,085        | 359,555                                       | 354,179                   |
|  | O   | 353,051        | 359,459                                       | 354,539                   |
| River basin surveys and investigations               | 301 |                |   |                           |
| Appropriation, current.....                          | BA  | 15,619         | 14,654<br><i>H</i> — 235                      | 11,574                    |
| Outlays.....   | O   | 15,444         | 14,906<br><i>H</i> — 221                      | 12,481<br><i>H</i> — 14   |
| Total River basin surveys and investigations.....    | BA  | 15,619         | 14,419  | 11,574                    |
|  | O   | 15,444         | 14,685  | 12,467                    |
| Watershed planning                                   | 301 |                |   |                           |
| Appropriation, current.....                          | BA  | 8,675          | 8,750<br><i>H</i> — 133                       | 6,895                     |
| Outlays.....   | O   | 8,250          | 8,750<br><i>H</i> — 125                       | 6,998<br><i>H</i> — 8     |
| Total Watershed planning.....                        | BA  | 8,675          | 8,617   | 6,895                     |
|  | O   | 8,250          | 8,625   | 6,990                     |
| Watershed and flood prevention operations            | 301 |                |   |                           |
| Appropriation, current.....                          | BA  | 195,200        | 182,300<br><i>F</i> — 8,365<br><i>H</i> — 918 | 62,631                    |
| Outlays.....   | O   | 218,244        | 277,810<br><i>H</i> — 863                     | 177,369<br><i>H</i> — 55  |
| Total Watershed and flood prevention operations..... | BA  | 195,200        | 173,017                                       | 62,631                    |
|  | O   | 218,244        | 276,947                                       | 177,314                   |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate      |
|--|-----|----------------|----------------------|-----------------------|
| <b>Department of Agriculture—Con.</b>              |     |                |                      |                       |
| <b>Soil Conservation Service—Con.</b>              |     |                |                      |                       |
| Great plains conservation program                  | 302 |                |                      |                       |
| Appropriation, current.....                        | BA  | 21,315         | 21,315<br>H — 126    | 7,402                 |
| Outlays.....                                       | O   | 21,017         | 21,481<br>H — 118    | 18,412<br>H — 8       |
| Total Great plains conservation program.....       | BA  | 21,315         | 21,189               | 7,402                 |
|  | O   | 21,017         | 21,363               | 18,404                |
| Resource conservation and development              | 302 |                |                      |                       |
| Appropriation, current.....                        | BA  | 26,000         | 26,000<br>H — 164    | 10,000                |
| Outlays.....                                       | O   | 29,523         | 28,357<br>H — 154    | 21,540<br>H — 10      |
| Total Resource conservation and development.....   | BA  | 26,000         | 25,836               | 10,000                |
|  | O   | 29,523         | 28,203               | 21,530                |
| <i>Trust funds</i>                                 |     |                |                      |                       |
| Miscellaneous contributed funds:                   |     |                |                      |                       |
| (Water resources)                                  | 301 |                |                      |                       |
| (Appropriation, permanent, indefinite).....        | BA  | 459            | 600                  | 460                   |
| (Outlays) .....                                    | O   | 1,271          | 3,824                | 1,611                 |
| (Conservation and land management)                 | 302 |                |                      |                       |
| (Appropriation, permanent, indefinite).....        | BA  | 100            | 100                  | 100                   |
| (Outlays) .....                                    | O   | 100            | 100                  | 100                   |
| Total Miscellaneous contributed funds.....         | BA  | 559            | 700                  | 560                   |
|  | O   | 1,371          | 3,924                | 1,711                 |
| Total Federal funds Soil Conservation Service..... | BA  | 621,894        | 602,633              | 452,681               |
|  | O   | 645,529        | 709,282              | 591,244               |
| Total Trust funds Soil Conservation Service.....   | BA  | 559            | 700                  | 560                   |
|  | O   | 1,371          | 3,924                | 1,711                 |
| <b>Animal and Plant Health Inspection Service</b>  |     |                |                      |                       |
| <i>Federal funds</i>                               |     |                |                      |                       |
| General and Special Funds:                         |     |                |                      |                       |
| Salaries and expenses                              | 352 |                |                      |                       |
| Appropriation, current.....                        | BA  | 271,402        | 277,041<br>H — 1,464 | 242,004               |
| Outlays.....                                       | O   | 290,709        | 276,791<br>H — 1,464 | 242,004<br>J — 12,298 |
| Total Salaries and expenses.....                   | BA  | 271,402        | 275,577              | 229,706               |
|  | O   | 290,709        | 275,327              | 229,706               |
| Buildings and facilities                           | 352 |                |                      |                       |
| Appropriation, current.....                        | BA  | 2,386          | 2,361                | 2,361                 |
| Outlays.....                                       | O   | 2,333          | 4,985                | 4,620                 |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate      |
|---|-----|----------------|--------------------|-----------------------|
| <b>Department of Agriculture—Con.</b>                               |     |                |                    |                       |
| <b>Animal and Plant Health Inspection Service—Con.</b>              |     |                |                    |                       |
| <i>Trust funds</i>  |     |                |                    |                       |
| Miscellaneous trust funds   | 352 |                |                    |                       |
| Appropriation, permanent, indefinite.....                           | BA  | 4,094          | 2,878              | 2,878                 |
| Outlays.....  | O   | 3,263          | 2,529              | 2,878                 |
| Total Federal funds Animal and Plant Health Inspection Service..... | BA  | 273,788        | 277,938            | 232,067               |
|   | O   | 293,042        | 280,312            | 234,326               |
| Total Trust funds Animal and Plant Health Inspection Service.....   | BA  | 4,094          | 2,878              | 2,878                 |
|   | O   | 3,263          | 2,529              | 2,878                 |
| <b>Federal Grain Inspection Service</b>                             |     |                |                    |                       |
| <i>Federal funds</i>  |     |                |                    |                       |
| General and Special Funds:  |     |                |                    |                       |
| Salaries and expenses   | 352 |                |                    |                       |
| Appropriation, current.....   | BA  | 6,861          | 6,936              | 6,820                 |
|   |     |                | <sup>D</sup> 58    |                       |
|   |     |                | <sup>H</sup> — 94  |                       |
| Outlays.....  | O   | 6,049          | 6,994              | <sup>J</sup> — 2,220  |
|   |     |                | <sup>H</sup> — 94  | 6,820                 |
|   |     |                |                    | <sup>J</sup> — 2,220  |
| Total Salaries and expenses.....                                    | BA  | 6,861          | 6,900              | 4,600                 |
|   | O   | 6,049          | 6,900              | 4,600                 |
| Public Enterprise Funds:  |     |                |                    |                       |
| Inspection and weighing services                                    | 352 |                |                    |                       |
| Appropriation, current.....   | BA  | 6,000          |                    |                       |
| Outlays.....  | O   | — 2,556        | — 283              |                       |
| Total Federal funds Federal Grain Inspection Service.....           | BA  | 12,861         | 6,900              | 4,600                 |
|   | O   | 3,493          | 6,617              | 4,600                 |
| <b>Agricultural Marketing Service</b>                               |     |                |                    |                       |
| <i>Federal funds</i>  |     |                |                    |                       |
| General and Special Funds:  |     |                |                    |                       |
| Marketing services  | 352 |                |                    |                       |
| Appropriation, current.....   | BA  | 30,924         | 29,464             | 29,134                |
|   |     |                | <sup>D</sup> 841   |                       |
|   |     |                | <sup>H</sup> — 150 |                       |
| Outlays.....  | O   | 38,314         | 30,305             | <sup>J</sup> — 17,319 |
|   |     |                | <sup>H</sup> — 150 | 29,134                |
|   |     |                |                    | <sup>J</sup> — 18,319 |
| Total Marketing services.....                                       | BA  | 30,924         | 30,155             | 11,815                |
|   | O   | 38,314         | 30,155             | 10,815                |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate  | 1986<br>estimate |
|---|-----|----------------|-------------------|------------------|
| <b>Department of Agriculture—Con.</b>   |     |                |                   |                  |
| <b>Agricultural Marketing Service—Con.</b>                                      |     |                |                   |                  |
| Payments to States and possessions  | 352 |                |                   |                  |
| Appropriation, current.....   | BA  | 1,000          | 990               |                  |
| Outlays.....  | O   | 898            | 1,808             |                  |
| Perishable Agricultural Commodities Act fund                                    | 352 |                |                   |                  |
| Appropriation, permanent, indefinite.....                                       | BA  | 2,906          | 3,356             | 3,356            |
| Outlays.....  | O   | 3,084          | 3,336             | 3,356            |
| Funds for strengthening markets, income, and supply<br>(section 32)             | 605 |                |                   |                  |
| Appropriation, permanent, indefinite.....                                       | BA  | 355,947        | 487,263           | 380,430          |
| Outlays.....  | O   | 417,178        | 377,928           | 359,983          |
|   |     |                |                   | 26,193           |
| Total Funds for strengthening markets, income,<br>and supply (section 32) ..... | BA  | 355,947        | 487,263           | 380,430          |
|   | O   | 417,178        | 377,928           | 353,790          |
| <i>Trust funds</i>  |     |                |                   |                  |
| Miscellaneous trust funds   | 352 |                |                   |                  |
| Appropriation, permanent, indefinite.....                                       | BA  | 69,301         | 76,216            | 76,367           |
| Outlays.....  | O   | 65,525         | 75,382            | 76,367           |
| Milk market orders assessment fund  | 351 |                |                   |                  |
| Outlays.....  | O   | — 1,290        | — 125             |                  |
| Total Federal funds Agricultural Marketing Service .....                        | BA  | 390,777        | 521,764           | 395,601          |
|   | O   | 459,474        | 413,227           | 367,961          |
| Total Trust funds Agricultural Marketing Service.                               | BA  | 69,301         | 76,216            | 76,367           |
|   | O   | 64,235         | 75,257            | 76,367           |
| <b>Office of Transportation</b>   |     |                |                   |                  |
| <i>Federal funds</i>  |     |                |                   |                  |
| <b>General and Special Funds:</b>   |     |                |                   |                  |
| Office of Transportation  | 352 |                |                   |                  |
| Appropriation, current.....   | BA  | 2,549          | 2,515             | 2,063            |
|   |     |                | <sup>D</sup> 27   |                  |
|   |     |                | <sup>H</sup> — 18 |                  |
| Outlays.....  | O   | 2,572          | 2,542             | 2,063            |
|   |     |                | <sup>H</sup> — 18 |                  |
| Total Office of Transportation .....  | BA  | 2,549          | 2,524             | 2,063            |
|   | O   | 2,572          | 2,524             | 2,063            |

See footnotes at end of table.



## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate  |
|---|-----|----------------|--|---|
| <b>Department of Agriculture—Con.</b>                         |     |                |  |   |
| <b>Food Safety and Inspection Service</b>                     |     |                |  |   |
| <i>Federal funds</i>  |     |                |  |   |
| <b>General and Special Funds:</b>                             |     |                |  |   |
| Salaries and expenses   | 554 |                |  |   |
| Appropriation, current.....                                   | BA  | 338,808        | 353,239<br><sup>D</sup> 11,396<br><sup>H</sup> -2,473                          | 347,799<br><br><sup>J</sup> -2,000                                |
| Outlays .....   | 0   | 338,437        | 363,946<br><sup>H</sup> -2,473   | 347,799<br><br><sup>J</sup> -2,000                                |
| Total Salaries and expenses .....                             | BA  | 338,808        | 362,162  | 345,799   |
|   | 0   | 338,437        | 361,473  | 345,799   |
| <i>Trust funds</i>  |     |                |  |   |
| Expenses and refunds, inspection and grading of farm products | 352 |                |  |   |
| Appropriation, permanent, indefinite .....                    | BA  | 825            | 848  | 752   |
| Outlays .....   | 0   | 615            | 848  | 752   |
| <b>Food and Nutrition Service</b>                             |     |                |  |   |
| <i>Federal funds</i>  |     |                |  |   |
| <b>General and Special Funds:</b>                             |     |                |  |   |
| Food program administration                                   | 605 |                |  |   |
| Appropriation, current.....                                   | BA  | 83,062         | 83,187<br><sup>D</sup> 1,000<br><sup>H</sup> -684                              | 79,065<br><br><br><sup>L</sup> -20,320                            |
| Outlays .....   | 0   | 82,266         | 83,761<br><sup>H</sup> -684  | 79,576  |
| Total Food program administration.....                        | BA  | 83,062         | 83,503   | 79,065  |
|   | 0   | 82,266         | 83,077   | 79,576  |
| Food stamp program  | 605 |                |  |   |
| Appropriation, current.....                                   | BA  | 11,722,914     | 11,433,290<br><sup>A</sup> 318,856<br><sup>F</sup> -431<br><sup>H</sup> -8,762 | 11,876,074<br><br><br><sup>L</sup> -20,320                        |
| Outlays .....   | 0   | 11,561,023     | 11,465,900<br><sup>A</sup> 308,014<br><sup>H</sup> -8,762                      | 11,861,973<br><br><sup>A</sup> 10,842<br><br><sup>L</sup> -13,607 |
| Total Food stamp program .....                                | BA  | 11,722,914     | 11,742,953   | 11,855,754  |
|   | 0   | 11,561,023     | 11,765,152   | 11,859,208  |
| Nutrition assistance for Puerto Rico                          | 605 |                |  |   |
| Appropriation, current.....                                   | BA  | 825,000        | 825,000  | 825,000   |
| Outlays .....   | 0   | 814,226        | 833,411  | 825,000   |
| Special milk program  | 605 |                |  |   |
| Appropriation, current.....                                   | BA  | 11,920         | 17,600   | 11,500  |
| Outlays .....   | 0   | 16,000         | 16,142   | 17,590  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                         |     | 1984<br>actual | 1985<br>estimate        | 1986<br>estimate                |
|---|-----|----------------|-------------------------|---------------------------------|
| <b>Department of Agriculture—Con.</b>               |     |                |                         |                                 |
| <b>Food and Nutrition Service—Con.</b>              |     |                |                         |                                 |
| Child nutrition programs                            | 605 |                |                         |                                 |
| Appropriation, current.....                         | BA  | 1,251,463      | 1,474,861               | 863,493<br><i>L — 685,960</i>   |
| Appropriation, permanent.....                       | BA  | 2,307,295      | 2,329,819               | 3,250,647                       |
| Outlays.....  | O   | 3,536,378      | 3,835,859               | 4,097,380<br><i>L — 648,232</i> |
| Total Child nutrition programs .....                | BA  | 3,558,758      | 3,804,680               | 3,428,180                       |
|   | O   | 3,536,378      | 3,835,859               | 3,449,148                       |
| Women, infants and children programs (WIC and CSFP) | 605 |                |                         |                                 |
| Appropriation, current.....                         | BA  | 1,400,150      | 1,448,501               | 1,513,849                       |
| Outlays.....  | O   | 1,397,777      | 1,519,453               | 1,511,040                       |
| Food donations program                              | 605 |                |                         |                                 |
| Appropriation, current.....                         | BA  | 166,936        | 139,546                 | 174,607                         |
| Outlays.....  | O   | 171,717        | 163,223                 | 172,595                         |
| Total Federal funds Food and Nutrition Service....  | BA  | 17,768,740     | 18,061,783              | 17,887,955                      |
|   | O   | 17,579,387     | 18,216,317              | 17,914,157                      |
| <b>Human Nutrition Information Service</b>          |     |                |                         |                                 |
| <i>Federal funds</i>                                |     |                |                         |                                 |
| <b>General and Special Funds:</b>                   |     |                |                         |                                 |
| Human Nutrition Information Service                 | 352 |                |                         |                                 |
| Appropriation, current.....                         | BA  | 6,148          | 7,496<br><i>D 37</i>    | 13,416                          |
|   |     |                | <i>H — 34</i>           |                                 |
| Outlays.....  | O   | 7,322          | 7,672<br><i>H — 34</i>  | 10,817                          |
| Total Human Nutrition Information Service .....     | BA  | 6,148          | 7,499                   | 13,416                          |
|   | O   | 7,322          | 7,638                   | 10,817                          |
| <b>Packers and Stockyards Administration</b>        |     |                |                         |                                 |
| <i>Federal funds</i>                                |     |                |                         |                                 |
| <b>General and Special Funds:</b>                   |     |                |                         |                                 |
| Packers and Stockyards Administration               | 352 |                |                         |                                 |
| Appropriation, current.....                         | BA  | 9,013          | 9,035<br><i>D 85</i>    | 8,874                           |
|   |     |                | <i>H — 117</i>          |                                 |
| Outlays.....  | O   | 8,773          | 9,120<br><i>H — 117</i> | 8,874                           |
|   |     |                |                         | <i>J — 4,437</i>                |
| Total Packers and Stockyards Administration.....    | BA  | 9,013          | 9,003                   | 4,437                           |
|   | O   | 8,773          | 9,003                   | 4,437                           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code             |         | 1984<br>actual       | 1985<br>estimate                                  | 1986<br>estimate                                 |
|---|---------|----------------------|---|--|
| <b>Department of Agriculture—Con.</b>   |         |                      |   |  |
| <b>Agricultural Cooperative Service</b> |         |                      |   |  |
| <i>Federal funds</i>                    |         |                      |   |  |
| <b>General and Special Funds:</b>       |         |                      |   |  |
| Salaries and expenses                   | 352     |                      |   |  |
| Appropriation, current.....             | BA      | 4,677                | 4,639<br><i>H</i> — 50                            | 3,565<br><i>J</i> — 1,565                        |
| Outlays .....                           | 0       | 4,139                | 4,639<br><i>H</i> — 50                            | 3,565<br><i>J</i> — 1,565                        |
| Total Salaries and expenses .....       | BA<br>0 | 4,677<br>4,139       | 4,589<br>4,589                                    | 2,000<br>2,000                                   |
| <i>Trust funds</i>                      |         |                      |   |  |
| Miscellaneous contributed funds         | 352     |                      |   |  |
| Outlays .....                           | 0       | 1                    |   |  |
| <b>Forest Service</b>                   |         |                      |   |  |
| <i>Federal funds</i>                    |         |                      |   |  |
| <b>General and Special Funds:</b>       |         |                      |   |  |
| Forest research                         | 302     |                      |   |  |
| Appropriation, current.....             | BA      | 108,555              | 120,964<br><i>H</i> — 923                         | 104,171  |
| Outlays .....                           | 0       | 108,811              | 119,077<br><i>H</i> — 739                         | 105,058<br><i>H</i> — 184                        |
| Total Forest research .....             | BA<br>0 | 108,555<br>108,811   | 120,041<br>118,338                                | 104,171<br>104,874                               |
| State and private forestry              | 302     |                      |   |  |
| Appropriation, current.....             | BA      | 60,579               | 58,315<br><i>H</i> — 463                          | 29,723   |
| Outlays .....                           | 0       | 56,854               | 59,008<br><i>H</i> — 370                          | 32,866<br><i>H</i> — 93                          |
| Total State and private forestry .....  | BA<br>0 | 60,579<br>56,854     | 57,852<br>58,638                                  | 29,723<br>32,773                                 |
| National forest system                  | 302     |                      |   |  |
| Appropriation, current.....             | BA      | 922,807              | 1,045,680<br><i>A</i> 61,247<br><i>H</i> — 12,134 | 1,039,157<br><i>J</i> 64,185                     |
| Outlays .....                           | 0       | 1,056,724            | 993,753<br><i>A</i> 61,247<br><i>H</i> — 9,709    | 1,006,514<br><i>J</i> 63,023<br><i>H</i> — 2,425 |
| Total National forest system .....      | BA<br>0 | 922,807<br>1,056,724 | 1,094,793<br>1,045,291                            | 1,103,342<br>1,067,112                           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate       |
|--|-----|----------------|----------------------|------------------------|
| <b>Department of Agriculture—Con.</b>                      |     |                |                      |                        |
| <b>Forest Service—Con.</b>                                 |     |                |                      |                        |
| Construction   | 302 |                |                      |                        |
| Appropriation, current.....                                | BA  | 251,724        | 36,972               | 209,637                |
|  |     |                | <sup>H</sup> — 1,922 |                        |
| Outlays.....   | 0   | 292,201        | 261,342              | 222,675                |
|  |     |                | <sup>H</sup> — 1,537 | <sup>H</sup> — 385     |
| Total Construction.....                                    | BA  | 251,724        | 35,050               | 209,637                |
|  | 0   | 292,201        | 259,805              | 222,290                |
| Other appropriations                                       | 302 |                |                      |                        |
| Outlays.....   | 0   | 1,282          | 5,244                | .....                  |
| Acquisition of lands for national forests, special<br>acts | 302 |                |                      |                        |
| Appropriation, current.....                                | BA  | 780            | 766                  | 780                    |
| Outlays.....   | 0   | 367            | 766                  | 780                    |
| Acquisition of lands to complete land exchanges            | 302 |                |                      |                        |
| Appropriation, current, indefinite.....                    | BA  | 380            | 20                   | 20                     |
| Outlays.....   | 0   | 324            | 20                   | 20                     |
| Range betterment fund                                      | 302 |                |                      |                        |
| Appropriation, current, indefinite.....                    | BA  | 4,028          | 3,966                | 3,908                  |
| Outlays.....   | 0   | 4,301          | 3,978                | 3,920                  |
| Land acquisition   | 303 |                |                      |                        |
| Appropriation, current.....                                | BA  | 40,052         | 43,603               | 2,278                  |
|  |     |                | <sup>H</sup> — 68    |                        |
| Outlays.....   | 0   | 38,368         | 42,142               | 41,200                 |
|  |     |                | <sup>H</sup> — 54    | <sup>H</sup> — 14      |
| Total Land acquisition.....                                | BA  | 40,052         | 43,535               | 2,278                  |
|  | 0   | 38,368         | 42,088               | 41,186                 |
| Operations and maintenance of quarters                     | 302 |                |                      |                        |
| Appropriation, permanent, indefinite.....                  | BA  | .....          | 5,300                | 5,700                  |
| Outlays.....   | 0   | .....          | 4,240                | 5,620                  |
| Forest Service permanent appropriations                    | 302 |                |                      |                        |
| Appropriation, permanent, indefinite.....                  | BA  | 134,368        | 141,953              | 137,901                |
| Outlays.....   | 0   | 72,027         | 148,056              | 136,567                |
| Forest Service permanent appropriations                    | 852 |                |                      |                        |
| Appropriation, current, indefinite.....                    | BA  | .....          | .....                | <sup>J</sup> — 356,000 |
| Appropriation, permanent, indefinite.....                  | BA  | 203,331        | 238,842              | 423,247                |
| Outlays.....   | 0   | 203,331        | 238,842              | 423,247                |
|  |     |                | .....                | <sup>J</sup> — 356,000 |
| Total Forest Service permanent appropriations.....         | BA  | 203,331        | 238,842              | 67,247                 |
|  | 0   | 203,331        | 238,842              | 67,247                 |
| Intragovernmental Funds:                                   |     |                |                      |                        |
| Working capital fund                                       | 302 |                |                      |                        |
| Outlays.....   | 0   | — 21,915       | .....                | .....                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                  |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|--------|----------------|------------------|------------------|
| <b>Department of Agriculture—Con.</b>        |        |                |                  |                  |
| <b>Forest Service—Con.</b>                   |        |                |                  |                  |
| <i>Trust funds</i>                           |        |                |                  |                  |
| Miscellaneous trust funds                    |        |                |                  |                  |
| (  | 302    |                |                  |                  |
| (Appropriation, current) .....               | BA     |                | 88               | 90               |
| (Appropriation, permanent, indefinite) ..... | BA     | 231,109        | 153,270          | 158,382          |
| (Outlays) .....                              | O      | 134,546        | 153,104          | 152,522          |
| Total (.....)                                | BA     | 231,109        | 153,358          | 158,472          |
|  | O      | 134,546        | 153,104          | 152,522          |
| (  | 401    |                |                  |                  |
| (Outlays) .....                              | O      |                | 32               |                  |
| Total Miscellaneous trust funds .....        | BA     | 231,109        | 153,358          | 158,472          |
|  | O      | 134,546        | 153,136          | 152,522          |
| Reforestation trust fund                     |        |                |                  |                  |
|  | 302    |                |                  |                  |
| Appropriation, permanent, indefinite .....   | BA     | 34,808         | 31,615           |                  |
| Outlays .....                                | O      | 81,711         | 77,515           |                  |
| Total Federal funds Forest Service .....     | BA     | 1,726,604      | 1,742,118        | 1,664,707        |
|  | O      | 1,812,675      | 1,925,306        | 1,682,389        |
| Total Trust funds Forest Service .....       | BA     | 265,917        | 184,973          | 158,472          |
|  | O      | 216,257        | 230,651          | 152,522          |
| <b>Summary</b>                               |        |                |                  |                  |
| <b>Federal funds:</b>                        |        |                |                  |                  |
| (As shown in detail above) .....             | BA     | 31,886,246     | 43,850,561       | 38,232,764       |
|  | O      | 38,175,148     | 46,252,752       | 39,897,348       |
| Deductions for offsetting receipts:          |        |                |                  |                  |
| Intrafund transactions                       |        |                |                  |                  |
|  | 302 BA |                |                  |                  |
|  | O      | 434            |                  |                  |
| Proprietary receipts from the public         | 302 BA |                |                  |                  |
|  | O      | -691,352       | -1,212,163       | -1,229,449       |
|  | 303 BA |                |                  |                  |
|  | O      | 4,714          |                  |                  |
|  | 554 BA |                |                  |                  |
|  | O      |                |                  | -115,151         |
| Total Federal funds .....                    | BA     | 31,200,042     | 42,638,398       | 36,888,164       |
|  | O      | 37,488,944     | 45,040,589       | 38,552,748       |
| <b>Trust funds:</b>                          |        |                |                  |                  |
| (As shown in detail above) .....             | BA     | 346,535        | 275,844          | 248,411          |
|  | O      | 293,467        | 323,510          | 243,683          |
| Deductions for offsetting receipts:          |        |                |                  |                  |
| Proprietary receipts from the public         |        |                |                  |                  |
|  | 302 BA |                |                  |                  |
|  | O      | -231,103       | -153,270         | -158,382         |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                     |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate  |
|---|-----|----------------|----------------------|-------------------|
| <b>Department of Agriculture—Con.</b>           |     |                |                      |                   |
| <b>Summary—Con.</b>                             |     |                |                      |                   |
| 352 BA  |     |                |                      |                   |
| O   |     | —80,468        | —90,871              | —89,939           |
| Total Trust funds.....                          | BA  | 34,964         | 31,703               | 90                |
|   | O   | —18,104        | 79,369               | —4,638            |
| Total Department of Agriculture.....            | BA  | 31,235,006     | 42,670,101           | 36,888,254        |
|   | O   | 37,470,840     | 45,119,958           | 38,548,110        |
| <b>Department of Commerce</b>                   |     |                |                      |                   |
| <b>General Administration</b>                   |     |                |                      |                   |
| <i>Federal funds</i>                            |     |                |                      |                   |
| <b>General and Special Funds:</b>               |     |                |                      |                   |
| Salaries and expenses                           | 376 |                |                      |                   |
| Appropriation, current.....                     | BA  | 37,539         | 35,990               | 35,309            |
|   |     |                | <sup>A</sup> 992     |                   |
|   |     |                | <sup>H</sup> — 499   |                   |
| Outlays.....                                    | O   | 34,153         | 35,596               | 36,558            |
|   |     |                | <sup>A</sup> 893     | <sup>A</sup> 99   |
|   |     |                | <sup>H</sup> — 4,149 | <sup>H</sup> — 50 |
| Total Salaries and expenses.....                | BA  | 37,539         | 36,483               | 35,309            |
|   | O   | 34,153         | 32,340               | 36,607            |
| White House conference on productivity          | 376 |                |                      |                   |
| Outlays.....                                    | O   | 196            | 24                   |                   |
| Special foreign currency program                | 376 |                |                      |                   |
| Appropriation, current.....                     | BA  | 693            | 500                  |                   |
| Outlays.....                                    | O   | 92             | 600                  | 576               |
| Total Federal funds General Administration..... | BA  | 38,232         | 36,983               | 35,309            |
|   | O   | 34,441         | 32,964               | 37,183            |
| <b>Economic Development Assistance</b>          |     |                |                      |                   |
| <b>General Administration</b>                   |     |                |                      |                   |
| <i>Federal funds</i>                            |     |                |                      |                   |
| <b>General and Special Funds:</b>               |     |                |                      |                   |
| Grants and loans administration                 | 452 |                |                      |                   |
| Appropriation, current.....                     | BA  | 27,707         | 28,500               | 14,522            |
|   |     |                | <sup>H</sup> — 120   |                   |
| Outlays.....                                    | O   | 27,337         | 28,020               | 16,534            |
|   |     |                | <sup>H</sup> — 120   |                   |
| Total Grants and loans administration.....      | BA  | 27,707         | 28,380               | 14,522            |
|   | O   | 27,337         | 27,900               | 16,534            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                          |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate  |
|--|-----|----------------|--------------------|-------------------|
| <b>Department of Commerce—Con.</b>                   |     |                |                    |                   |
| <b>Economic Development Assistance—Con.</b>          |     |                |                    |                   |
| <i>General Administration—Con.</i>                   |     |                |                    |                   |
| Economic development assistance programs             | 452 |                |                    |                   |
| Appropriation, current.....                          | BA  | 266,000        | 200,000            | .....             |
|  |     |                | <i>H</i> — 179,000 |                   |
| Outlays .....  | 0   | 252,131        | 277,100            | 230,800           |
|  |     |                | <i>H</i> — 20,300  | <i>H</i> — 40,600 |
| Total Economic development assistance programs ..... | BA  | 266,000        | 21,000             | .....             |
|  | 0   | 252,131        | 256,800            | 190,200           |
| Miscellaneous appropriations:                        |     |                |                    |                   |
| (Other advancement of commerce)                      | 376 |                |                    |                   |
| (Outlays) .....                                      | 0   | .....          | 1,509              | 6,396             |
|  |     |                |                    | <i>H</i> — 5,531  |
| Total (Other advancement of commerce) .....          | 0   | .....          | 1,509              | 865               |
| (Area and regional development)                      | 452 |                |                    |                   |
| (Outlays) .....                                      | 0   | 8,790          | 3,590              | 2,400             |
| (Disaster relief and insurance)                      | 453 |                |                    |                   |
| (Outlays) .....                                      | 0   | — 4            | 103                | .....             |
| (Research and general education aids)                | 503 |                |                    |                   |
| (Outlays) .....                                      | 0   | .....          | .....              | 18,629            |
|  |     |                |                    | <i>H</i> — 5,324  |
| Total (Research and general education aids) .....    | 0   | .....          | .....              | 13,305            |
| (Training and employment)                            | 504 |                |                    |                   |
| (Outlays) .....                                      | 0   | 1,002          | 1,598              | .....             |
| Total Miscellaneous appropriations .....             | 0   | 9,788          | 6,800              | 16,570            |
| <b>Public Enterprise Funds:</b>                      |     |                |                    |                   |
| Economic development revolving fund                  | 452 |                |                    |                   |
| Outlays .....  | 0   | — 72,115       | — 47,000           | — 51,100          |
| Total Federal funds General Administration .....     | BA  | 293,707        | 49,380             | 14,522            |
|  | 0   | 217,141        | 244,500            | 172,204           |
| <b>General Administration</b>                        |     |                |                    |                   |
| <i>Federal funds</i>                                 |     |                |                    |                   |
| <b>Intragovernmental Funds:</b>                      |     |                |                    |                   |
| Working capital fund                                 | 376 |                |                    |                   |
| Outlays .....  | 0   | — 1,763        | — 1,086            | .....             |
| <i>Trust funds</i>                                   |     |                |                    |                   |
| Gifts and bequests                                   | 376 |                |                    |                   |
| Appropriation, permanent, indefinite .....           | BA  | 367            | 200                | 209               |
| Outlays .....  | 0   | 385            | 200                | 209               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                   |     | 1984<br>actual | 1985<br>estimate  | 1986<br>estimate  |
|---|-----|----------------|-------------------|-------------------|
| <b>Department of Commerce—Con.</b>            |     |                |                   |                   |
| <b>Bureau of the Census</b>                   |     |                |                   |                   |
| <i>Federal funds</i>                          |     |                |                   |                   |
| <b>General and Special Funds:</b>             |     |                |                   |                   |
| Salaries and expenses                         | 376 |                |                   |                   |
| Appropriation, current.....                   | BA  | 77,369         | 85,500<br>H - 241 | 87,962            |
| Outlays.....                                  | 0   | 80,473         | 82,924<br>H - 214 | 87,686<br>H - 27  |
| Total Salaries and expenses.....              | BA  | 77,369         | 85,259            | 87,962            |
|   | 0   | 80,473         | 82,710            | 87,659            |
| <b>Periodic censuses and programs</b>         |     |                |                   |                   |
| Appropriation, current.....                   | BA  | 78,220         | 81,000<br>H - 791 | 105,802           |
| Outlays.....                                  | 0   | 80,562         | 91,298<br>H - 520 | 97,320<br>H - 271 |
| Total Periodic censuses and programs.....     | BA  | 78,220         | 80,209            | 105,802           |
|   | 0   | 80,562         | 90,778            | 97,049            |
| Total Federal funds Bureau of the Census..... | BA  | 155,589        | 165,468           | 193,764           |
|   | 0   | 161,035        | 173,488           | 184,708           |
| <b>Economic and Statistical Analysis</b>      |     |                |                   |                   |
| <i>Federal funds</i>                          |     |                |                   |                   |
| <b>General and Special Funds:</b>             |     |                |                   |                   |
| Salaries and expenses                         | 376 |                |                   |                   |
| Appropriation, current.....                   | BA  | 38,230         | 31,085<br>H - 433 | 29,519            |
| Outlays.....                                  | 0   | 33,039         | 36,910<br>H - 372 | 29,740<br>H - 61  |
| Total Salaries and expenses.....              | BA  | 38,230         | 30,652            | 29,519            |
|   | 0   | 33,039         | 36,538            | 29,679            |
| <i>Trust funds</i>                            |     |                |                   |                   |
| Information products and services             | 376 |                |                   |                   |
| Appropriation, permanent, indefinite.....     | BA  | 30,174         | 31,330            | 33,330            |
| Outlays.....                                  | 0   | 25,949         | 31,330            | 33,330            |
| <b>Economic Development Assistance</b>        |     |                |                   |                   |
| <b>Regional Development Program</b>           |     |                |                   |                   |
| <i>Federal funds</i>                          |     |                |                   |                   |
| <b>General and Special Funds:</b>             |     |                |                   |                   |
| Regional development programs                 | 452 |                |                   |                   |
| Outlays.....                                  | 0   | -741           | 3,834             | 2,400             |
| <i>Trust funds</i>                            |     |                |                   |                   |
| Regional development commissions              | 452 |                |                   |                   |
| Outlays.....                                  | 0   | 2,253          | 530               | 200               |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate    |
|---|-----|----------------|-----------------------|---------------------|
| <b>Department of Commerce—Con.</b>  |     |                |                       |                     |
| <b>Promotion of Industry and Commerce</b>   |     |                |                       |                     |
| <i>International Trade Administration</i>   |     |                |                       |                     |
| <i>Federal funds</i>  |     |                |                       |                     |
| <b>General and Special Funds:</b>   |     |                |                       |                     |
| Operations and administration   | 376 |                |                       |                     |
| Appropriation, current.....   | BA  | 161,526        | 179,693               | 151,799             |
|   |     |                | <sup>K</sup> 12,725   | <sup>K</sup> 20,173 |
|   |     |                | <sup>H</sup> — 21,533 |                     |
| Outlays.....  | O   | 187,171        | 200,080               | 171,607             |
|   |     |                | <sup>H</sup> — 15,181 | <sup>H</sup> — 821  |
| Total Operations and administration.....  | BA  | 161,526        | 170,885               | 171,972             |
|   | O   | 187,171        | 184,899               | 170,786             |
| Participation in United States expositions  | 376 |                |                       |                     |
| Outlays.....  | O   | 5,937          | 2,382                 | 839                 |
|   |     |                |                       | <sup>H</sup> — 6    |
| Total Participation in United States expositions..                                    | O   | 5,937          | 2,382                 | 833                 |
| Total Federal funds International Trade Adminis-<br>tration.....                      | BA  | 161,526        | 170,885               | 171,972             |
|   | O   | 193,108        | 187,281               | 171,619             |
| <b>Administration for Enterprise Development<br/>and Opportunity</b>                  |     |                |                       |                     |
| <i>Federal funds</i>  |     |                |                       |                     |
| <b>General and Special Funds:</b>   |     |                |                       |                     |
| Enterprise development and opportunity  | 376 |                |                       |                     |
| Appropriation, current.....   | BA  | 53,290         | 49,885                | 44,802              |
|   |     |                | <sup>H</sup> — 305    |                     |
|   |     |                |                       | <sup>J</sup> 52,914 |
| Outlays.....  | O   | 50,810         | 59,269                | 48,122              |
|   |     |                | <sup>H</sup> — 305    |                     |
|   |     |                |                       | <sup>J</sup> 47,623 |
| Total Enterprise development and opportunity.....                                     | BA  | 53,290         | 49,580                | 97,716              |
|   | O   | 50,810         | 58,964                | 95,745              |
| White House Conference on Small Business  | 376 |                |                       |                     |
| Appropriation, current.....   | BA  |                |                       | <sup>J</sup> 1,000  |
| Outlays.....  | O   |                |                       | <sup>J</sup> 1,000  |
| Total Federal funds Administration for Enterprise<br>Development and Opportunity..... | BA  | 53,290         | 49,580                | 98,716              |
|   | O   | 50,810         | 58,964                | 96,745              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate                                   | 1986<br>estimate   |
|--|-----|----------------|--|--|
| <b>Department of Commerce—Con.</b>   |     |                |  |  |
| <b>Promotion of Industry and Commerce—Con.</b>                                     |     |                |  |  |
| <i>United States Travel and Tourism Administration</i>                             |     |                |  |  |
| <i>Federal funds</i>   |     |                |  |  |
| <b>General and Special Funds:</b>  |     |                |  |  |
| Salaries and expenses  | 376 |                |  |  |
| Appropriation, current.....  | BA  | 11,986         | 12,000<br><i>H</i> — 3,885                         | 4,000  |
| Outlays.....   | O   | 8,854          | 13,978<br><i>H</i> — 2,914                         | 6,607<br><i>H</i> — 730  |
| Total Salaries and expenses.....   | BA  | 11,986         | 8,115  | 4,000  |
|  | O   | 8,854          | 11,064   | 5,877  |
| Total Federal funds Promotion of Industry and Commerce.....                        | BA  | 226,802        | 228,580  | 274,688  |
|  | O   | 252,772        | 257,309  | 274,241  |
| <b>Science and Technology</b>  |     |                |  |  |
| <i>National Oceanic and Atmospheric Administration</i>                             |     |                |  |  |
| <i>Federal funds</i>   |     |                |  |  |
| <b>General and Special Funds:</b>  |     |                |  |  |
| Operations, research, and facilities   | 306 |                |  |  |
| Appropriation, current.....  | BA  | 981,767        | 1,113,066<br><i>H</i> — 104,340<br><i>I</i> 75,000 | 761,137<br><i>K</i> 123,217<br><i>J</i> 90,000                       |
| Appropriation, permanent, indefinite.....  | BA  | 23,600         | 25,900   | 40,000   |
| Outlays.....   | O   | 929,146        | 1,076,437<br><i>H</i> — 63,200<br><i>I</i> 45,450  | 1,009,603<br><i>H</i> — 30,700<br><i>J</i> 22,050<br><i>J</i> 54,540 |
| Total Operations, research, and facilities.....                                    | BA  | 1,005,367      | 1,109,626  | 1,014,354  |
|  | O   | 929,146        | 1,058,687  | 1,055,493  |
| Construction   | 306 |                |  |  |
| Outlays.....   | O   | 6,416          | 3,716  |  |
| Coastal zone management  | 302 |                |  |  |
| Appropriation, current.....  | BA  | 13,356         |  |  |
| Outlays.....   | O   | 34,774         | 18,040   |  |
| Promote and develop fishery products and research pertaining to American fisheries | 376 |                |  |  |
| Appropriation, permanent, indefinite.....  | BA  | 9,986          | 9,051  |  |
| Outlays.....   | O   | 8,404          | 13,023   | 8,464  |
| Fishing vessel and gear damage compensation fund                                   | 376 |                |  |  |
| Appropriation, current.....  | BA  | 1,732          |  |  |
| Outlays.....   | O   | 1,521          | 2,550  | 2,475  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|--|-----|----------------|----------------------|------------------|
| <b>Department of Commerce—Con.</b>                                       |     |                |                      |                  |
| <b>Science and Technology—Con.</b>                                       |     |                |                      |                  |
| <b>National Oceanic and Atmospheric Administration—Con.</b>              |     |                |                      |                  |
| Fishermen's contingency fund   | 376 |                |                      |                  |
| Appropriation, current.....  | BA  | 195            | 250                  | 750              |
|  |     |                | <sup>A</sup> 500     |                  |
| Outlays.....   | O   | 484            | 281                  | 746              |
|  |     |                | <sup>A</sup> 500     |                  |
| Total Fishermen's contingency fund.....                                  | BA  | 195            | 750                  | 750              |
|  | O   | 484            | 781                  | 746              |
| Foreign fishing observer fund  | 376 |                |                      |                  |
| Appropriation, current.....  | BA  | 5,802          | 4,500                | 4,500            |
| Outlays.....   | O   | 5,821          | 7,122                | 4,500            |
| Fisheries loan fund  | 376 |                |                      |                  |
| Appropriation, current.....  | BA  | 3,000          | 2,500                | .....            |
|  |     |                | <sup>H</sup> — 1,550 |                  |
| Outlays.....   | O   | 1,666          | 5,392                | — 132            |
|  |     |                | <sup>H</sup> — 1,550 |                  |
| Total Fisheries loan fund.....   | BA  | 3,000          | 950                  | .....            |
|  | O   | 1,666          | 3,842                | — 132            |
| Fishermen's guaranty fund  | 376 |                |                      |                  |
| Appropriation, current.....  | BA  | 2,079          | 1,800                | 1,800            |
| Outlays.....   | O   | 626            | 1,791                | 1,945            |
| <b>Public Enterprise Funds:</b>  |     |                |                      |                  |
| Coastal energy impact fund   | 452 |                |                      |                  |
| Outlays.....   | O   | — 28           | — 4,700              | — 5,000          |
| Federal ship financing fund, fishing vessels                             | 376 |                |                      |                  |
| Appropriation, current.....  | BA  |                | <sup>A</sup> 4,404   | .....            |
| Authority to borrow, current, indefinite.....                            | BA  | 9,400          | 2,300                | .....            |
| Outlays.....   | O   | 9,306          | 2,300                | .....            |
|  |     |                | <sup>A</sup> 4,404   |                  |
| Total Federal ship financing fund, fishing vessels                       | BA  | 9,400          | 6,704                | .....            |
|  | O   | 9,306          | 6,704                | .....            |
| <b>Trust funds</b>   |     |                |                      |                  |
| Aviation weather services program  | 306 |                |                      |                  |
| Appropriation, current.....  | BA  | 27,000         | 27,000               | 28,000           |
| Outlays.....   | O   | 27,000         | 27,000               | 28,000           |
| Total Federal funds National Oceanic and Atmospheric Administration..... | BA  | 1,050,917      | 1,133,381            | 1,021,404        |
|  | O   | 998,136        | 1,111,556            | 1,068,491        |
| Total Trust funds National Oceanic and Atmospheric Administration.....   | BA  | 27,000         | 27,000               | 28,000           |
|  | O   | 27,000         | 27,000               | 28,000           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                       |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|---|-----|----------------|----------------------|----------------------|
| <b>Department of Commerce—Con.</b>                                |     |                |                      |                      |
| <b>Science and Technology—Con.</b>                                |     |                |                      |                      |
| <i>Patent and Trademark Office</i>                                |     |                |                      |                      |
| <i>Federal funds</i>  |     |                |                      |                      |
| <b>General and Special Funds:</b>                                 |     |                |                      |                      |
| Salaries and expenses   | 376 |                |                      |                      |
| Appropriation, current.....                                       | BA  | 81,573         | 101,631<br>H - 1,472 | 84,739<br>H - 363    |
| Outlays.....  | O   | 67,078         | 97,180<br>H - 1,109  | 88,983               |
| Total Salaries and expenses.....                                  | BA  | 81,573         | 100,159              | 84,739               |
|   | O   | 67,078         | 96,071               | 88,620               |
| <b>National Bureau of Standards</b>                               |     |                |                      |                      |
| <i>Federal funds</i>  |     |                |                      |                      |
| <b>General and Special Funds:</b>                                 |     |                |                      |                      |
| Scientific and technical research and services                    | 376 |                |                      |                      |
| Appropriation, current.....                                       | BA  | 116,853        | 120,221<br>H - 1,019 | 116,293<br>K 116,293 |
| Outlays.....  | O   | 121,127        | 128,530<br>H - 787   | 117,189<br>H - 232   |
| Total Scientific and technical research and services.....         | BA  | 116,853        | 119,202              | 116,293              |
|   | O   | 121,127        | 127,743              | 116,957              |
| <b>Intragovernmental Funds:</b>                                   |     |                |                      |                      |
| Working capital fund  | 376 |                |                      |                      |
| Appropriation, current.....                                       | BA  | 3,765          | 3,764                | 3,708<br>K 3,708     |
| Outlays.....  | O   | -2,824         | 7,282                | 3,475                |
| Total Working capital fund.....                                   | BA  | 3,765          | 3,764                | 3,708                |
|   | O   | -2,824         | 7,282                | 3,475                |
| Total Federal funds National Bureau of Standards.....             | BA  | 120,618        | 122,966              | 120,001              |
|   | O   | 118,303        | 135,025              | 120,432              |
| <b>National Telecommunications and Information Administration</b> |     |                |                      |                      |
| <i>Federal funds</i>  |     |                |                      |                      |
| <b>General and Special Funds:</b>                                 |     |                |                      |                      |
| Salaries and expenses   | 376 |                |                      |                      |
| Appropriation, current.....                                       | BA  | 12,756         | 13,694<br>H - 183    | 13,186<br>K 13,186   |
| Outlays.....  | O   | 14,223         | 17,305<br>H - 183    | 13,230               |
| Total Salaries and expenses.....                                  | BA  | 12,756         | 13,511               | 13,186               |
|   | O   | 14,223         | 17,122               | 13,230               |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |        | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate      |
|---|--------|----------------|-----------------------|-----------------------|
| <b>Department of Commerce—Con.</b>  |        |                |                       |                       |
| <b>Science and Technology—Con.</b>  |        |                |                       |                       |
| <b><i>National Telecommunications and Information Administration—Con.</i></b>       |        |                |                       |                       |
| Public telecommunications facilities, planning and construction 503                 |        |                |                       |                       |
| Appropriation, current.....   | BA     | 11,880         | 24,000                |                       |
|   |        |                | <sup>H</sup> — 10,000 |                       |
| Outlays.....  | O      | 16,521         | 20,041                |                       |
|   |        |                | <sup>H</sup> — 1,032  |                       |
| <hr/>   |        |                |                       |                       |
| Total Public telecommunications facilities, planning and construction.....          | BA     | 11,880         | 14,000                |                       |
|   | O      | 16,521         | 19,009                |                       |
| <hr/>   |        |                |                       |                       |
| Total Federal funds National Telecommunications and Information Administration..... | BA     | 24,636         | 27,511                | 13,186                |
|   | O      | 30,744         | 36,131                | 13,230                |
| <hr/>   |        |                |                       |                       |
| Total Federal funds Science and Technology.....                                     | BA     | 1,277,744      | 1,384,017             | 1,239,330             |
|   | O      | 1,214,261      | 1,378,783             | 1,290,773             |
| <hr/>   |        |                |                       |                       |
| Total Trust funds Science and Technology.....                                       | BA     | 27,000         | 27,000                | 28,000                |
|   | O      | 27,000         | 27,000                | 28,000                |
| <hr/>   |        |                |                       |                       |
| <b>Summary</b>  |        |                |                       |                       |
| <b>Federal funds:</b>   |        |                |                       |                       |
| (As shown in detail above).....   | BA     | 2,030,304      | 1,895,080             | 1,787,132             |
|   | O      | 1,910,185      | 2,126,330             | 1,991,188             |
| <hr/>   |        |                |                       |                       |
| Deductions for offsetting receipts:   |        |                |                       |                       |
| Intrafund transactions  | 908 BA | — 703          | — 5,959               | — 1,160               |
|   | O      |                |                       |                       |
| Proprietary receipts from the public  | 306 BA | — 6,088        | — 3,000               |                       |
|   | O      |                |                       |                       |
|   | BA     |                |                       | <sup>J</sup> — 14,400 |
|   | O      |                |                       |                       |
|   | 376 BA | — 35,244       | — 31,740              | — 31,740              |
|   | O      |                |                       |                       |
| <hr/>   |        |                |                       |                       |
| Total Federal funds.....  | BA     | 1,988,269      | 1,854,381             | 1,739,832             |
|   | O      | 1,868,150      | 2,085,631             | 1,943,888             |
| <hr/>   |        |                |                       |                       |
| <b>Trust funds:</b>   |        |                |                       |                       |
| (As shown in detail above).....   | BA     | 57,541         | 58,530                | 61,539                |
|   | O      | 55,587         | 59,060                | 61,739                |
| <hr/>   |        |                |                       |                       |
| Deductions for offsetting receipts:   |        |                |                       |                       |
| Intrafund transactions  | 376 BA | — 1            |                       |                       |
|   | O      |                |                       |                       |
| Proprietary receipts from the public  | 376 BA | — 25,446       | — 27,006              | — 28,730              |
|   | O      |                |                       |                       |
| <hr/>   |        |                |                       |                       |
| Total Trust funds.....  | BA     | 32,094         | 31,524                | 32,809                |
|   | O      | 30,140         | 32,054                | 33,009                |
| <hr/>   |        |                |                       |                       |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                 |        | 1984<br>actual | 1985<br>estimate        | 1986<br>estimate |
|---|--------|----------------|-------------------------|------------------|
| <b>Department of Commerce—Con.</b>          |        |                |                         |                  |
| <b>Summary—Con.</b>                         |        |                |                         |                  |
| Interfund transactions                      | 376 BA | — 4,727        | — 4,324                 | — 4,600          |
|   | O      |                |                         |                  |
| Total Department of Commerce .....          | BA     | 2,015,636      | 1,881,581               | 1,768,041        |
|   | O      | 1,893,563      | 2,113,361               | 1,972,297        |
| <b>Department of Defense—Military</b>       |        |                |                         |                  |
| <b>Military Personnel</b>                   |        |                |                         |                  |
| <i>Federal funds</i>                        |        |                |                         |                  |
| <b>General and Special Funds:</b>           |        |                |                         |                  |
| Military personnel, Army                    | 051    |                |                         |                  |
| Appropriation, current.....                 | BA     | 15,388,833     | 21,097,085<br>E 483,249 | 22,712,000       |
| Outlays.....                                | O      | 15,235,113     | 21,361,300              | 22,610,300       |
| Total Military personnel, Army .....        | BA     | 15,388,833     | 21,580,334              | 22,712,000       |
|   | O      | 15,235,113     | 21,361,300              | 22,610,300       |
| Military personnel, Navy                    | 051    |                |                         |                  |
| Appropriation, current.....                 | BA     | 11,445,908     | 15,701,274<br>E 359,633 | 17,221,400       |
| Outlays.....                                | O      | 11,339,590     | 15,930,200              | 17,115,600       |
| Total Military personnel, Navy.....         | BA     | 11,445,908     | 16,060,907              | 17,221,400       |
|   | O      | 11,339,590     | 15,930,200              | 17,115,600       |
| Military personnel, Marine Corps            | 051    |                |                         |                  |
| Appropriation, current.....                 | BA     | 3,520,369      | 4,817,506<br>E 116,840  | 5,217,400        |
| Outlays.....                                | O      | 3,470,022      | 4,861,400               | 5,157,900        |
| Total Military personnel, Marine Corps..... | BA     | 3,520,369      | 4,934,346               | 5,217,400        |
|   | O      | 3,470,022      | 4,861,400               | 5,157,900        |
| Military personnel, Air Force               | 051    |                |                         |                  |
| Appropriation, current.....                 | BA     | 12,842,363     | 17,602,474<br>E 417,679 | 19,187,900       |
| Outlays.....                                | O      | 12,686,793     | 17,992,400              | 19,098,600       |
| Total Military personnel, Air Force .....   | BA     | 12,842,363     | 18,020,153              | 19,187,900       |
|   | O      | 12,686,793     | 17,992,400              | 19,098,600       |
| Reserve personnel, Army                     | 051    |                |                         |                  |
| Appropriation, current.....                 | BA     | 1,361,150      | 2,077,853               | 2,394,400        |
| Outlays.....                                | O      | 1,315,623      | 1,952,400               | 2,337,200        |
| Reserve personnel, Navy                     | 051    |                |                         |                  |
| Appropriation, current.....                 | BA     | 767,100        | 1,122,393<br>E 26,619   | 1,353,600        |
| Outlays.....                                | O      | 737,579        | 1,080,200               | 1,307,400        |
| Total Reserve personnel, Navy .....         | BA     | 767,100        | 1,149,012               | 1,353,600        |
|   | O      | 737,579        | 1,080,200               | 1,307,400        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                    |     | 1984<br>actual | 1985<br>estimate                    | 1986<br>estimate |
|--|-----|----------------|-------------------------------------|------------------|
| <b>Department of Defense—Military—Con.</b>     |     |                |                                     |                  |
| <b>Military Personnel—Con.</b>                 |     |                |                                     |                  |
| Reserve personnel, Marine Corps                | 051 |                |                                     |                  |
| Appropriation, current.....                    | BA  | 176,200        | 267,186<br>E 3,078                  | 290,000          |
| Outlays .....                                  | O   | 161,338        | 246,900                             | 279,700          |
| Total Reserve personnel, Marine Corps .....    | BA  | 176,200        | 270,264                             | 290,000          |
|  | O   | 161,338        | 246,900                             | 279,700          |
| Reserve personnel, Air Force                   | 051 |                |                                     |                  |
| Appropriation, current.....                    | BA  | 388,750        | 566,631<br>E 12,776                 | 622,500          |
| Outlays .....                                  | O   | 363,767        | 548,100                             | 598,200          |
| Total Reserve personnel, Air Force.....        | BA  | 388,750        | 579,407                             | 622,500          |
|  | O   | 363,767        | 548,100                             | 598,200          |
| National Guard personnel, Army                 | 051 |                |                                     |                  |
| Appropriation, current.....                    | BA  | 1,882,980      | 2,889,559                           | 3,430,800        |
| Outlays .....                                  | O   | 1,776,326      | 2,707,700                           | 3,314,600        |
| National Guard personnel, Air Force            | 051 |                |                                     |                  |
| Appropriation, current.....                    | BA  | 589,100        | 868,578<br>E 17,532                 | 995,100          |
| Outlays .....                                  | O   | 568,610        | 865,700                             | 978,600          |
| Total National Guard personnel, Air Force..... | BA  | 589,100        | 886,110                             | 995,100          |
|  | O   | 568,610        | 865,700                             | 978,600          |
| Imputed accruals for military retirement costs | 051 |                |                                     |                  |
| Appropriation, current.....                    | BA  | 16,503,000     |                                     |                  |
| Outlays .....                                  | O   | 16,503,000     |                                     |                  |
| Total Federal funds Military Personnel .....   | BA  | 64,865,753     | 68,447,945                          | 73,425,100       |
|  | O   | 64,157,761     | 67,546,300                          | 72,798,100       |
| <b>Operation and Maintenance</b>               |     |                |                                     |                  |
| <i>Federal funds</i>                           |     |                |                                     |                  |
| <b>General and Special Funds:</b>              |     |                |                                     |                  |
| Operation and maintenance, Army                | 051 |                |                                     |                  |
| Appropriation, current.....                    | BA  | 17,326,026     | 18,403,298<br>C 44,835<br>D 155,565 | E 20,190,630     |
| Outlays .....                                  | O   | 16,565,899     | 17,679,500                          | 19,063,200       |
| Total Operation and maintenance, Army .....    | BA  | 17,326,026     | 18,603,698                          | 20,190,630       |
|  | O   | 16,565,899     | 17,679,500                          | 19,063,200       |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                 |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate      |
|---|-----|----------------|----------------------|-----------------------|
| <b>Department of Defense—Military—Con.</b>                  |     |                |                      |                       |
| <b>Operation and Maintenance—Con.</b>                       |     |                |                      |                       |
| Operation and maintenance, Navy                             | 051 |                |                      |                       |
| Appropriation, current.....                                 | BA  | 22,265,628     | 25,103,941           | .....<br>κ 25,797,700 |
|   |     |                | <sup>C</sup> 82,748  |                       |
|   |     |                | <sup>D</sup> 148,052 |                       |
| Outlays.....  | O   | 21,403,363     | 23,809,600           | 25,226,800            |
| Total Operation and maintenance, Navy.....                  | BA  | 22,265,628     | 25,334,741           | 25,797,700            |
|   | O   | 21,403,363     | 23,809,600           | 25,226,800            |
| Operation and maintenance, Marine Corps                     | 051 |                |                      |                       |
| Appropriation, current.....                                 | BA  | 1,547,720      | 1,640,294            | .....<br>κ 1,667,400  |
|   |     |                | <sup>C</sup> 4,200   |                       |
|   |     |                | <sup>D</sup> 6,400   |                       |
| Outlays.....  | O   | 1,431,123      | 1,536,700            | 1,588,400             |
| Total Operation and maintenance, Marine Corps..             | BA  | 1,547,720      | 1,650,894            | 1,667,400             |
|   | O   | 1,431,123      | 1,536,700            | 1,588,400             |
| Operation and maintenance, Air Force                        | 051 |                |                      |                       |
| Appropriation, current.....                                 | BA  | 17,770,345     | 19,093,165           | .....<br>κ 20,924,400 |
|   |     |                | <sup>C</sup> 39,170  |                       |
|   |     |                | <sup>D</sup> 81,130  |                       |
| Outlays.....  | O   | 16,849,907     | 18,593,300           | 20,154,500            |
| Total Operation and maintenance, Air Force .....            | BA  | 17,770,345     | 19,213,465           | 20,924,400            |
|   | O   | 16,849,907     | 18,593,300           | 20,154,500            |
| Operation and maintenance, Defense agencies                 | 051 |                |                      |                       |
| Appropriation, current.....                                 | BA  | 6,526,614      | 7,076,069            | .....<br>κ 7,568,900  |
|   |     |                | <sup>C</sup> 6,815   |                       |
|   |     |                | <sup>D</sup> 99,715  |                       |
| Outlays.....  | O   | 6,068,457      | 7,012,600            | 7,405,300             |
| Total Operation and maintenance, Defense agen-<br>cies..... | BA  | 6,526,614      | 7,182,599            | 7,568,900             |
|   | O   | 6,068,457      | 7,012,600            | 7,405,300             |
| Operation and maintenance, Army Reserve                     | 051 |                |                      |                       |
| Appropriation, current.....                                 | BA  | 692,390        | 724,400              | .....<br>κ 779,600    |
|   |     |                | <sup>C</sup> 2,027   |                       |
|   |     |                | <sup>D</sup> 6,273   |                       |
| Outlays.....  | O   | 637,459        | 680,200              | 739,900               |
| Total Operation and maintenance, Army Reserve.              | BA  | 692,390        | 732,700              | 779,600               |
|   | O   | 637,459        | 680,200              | 739,900               |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|--|-----|----------------|------------------|----------------------|
| <b>Department of Defense—Military—Con.</b>                 |     |                |                  |                      |
| <b>Operation and Maintenance—Con.</b>                      |     |                |                  |                      |
| Operation and maintenance, Navy Reserve                    | 051 |                |                  |                      |
| Appropriation, current.....                                | BA  | 636,590        | 827,181          | .....<br>K 954,500   |
|  |     |                | C 363            |                      |
|  |     |                | D 1,237          |                      |
| Outlays.....   | O   | 606,436        | 737,500          | 877,800              |
| Total Operation and maintenance, Navy Reserve..            | BA  | 636,590        | 828,781          | 954,500              |
|  | O   | 606,436        | 737,500          | 877,800              |
| Operation and maintenance, Marine Corps Reserve            |     |                |                  |                      |
|  | 051 |                |                  |                      |
| Appropriation, current.....                                | BA  | 52,349         | 58,642           | .....<br>K 61,600    |
|  |     |                | D 200            |                      |
| Outlays.....   | O   | 47,424         | 54,300           | 56,000               |
| Total Operation and maintenance, Marine Corps Reserve..... | BA  | 52,349         | 58,842           | 61,600               |
|  | O   | 47,424         | 54,300           | 56,000               |
| Operation and maintenance, Air Force Reserve               | 051 |                |                  |                      |
| Appropriation, current.....                                | BA  | 791,150        | 872,461          | .....<br>K 907,700   |
|  |     |                | C 4,182          |                      |
|  |     |                | D 4,618          |                      |
| Outlays.....   | O   | 732,866        | 865,100          | 877,700              |
| Total Operation and maintenance, Air Force Reserve.....    | BA  | 791,150        | 881,261          | 907,700              |
|  | O   | 732,866        | 865,100          | 877,700              |
| Operation and maintenance, Army National Guard             |     |                |                  |                      |
|  | 051 |                |                  |                      |
| Appropriation, current.....                                | BA  | 1,188,390      | 1,424,293        | .....<br>K 1,605,200 |
|  |     |                | C 6,525          |                      |
|  |     |                | D 8,475          |                      |
| Outlays.....   | O   | 1,143,463      | 1,360,000        | 1,536,100            |
| Total Operation and maintenance, Army National Guard.....  | BA  | 1,188,390      | 1,439,293        | 1,605,200            |
|  | O   | 1,143,463      | 1,360,000        | 1,536,100            |
| Operation and maintenance, Air National Guard              |     |                |                  |                      |
|  | 051 |                |                  |                      |
| Appropriation, current.....                                | BA  | 1,807,650      | 1,810,348        | .....<br>K 1,830,100 |
|  |     |                | C 11,103         |                      |
|  |     |                | D 7,397          |                      |
| Outlays.....   | O   | 1,690,885      | 1,906,800        | 1,800,600            |
| Total Operation and maintenance, Air National Guard.....   | BA  | 1,807,650      | 1,828,848        | 1,830,100            |
|  | O   | 1,690,885      | 1,906,800        | 1,800,600            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Department of Defense—Military—Con.</b>                             |    |                |                  |                  |
| <b>Operation and Maintenance—Con.</b>                                  |    |                |                  |                  |
| National Board for the Promotion of Rifle Practice,<br>Army 051        |    |                |                  |                  |
| Appropriation, current.....  | BA | 909            | 914              | .....            |
|  |    |                |                  | κ 920            |
| Outlays.....   | O  | 853            | 900              | 900              |
| Total National Board for the Promotion of Rifle<br>Practice, Army..... | BA | 909            | 928              | 920              |
|  | O  | 853            | 900              | 900              |
| Claims, Defense 051  |    |                |                  |                  |
| Appropriation, current.....  | BA | 136,900        | 146,500          | .....            |
|  |    |                |                  | κ 158,300        |
| Outlays.....   | O  | 123,804        | 140,400          | 157,100          |
| Total Claims, Defense.....   | BA | 136,900        | 146,500          | 158,300          |
|  | O  | 123,804        | 140,400          | 157,100          |
| Court of Military Appeals, Defense 051                                 |    |                |                  |                  |
| Appropriation, current.....  | BA | 3,372          | 2,870            | .....            |
|  |    |                |                  | κ 3,200          |
| Outlays.....   | O  | 2,320          | 2,400            | 2,700            |
| Total Court of Military Appeals, Defense.....                          | BA | 3,372          | 2,870            | 3,200            |
|  | O  | 2,320          | 2,400            | 2,700            |
| Summer olympics 051  |    |                |                  |                  |
| Appropriation, current.....  | BA | 50,000         | .....            | .....            |
| Outlays.....   | O  | 14,090         | 17,000           | 800              |
| Environmental restoration, Defense 051                                 |    |                |                  |                  |
| Appropriation, current.....  | BA | 154,300        | 314,000          | .....            |
| Outlays.....   | O  | 50,745         | 173,100          | 159,800          |
| Total Federal funds Operation and Maintenance...                       | BA | 70,950,333     | 78,219,420       | 82,450,150       |
|  | O  | 67,369,094     | 74,569,400       | 79,647,600       |
| <b>Procurement</b>   |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| General and Special Funds:   |    |                |                  |                  |
| Aircraft procurement, Army 051   |    |                |                  |                  |
| Appropriation, current.....  | BA | 3,236,532      | 3,900,700        | .....            |
|  |    |                |                  | κ 3,892,500      |
| Reappropriation.....   | BA | .....          | 600              | .....            |
| Outlays.....   | O  | 2,164,570      | 2,739,500        | 3,303,200        |
| Total Aircraft procurement, Army.....                                  | BA | 3,236,532      | 3,901,300        | 3,892,500        |
|  | O  | 2,164,570      | 2,739,500        | 3,303,200        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate      |
|--|-----|----------------|------------------|-----------------------|
| <b>Department of Defense--Military--Con.</b>                           |     |                |                  |                       |
| <b>Procurement--Con.</b>   |     |                |                  |                       |
| Missile procurement, Army  | 051 |                |                  |                       |
| Appropriation, current.....  | BA  | 2,803,500      | 3,158,300        | .....<br>κ 3,386,700  |
| Reappropriation.....   | BA  | 32,600         | .....            | .....                 |
| Outlays.....   | O   | 2,079,003      | 2,269,800        | 2,724,100             |
| Total Missile procurement, Army.....                                   | BA  | 2,836,100      | 3,158,300        | 3,386,700             |
|  | O   | 2,079,003      | 2,269,800        | 2,724,100             |
| Procurement of weapons and tracked combat vehicles,<br>Army            | 051 |                |                  |                       |
| Appropriation, current.....  | BA  | 4,550,119      | 4,548,100        | .....<br>κ 5,739,100  |
| Reappropriation.....   | BA  | 149,000        | .....            | .....                 |
| Outlays.....   | O   | 3,691,038      | 3,443,800        | 4,009,200             |
| Total Procurement of weapons and tracked<br>combat vehicles, Army..... | BA  | 4,699,119      | 4,548,100        | 5,739,100             |
|  | O   | 3,691,038      | 3,443,800        | 4,009,200             |
| Procurement of ammunition, Army  | 051 |                |                  |                       |
| Appropriation, current.....  | BA  | 1,980,100      | 2,646,300        | .....<br>κ 2,635,000  |
| Outlays.....   | O   | 1,825,562      | 1,217,500        | 2,419,700             |
| Total Procurement of ammunition, Army.....                             | BA  | 1,980,100      | 2,646,300        | 2,635,000             |
|  | O   | 1,825,562      | 1,217,500        | 2,419,700             |
| Other procurement, Army  | 051 |                |                  |                       |
| Appropriation, current.....  | BA  | 4,672,428      | 5,122,450        | .....<br>κ 5,712,800  |
| Outlays.....   | O   | 3,807,287      | 3,775,200        | 4,511,000             |
| Total Other procurement, Army.....                                     | BA  | 4,672,428      | 5,122,450        | 5,712,800             |
|  | O   | 3,807,287      | 3,775,200        | 4,511,000             |
| Aircraft procurement, Navy   | 051 |                |                  |                       |
| Appropriation, current.....  | BA  | 10,157,608     | 10,903,798       | .....<br>κ 12,062,600 |
| Outlays.....   | O   | 8,039,962      | 9,014,800        | 10,373,900            |
| Total Aircraft procurement, Navy.....                                  | BA  | 10,157,608     | 10,903,798       | 12,062,600            |
|  | O   | 8,039,962      | 9,014,800        | 10,373,900            |
| Weapons procurement, Navy  | 051 |                |                  |                       |
| Appropriation, current.....  | BA  | 3,693,779      | 4,353,611        | .....<br>κ 5,627,900  |
| Reappropriation.....   | BA  | 77,800         | .....            | .....                 |
| Outlays.....   | O   | 2,808,734      | 3,364,300        | 3,934,900             |
| Total Weapons procurement, Navy.....                                   | BA  | 3,771,579      | 4,353,611        | 5,627,900             |
|  | O   | 2,808,734      | 3,364,300        | 3,934,900             |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate      |
|--|-----|----------------|------------------|-----------------------|
| <b>Department of Defense—Military—Con.</b>   |     |                |                  |                       |
| <b>Procurement—Con.</b>                      |     |                |                  |                       |
| Shipbuilding and conversion, Navy            | 051 |                |                  |                       |
| Appropriation, current.....                  | BA  | 11,205,248     | 11,584,526       | .....<br>K 11,411,600 |
| Reappropriation.....                         | BA  | 279,600        | 36,300           | .....                 |
| Outlays.....                                 | O   | 8,487,196      | 9,348,100        | 10,363,500            |
| Total Shipbuilding and conversion, Navy..... | BA  | 11,484,848     | 11,620,826       | 11,411,600            |
|  | O   | 8,487,196      | 9,348,100        | 10,363,500            |
| Other procurement, Navy                      | 051 |                |                  |                       |
| Appropriation, current.....                  | BA  | 4,323,543      | 5,341,614        | .....<br>K 6,601,200  |
| Outlays.....                                 | O   | 3,191,155      | 3,765,400        | 4,459,500             |
| Total Other procurement, Navy.....           | BA  | 4,323,543      | 5,341,614        | 6,601,200             |
|  | O   | 3,191,155      | 3,765,400        | 4,459,500             |
| Procurement, Marine Corps                    | 051 |                |                  |                       |
| Appropriation, current.....                  | BA  | 1,741,306      | 1,836,722        | .....<br>K 1,726,800  |
| Outlays.....                                 | O   | 1,456,885      | 1,682,300        | 1,747,000             |
| Total Procurement, Marine Corps.....         | BA  | 1,741,306      | 1,836,722        | 1,726,800             |
|  | O   | 1,456,885      | 1,682,300        | 1,747,000             |
| Aircraft procurement, Air Force              | 051 |                |                  |                       |
| Appropriation, current.....                  | BA  | 21,010,315     | 26,078,066       | .....<br>K 26,165,500 |
| Reappropriation.....                         | BA  | 323,100        |                  | .....                 |
| Outlays.....                                 | O   | 12,991,850     | 15,318,100       | 18,322,600            |
| Total Aircraft procurement, Air Force.....   | BA  | 21,333,415     | 26,078,066       | 26,165,500            |
|  | O   | 12,991,850     | 15,318,100       | 18,322,600            |
| Missile procurement, Air Force               | 051 |                |                  |                       |
| Appropriation, current.....                  | BA  | 7,743,638      | 6,888,345        | .....<br>K 10,862,700 |
| Reappropriation.....                         | BA  | 55,000         |                  | .....                 |
| Outlays.....                                 | O   | 4,639,532      | 5,828,300        | 7,593,200             |
| Total Missile procurement, Air Force.....    | BA  | 7,798,638      | 6,888,345        | 10,862,700            |
|  | O   | 4,639,532      | 5,828,300        | 7,593,200             |
| Other procurement, Air Force                 | 051 |                |                  |                       |
| Appropriation, current.....                  | BA  | 6,959,932      | 8,848,127        | .....<br>K 9,538,000  |
| Outlays.....                                 | O   | 5,909,692      | 6,840,100        | 7,868,700             |
| Total Other procurement, Air Force.....      | BA  | 6,959,932      | 8,848,127        | 9,538,000             |
|  | O   | 5,909,692      | 6,840,100        | 7,868,700             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate        |
|--|-----|----------------|------------------|-------------------------|
| <b>Department of Defense—Military—Con.</b>                         |     |                |                  |                         |
| <b>Procurement—Con.</b>  |     |                |                  |                         |
| Procurement, Defense agencies                                      | 051 |                |                  |                         |
| Appropriation, current.....  | BA  | 968,657        | 1,166,201        | .....                   |
|  |     |                |                  | <sup>K</sup> 1,391,900  |
| Reappropriation.....   | BA  | 21,500         | 3,100            | .....                   |
| Outlays.....   | O   | 764,281        | 925,800          | 1,172,000               |
| Total Procurement, Defense agencies.....                           | BA  | 990,157        | 1,169,301        | 1,391,900               |
|  | O   | 764,281        | 925,800          | 1,172,000               |
| National guard and reserve equipment                               | 051 |                |                  |                         |
| Appropriation, current.....  | BA  | 176,000        | 380,000          | .....                   |
| Outlays.....   | O   | 16,406         | 169,300          | 239,100                 |
| Defense production act purchases                                   | 051 |                |                  |                         |
| Appropriation, current.....  | BA  | .....          | 10,000           | .....                   |
|  |     |                |                  | <sup>K</sup> 59,000     |
| Total Defense production act purchases.....                        | BA  | .....          | 10,000           | 59,000                  |
| Procurement of aircraft and missiles, Navy                         | 051 |                |                  |                         |
| Outlays.....   | O   | 5,549          | 4,000            | 3,000                   |
| Procurement of equipment and missiles, Army                        | 051 |                |                  |                         |
| Outlays.....   | O   | 285            | .....            | .....                   |
| Total Federal funds Procurement .....                              | BA  | 86,161,305     | 96,806,860       | 106,813,300             |
|  | O   | 61,878,987     | 69,706,300       | 83,044,600              |
| <b>Research, Development, Test, and Evaluation</b>                 |     |                |                  |                         |
| <i>Federal funds</i>   |     |                |                  |                         |
| <b>General and Special Funds:</b>                                  |     |                |                  |                         |
| Research, development, test, and evaluation,<br>Army               | 051 |                |                  |                         |
| Appropriation, current.....  | BA  | 4,202,175      | 4,376,115        | .....                   |
|  |     |                |                  | <sup>K</sup> 5,279,900  |
| Outlays.....   | O   | 3,812,330      | 4,094,600        | 4,728,900               |
| Total Research, development, test, and evalua-<br>tion, Army ..... | BA  | 4,202,175      | 4,376,115        | 5,279,900               |
|  | O   | 3,812,330      | 4,094,600        | 4,728,900               |
| Research, development, test, and evaluation, Navy                  | 051 |                |                  |                         |
| Appropriation, current.....  | BA  | 7,581,718      | 9,251,506        | .....                   |
|  |     |                |                  | <sup>K</sup> 11,264,300 |
| Reappropriation.....   | BA  | 4,600          | 22,600           | .....                   |
| Outlays.....   | O   | 6,661,712      | 8,251,400        | 10,001,500              |
| Total Research, development, test, and evalua-<br>tion, Navy.....  | BA  | 7,586,318      | 9,274,106        | 11,264,300              |
|  | O   | 6,661,712      | 8,251,400        | 10,001,500              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|-----|----------------|------------------|------------------|
| <b>Department of Defense--Military—Con.</b>                              |     |                |                  |                  |
| <b>Research, Development, Test, and Evaluation—Con.</b>                  |     |                |                  |                  |
| Research, development, test, and evaluation, Air Force                   | 051 |                |                  |                  |
| Appropriation, current.....  | BA  | 12,236,906     | 13,506,247       | κ 15,578,500     |
| Reappropriation.....   | BA  | 20,800         | 100              |                  |
| Outlays.....   | O   | 10,353,307     | 12,215,000       | 14,076,300       |
| Total Research, development, test, and evaluation, Air Force.....        | BA  | 12,257,706     | 13,506,347       | 15,578,500       |
|  | O   | 10,353,307     | 12,215,000       | 14,076,300       |
| Research, development, test, and evaluation, Defense agencies            | 051 |                |                  |                  |
| Appropriation, current.....  | BA  | 2,769,420      | 4,236,327        | κ 7,053,900      |
| Reappropriation.....   | BA  | 2,000          | 11,880           |                  |
| Outlays.....   | O   | 2,234,605      | 3,171,500        | 5,111,900        |
| Total Research, development, test, and evaluation, Defense agencies..... | BA  | 2,771,420      | 4,248,207        | 7,053,900        |
|  | O   | 2,234,605      | 3,171,500        | 5,111,900        |
| Director of test and evaluation, Defense                                 | 051 |                |                  |                  |
| Appropriation, current.....  | BA  | 49,000         | 59,000           | κ 103,500        |
| Outlays.....   | O   | 54,737         | 53,300           | 69,300           |
| Total Director of test and evaluation, Defense.....                      | BA  | 49,000         | 59,000           | 103,500          |
|  | O   | 54,737         | 53,300           | 69,300           |
| Total Federal funds Research, Development, Test, and Evaluation.....     | BA  | 26,866,619     | 31,463,775       | 39,280,100       |
|  | O   | 23,116,691     | 27,785,800       | 33,987,900       |
| <b>Military Construction</b>   |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>  |     |                |                  |                  |
| Military construction, Army  | 051 |                |                  |                  |
| Appropriation, current.....  | BA  | 1,184,140      | 1,593,137        | κ 2,020,900      |
| Outlays.....   | O   | 874,276        | 1,005,400        | 1,405,200        |
| Total Military construction, Army.....                                   | BA  | 1,184,140      | 1,593,137        | 2,020,900        |
|  | O   | 874,276        | 1,005,400        | 1,405,200        |
| Military construction, Navy  | 051 |                |                  |                  |
| Appropriation, current.....  | BA  | 1,231,517      | 1,534,592        | κ 2,085,200      |
| Outlays.....   | O   | 1,027,732      | 1,133,900        | 1,494,400        |
| Total Military construction, Navy.....                                   | BA  | 1,231,517      | 1,534,592        | 2,085,200        |
|  | O   | 1,027,732      | 1,133,900        | 1,494,400        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate       |
|--|-----|----------------|------------------|------------------------|
| <b>Department of Defense—Military—Con.</b>                   |     |                |                  |                        |
| <b>Military Construction—Con.</b>                            |     |                |                  |                        |
| Military construction, Air Force                             | 051 |                |                  |                        |
| Appropriation, current.....                                  | BA  | 1,459,993      | 1,572,655        | 108,650                |
|  |     |                |                  | <sup>K</sup> 1,973,350 |
| Outlays.....   | O   | 1,209,003      | 1,333,600        | 1,484,900              |
| Total Military construction, Air Force.....                  | BA  | 1,459,993      | 1,572,655        | 2,082,000              |
|  | O   | 1,209,003      | 1,333,600        | 1,484,900              |
| Military construction, Defense agencies                      | 051 |                |                  |                        |
| Appropriation, current.....                                  | BA  | 281,802        | 302,198          | .....                  |
|  |     |                |                  | <sup>K</sup> 309,600   |
| Outlays.....   | O   | 233,255        | 267,300          | 330,700                |
| Total Military construction, Defense agencies.....           | BA  | 281,802        | 302,198          | 309,600                |
|  | O   | 233,255        | 267,300          | 330,700                |
| North Atlantic Treaty Organization infrastructure            | 051 |                |                  |                        |
| Appropriation, current.....                                  | BA  | 50,000         | 107,200          | .....                  |
|  |     |                |                  | <sup>K</sup> 98,000    |
| Outlays.....   | O   | 141,853        | 180,000          | 220,000                |
| Total North Atlantic Treaty Organization infrastructure..... | BA  | 50,000         | 107,200          | 98,000                 |
|  | O   | 141,853        | 180,000          | 220,000                |
| Military construction, Army National Guard                   | 051 |                |                  |                        |
| Appropriation, current.....                                  | BA  | 67,620         | 98,603           | .....                  |
|  |     |                |                  | <sup>K</sup> 102,100   |
| Outlays.....   | O   | 41,970         | 60,900           | 76,700                 |
| Total Military construction, Army National Guard.....        | BA  | 67,620         | 98,603           | 102,100                |
|  | O   | 41,970         | 60,900           | 76,700                 |
| Military construction, Air National Guard                    | 051 |                |                  |                        |
| Appropriation, current.....                                  | BA  | 108,888        | 111,200          | .....                  |
|  |     |                |                  | <sup>K</sup> 137,200   |
| Outlays.....   | O   | 73,575         | 94,500           | 104,700                |
| Total Military construction, Air National Guard.....         | BA  | 108,888        | 111,200          | 137,200                |
|  | O   | 73,575         | 94,500           | 104,700                |
| Military construction, Army Reserve                          | 051 |                |                  |                        |
| Appropriation, current.....                                  | BA  | 54,700         | 69,306           | .....                  |
|  |     |                |                  | <sup>K</sup> 70,700    |
| Outlays.....   | O   | 46,748         | 57,500           | 67,600                 |
| Total Military construction, Army Reserve.....               | BA  | 54,700         | 69,306           | 70,700                 |
|  | O   | 46,748         | 57,500           | 67,600                 |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                         |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|---|-----|----------------|------------------|----------------------|
| <b>Department of Defense--Military--Con.</b>        |     |                |                  |                      |
| <b>Military Construction--Con.</b>                  |     |                |                  |                      |
| Military construction, Naval Reserve                | 051 |                |                  |                      |
| Appropriation, current.....                         | BA  | 30,605         | 60,800           | .....<br>K 51,800    |
| Outlays.....  | O   | 25,578         | 35,000           | 50,500               |
| Total Military construction, Naval Reserve.....     | BA  | 30,605         | 60,800           | 51,800               |
|   | O   | 25,578         | 35,000           | 50,500               |
| Military construction, Air Force Reserve            | 051 |                |                  |                      |
| Appropriation, current.....                         | BA  | 41,200         | 67,800           | .....<br>K 66,800    |
| Outlays.....  | O   | 31,583         | 40,600           | 56,900               |
| Total Military construction, Air Force Reserve..... | BA  | 41,200         | 67,800           | 66,800               |
|   | O   | 31,583         | 40,600           | 56,900               |
| Defense facilities replacement                      | 051 |                |                  |                      |
| Appropriation, current.....                         | BA  |                |                  | K 33,000             |
| Outlays.....  | O   |                |                  | K 4,500              |
| Total Federal funds Military Construction.....      | BA  | 4,510,465      | 5,517,491        | 7,057,300            |
|   | O   | 3,705,573      | 4,208,700        | 5,296,100            |
| <b>Family Housing</b>                               |     |                |                  |                      |
| <i>Federal funds</i>                                |     |                |                  |                      |
| <b>General and Special Funds:</b>                   |     |                |                  |                      |
| Family housing, Army                                | 051 |                |                  |                      |
| Appropriation, current.....                         | BA  | 1,235,007      | 1,328,378        | .....<br>K 1,610,700 |
|   |     |                | C 1,419          |                      |
|   |     |                | D 2,020          |                      |
| Outlays.....  | O   | 1,011,506      | 1,242,000        | 1,342,300            |
| Total Family housing, Army .....                    | BA  | 1,235,007      | 1,331,817        | 1,610,700            |
|   | O   | 1,011,506      | 1,242,000        | 1,342,300            |
| Family housing, Navy and Marine Corps               | 051 |                |                  |                      |
| Appropriation, current.....                         | BA  | 611,149        | 657,789          | .....<br>K 722,500   |
|   |     |                | C 1,000          |                      |
|   |     |                | D 493            |                      |
| Outlays.....  | O   | 613,845        | 606,500          | 628,000              |
| Total Family housing, Navy and Marine Corps .....   | BA  | 611,149        | 659,282          | 722,500              |
|   | O   | 613,845        | 606,500          | 628,000              |
| Family housing, Air Force                           | 051 |                |                  |                      |
| Appropriation, current.....                         | BA  | 804,581        | 884,111          | .....<br>K 929,400   |
|   |     |                | C 956            |                      |
|   |     |                | D 498            |                      |
| Outlays.....  | O   | 772,403        | 792,700          | 815,000              |
| Total Family housing, Air Force .....               | BA  | 804,581        | 885,565          | 929,400              |
|   | O   | 772,403        | 792,700          | 815,000              |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                    |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate  |
|--|-----|----------------|------------------|-------------------|
| <b>Department of Defense--Military—Con.</b>    |     |                |                  |                   |
| <b>Family Housing—Con.</b>                     |     |                |                  |                   |
| Family housing, Defense agencies               | 051 |                |                  |                   |
| Appropriation, current.....                    | BA  | 17,841         | 17,437           | .....<br>* 20,300 |
| Outlays.....                                   | O   | 14,139         | 15,400           | 19,000            |
| Total Family housing, Defense agencies.....    | BA  | 17,841         | 17,437           | 20,300            |
|  | O   | 14,139         | 15,400           | 19,000            |
| <b>Public Enterprise Funds:</b>                |     |                |                  |                   |
| Homeowners assistance fund, Defense            | 051 |                |                  |                   |
| Authority to borrow, permanent.....            | BA  | 376            | 200              | 150               |
| Outlays.....                                   | O   | 609            | 1,200            | 800               |
| Total Federal funds Family Housing.....        | BA  | 2,668,954      | 2,894,301        | 3,283,050         |
|  | O   | 2,412,502      | 2,657,800        | 2,805,100         |
| <b>Special Foreign Currency Program</b>        |     |                |                  |                   |
| <i>Federal funds</i>                           |     |                |                  |                   |
| <b>General and Special Funds:</b>              |     |                |                  |                   |
| Special foreign currency program               | 051 |                |                  |                   |
| Appropriation, current.....                    | BA  | 3,050          | 8,650            | .....<br>* 2,100  |
| Outlays.....                                   | O   | 1,412          | 1,200            | 2,500             |
| Total Special foreign currency program.....    | BA  | 3,050          | 8,650            | 2,100             |
|  | O   | 1,412          | 1,200            | 2,500             |
| <b>Revolving and Management Funds</b>          |     |                |                  |                   |
| <i>Federal funds</i>                           |     |                |                  |                   |
| <b>Public Enterprise Funds:</b>                |     |                |                  |                   |
| Defense production guarantees                  | 051 |                |                  |                   |
| Outlays.....                                   | O   | — 1            | .....            | .....             |
| Laundry service, Naval Academy                 | 051 |                |                  |                   |
| Outlays.....                                   | O   | — 196          | .....            | .....             |
| <b>Intragovernmental Funds:</b>                |     |                |                  |                   |
| Army stock fund                                | 051 |                |                  |                   |
| Appropriation, current.....                    | BA  | 388,600        | 366,448          | 442,000           |
| Outlays.....                                   | O   | 74,874         | 77,500           | 144,500           |
| Navy stock fund                                | 051 |                |                  |                   |
| Appropriation, current.....                    | BA  | 632,869        | 473,307          | 716,500           |
| Contract authority, permanent, indefinite..... | BA  | 249,371        | .....            | .....             |
| Outlays.....                                   | O   | — 38,284       | 123,700          | 273,700           |
| Total Navy stock fund.....                     | BA  | 882,240        | 473,307          | 716,500           |
|  | O   | — 38,284       | 123,700          | 273,700           |
| Marine Corps stock fund                        | 051 |                |                  |                   |
| Appropriation, current.....                    | BA  | 20,780         | 34,908           | 42,700            |
| Outlays.....                                   | O   | 34,129         | 6,500            | 14,500            |
| Air Force stock fund                           | 051 |                |                  |                   |
| Appropriation, current.....                    | BA  | 1,288,725      | 548,593          | 464,900           |
| Outlays.....                                   | O   | 116,418        | 291,300          | 369,400           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                             |     | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate |
|---|-----|------------------|------------------|------------------|
| <b>Department of Defense--Military—Con.</b>             |     |                  |                  |                  |
| <b>Revolving and Management Funds—Con.</b>              |     |                  |                  |                  |
| Defense stock fund                                      | 051 |                  |                  |                  |
| Appropriation, current.....                             | BA  | <b>43,600</b>    | <b>130,700</b>   | <b>193,500</b>   |
| Outlays.....  | 0   | —416,779         | —250,300         | —248,600         |
| Army industrial fund                                    | 051 |                  |                  |                  |
| Outlays.....  | 0   | —36,071          | —30,000          | —14,000          |
| Navy industrial fund                                    | 051 |                  |                  |                  |
| Outlays.....  | 0   | —427,439         | —120,000         | —46,000          |
| Marine Corps industrial fund                            | 051 |                  |                  |                  |
| Outlays.....  | 0   | —611             |                  |                  |
| Air Force industrial fund                               | 051 |                  |                  |                  |
| Outlays.....  | 0   | —194,740         | —37,000          | —20,000          |
| Defense industrial fund                                 | 051 |                  |                  |                  |
| Appropriation, current.....                             | BA  | <b>150,000</b>   |                  |                  |
| Outlays.....  | 0   | —56,008          |                  |                  |
| Army management fund                                    | 051 |                  |                  |                  |
| Outlays.....  | 0   | —15,442          |                  |                  |
| Navy management fund                                    | 051 |                  |                  |                  |
| Outlays.....  | 0   | 8,849            |                  |                  |
| Army conventional ammunition working capital fund       | 051 |                  |                  |                  |
| Outlays.....  | 0   | —118,120         |                  |                  |
| Total Federal funds Revolving and Management Funds..... | BA  | <b>2,773,945</b> | <b>1,553,956</b> | <b>1,859,600</b> |
|   | 0   | —1,069,421       | 61,700           | 473,500          |
| <b>Allowances</b>                                       |     |                  |                  |                  |
| <i>Federal funds</i>                                    |     |                  |                  |                  |
| <b>General and Special Funds:</b>                       |     |                  |                  |                  |
| Military pay raises and benefits                        | 051 |                  |                  |                  |
| Appropriation, current.....                             | BA  |                  | <b>453,543</b>   |                  |
| Outlays.....  | 0   |                  | 446,200          | 7,300            |
| Other legislation                                       | 051 |                  |                  |                  |
| Appropriation, current.....                             | BA  |                  |                  | <b>188,700</b>   |
| Outlays.....  | 0   |                  |                  | 69,800           |
| Total Federal funds Allowances.....                     | BA  |                  | <b>453,543</b>   | <b>188,700</b>   |
|   | 0   |                  | 446,200          | 77,100           |
| <b>Trust Funds</b>                                      |     |                  |                  |                  |
| <i>Trust funds</i>                                      |     |                  |                  |                  |
| Department of the Army trust funds                      | 051 |                  |                  |                  |
| Appropriation, permanent, indefinite.....               | BA  | <b>327</b>       | <b>230</b>       | <b>270</b>       |
| Outlays.....  | 0   | 11               | 200              | 200              |
| Department of the Navy trust funds                      | 051 |                  |                  |                  |
| Appropriation, permanent, indefinite.....               | BA  | <b>24,287</b>    | <b>26,915</b>    | <b>27,170</b>    |
| Outlays.....  | 0   | 23,655           | 26,350           | 27,050           |
| Department of the Air Force general gift fund           | 051 |                  |                  |                  |
| Appropriation, permanent, indefinite.....               | BA  | <b>49</b>        | <b>55</b>        | <b>60</b>        |
| Outlays.....  | 0   | 53               | 50               | 50               |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                    |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Department of Defense--Military--Con.</b>                   |    |                |                  |                  |
| <b>Trust Funds--Con.</b>                                       |    |                |                  |                  |
| Surcharge collections, sales of commissary stores,<br>Army 051 |    |                |                  |                  |
| Outlays.....   | 0  | — 36,399       | — 8,100          | 2,100            |
| Department of the Navy trust revolving funds 051               |    |                |                  |                  |
| Outlays.....   | 0  | — 5,706        | 8,900            | 2,100            |
| Department of the Air Force trust revolving funds<br>051       |    |                |                  |                  |
| Contract authority, permanent, indefinite .....                | BA | 21,065         | 60,000           | .....            |
| Outlays.....   | 0  | — 20,391       | 12,400           | 22,900           |
| Total Trust funds Trust Funds.....                             | BA | 45,728         | 87,200           | 27,500           |
|  | 0  | — 38,777       | 39,800           | 54,400           |
| <b>Summary</b>   |    |                |                  |                  |
| <b>Federal funds:</b>  |    |                |                  |                  |
| (As shown in detail above).....                                | BA | 258,800,424    | 285,365,941      | 314,359,400      |
|  | 0  | 221,572,599    | 246,983,400      | 278,132,500      |
| Deductions for offsetting receipts:                            |    |                |                  |                  |
| Intrafund transactions 051                                     | BA | — 124          | .....            | .....            |
|  | 0  |                |                  |                  |
| Proprietary receipts from the public 051                       | BA | — 673,778      | — 697,600        | — 760,600        |
|  | 0  |                |                  |                  |
|  | BA |                |                  | 100,000          |
|  | 0  |                |                  |                  |
| Total Federal funds.....                                       | BA | 258,126,522    | 284,668,341      | 313,698,800      |
|  | 0  | 220,898,697    | 246,285,800      | 277,471,900      |
| <b>Trust funds:</b>  |    |                |                  |                  |
| (As shown in detail above).....                                | BA | 45,728         | 87,200           | 27,500           |
|  | 0  | — 38,777       | 39,800           | 54,400           |
| Interfund transactions 051                                     | BA | — 21,995       | — 25,600         | — 26,300         |
|  | 0  |                |                  |                  |
| Total Department of Defense--Military .....                    | BA | 258,150,255    | 284,729,941      | 313,700,000      |
|  | 0  | 220,837,925    | 246,300,000      | 277,500,000      |

**Department of Defense--Civil****Cemeterial Expenses, Army***Federal funds***General and Special Funds:**

|                                  |    |       |                 |        |
|----------------------------------|----|-------|-----------------|--------|
| Salaries and expenses 705        |    |       |                 |        |
| Appropriation, current.....      | BA | 8,302 | 7,759           | 14,778 |
|                                  |    |       | <sup>c</sup> 36 |        |
|                                  |    |       | <sup>d</sup> 17 |        |
| Outlays.....                     | 0  | 6,593 | 7,510           | 7,319  |
| Total Salaries and expenses..... | BA | 8,302 | 7,812           | 14,778 |
|                                  | 0  | 6,593 | 7,510           | 7,319  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                    |     | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate |
|--|-----|----------------|------------------------|------------------|
| <b>Department of Defense--Civil--Con.</b>      |     |                |                        |                  |
| <b>Corps of Engineers--Civil</b>               |     |                |                        |                  |
| <i>Federal funds</i>                           |     |                |                        |                  |
| <b>General and Special Funds:</b>              |     |                |                        |                  |
| General investigations                         | 301 |                |                        |                  |
| Appropriation, current.....                    | BA  | 135,810        | 138,000<br>G 2,200     | 119,000          |
|  |     |                | H - 2,000              |                  |
| Outlays.....                                   | O   | 138,621        | 140,200<br>H - 2,000   | 130,000          |
|  |     |                |                        |                  |
| Total General investigations .....             | BA  | 135,810        | 138,200                | 119,000          |
|  | O   | 138,621        | 138,200                | 130,000          |
| Construction, general                          | 301 |                |                        |                  |
| Appropriation, current.....                    | BA  | 926,804        | 890,000<br>F - 5,200   | 842,000          |
|  |     |                | H - 4,000              |                  |
| Outlays.....                                   | O   | 1,102,701      | 1,100,000<br>H - 4,000 | 980,000          |
|  |     |                |                        |                  |
| Total Construction, general .....              | BA  | 926,804        | 880,800                | 842,000          |
|  | O   | 1,102,701      | 1,096,000              | 980,000          |
| Operation and maintenance, general:            |     |                |                        |                  |
| (Water resources)                              | 301 |                |                        |                  |
| (Appropriation, current) .....                 | BA  | 1,184,492      | 1,290,000<br>H - 8,000 | 949,000          |
|  |     |                |                        |                  |
| (Outlays) .....                                | O   | 1,281,320      | 1,324,073<br>H - 8,000 | 979,000          |
|  |     |                |                        |                  |
| Total (Water resources) .....                  | BA  | 1,184,492      | 1,282,000              | 949,000          |
|  | O   | 1,281,320      | 1,316,073              | 979,000          |
| (Recreational resources)                       | 303 |                |                        |                  |
| (Appropriation, current) .....                 | BA  | 6,000          | 15,000                 | 12,000           |
|  |     |                |                        |                  |
| (Outlays) .....                                | O   | 5,925          | 15,927                 | 12,000           |
|  |     |                |                        |                  |
| Total Operation and maintenance, general ..... | BA  | 1,190,492      | 1,297,000              | 961,000          |
|  | O   | 1,287,245      | 1,332,000              | 991,000          |
| Flood control and coastal emergencies          | 301 |                |                        |                  |
| Appropriation, current.....                    | BA  | 10,000         | 25,000                 | 25,000           |
| Outlays.....                                   | O   | 36,821         | 40,000                 | 25,000           |
| General expenses                               | 301 |                |                        |                  |
| Appropriation, current.....                    | BA  | 105,800        | 112,000<br>G 3,000     | 107,000          |
|  |     |                | H - 1,200              |                  |
| Outlays.....                                   | O   | 104,331        | 115,000<br>H - 1,200   | 107,000          |
|  |     |                |                        |                  |
| Total General expenses .....                   | BA  | 105,800        | 113,800                | 107,000          |
|  | O   | 104,331        | 113,800                | 107,000          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                 |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate     |
|---|-----|----------------|---------------------|----------------------|
| <b>Department of Defense—Civil—Con.</b>                     |     |                |                     |                      |
| <b>Corps of Engineers—Civil—Con.</b>                        |     |                |                     |                      |
| Flood control, Mississippi River and tributaries            | 301 |                |                     |                      |
| Appropriation, current.....                                 | BA  | 302,480        | 321,000             | 269,000              |
|   |     |                | <sup>H</sup> —1,000 |                      |
| Outlays.....  | 0   | 394,861        | 350,000             | 276,000              |
|   |     |                | <sup>H</sup> —1,000 |                      |
| Total Flood control, Mississippi River and tributaries..... | BA  | 302,480        | 320,000             | 269,000              |
|   | 0   | 394,861        | 349,000             | 276,000              |
| Permanent appropriations:                                   |     |                |                     |                      |
| (Water resources)   | 301 |                |                     |                      |
| (Appropriation, permanent, indefinite).....                 | BA  | 3,274          | 2,500               | 2,500                |
| (Outlays).....  | 0   | 3,600          | 3,184               | 2,500                |
| (Other general purpose fiscal assistance)                   | 852 |                |                     |                      |
| (Appropriation, permanent, indefinite).....                 | BA  | 6,505          | 5,500               | 5,500                |
| (Outlays).....  | 0   | 5,895          | 6,516               | 5,500                |
| Total Permanent appropriations.....                         | BA  | 9,779          | 8,000               | 8,000                |
|   | 0   | 9,495          | 9,700               | 8,000                |
| <b>Intragovernmental Funds:</b>                             |     |                |                     |                      |
| Revolving fund  | 301 |                |                     |                      |
| Appropriation, current.....                                 | BA  | 9,500          |                     | 7,000                |
| Outlays.....  | 0   | —16,382        | 10,000              | 7,000                |
|   |     |                | <sup>H</sup> —3,900 |                      |
| Total Revolving fund.....                                   | BA  | 9,500          |                     | 7,000                |
|   | 0   | —16,382        | 6,100               | 7,000                |
| <i>Trust funds</i>  |     |                |                     |                      |
| Inland waterways trust fund                                 | 301 |                |                     |                      |
| Appropriation, current, indefinite.....                     | BA  |                |                     | <sup>J</sup> 196,000 |
| Outlays.....  | 0   |                |                     | <sup>J</sup> 196,000 |
| Rivers and harbors contributed funds                        | 301 |                |                     |                      |
| Appropriation, current, indefinite.....                     | BA  |                |                     | <sup>J</sup> 207,000 |
| Appropriation, permanent, indefinite.....                   | BA  | 54,321         | 52,000              | 84,000               |
| Outlays.....  | 0   | 50,240         | 56,000              | 84,000               |
|   |     |                |                     | <sup>J</sup> 207,000 |
| Total Rivers and harbors contributed funds.....             | BA  | 54,321         | 52,000              | 291,000              |
|   | 0   | 50,240         | 56,000              | 291,000              |
| <b>Summary</b>  |     |                |                     |                      |
| <b>Federal funds:</b>                                       |     |                |                     |                      |
| (As shown in detail above).....                             | BA  | 2,690,665      | 2,782,800           | 2,338,000            |
|   | 0   | 3,057,693      | 3,084,800           | 2,524,000            |
| Deductions for offsetting receipts:                         |     |                |                     |                      |
| Proprietary receipts from the public                        | 301 |                |                     |                      |
|   | BA  |                |                     |                      |
|   | 0   | —6,605         | —5,600              | —5,600               |
|   | 303 |                |                     |                      |
|   | BA  |                |                     |                      |
|   | 0   | —10,509        | —11,000             | —12,000              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                     |        | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate       |
|---|--------|----------------|---------------------|------------------------|
| <b>Department of Defense—Civil—Con.</b>         |        |                |                     |                        |
| <b>Corps of Engineers—Civil—Con.</b>            |        |                |                     |                        |
|   | BA     |                |                     |                        |
|   | 0      |                |                     | <sup>J</sup> — 21,000  |
| Total Federal funds .....                       | BA     | 2,673,551      | 2,766,200           | 2,299,400              |
|   | 0      | 3,040,579      | 3,068,200           | 2,485,400              |
| <b>Trust funds:</b>                             |        |                |                     |                        |
| (As shown in detail above) .....                | BA     | 54,321         | 52,000              | 487,000                |
|   | 0      | 50,240         | 56,000              | 487,000                |
| Deductions for offsetting receipts:             |        |                |                     |                        |
| Proprietary receipts from the public            | 301 BA | — 54,320       | — 52,000            | — 84,000               |
|   | 0      |                |                     |                        |
|   | BA     |                |                     | <sup>J</sup> — 403,000 |
|   | 0      |                |                     |                        |
| Total Trust funds .....                         | BA     | 1              |                     |                        |
|   | 0      | — 4,080        | 4,000               |                        |
| Total Corps of Engineers—Civil .....            | BA     | 2,673,552      | 2,766,200           | 2,299,400              |
|   | 0      | 3,036,499      | 3,072,200           | 2,485,400              |
| <b>Military Retirement</b>                      |        |                |                     |                        |
| <i>Federal funds</i>                            |        |                |                     |                        |
| <b>General and Special Funds:</b>               |        |                |                     |                        |
| Payment to military retirement fund             | 054    |                |                     |                        |
| Appropriation, current, indefinite .....        | BA     |                | <sup>J</sup> 51,300 | <sup>J</sup> 54,100    |
| Appropriation, permanent, indefinite .....      | BA     |                | 9,500,000           | 10,000,000             |
| Outlays .....                                   | 0      |                | 9,500,000           | 10,000,000             |
|   |        |                | <sup>J</sup> 51,300 | <sup>J</sup> 54,100    |
| Total Payment to military retirement fund ..... | BA     |                | 9,551,300           | 10,054,100             |
|   | 0      |                | 9,551,300           | 10,054,100             |
| Retired pay, Defense                            | 602    |                |                     |                        |
| Appropriation, current, indefinite .....        | BA     | 16,511,600     |                     |                        |
| Outlays .....                                   | 0      | 16,470,522     | 21,800              | 4,300                  |
| <i>Trust funds</i>                              |        |                |                     |                        |
| Military retirement fund                        | 602    |                |                     |                        |
| Appropriation, current, indefinite .....        | BA     |                | <sup>J</sup> 51,300 | <sup>J</sup> 54,100    |
| Appropriation, permanent, indefinite .....      | BA     |                | 27,095,100          | 29,976,700             |
| Outlays .....                                   | 0      |                | 15,787,100          | 18,286,900             |
|   |        |                | <sup>J</sup> 51,300 | <sup>J</sup> — 490,900 |
| Total Military retirement fund .....            | BA     |                | 27,146,400          | 30,030,800             |
|   | 0      |                | 15,838,400          | 17,796,000             |
| <b>Summary</b>                                  |        |                |                     |                        |
| <b>Federal funds:</b>                           |        |                |                     |                        |
| (As shown in detail above) .....                | BA     | 16,511,600     | 9,551,300           | 10,054,100             |
|   | 0      | 16,470,522     | 9,573,100           | 10,058,400             |
| <b>Trust funds:</b>                             |        |                |                     |                        |
| (As shown in detail above) .....                | BA     |                | 27,146,400          | 30,030,800             |
|   | 0      |                | 15,838,400          | 17,796,000             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                    |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|--------|----------------|------------------|------------------|
| <b>Department of Defense—Civil—Con.</b>                        |        |                |                  |                  |
| <b>Military Retirement—Con.</b>                                |        |                |                  |                  |
| Interfund transactions   | 054 BA |                |                  |                  |
|  | O      | .....          | —9,500,000       | —10,000,000      |
|  | BA     |                |                  |                  |
|  | O      |                | ✓ —51,300        | ✓ —54,100        |
| Total Military Retirement .....                                | BA     | 16,511,600     | 27,146,400       | 30,030,800       |
|  | O      | 16,470,522     | 15,860,200       | 17,800,300       |
| <b>Education Benefits</b>                                      |        |                |                  |                  |
| <i>Trust funds</i>   |        |                |                  |                  |
| Education benefits fund  | 702    |                |                  |                  |
| Appropriation, permanent, indefinite .....                     | BA     | .....          | 49,700           | 225,060          |
| Outlays .....  | O      | .....          | 100              | 8,300            |
| <b>Soldiers' and Airmen's Home</b>                             |        |                |                  |                  |
| <i>Trust funds</i>   |        |                |                  |                  |
| Operation and maintenance                                      | 705    |                |                  |                  |
| Appropriation, current .....                                   | BA     | 31,286         | 32,952           | 32,654           |
|  |        |                | C 184            |                  |
|  |        |                | D 140            |                  |
| Outlays .....  | O      | 30,349         | 33,318           | 32,724           |
| Total Operation and maintenance .....                          | BA     | 31,286         | 33,276           | 32,654           |
|  | O      | 30,349         | 33,318           | 32,724           |
| Capital outlays  | 705    |                |                  |                  |
| Appropriation, current .....                                   | BA     | 4,550          | 9,400            | 4,000            |
| Outlays .....  | O      | 239            | 10,305           | 6,267            |
| Payment of claims  | 705    |                |                  |                  |
| Appropriation, permanent, indefinite .....                     | BA     | .....          | 5                | 5                |
| Outlays .....  | O      | .....          | 5                | 5                |
| Soldiers' and Airmen's Home revolving fund                     | 705    |                |                  |                  |
| Outlays .....  | O      | 6              | .....            | .....            |
| <b>Summary</b>   |        |                |                  |                  |
| Trust funds:   |        |                |                  |                  |
| (As shown in detail above) .....                               | BA     | 35,836         | 42,681           | 36,659           |
|  | O      | 30,594         | 43,628           | 38,996           |
| Deductions for offsetting receipts:                            |        |                |                  |                  |
| Proprietary receipts from the public                           | 705 BA |                |                  |                  |
|  | O      | —4,304         | —4,450           | —4,600           |
| Total Soldiers' and Airmen's Home .....                        | BA     | 31,532         | 38,231           | 32,059           |
|  | O      | 26,290         | 39,178           | 34,396           |
| <b>Forest and Wildlife Conservation, Military Reservations</b> |        |                |                  |                  |
| <i>Federal funds</i>   |        |                |                  |                  |
| General and Special Funds:                                     |        |                |                  |                  |
| Forest products program  | 302    |                |                  |                  |
| Appropriation, permanent, indefinite .....                     | BA     | .....          | 1,393            | 610              |
| Outlays .....  | O      | .....          | 73               | .....            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |        | 1984<br>actual     | 1985<br>estimate     | 1986<br>estimate   |
|--|--------|--------------------|----------------------|--------------------|
| <b>Department of Defense--Civil--Con.</b>                            |        |                    |                      |                    |
| <b>Forest and Wildlife Conservation, Military Reservations--Con.</b> |        |                    |                      |                    |
| Wildlife conservation  | 303    |                    |                      |                    |
| Appropriation, permanent, indefinite.....                            | BA     | <b>1,589</b>       | <b>1,650</b>         | <b>1,675</b>       |
| Outlays.....   | O      | <b>1,268</b>       | <b>1,780</b>         | <b>1,805</b>       |
| <b>Summary</b>   |        |                    |                      |                    |
| <b>Federal funds:</b>  |        |                    |                      |                    |
| (As shown in detail above).....                                      | BA     | <b>1,589</b>       | <b>3,043</b>         | <b>2,285</b>       |
|  | O      | <b>1,268</b>       | <b>1,853</b>         | <b>1,805</b>       |
| Deductions for offsetting receipts:                                  |        |                    |                      |                    |
| Proprietary receipts from the public                                 | 302 BA |                    |                      |                    |
|  | O      |                    | <i>-1,393</i>        | <i>-610</i>        |
|  | 303 BA |                    |                      |                    |
|  | O      | <i>-1,589</i>      | <i>-1,650</i>        | <i>-1,675</i>      |
| Total Forest and Wildlife Conservation, Military Reservations .....  | O      | <u><b>-321</b></u> | <u><b>-1,190</b></u> | <u><b>-480</b></u> |
| <b>Summary</b>   |        |                    |                      |                    |
| <b>Federal funds:</b>  |        |                    |                      |                    |
| (As shown in detail above).....                                      | BA     | <b>19,212,156</b>  | <b>12,344,955</b>    | <b>12,409,163</b>  |
|  | O      | <b>19,536,076</b>  | <b>12,667,263</b>    | <b>12,591,524</b>  |
| Deductions for offsetting receipts:                                  |        |                    |                      |                    |
| - Proprietary receipts from the public                               | 301 BA |                    |                      |                    |
|  | O      | <i>-6,605</i>      | <i>-5,600</i>        | <i>-5,600</i>      |
|  | 302 BA |                    |                      |                    |
|  | O      |                    | <i>-1,393</i>        | <i>-610</i>        |
|  | 303 BA |                    |                      |                    |
|  | O      | <i>-12,098</i>     | <i>-12,650</i>       | <i>-13,675</i>     |
|  | BA     |                    |                      |                    |
|  | O      |                    |                      | <i>-21,000</i>     |
| Total Federal funds .....  | BA     | <b>19,193,453</b>  | <b>12,325,312</b>    | <b>12,368,278</b>  |
|  | O      | <b>19,517,373</b>  | <b>12,647,620</b>    | <b>12,550,639</b>  |
| <b>Trust funds:</b>  |        |                    |                      |                    |
| (As shown in detail above).....                                      | BA     | <b>90,157</b>      | <b>27,290,781</b>    | <b>30,779,519</b>  |
|  | O      | <b>80,834</b>      | <b>15,938,128</b>    | <b>18,330,296</b>  |
| Deductions for offsetting receipts:                                  |        |                    |                      |                    |
| Proprietary receipts from the public                                 | 301 BA |                    |                      |                    |
|  | O      | <i>-54,320</i>     | <i>-52,000</i>       | <i>-84,000</i>     |
|  | BA     |                    |                      |                    |
|  | O      |                    |                      | <i>-403,000</i>    |
|  | 705 BA |                    |                      |                    |
|  | O      | <i>-4,304</i>      | <i>-4,450</i>        | <i>-4,600</i>      |
| Total Trust funds .....  | BA     | <b>31,533</b>      | <b>27,234,331</b>    | <b>30,287,919</b>  |
|  | O      | <b>22,210</b>      | <b>15,881,678</b>    | <b>17,838,696</b>  |
| Interfund transactions   | 054 BA |                    |                      |                    |
|  | O      |                    | <b>-9,500,000</b>    | <b>-10,000,000</b> |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate      |
|---|----|----------------|-----------------------|-----------------------|
| <b>Department of Defense—Civil—Con.</b>                               |    |                |                       |                       |
| <b>Summary—Con.</b>   |    |                |                       |                       |
|   | BA |                | <sup>J</sup> — 51,300 | <sup>J</sup> — 54,100 |
|   | O  |                |                       |                       |
| Total Department of Defense—Civil.....                                | BA | 19,224,986     | 30,008,343            | 32,602,097            |
|   | O  | 19,539,583     | 18,977,998            | 20,335,235            |
| <b>Department of Education</b>  |    |                |                       |                       |
| <b>Office of Elementary and Secondary Education</b>                   |    |                |                       |                       |
| <i>Federal funds</i>  |    |                |                       |                       |
| <b>General and Special Funds:</b>                                     |    |                |                       |                       |
| Compensatory education for the disadvantaged 501                      |    |                |                       |                       |
| Appropriation, current.....   | BA | 3,488,250      | 3,695,663             | 3,646,615             |
| Outlays.....  | O  | 3,077,304      | 3,565,930             | 3,787,389             |
| Impact aid 501  |    |                |                       |                       |
| Appropriation, current.....   | BA | 600,300        | 695,000               | 543,000               |
| Outlays.....  | O  | 577,676        | 746,779               | 634,629               |
| Special programs 501  |    |                |                       |                       |
| Appropriation, current.....   | BA | 528,367        | 758,109               | 547,909               |
|   |    |                | <sup>H</sup> — 80,000 | <sup>K</sup> 100,000  |
| Outlays.....  | O  | 631,537        | 514,414               | 701,216               |
|   |    |                | <sup>H</sup> — 8,800  | <sup>H</sup> — 55,200 |
| Total Special programs .....  | BA | 528,367        | 678,109               | 647,909               |
|   | O  | 631,537        | 505,614               | 646,016               |
| Indian education 501  |    |                |                       |                       |
| Appropriation, current.....   | BA | 68,780         | 67,404                | 67,292                |
| Outlays.....  | O  | 71,588         | 76,548                | 68,025                |
| Total Federal funds Office of Elementary and Secondary Education..... | BA | 4,685,697      | 5,136,176             | 4,904,816             |
|   | O  | 4,358,105      | 4,894,871             | 5,136,059             |
| <b>Office of Bilingual Education and Minority Languages Affairs</b>   |    |                |                       |                       |
| <i>Federal funds</i>  |    |                |                       |                       |
| <b>General and Special Funds:</b>                                     |    |                |                       |                       |
| Bilingual education 501   |    |                |                       |                       |
| Appropriation, current.....   | BA | 169,365        | 172,951               | 142,951               |
|   |    |                | <sup>H</sup> — 30,000 |                       |
| Outlays.....  | O  | 167,400        | 131,641               | 167,679               |
|   |    |                |                       | <sup>H</sup> — 23,100 |
| Total Bilingual education.....  | BA | 169,365        | 142,951               | 142,951               |
|   | O  | 167,400        | 131,641               | 144,579               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate       |
|---|-----|----------------|------------------------|------------------------|
| <b>Department of Education—Con.</b>   |     |                |                        |                        |
| <b>Office of Special Education and<br/>Rehabilitative Services</b>                  |     |                |                        |                        |
| <i>Federal funds</i>  |     |                |                        |                        |
| <b>General and Special Funds:</b>   |     |                |                        |                        |
| Education for the handicapped   | 501 |                |                        |                        |
| Appropriation, current.....   | BA  | 1,240,645      | 1,321,270              | 1,306,100              |
| Outlays.....  | O   | 952,778        | 1,402,790              | 1,241,049              |
| Rehabilitation services and handicapped research                                    |     |                |                        |                        |
|   | 506 |                |                        |                        |
| Appropriation, current.....   | BA  | 1,155,100      | 1,233,300              | 1,216,400              |
| Outlays.....  | O   | 1,414,396      | 1,104,600              | 1,134,196              |
| Total Federal funds Office of Special Education<br>and Rehabilitative Services..... | BA  | 2,395,745      | 2,554,570              | 2,522,500              |
|   | O   | 2,367,174      | 2,507,390              | 2,375,245              |
| <b>Office of Vocational and Adult Education</b>                                     |     |                |                        |                        |
| <i>Federal funds</i>  |     |                |                        |                        |
| <b>General and Special Funds:</b>   |     |                |                        |                        |
| Vocational and adult education  | 501 |                |                        |                        |
| Appropriation, current.....   | BA  | 831,884        | 831,314                | 831,314                |
| Appropriation, permanent.....   | BA  | 7,161          | 7,148                  | 7,148                  |
| Outlays.....  | O   | 742,537        | 914,349                | 857,834                |
| Total Vocational and adult education.....   | BA  | 839,045        | 838,462                | 838,462                |
|   | O   | 742,537        | 914,349                | 857,834                |
| <b>Office of Postsecondary Education</b>  |     |                |                        |                        |
| <i>Federal funds</i>  |     |                |                        |                        |
| <b>General and Special Funds:</b>   |     |                |                        |                        |
| Student financial assistance  | 502 |                |                        |                        |
| Appropriation, current.....   | BA  | 3,976,860      | 4,871,000              | 3,569,000              |
| Outlays.....  | O   | 3,743,262      | 4,505,792              | 4,447,395              |
| Guaranteed student loans  | 502 |                |                        |                        |
| Appropriation, current.....   | BA  | 2,256,500      | 3,079,477              | 3,329,500              |
|   |     |                | <sup>A</sup> 664,846   | <sup>L</sup> — 615,018 |
| Outlays.....  | O   | 3,245,226      | 2,796,575              | 3,279,495              |
|   |     |                | <sup>A</sup> 634,639   | <sup>A</sup> 30,207    |
|   |     |                | <sup>L</sup> — 107,200 | <sup>L</sup> — 411,614 |
| Total Guaranteed student loans.....   | BA  | 2,256,500      | 3,744,323              | 2,714,482              |
|   | O   | 3,245,226      | 3,324,014              | 2,898,088              |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate      |
|---|-----|----------------|-----------------------|-----------------------|
| <b>Department of Education—Con.</b>                                     |     |                |                       |                       |
| <b>Office of Postsecondary Education—Con.</b>                           |     |                |                       |                       |
| Higher education  | 502 |                |                       |                       |
| Appropriation, current.....   | BA  | 418,866        | 479,083               | 247,078               |
|   |     |                | <sup>H</sup> — 59,750 | <sup>K</sup> 5,000    |
| Reappropriation.....  | BA  | 7,135          | <sup>A</sup> 15,200   |                       |
| Outlays.....  | O   | 419,200        | 476,297               | 441,462               |
|   |     |                | <sup>A</sup> — 1,216  | <sup>A</sup> — 9,424  |
|   |     |                | <sup>H</sup> — 19,260 | <sup>H</sup> — 27,275 |
| Total Higher education.....   | BA  | 426,001        | 434,533               | 252,078               |
|   | O   | 419,200        | 455,821               | 404,763               |
| Higher education facilities loans and insurance                         | 502 |                |                       |                       |
| Appropriation, current.....   | BA  | 19,846         | 14,194                | 17,996                |
| Outlays.....  | O   | — 945          | 5,629                 | 1,996                 |
| Public Enterprise Funds:  |     |                |                       |                       |
| College housing loans   | 502 |                |                       |                       |
| Outlays.....  | O   | — 238,818      | — 135,284             | — 31,817              |
|   |     |                |                       | <sup>A</sup> — 4,000  |
| Total College housing loans.....  | O   | — 238,818      | — 135,284             | — 35,817              |
| Total Federal funds Office of Postsecondary Education .....             | BA  | 6,679,207      | 9,064,050             | 6,553,556             |
|   | O   | 7,167,925      | 8,155,972             | 7,716,425             |
| <b>Office of Educational Research and Improvement</b>                   |     |                |                       |                       |
| <i>Federal funds</i>  |     |                |                       |                       |
| General and Special Funds:  |     |                |                       |                       |
| Educational research and statistics                                     | 503 |                |                       |                       |
| Appropriation, current.....   | BA  | 56,978         | 59,978                | 59,978                |
| Outlays.....  | O   | 159,550        | 42,981                | 57,578                |
| Libraries   | 503 |                |                       |                       |
| Appropriation, current.....   | BA  | 86,880         | 125,000               |                       |
| Outlays.....  | O   | 87,059         | 123,276               | 94,871                |
| Total Federal funds Office of Educational Research and Improvement..... | BA  | 143,858        | 184,978               | 59,978                |
|   | O   | 246,609        | 166,257               | 152,449               |
| <b>Special Institutions</b>   |     |                |                       |                       |
| <i>Federal funds</i>  |     |                |                       |                       |
| General and Special Funds:  |     |                |                       |                       |
| Payments to special institutions:                                       |     |                |                       |                       |
| (Elementary, secondary, and vocational education)                       | 501 |                |                       |                       |
| (Appropriation, current) .....  | BA  | 23,890         | 24,390                | 24,400                |
| (Outlays) .....   | O   | 22,078         | 28,682                | 24,400                |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                  |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Department of Education—Con.</b>                          |    |                |                  |                  |
| <b>Special Institutions—Con.</b>                             |    |                |                  |                  |
| (Higher education) 502                                       |    |                |                  |                  |
| (Appropriation, current) .....                               | BA | 221,310        | 229,440          | 221,309          |
| (Outlays) .....  | O  | 154,031        | 316,898          | 222,499          |
| Total Payments to special institutions.....                  | BA | 245,200        | 253,830          | 245,709          |
|  | O  | 176,109        | 345,580          | 246,899          |
| <i>Trust funds</i>   |    |                |                  |                  |
| Promotion of education for the blind 501                     |    |                |                  |                  |
| Appropriation, current.....                                  | BA |                |                  | J — 10           |
| Appropriation, permanent.....                                | BA | 10             | 10               | 10               |
| Outlays.....   | O  |                | 20               | 10               |
|  |    |                |                  | J — 10           |
| Total Promotion of education for the blind .....             | BA | 10             | 10               |                  |
|  | O  |                | 20               |                  |
| Total Federal funds Special Institutions.....                | BA | 245,200        | 253,830          | 245,709          |
|  | O  | 176,109        | 345,580          | 246,899          |
| Total Trust funds Special Institutions.....                  | BA | 10             | 10               |                  |
|  | O  |                | 20               |                  |
| <b>Departmental Management</b>                               |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>General and Special Funds:</b>                            |    |                |                  |                  |
| Salaries and expenses:                                       |    |                |                  |                  |
| (Elementary, secondary and vocational education) 501         |    |                |                  |                  |
| (Appropriation, current) .....                               | BA | 17,377         | 19,423           | 18,245           |
|  |    |                | H — 114          |                  |
| (Outlays) .....  | O  | 18,908         | 19,896           | 17,923           |
|  |    |                | H — 94           | H — 15           |
| Total (Elementary, secondary and vocational education) ..... | BA | 17,377         | 19,309           | 18,245           |
|  | O  | 18,908         | 19,802           | 17,908           |
| (Higher education) 502                                       |    |                |                  |                  |
| (Appropriation, current) .....                               | BA | 75,053         | 80,488           | 78,342           |
|  |    |                | H — 1,049        |                  |
| (Outlays) .....  | O  | 82,530         | 79,755           | 76,414           |
|  |    |                | H — 871          | H — 126          |
| Total (Higher education) .....                               | BA | 75,053         | 79,439           | 78,342           |
|  | O  | 82,530         | 78,884           | 76,288           |
| (Research and general education aids) 503                    |    |                |                  |                  |
| (Appropriation, current) .....                               | BA | 117,980        | 120,664          | 103,323          |
|  |    |                | H — 2,401        |                  |
| (Outlays) .....  | O  | 127,449        | 120,751          | 102,991          |
|  |    |                | H — 1,992        | H — 289          |
| Total (Research and general education aids) .....            | BA | 117,980        | 118,263          | 103,323          |
|  | O  | 127,449        | 118,759          | 102,702          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate         | 1986<br>estimate        |
|---|----|----------------|--------------------------|-------------------------|
| <b>Department of Education—Con.</b>   |    |                |                          |                         |
| <b>Departmental Management—Con.</b>   |    |                |                          |                         |
| (Social services) 506   |    |                |                          |                         |
| (Appropriation, current) .....  | BA | 19,590         | 20,500<br><i>H — 84</i>  | 19,657                  |
| (Outlays) .....   | O  | 20,463         | 20,722<br><i>H — 70</i>  | 19,277<br><i>H — 10</i> |
| Total (Social services) .....   | BA | 19,590         | 20,416                   | 19,657                  |
|   | O  | 20,463         | 20,652                   | 19,267                  |
| (Federal law enforcement activities) 751  |    |                |                          |                         |
| (Appropriation, current) .....  | BA | 57,385         | 60,312<br><i>H — 541</i> | 57,775                  |
| (Outlays) .....   | O  | 58,097         | 64,487<br><i>H — 449</i> | 55,140<br><i>H — 65</i> |
| Total (Federal law enforcement activities) .....                                | BA | 57,385         | 59,771                   | 57,775                  |
|   | O  | 58,097         | 64,038                   | 55,075                  |
| Total Salaries and expenses .....   | BA | 287,385        | 297,198                  | 277,342                 |
|   | O  | 307,447        | 302,135                  | 271,240                 |
| Education and research overseas:  |    |                |                          |                         |
| (Special foreign currency program) (Research and<br>general education aids) 503 |    |                |                          |                         |
| (Appropriation, current) .....  | BA | 1,133          | .....                    | .....                   |
| (Outlays) .....   | O  | 1,054          | 1,269                    | 1,122                   |
| (Special foreign currency program) (Social serv-<br>ices) 506                   |    |                |                          |                         |
| (Outlays) .....   | O  | 205            | 1,781                    | 1,026                   |
| Total Education and research overseas .....                                     | BA | 1,133          | .....                    | .....                   |
|   | O  | 1,259          | 3,050                    | 2,148                   |
| <i>Trust funds</i>  |    |                |                          |                         |
| Contributions 503   |    |                |                          |                         |
| Outlays .....   | O  | 172            | 5                        | .....                   |
| Total Federal funds Departmental Management ...                                 | BA | 288,518        | 297,198                  | 277,342                 |
|   | O  | 308,706        | 305,185                  | 273,388                 |
| Total Trust funds Departmental Management .....                                 | O  | 172            | 5                        | .....                   |
| <b>Summary</b>  |    |                |                          |                         |
| <b>Federal funds:</b>   |    |                |                          |                         |
| (As shown in detail above) .....  | BA | 15,446,635     | 18,472,215               | 15,545,314              |
|   | O  | 15,534,565     | 17,421,245               | 16,902,878              |
| Deductions for offsetting receipts:   |    |                |                          |                         |
| Proprietary receipts from the public 502  | BA | .....          | .....                    | .....                   |
|   | O  | — 23,384       | — 30,666                 | — 32,606                |
| Total Federal funds .....   | BA | 15,423,251     | 18,441,549               | 15,512,708              |
|   | O  | 15,511,181     | 17,390,579               | 16,870,272              |
| <b>Trust funds:</b>   |    |                |                          |                         |
| (As shown in detail above) .....  | BA | 10             | 10                       | .....                   |
|   | O  | 172            | 25                       | .....                   |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                        |        | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate |
|--|--------|----------------|------------------------|------------------|
| <b>Department of Education—Con.</b>                |        |                |                        |                  |
| <b>Summary—Con.</b>                                |        |                |                        |                  |
| Deductions for offsetting receipts:                |        |                |                        |                  |
| Proprietary receipts from the public               | 908 BA |                |                        |                  |
|  | O      | —10            | —10                    | —10              |
|  | BA     |                |                        |                  |
|  | O      |                |                        | 10               |
| Total Trust funds.....                             | O      | 162            | 15                     |                  |
| Total Department of Education.....                 | BA     | 15,423,251     | 18,441,549             | 15,512,708       |
|  | O      | 15,511,343     | 17,390,594             | 16,870,272       |
| <b>Department of Energy</b>                        |        |                |                        |                  |
| <b>Atomic Energy Defense Activities</b>            |        |                |                        |                  |
| <i>Federal funds</i>                               |        |                |                        |                  |
| <b>General and Special Funds:</b>                  |        |                |                        |                  |
| Atomic energy defense activities                   | 053    |                |                        |                  |
| Appropriation, current.....                        | BA     | 6,554,875      | 7,333,701<br>H — 8,280 | 8,046,900        |
| Outlays.....                                       | O      | 6,119,707      | 6,999,717<br>H — 8,280 | 7,700,000        |
| Total Atomic energy defense activities.....        | BA     | 6,554,875      | 7,325,421              | 8,046,900        |
|  | O      | 6,119,707      | 6,991,437              | 7,700,000        |
| <b>Energy Programs</b>                             |        |                |                        |                  |
| <i>Federal funds</i>                               |        |                |                        |                  |
| <b>General and Special Funds:</b>                  |        |                |                        |                  |
| General science and research activities            | 251    |                |                        |                  |
| Appropriation, current.....                        | BA     | 635,417        | 726,905<br>H — 38      | 685,400          |
| Outlays.....                                       | O      | 650,396        | 687,042<br>H — 38      | 696,900          |
| Total General science and research activities..... | BA     | 635,417        | 726,867                | 685,400          |
|  | O      | 650,396        | 687,004                | 696,900          |
| Energy supply, R&D activities                      | 271    |                |                        |                  |
| Appropriation, current.....                        | BA     | 1,965,919      | 1,958,165<br>H — 2,676 | 1,969,671        |
| Outlays.....                                       | O      | 2,207,053      | 2,203,580<br>H — 2,676 | 2,020,275        |
| Total Energy supply, R&D activities.....           | BA     | 1,965,919      | 1,955,489              | 1,969,671        |
|  | O      | 2,207,053      | 2,200,904              | 2,020,275        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|--|-----|----------------|----------------------|------------------|
| <b>Department of Energy—Con.</b>                   |     |                |                      |                  |
| <b>Energy Programs—Con.</b>                        |     |                |                      |                  |
| Uranium supply and enrichment activities           | 271 |                |                      |                  |
| Appropriation, current, indefinite .....           | BA  | 2,233,963      | 1,650,300<br>H — 968 | .....            |
| Outlays .....                                      | O   | 1,864,241      | 1,788,094<br>H — 968 | .....            |
| Total Uranium supply and enrichment activities...  | BA  | 2,233,963      | 1,649,332            | .....            |
|  | O   | 1,864,241      | 1,787,126            | .....            |
| Fossil energy research and development             | 271 |                |                      |                  |
| Appropriation, current .....                       | BA  |                | H — 3,276            |                  |
| Indefinite .....                                   | BA  | 261,581        | 274,947              | 156,909          |
| Appropriation, permanent .....                     | BA  | .....          | 15,000               | 15,000           |
| Outlays .....                                      | O   | 324,981        | 323,145<br>H — 4,136 | 284,842          |
| Total Fossil energy research and development ..... | BA  | 261,581        | 286,671              | 171,909          |
|  | O   | 324,981        | 319,009              | 284,842          |
| Naval petroleum and oil shale reserves             | 271 |                |                      |                  |
| Appropriation, current .....                       | BA  | 256,581        | 156,874<br>H — 181   | 13,649           |
| Outlays .....                                      | O   | 136,230        | 141,166<br>H — 181   | 164,200          |
| Total Naval petroleum and oil shale reserves ..... | BA  | 256,581        | 156,693              | 13,649           |
|  | O   | 136,230        | 140,985              | 164,200          |
| Energy conservation:                               |     |                |                      |                  |
| (Energy conservation)                              | 272 |                |                      |                  |
| (Appropriation, current) .....                     | BA  | 430,291        | 458,610<br>H — 931   | 176,130          |
| (Outlays) .....                                    | O   | 519,046        | 519,381<br>H — 931   | 345,933          |
| Total (Energy conservation) .....                  | BA  | 430,291        | 457,679              | 176,130          |
|  | O   | 519,046        | 518,450              | 345,933          |
| Strategic petroleum reserve                        | 274 |                |                      |                  |
| Appropriation, current .....                       | BA  | 617,960        | .....                | .....            |
| Outlays .....                                      | O   | 188,930        | 271,247<br>H — 156   | 230,377          |
| Total Strategic petroleum reserve .....            | BA  | 617,960        | .....                | .....            |
|  | O   | 188,930        | 271,091              | 230,377          |
| SPR petroleum                                      | 274 |                |                      |                  |
| Appropriation, current .....                       | BA  | Y 650,000      | Y 2,049,550          |                  |
| Outlays .....                                      | O   | Y 2,328,785    | Y 1,629,973          | Y 148,342        |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                     |     | 1984<br>actual | 1985<br>estimate                         | 1986<br>estimate        |
|---|-----|----------------|--|-------------------------|
| <b>Department of Energy—Con.</b>                |     |                |  |                         |
| <b>Energy Programs—Con.</b>                     |     |                |  |                         |
| Energy information administration               | 276 |                |  |                         |
| Appropriation, current.....                     | BA  | 56,391         | 60,424<br><i>D</i> 495<br><i>H</i> — 846 | 58,900                  |
| Outlays.....                                    | O   | 58,500         | 64,856<br><i>H</i> — 846                 | 58,823                  |
| Total Energy information administration.....    | BA  | 56,391         | 60,073                                   | 58,900                  |
|   | O   | 58,500         | 64,010                                   | 58,823                  |
| Emergency preparedness                          | 274 |                |  |                         |
| Appropriation, current.....                     | BA  |                | 6,096<br><i>H</i> — 51                   | 5,873                   |
| Outlays.....                                    | O   |                | 4,980<br><i>H</i> — 51                   | 5,873                   |
| Total Emergency preparedness.....               | BA  |                | 6,045                                    | 5,873                   |
|   | O   |                | 4,929                                    | 5,873                   |
| Economic regulation                             | 276 |                |  |                         |
| Appropriation, current.....                     | BA  | 32,300         | 24,742<br><i>H</i> — 156                 | 23,092                  |
| Outlays.....                                    | O   | 32,293         | 27,601<br><i>H</i> — 156                 | 23,458                  |
| Total Economic regulation.....                  | BA  | 32,300         | 24,586                                   | 23,092                  |
|   | O   | 32,293         | 27,445                                   | 23,458                  |
| Federal Energy Regulatory Commission            | 276 |                |  |                         |
| Appropriation, current.....                     | BA  |                | <i>D</i> 1,627                           |                         |
| Indefinite.....                                 | BA  | 89,582         | 95,677<br><i>H</i> — 204                 | 29,491                  |
| Outlays.....                                    | O   | 89,006         | 99,436<br><i>H</i> — 163                 | 30,102<br><i>H</i> — 41 |
| Total Federal Energy Regulatory Commission..... | BA  | 89,582         | 97,100                                   | 29,491                  |
|   | O   | 89,006         | 99,273                                   | 30,061                  |
| Geothermal resources development fund           | 271 |                |  |                         |
| Appropriation, current.....                     | BA  | 2,100          | 121                                      | 72                      |
| Outlays.....                                    | O   | 1,131          | 17,732                                   | 1,022                   |
| Alternative fuels production                    | 271 |                |  |                         |
| Appropriation, current.....                     | BA  | 3,040          |  |                         |
| Outlays.....                                    | O   | 2,563          | 3,212<br><i>H</i> — 23                   |                         |
| Total Alternative fuels production.....         | BA  | 3,040          |  |                         |
|   | O   | 2,563          | 3,189                                    |                         |
| Payments to states under Federal Power Act      | 852 |                |  |                         |
| Appropriation, permanent, indefinite.....       | BA  | 732            | 570                                      | 570                     |
| Outlays.....                                    | O   | 164            | 570                                      | 570                     |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Department of Energy—Con.</b>  |     |                |                  |                  |
| <b>Energy Programs—Con.</b>   |     |                |                  |                  |
| Nuclear waste disposal fund   | 271 |                |                  |                  |
| Appropriation, current.....   | BA  | 318,656        | 327,669          | 571,460          |
| Authority to borrow, current.....                                       | BA  | 19             |                  |                  |
| Outlays.....  | O   | 271,487        | 308,603          | 525,800          |
| Total Nuclear waste disposal fund.....                                  | BA  | 318,675        | 327,669          | 571,460          |
|   | O   | 271,487        | 308,603          | 525,800          |
| <i>Trust funds</i>  |     |                |                  |                  |
| Advances for cooperative work   | 271 |                |                  |                  |
| Appropriation, permanent, indefinite.....                               | BA  | 92,321         | 133,171          | 120,948          |
| Outlays.....  | O   | 87,002         | 99,485           | 116,087          |
| Total Federal funds Energy Programs.....                                | BA  | 7,554,532      | 7,798,445        | 3,706,217        |
|   | O   | 8,674,806      | 8,080,293        | 4,536,476        |
| Total Trust funds Energy Programs.....                                  | BA  | 92,321         | 133,171          | 120,948          |
|   | O   | 87,002         | 99,485           | 116,087          |
| <b>Power Marketing Administration</b>                                   |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                                       |     |                |                  |                  |
| Operation and maintenance, Alaska Power Administration                  | 271 |                |                  |                  |
| Appropriation, current.....   | BA  | 3,410          | 3,233            |                  |
|   |     |                | H — 29           |                  |
| Outlays.....  | O   | 3,272          | 4,010            | 750              |
|   |     |                | H — 29           |                  |
| Total Operation and maintenance, Alaska Power Administration.....       | BA  | 3,410          | 3,204            |                  |
|   | O   | 3,272          | 3,981            | 750              |
| <b>Public Enterprise Funds:</b>   |     |                |                  |                  |
| Bonneville Power Administration fund                                    | 271 |                |                  |                  |
| Authority to borrow, current.....                                       | BA  | 117,844        |                  |                  |
| Authority to borrow, permanent, indefinite.....                         | BA  | 178,274        | 371,730          | 263,200          |
| Outlays.....  | O   | — 193,672      | — 24,970         | — 599,500        |
| Total Bonneville Power Administration fund.....                         | BA  | 296,118        | 371,730          | 263,200          |
|   | O   | — 193,672      | — 24,970         | — 599,500        |
| <b>General and Special Funds:</b>                                       |     |                |                  |                  |
| Operation and maintenance, Southeastern Power Administration            | 271 |                |                  |                  |
| Appropriation, current.....   | BA  | 20,594         | 35,744           | 39,800           |
|   |     |                | H — 15           |                  |
| Outlays.....  | O   | 8,729          | 29,269           | 55,300           |
|   |     |                | H — 15           |                  |
| Total Operation and maintenance, Southeastern Power Administration..... | BA  | 20,594         | 35,729           | 39,800           |
|   | O   | 8,729          | 29,254           | 55,300           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |         | 1984<br>actual           | 1985<br>estimate         | 1986<br>estimate         |
|---|---------|--------------------------|--------------------------|--------------------------|
| <b>Department of Energy—Con.</b>  |         |                          |                          |                          |
| <b>Power Marketing Administration—Con.</b>  |         |                          |                          |                          |
| Operation and maintenance, Southwestern Power Administration 271                                      |         |                          |                          |                          |
| Appropriation, current.....   | BA      | 36,229                   | 31,208<br>H — 243        | 29,500                   |
| Outlays.....  | O       | 26,457                   | 42,092<br>H — 243        | 38,600                   |
| Total Operation and maintenance, Southwestern Power Administration.....                               | BA<br>O | 36,229<br>26,457         | 30,965<br>41,849         | 29,500<br>38,600         |
| Construction, rehabilitation, operation and maintenance, Western Area Power Administration 271        |         |                          |                          |                          |
| Appropriation, current.....   | BA      | 194,630                  | 218,230<br>H — 432       | 206,610                  |
| Appropriation, permanent.....   | BA      |                          |                          | 890                      |
| Outlays.....  | O       | 150,121                  | 225,819<br>H — 432       | 244,000                  |
| Total Construction, rehabilitation, operation and maintenance, Western Area Power Administration..... | BA<br>O | 194,630<br>150,121       | 217,798<br>225,387       | 207,500<br>244,000       |
| Emergency fund, Western Area Power Administration 271   |         |                          |                          |                          |
| Appropriation, current.....   | BA      | 500                      | 500                      |                          |
| Outlays.....  | O       | 553                      |                          |                          |
| <b>Public Enterprise Funds:</b>   |         |                          |                          |                          |
| Colorado river basins power marketing fund, Western Area Power Administration 271                     |         |                          |                          |                          |
| Outlays.....  | O       | — 35,654                 | — 9,000                  | — 54,300                 |
| Total Federal funds Power Marketing Administration.....   | BA<br>O | 551,481<br>— 40,194      | 659,926<br>266,501       | 540,000<br>— 315,150     |
| <b>Departmental Administration</b>  |         |                          |                          |                          |
| <i>Federal funds</i>  |         |                          |                          |                          |
| <b>General and Special Funds:</b>   |         |                          |                          |                          |
| Departmental administration 276   |         |                          |                          |                          |
| Appropriation, current, indefinite.....   | BA      | 366,056                  | 356,034<br>H — 2,786     | 170,424                  |
| Outlays.....  | O       | 361,652                  | 384,370<br>H — 2,786     | 184,895                  |
| Total Departmental administration.....  | BA<br>O | 366,056<br>361,652       | 353,248<br>381,584       | 170,424<br>184,895       |
| <b>Summary</b>  |         |                          |                          |                          |
| <b>Federal funds:</b>   |         |                          |                          |                          |
| (As shown in detail above).....   | BA<br>O | 15,026,944<br>15,115,971 | 16,137,040<br>15,719,815 | 12,463,541<br>12,106,221 |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                 |        | 1984<br>actual    | 1985<br>estimate  | 1986<br>estimate |
|---|--------|-------------------|-------------------|------------------|
| <b>Department of Energy—Con.</b>                            |        |                   |                   |                  |
| <b>Summary—Con.</b>   |        |                   |                   |                  |
| Deductions for offsetting receipts:                         |        |                   |                   |                  |
| Intrafund transactions                                      | 908 BA |                   |                   |                  |
|   | O      | .....             | —21,798           | —86,640          |
| Proprietary receipts from the public                        | 271 BA | —4,238,827        | —4,414,565        | —2,651,598       |
|   | O      |                   |                   |                  |
|   | 276 BA | —216,671          | —260,793          | .....            |
|   | O      |                   |                   |                  |
|   | 301 BA | —32,520           | —32,140           | —36,614          |
|   | O      |                   |                   |                  |
| Total Federal funds .....                                   | BA     | <u>10,538,926</u> | <u>11,407,744</u> | <u>9,688,689</u> |
|   | O      | <u>10,627,953</u> | <u>10,990,519</u> | <u>9,331,369</u> |
| <b>Trust funds:</b>   |        |                   |                   |                  |
| (As shown in detail above) .....                            | BA     | 92,321            | 133,171           | 120,948          |
|   | O      | 87,002            | 99,485            | 116,087          |
| Deductions for offsetting receipts:                         |        |                   |                   |                  |
| Proprietary receipts from the public                        | 271 BA | —92,321           | —133,171          | —120,948         |
|   | O      |                   |                   |                  |
| Total Trust funds .....                                     | O      | —5,319            | —33,686           | —4,861           |
| Total Department of Energy .....                            | BA     | <u>10,538,926</u> | <u>11,407,744</u> | <u>9,688,689</u> |
|   | O      | <u>10,622,634</u> | <u>10,956,833</u> | <u>9,326,508</u> |
| <b>Department of Health and Human Services</b>              |        |                   |                   |                  |
| <b>Health Programs</b>                                      |        |                   |                   |                  |
| <b>Public Health Service</b>                                |        |                   |                   |                  |
| <b>Food and Drug Administration</b>                         |        |                   |                   |                  |
| <i>Federal funds</i>  |        |                   |                   |                  |
| <b>General and Special Funds:</b>                           |        |                   |                   |                  |
| Program expenses  | 554    |                   |                   |                  |
| Appropriation, current .....                                | BA     | 389,315           | 409,694           | 409,072          |
|   |        |                   | " —2,194          |                  |
| Outlays .....   | O      | 377,658           | 406,444           | 410,957          |
|   |        |                   | " —1,975          | " —219           |
| Total Program expenses .....                                | BA     | <u>389,315</u>    | <u>407,500</u>    | <u>409,072</u>   |
|   | O      | <u>377,658</u>    | <u>404,469</u>    | <u>410,738</u>   |
| Buildings and facilities                                    | 554    |                   |                   |                  |
| Appropriation, current .....                                | BA     | 18,742            | 1,450             | .....            |
| Outlays .....   | O      | 13,056            | 11,869            | 14,951           |
| <b>Public Enterprise Funds:</b>                             |        |                   |                   |                  |
| Revolving fund for certification and other services         |        |                   |                   |                  |
|   | 554    |                   |                   |                  |
| Outlays .....   | O      | —1,130            | .....             | .....            |
| Total Federal funds Food and Drug Administra-<br>tion ..... | BA     | <u>408,057</u>    | <u>408,950</u>    | <u>409,072</u>   |
|   | O      | <u>389,584</u>    | <u>416,338</u>    | <u>425,689</u>   |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|---|----|----------------|----------------------|----------------------|
| <b>Department of Health and Human Services—Con.</b>                 |    |                |                      |                      |
| <b>Health Programs—Con.</b>   |    |                |                      |                      |
| <b>Public Health Service—Con.</b>                                   |    |                |                      |                      |
| <b>Health Resources and Services Administration</b>                 |    |                |                      |                      |
| <i>Federal funds</i>  |    |                |                      |                      |
| <b>General and Special Funds:</b>                                   |    |                |                      |                      |
| Health resources and services:                                      |    |                |                      |                      |
| (Health care services) 551  |    |                |                      |                      |
| (Appropriation, current) .....                                      | BA | 1,166,130      | 1,263,144            | 552,173              |
|   |    |                | <sup>H</sup> — 1,821 | <sup>K</sup> 411,200 |
|   |    |                |                      | <sup>L</sup> 190,100 |
| (Outlays) .....   | O  | 1,202,976      | 1,239,113            | 957,207              |
|   |    |                | <sup>H</sup> — 1,821 | <sup>L</sup> 190,100 |
| Total (Health care services) .....                                  | BA | 1,166,130      | 1,261,323            | 1,153,473            |
|   | O  | 1,202,976      | 1,237,292            | 1,147,307            |
| (Education and training of health care work force) 553              |    |                |                      |                      |
| (Appropriation, current) .....                                      | BA | 209,454        | 244,578              | 3,920                |
|   |    |                | <sup>A</sup> — 2,500 |                      |
|   |    |                | <sup>H</sup> — 442   |                      |
| (Outlays) .....   | O  | 171,545        | 208,760              | 168,984              |
|   |    |                | <sup>H</sup> — 442   |                      |
| Total (Education and training of health care work force) .....      | BA | 209,454        | 241,636              | 3,920                |
|   | O  | 171,545        | 208,318              | 168,984              |
| Total Health resources and services .....                           | BA | 1,375,584      | 1,502,959            | 1,157,393            |
|   | O  | 1,374,521      | 1,445,610            | 1,316,291            |
| Indian health 551   |    |                |                      |                      |
| Appropriation, current .....  | BA | 771,908        | 793,728              | 758,543              |
|   |    |                | <sup>H</sup> — 161   |                      |
| Outlays .....   | O  | 720,473        | 755,575              | 755,916              |
|   |    |                | <sup>H</sup> — 161   |                      |
| Total Indian health .....   | BA | 771,908        | 793,567              | 758,543              |
|   | O  | 720,473        | 755,414              | 755,916              |
| Indian health facilities 551  |    |                |                      |                      |
| Appropriation, current .....  | BA | 53,595         | 61,634               | .....                |
| Outlays .....   | O  | 69,432         | 57,515               | 69,616               |
| <b>Public Enterprise Funds:</b>                                     |    |                |                      |                      |
| Health professions graduate student loan insurance fund 553         |    |                |                      |                      |
| Outlays .....   | O  | — 2,979        | — 3,849              | 10,612               |
|   |    |                |                      | <sup>L</sup> — 7,900 |
| Total Health professions graduate student loan insurance fund ..... | O  | — 2,979        | — 3,849              | 2,712                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual   | 1985<br>estimate     | 1986<br>estimate   |
|--|-----|------------------|----------------------|--------------------|
| <b>Department of Health and Human Services—Con.</b>                    |     |                  |                      |                    |
| <b>Health Programs—Con.</b>  |     |                  |                      |                    |
| <b>Public Health Service—Con.</b>                                      |     |                  |                      |                    |
| <b>Health Resources and Services Administration—Con.</b>               |     |                  |                      |                    |
| Health education loans   | 553 |                  |                      |                    |
| Outlays.....   | 0   | — 2,501          | — 2,000              | — 2,000            |
| Nurse training fund  | 553 |                  |                      |                    |
| Outlays.....   | 0   | — 253            | — 250                | — 250              |
| Medical facilities guarantee and loan fund                             | 551 |                  |                      |                    |
| Appropriation, current.....  | BA  | <b>32,000</b>    | <b>26,500</b>        | <b>25,000</b>      |
| Outlays.....   | 0   | 31,510           | 26,301               | 30,446             |
| Health maintenance organization loan and loan guarantee fund           | 551 |                  |                      |                    |
| Outlays.....   | 0   | 522              | 2,193                | — 740              |
| Limitation on direct loan obligations.....                             |     | (12,300)         | (2,600)              | (700)              |
| Total Federal funds Health Resources and Services Administration ..... | BA  | <b>2,233,087</b> | <b>2,384,660</b>     | <b>1,940,936</b>   |
|  | 0   | <u>2,190,725</u> | <u>2,280,934</u>     | <u>2,171,991</u>   |
| <b>Centers for Disease Control</b>                                     |     |                  |                      |                    |
| <i>Federal funds</i>   |     |                  |                      |                    |
| <b>General and Special Funds:</b>                                      |     |                  |                      |                    |
| <b>Disease control, research, and training:</b>                        |     |                  |                      |                    |
| (Health care services)   | 551 |                  |                      |                    |
| (Appropriation, current) .....   | BA  | <b>314,587</b>   | <b>343,825</b>       | <b>334,447</b>     |
|  |     |                  | <sup>H</sup> — 1,425 |                    |
| (Outlays) .....  | 0   | 303,007          | 342,087              | 326,689            |
|  |     |                  | <sup>H</sup> — 1,197 | <sup>H</sup> — 228 |
| Total (Health care services).....                                      | BA  | <b>314,587</b>   | <b>342,400</b>       | <b>334,447</b>     |
|  | 0   | <u>303,007</u>   | <u>340,890</u>       | <u>326,461</u>     |
| (Health research)  | 552 |                  |                      |                    |
| (Appropriation, current) .....   | BA  | <b>65,902</b>    | <b>66,705</b>        | <b>57,645</b>      |
|  |     |                  | <sup>H</sup> — 836   |                    |
| (Outlays) .....  | 0   | 57,121           | 61,569               | 64,355             |
|  |     |                  | <sup>H</sup> — 702   | <sup>H</sup> — 134 |
| Total (Health research).....   | BA  | <b>65,902</b>    | <b>65,869</b>        | <b>57,645</b>      |
|  | 0   | <u>57,121</u>    | <u>60,867</u>        | <u>64,221</u>      |
| Total Disease control, research, and training .....                    | BA  | <b>380,489</b>   | <b>408,269</b>       | <b>392,092</b>     |
|  | 0   | <u>360,128</u>   | <u>401,757</u>       | <u>390,682</u>     |
| Total Federal funds Centers for Disease Control ..                     | BA  | <b>380,489</b>   | <b>408,269</b>       | <b>392,092</b>     |
|  | 0   | <u>360,128</u>   | <u>401,757</u>       | <u>390,682</u>     |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                       |    | 1984<br>actual | 1985<br>estimate              | 1986<br>estimate            |
|---|----|----------------|-------------------------------|-----------------------------|
| <b>Department of Health and Human Services—Con.</b>               |    |                |                               |                             |
| <b>Health Programs—Con.</b>                                       |    |                |                               |                             |
| <b>Public Health Service—Con.</b>                                 |    |                |                               |                             |
| <b>National Institutes of Health</b>                              |    |                |                               |                             |
| <i>Federal funds</i>  |    |                |                               |                             |
| <b>General and Special Funds:</b>                                 |    |                |                               |                             |
| <b>National Cancer Institute:</b>                                 |    |                |                               |                             |
| (Health research) 552   |    |                |                               |                             |
| (Appropriation, current) .....                                    | BA | 1,056,332      | 1,152,938<br><i>H</i> — 4,332 | 1,093,722                   |
| (Outlays) .....   | O  | 1,006,051      | 1,068,210<br><i>H</i> — 3,466 | 1,136,760<br><i>H</i> — 866 |
| Total (Health research) .....                                     | BA | 1,056,332      | 1,148,606                     | 1,093,722                   |
|   | O  | 1,006,051      | 1,064,744                     | 1,135,894                   |
| (Education and training of health care work<br>force) 553         |    |                |                               |                             |
| (Appropriation, current) .....                                    | BA | 25,249         | 30,868<br><i>H</i> — 30       | 32,290                      |
| (Outlays) .....   | O  | 17,630         | 24,409<br><i>H</i> — 24       | 31,204<br><i>H</i> — 6      |
| Total (Education and training of health care<br>work force) ..... | BA | 25,249         | 30,838                        | 32,290                      |
|   | O  | 17,630         | 24,385                        | 31,198                      |
| Total National Cancer Institute .....                             | BA | 1,081,581      | 1,179,444                     | 1,126,012                   |
|   | O  | 1,023,681      | 1,089,129                     | 1,167,092                   |
| <b>National Heart, Lung and Blood Institute:</b>                  |    |                |                               |                             |
| (Health research) 552   |    |                |                               |                             |
| (Appropriation, current) .....                                    | BA | 674,650        | 763,174<br><i>H</i> — 1,401   | 733,246                     |
| (Outlays) .....   | O  | 618,828        | 697,310<br><i>H</i> — 1,281   | 743,617<br><i>H</i> — 120   |
| Total (Health research) .....                                     | BA | 674,650        | 761,773                       | 733,246                     |
|   | O  | 618,828        | 696,029                       | 743,497                     |
| (Education and training of health care work<br>force) 553         |    |                |                               |                             |
| (Appropriation, current) .....                                    | BA | 30,289         | 42,095                        | 42,008                      |
| (Outlays) .....   | O  | 27,775         | 38,461                        | 42,603                      |
| Total National Heart, Lung and Blood Institute....                | BA | 704,939        | 803,868                       | 775,254                     |
|   | O  | 646,603        | 734,490                       | 786,100                     |
| <b>National Institute of Dental Research:</b>                     |    |                |                               |                             |
| (Health research) 552   |    |                |                               |                             |
| (Appropriation, current) .....                                    | BA | 84,630         | 95,898<br><i>H</i> — 166      | 88,649                      |
| (Outlays) .....   | O  | 77,580         | 87,908<br><i>H</i> — 157      | 81,666<br><i>H</i> — 9      |
| Total (Health research) .....                                     | BA | 84,630         | 95,732                        | 88,649                      |
|   | O  | 77,580         | 87,751                        | 81,657                      |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate  |
|---|----|----------------|----------------------|-------------------|
| <b>Department of Health and Human Services—Con.</b>                                     |    |                |                      |                   |
| <b>Health Programs—Con.</b>   |    |                |                      |                   |
| <b>Public Health Service—Con.</b>   |    |                |                      |                   |
| <b>National Institutes of Health—Con.</b>   |    |                |                      |                   |
| (Education and training of health care work force) 553                                  |    |                |                      |                   |
| (Appropriation, current) .....  | BA | 4,044          | 4,790                | 4,790             |
| (Outlays) .....   | O  | 3,707          | 4,392                | 4,298             |
| Total National Institute of Dental Research.....  | BA | 88,674         | 100,522              | 93,439            |
|   | O  | 81,287         | 92,143               | 85,955            |
| National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases:           |    |                |                      |                   |
| (Health research) 552   |    |                |                      |                   |
| (Appropriation, current) .....  | BA | 444,149        | 515,928              | 492,323           |
|   |    |                | <sup>H</sup> — 1,171 |                   |
| (Outlays) .....   | O  | 411,002        | 460,938              | 493,257           |
|   |    |                | <sup>H</sup> — 1,116 | <sup>H</sup> — 55 |
| Total (Health research) .....   | BA | 444,149        | 514,757              | 492,323           |
|   | O  | 411,002        | 459,822              | 493,202           |
| (Education and training of health care work force) 553                                  |    |                |                      |                   |
| (Appropriation, current) .....  | BA | 19,877         | 27,648               | 27,535            |
| (Outlays) .....   | O  | 19,863         | 21,949               | 27,535            |
| Total National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases..... | BA | 464,026        | 542,405              | 519,858           |
|   | O  | 430,865        | 481,771              | 520,737           |
| National Institute of Neurological and Communicative Disorders and Stroke:              |    |                |                      |                   |
| (Health research) 552   |    |                |                      |                   |
| (Appropriation, current) .....  | BA | 325,564        | 383,077              | 360,161           |
|   |    |                | <sup>H</sup> — 441   |                   |
| (Outlays) .....   | O  | 295,757        | 336,874              | 364,889           |
|   |    |                | <sup>H</sup> — 418   | <sup>H</sup> — 23 |
| Total (Health research) .....   | BA | 325,564        | 382,636              | 360,161           |
|   | O  | 295,757        | 336,456              | 364,866           |
| (Education and training of health care work force) 553                                  |    |                |                      |                   |
| (Appropriation, current) .....  | BA | 10,319         | 13,808               | 13,733            |
|   |    |                | <sup>H</sup> — 21    |                   |
| (Outlays) .....   | O  | 10,353         | 11,044               | 13,733            |
|   |    |                | <sup>H</sup> — 20    | <sup>H</sup> — 1  |
| Total (Education and training of health care work force) .....                          | BA | 10,319         | 13,787               | 13,733            |
|   | O  | 10,353         | 11,024               | 13,732            |
| Total National Institute of Neurological and Communicative Disorders and Stroke .....   | BA | 335,883        | 396,423              | 373,894           |
|   | O  | 306,110        | 347,480              | 378,598           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                       |    | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate  |
|---|----|----------------|--------------------|-------------------|
| <b>Department of Health and Human Services—Con.</b>               |    |                |                    |                   |
| <b>Health Programs—Con.</b>                                       |    |                |                    |                   |
| <b>Public Health Service—Con.</b>                                 |    |                |                    |                   |
| <b>National Institutes of Health—Con.</b>                         |    |                |                    |                   |
| National Institute of Allergy and Infectious Diseases:            |    |                |                    |                   |
| (Health research) 552   |    |                |                    |                   |
| (Appropriation, current) .....                                    | BA | 310,715        | 359,050<br>H — 428 | 340,675           |
| (Outlays) .....   | O  | 285,281        | 321,357<br>H — 406 | 345,859<br>H — 22 |
| Total (Health research) .....                                     | BA | 310,715        | 358,622            | 340,675           |
|   | O  | 285,281        | 320,951            | 345,837           |
| (Education and training of health care work force) 553            |    |                |                    |                   |
| (Appropriation, current) .....                                    | BA | 8,881          | 11,915             | 11,886            |
| (Outlays) .....   | O  | 8,154          | 10,670             | 12,067            |
| Total National Institute of Allergy and Infectious Diseases ..... | BA | 319,596        | 370,537            | 352,561           |
|   | O  | 293,435        | 331,621            | 357,904           |
| National Institute of General Medical Sciences:                   |    |                |                    |                   |
| (Health research) 552   |    |                |                    |                   |
| (Appropriation, current) .....                                    | BA | 365,661        | 422,923<br>H — 211 | 399,072           |
| (Outlays) .....   | O  | 339,661        | 391,947<br>H — 200 | 402,912<br>H — 11 |
| Total (Health research) .....                                     | BA | 365,661        | 422,712            | 399,072           |
|   | O  | 339,661        | 391,747            | 402,901           |
| (Education and training of health care work force) 553            |    |                |                    |                   |
| (Appropriation, current) .....                                    | BA | 50,276         | 59,337             | 59,412            |
| (Outlays) .....   | O  | 45,652         | 54,993             | 59,988            |
| Total National Institute of General Medical Sciences .....        | BA | 415,937        | 482,049            | 458,484           |
|   | O  | 385,313        | 446,740            | 462,889           |
| National Institute of Child Health and Human Development:         |    |                |                    |                   |
| (Health research) 552   |    |                |                    |                   |
| (Appropriation, current) .....                                    | BA | 265,096        | 298,282<br>H — 309 | 278,071           |
| (Outlays) .....   | O  | 247,059        | 273,298<br>H — 294 | 284,558<br>H — 15 |
| Total (Health research) .....                                     | BA | 265,096        | 297,973            | 278,071           |
|   | O  | 247,059        | 273,004            | 284,543           |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Department of Health and Human Services—Con.</b>                 |    |                |                  |                  |
| <b>Health Programs—Con.</b>   |    |                |                  |                  |
| <b>Public Health Service—Con.</b>                                   |    |                |                  |                  |
| <b>National Institutes of Health—Con.</b>                           |    |                |                  |                  |
| (Education and training of health care work force) 553              |    |                |                  |                  |
| (Appropriation, current) .....                                      | BA | 10,950         | 15,013           | 15,013           |
| (Outlays) .....   | O  | 10,435         | 10,405           | 14,262           |
| Total National Institute of Child Health and Human Development..... | BA | 276,046        | 312,986          | 293,084          |
|   | O  | 257,494        | 283,409          | 298,805          |
| National Eye Institute:   |    |                |                  |                  |
| (Health research) 552   |    |                |                  |                  |
| (Appropriation, current) .....                                      | BA | 151,001        | 176,192          | 158,905          |
|   |    |                | H — 173          |                  |
| (Outlays) .....   | O  | 140,220        | 169,134          | 167,786          |
|   |    |                | H — 159          | H — 14           |
| Total (Health research) .....                                       | BA | 151,001        | 176,019          | 158,905          |
|   | O  | 140,220        | 168,975          | 167,772          |
| (Education and training of health care work force) 553              |    |                |                  |                  |
| (Appropriation, current) .....                                      | BA | 4,130          | 5,486            | 5,491            |
| (Outlays) .....   | O  | 3,545          | 4,701            | 4,706            |
| Total National Eye Institute.....                                   | BA | 155,131        | 181,505          | 164,396          |
|   | O  | 143,765        | 173,676          | 172,478          |
| National Institute of Environmental Health Sciences:                |    |                |                  |                  |
| (Health research) 552   |    |                |                  |                  |
| (Appropriation, current) .....                                      | BA | 173,551        | 186,082          | 173,963          |
|   |    |                | H — 542          |                  |
| (Outlays) .....   | O  | 164,463        | 174,171          | 178,021          |
|   |    |                | H — 515          | H — 27           |
| Total (Health research) .....                                       | BA | 173,551        | 185,540          | 173,963          |
|   | O  | 164,463        | 173,656          | 177,994          |
| (Education and training of health care work force) 553              |    |                |                  |                  |
| (Appropriation, current) .....                                      | BA | 7,046          | 8,737            | 8,648            |
| (Outlays) .....   | O  | 6,682          | 8,178            | 8,851            |
| Total National Institute of Environmental Health Sciences.....      | BA | 180,597        | 194,277          | 182,611          |
|   | O  | 171,145        | 181,834          | 186,845          |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                            |    | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate  |
|--|----|----------------|--------------------|-------------------|
| <b>Department of Health and Human Services—Con.</b>    |    |                |                    |                   |
| <b>Health Programs—Con.</b>                            |    |                |                    |                   |
| <b>Public Health Service—Con.</b>                      |    |                |                    |                   |
| <b>National Institutes of Health—Con.</b>              |    |                |                    |                   |
| National Institute on Aging:                           |    |                |                    |                   |
| (Health research) 552                                  |    |                |                    |                   |
| (Appropriation, current) .....                         | BA | 112,484        | 139,592<br>H — 196 | 129,829           |
| (Outlays) .....  | O  | 97,620         | 120,818<br>H — 186 | 131,920<br>H — 10 |
| Total (Health research) .....                          | BA | 112,484        | 139,396            | 129,829           |
|  | O  | 97,620         | 120,632            | 131,910           |
| (Education and training of health care work force) 553 |    |                |                    |                   |
| (Appropriation, current) .....                         | BA | 2,808          | 4,929              | 4,929             |
| (Outlays) .....  | O  | 2,400          | 4,382              | 4,926             |
| Total National Institute on Aging .....                | BA | 115,292        | 144,325            | 134,758           |
|  | O  | 100,020        | 125,014            | 136,836           |
| Research resources:                                    |    |                |                    |                   |
| (Health research) 552                                  |    |                |                    |                   |
| (Appropriation, current) .....                         | BA | 242,448        | 302,923<br>H — 250 | 261,931           |
| (Outlays) .....  | O  | 227,176        | 262,540<br>H — 237 | 280,980<br>H — 13 |
| Total (Health research) .....                          | BA | 242,448        | 302,673            | 261,931           |
|  | O  | 227,176        | 262,303            | 280,967           |
| (Education and training of health care work force) 553 |    |                |                    |                   |
| (Appropriation, current) .....                         | BA | 729            | 1,102              | 1,109             |
| (Outlays) .....  | O  | 683            | 956                | 1,190             |
| Total Research resources .....                         | BA | 243,177        | 303,775            | 263,040           |
|  | O  | 227,859        | 263,259            | 282,157           |
| John E. Fogarty International Center 552               |    |                |                    |                   |
| Appropriation, current .....                           | BA | 11,336         | 11,728<br>H — 241  | 11,359            |
| Outlays .....  | O  | 9,232          | 9,551<br>H — 196   | 9,251<br>H — 45   |
| Total John E. Fogarty International Center .....       | BA | 11,336         | 11,487             | 11,359            |
|  | O  | 9,232          | 9,355              | 9,206             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                    |    | 1984<br>actual | 1985<br>estimate  | 1986<br>estimate |
|--|----|----------------|-------------------|------------------|
| <b>Department of Health and Human Services—Con.</b>            |    |                |                   |                  |
| <b>Health Programs—Con.</b>                                    |    |                |                   |                  |
| <b>Public Health Service—Con.</b>                              |    |                |                   |                  |
| <b>National Institutes of Health—Con.</b>                      |    |                |                   |                  |
| National Library of Medicine:                                  |    |                |                   |                  |
| (Health research) 552  |    |                |                   |                  |
| (Appropriation, current) .....                                 | BA | 13,320         | 18,723<br>H — 85  | 17,856           |
| (Outlays) .....  | 0  | 13,122         | 19,555<br>H — 54  | 18,472<br>H — 31 |
| Total (Health research) .....                                  | BA | 13,320         | 18,638            | 17,856           |
|  | 0  | 13,122         | 19,501            | 18,441           |
| (Education and training of health care work force) 553         |    |                |                   |                  |
| (Appropriation, current) .....                                 | BA | 36,293         | 37,187<br>H — 269 | 35,464           |
| (Outlays) .....  | 0  | 35,754         | 36,962<br>H — 172 | 36,687<br>H — 97 |
| Total (Education and training of health care work force) ..... | BA | 36,293         | 36,918            | 35,464           |
|  | 0  | 35,754         | 36,790            | 36,590           |
| Total National Library of Medicine .....                       | BA | 49,613         | 55,556            | 53,320           |
|  | 0  | 48,876         | 56,291            | 55,031           |
| Office of the Director:  |    |                |                   |                  |
| (Health research) 552  |    |                |                   |                  |
| (Appropriation, current) .....                                 | BA | 24,582         | 35,240<br>H — 182 | 32,853           |
| (Outlays) .....  | 0  | 23,456         | 32,936<br>H — 170 | 29,493<br>H — 12 |
| Total (Health research) .....                                  | BA | 24,582         | 35,058            | 32,853           |
|  | 0  | 23,456         | 32,766            | 29,481           |
| (Education and training of health care work force) 553         |    |                |                   |                  |
| (Appropriation, current) .....                                 | BA | 2,138          | 3,064             | 2,857            |
| (Outlays) .....  | 0  | 2,040          | 2,864             | 2,565            |
| Total Office of the Director .....                             | BA | 26,720         | 38,122            | 35,710           |
|  | 0  | 25,496         | 35,630            | 32,046           |
| Buildings and facilities 552                                   |    |                |                   |                  |
| Appropriation, current .....                                   | BA | 25,040         | 21,730            | 14,900           |
| Outlays .....  | 0  | 17,896         | 19,450            | 12,355           |
| <b>Intragovernmental Funds:</b>                                |    |                |                   |                  |
| National Institutes of Health management fund                  |    |                |                   |                  |
| 552  |    |                |                   |                  |
| Outlays .....  | 0  | — 10,057       |                   |                  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual   | 1985<br>estimate    | 1986<br>estimate |
|--|-----|------------------|---------------------|------------------|
| <b>Department of Health and Human Services—Con.</b>                            |     |                  |                     |                  |
| <b>Health Programs—Con.</b>  |     |                  |                     |                  |
| <b>Public Health Service—Con.</b>  |     |                  |                     |                  |
| <b><i>National Institutes of Health—Con.</i></b>                               |     |                  |                     |                  |
| Service and supply fund  | 552 |                  |                     |                  |
| Outlays.....   | 0   | —1,726           |                     |                  |
| Total Federal funds National Institutes of Health.                             | BA  | <b>4,493,588</b> | <b>5,139,011</b>    | <b>4,852,680</b> |
|  | O   | <b>4,157,294</b> | <b>4,671,292</b>    | <b>4,945,034</b> |
| <b><i>Alcohol, Drug Abuse, and Mental Health Administration</i></b>            |     |                  |                     |                  |
| <b><i>Federal funds</i></b>  |     |                  |                     |                  |
| <b>General and Special Funds:</b>  |     |                  |                     |                  |
| <b>Alcohol, drug abuse, and mental health:</b>                                 |     |                  |                     |                  |
| (Health care services)   | 551 |                  |                     |                  |
| (Appropriation, current) .....   | BA  | <b>469,003</b>   | <b>503,000</b>      | <b>490,000</b>   |
| (Outlays) .....  | O   | 500,820          | 472,153             | 495,280          |
| (Health research)  | 552 |                  |                     |                  |
| (Appropriation, current) .....   | BA  | <b>340,675</b>   | <b>379,121</b>      | <b>375,194</b>   |
|  |     |                  | <sup>H</sup> —3,972 |                  |
| (Outlays) .....  | O   | 276,086          | 377,914             | 379,231          |
|  |     |                  | <sup>H</sup> —3,972 |                  |
| Total (Health research) .....  | BA  | <b>340,675</b>   | <b>375,149</b>      | <b>375,194</b>   |
|  | O   | 276,086          | 373,942             | 379,231          |
| (Education and training of health care work force)                             | 553 |                  |                     |                  |
| (Appropriation, current) .....   | BA  | <b>38,337</b>    | <b>43,000</b>       | <b>21,000</b>    |
| (Outlays) .....  | O   | 27,602           | 41,438              | 21,226           |
| Total Alcohol, drug abuse, and mental health.....                              | BA  | <b>848,015</b>   | <b>921,149</b>      | <b>886,194</b>   |
|  | O   | 804,508          | 887,533             | 895,737          |
| Federal subsidy for Saint Elizabeths Hospital                                  | 551 |                  |                     |                  |
| Appropriation, current.....  | BA  | <b>67,744</b>    | <b>48,595</b>       | <b>42,488</b>    |
| Outlays.....   | O   | 92,788           | 37,768              | 40,431           |
| Construction and renovation, Saint Elizabeths Hospital                         | 551 |                  |                     |                  |
| Outlays.....   | O   | 13,977           | 4,908               | 5,790            |
| Total Federal funds Alcohol, Drug Abuse, and Mental Health Administration..... | BA  | <b>915,759</b>   | <b>969,744</b>      | <b>928,682</b>   |
|  | O   | <b>911,273</b>   | <b>930,209</b>      | <b>941,958</b>   |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate     |
|---|----|----------------|--------------------|----------------------|
| <b>Department of Health and Human Services—Con.</b>                       |    |                |                    |                      |
| <b>Health Programs—Con.</b>   |    |                |                    |                      |
| <b>Public Health Service—Con.</b>   |    |                |                    |                      |
| <i>Office of Assistant Secretary for Health</i>                           |    |                |                    |                      |
| <i>Federal funds</i>  |    |                |                    |                      |
| <b>General and Special Funds:</b>   |    |                |                    |                      |
| Public health service management:   |    |                |                    |                      |
| (Health care services) 551  |    |                |                    |                      |
| (Appropriation, current) .....  | BA | 41,802         | 42,507             | 26,269               |
|   |    |                |                    | <sup>H</sup> 14,706  |
|   |    |                | <sup>H</sup> — 257 |                      |
| (Outlays) .....   | O  | 38,701         | 44,377             | 40,981               |
|   |    |                | <sup>H</sup> — 136 | <sup>H</sup> — 121   |
| Total (Health care services) .....  | BA | 41,802         | 42,250             | 40,975               |
|   | O  | 38,701         | 44,241             | 40,860               |
| (Health research) 552   |    |                |                    |                      |
| (Appropriation, current) .....  | BA | 63,770         | 59,296             | 64,180               |
|   |    |                | <sup>H</sup> — 236 |                      |
| (Outlays) .....   | O  | 60,920         | 63,572             | 64,156               |
|   |    |                | <sup>H</sup> — 125 | <sup>H</sup> — 111   |
| Total (Health research) .....   | BA | 63,770         | 59,060             | 64,180               |
|   | O  | 60,920         | 63,447             | 64,045               |
| Total Public health service management .....                              | BA | 105,572        | 101,310            | 105,155              |
|   | O  | 99,621         | 107,688            | 104,905              |
| Retirement pay and medical benefits for commissioned officers 551         |    |                |                    |                      |
| Appropriation, current .....  | BA |                |                    | 99,702               |
|   |    |                |                    | <sup>L</sup> — 2,573 |
| Indefinite .....  | BA | 73,750         | 72,121             |                      |
| Outlays .....   | O  | 72,113         | 71,324             | 80,033               |
|   |    |                |                    | <sup>L</sup> — 2,573 |
| Total Retirement pay and medical benefits for commissioned officers ..... | BA | 73,750         | 72,121             | 97,129               |
|   | O  | 72,113         | 71,324             | 77,460               |
| Scientific activities overseas (special foreign currency program) 552     |    |                |                    |                      |
| Outlays .....   | O  | 1,174          | 4,255              | 2,845                |
| <b>Intragovernmental Funds:</b>   |    |                |                    |                      |
| Service and supply fund 551   |    |                |                    |                      |
| Outlays .....   | O  | —15,908        |                    |                      |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                       |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Department of Health and Human Services—Con.</b>               |     |                |                  |                  |
| <b>Health Programs—Con.</b>                                       |     |                |                  |                  |
| <b>Public Health Service—Con.</b>                                 |     |                |                  |                  |
| <b>Office of Assistant Secretary for Health—Con.</b>              |     |                |                  |                  |
| <i>Trust funds</i>  |     |                |                  |                  |
| Miscellaneous trust funds   | 551 |                |                  |                  |
| Appropriation, permanent, indefinite.....                         | BA  | 18,735         | 8,124            | 8,124            |
| Outlays.....  | O   | 18,141         | 11,510           | 8,903            |
| Total Federal funds Office of Assistant Secretary for Health..... | BA  | 179,322        | 173,431          | 202,284          |
|   | O   | 157,000        | 183,267          | 185,210          |
| Total Trust funds Office of Assistant Secretary for Health.....   | BA  | 18,735         | 8,124            | 8,124            |
|   | O   | 18,141         | 11,510           | 8,903            |
| Total Federal funds Public Health Service.....                    | BA  | 8,610,302      | 9,484,065        | 8,725,746        |
|   | O   | 8,166,004      | 8,883,797        | 9,060,564        |
| Total Trust funds Public Health Service.....                      | BA  | 18,735         | 8,124            | 8,124            |
|   | O   | 18,141         | 11,510           | 8,903            |
| <b>Other Health Programs</b>                                      |     |                |                  |                  |
| <b>Health Care Financing Administration</b>                       |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                                 |     |                |                  |                  |
| Grants to States for Medicaid                                     | 551 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 15,568,108     | 16,293,491       | 18,650,675       |
|   |     |                |                  | L — 940,206      |
| Appropriation, permanent.....                                     | BA  | 5,105,600      | 5,552,000        | 5,980,000        |
| Outlays.....  | O   | 20,060,943     | 22,984,602       | 24,630,675       |
|   |     |                |                  | L — 940,206      |
| Total Grants to States for Medicaid.....                          | BA  | 20,673,708     | 21,845,491       | 23,690,469       |
|   | O   | 20,060,943     | 22,984,602       | 23,690,469       |
| Payments to health care trust funds                               | 572 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 17,853,000     | 18,750,000       | 19,659,000       |
|   |     |                |                  | J — 736,000      |
| Appropriation, permanent, indefinite.....                         | BA  | 156,000        | 459,000          | 427,000          |
| Outlays.....  | O   | 17,917,010     | 19,261,000       | 20,086,000       |
|   |     |                |                  | J — 736,000      |
| Total Payments to health care trust funds.....                    | BA  | 18,009,000     | 19,209,000       | 19,350,000       |
|   | O   | 17,917,010     | 19,261,000       | 19,350,000       |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                            |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate        |
|--|----|----------------|----------------------|-------------------------|
| <b>Department of Health and Human Services—Con.</b>    |    |                |                      |                         |
| <b>Health Programs—Con.</b>                            |    |                |                      |                         |
| <b>Other Health Programs—Con.</b>                      |    |                |                      |                         |
| <b>Health Care Financing Administration—Con.</b>       |    |                |                      |                         |
| Program management:                                    |    |                |                      |                         |
| (Health care services) 551                             |    |                |                      |                         |
| (Appropriation, current) .....                         | BA | 68,442         | 75,147               | 68,098                  |
|  |    |                | <sup>H</sup> -1,540  |                         |
| (Outlays) .....  | O  | 105,609        | 63,910               | 68,098                  |
|  |    |                | <sup>H</sup> -770    | <sup>H</sup> -770       |
| Total (Health care services) .....                     | BA | 68,442         | 73,607               | 68,098                  |
|  | O  | 105,609        | 63,140               | 67,328                  |
| (Health research) 552                                  |    |                |                      |                         |
| (Appropriation, current) .....                         | BA | 21,758         | 23,000               | 14,300                  |
| (Outlays) .....  | O  | 21,758         | 22,350               | 14,300                  |
| Total Program management .....                         | BA | 90,200         | 96,607               | 82,398                  |
|  | O  | 127,367        | 85,490               | 81,628                  |
| <i>Trust funds</i>                                     |    |                |                      |                         |
| Federal hospital insurance trust fund 572              |    |                |                      |                         |
| Appropriation, current .....                           | BA |                |                      | <sup>J</sup> 127,000    |
| Appropriation, permanent, indefinite .....             | BA | 45,731,854     | 52,683,000           | 62,266,000              |
| Outlays .....  | O  | 42,294,943     | 48,751,008           | 49,116,029              |
|  |    |                | <sup>A</sup> -1,096  | <sup>A</sup> -1,096     |
|  |    |                |                      | <sup>J</sup> -1,158,000 |
| Total Federal hospital insurance trust fund .....      | BA | 45,731,854     | 52,683,000           | 62,393,000              |
|  | O  | 42,294,943     | 48,749,912           | 47,956,933              |
| Federal supplementary medical insurance trust fund 572 |    |                |                      |                         |
| Appropriation, current .....                           | BA |                | <sup>J</sup> 2,000   | <sup>J</sup> -527,000   |
| Appropriation, permanent, indefinite .....             | BA | 22,525,541     | 24,387,000           | 25,953,000              |
| Outlays .....  | O  | 20,374,362     | 23,064,006           | 25,985,460              |
|  |    |                | <sup>A</sup> -1,040  | <sup>A</sup> -1,039     |
|  |    |                | <sup>J</sup> -10,000 | <sup>J</sup> -662,000   |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                    |    | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate       |
|--|----|----------------|------------------------|------------------------|
| <b>Department of Health and Human Services—Con.</b>            |    |                |                        |                        |
| <b>Health Programs—Con.</b>                                    |    |                |                        |                        |
| <b>Other Health Programs—Con.</b>                              |    |                |                        |                        |
| <b>Health Care Financing Administration—Con.</b>               |    |                |                        |                        |
| Total Federal supplementary medical insurance trust fund ..... | BA | 22,525,541     | 24,389,000             | 25,426,000             |
|  | O  | 20,374,362     | 23,052,966             | 25,322,421             |
| Total Federal funds Health Care Financing Administration.....  | BA | 38,772,908     | 41,151,098             | 43,122,867             |
|  | O  | 38,105,320     | 42,331,092             | 43,122,097             |
| Total Trust funds Health Care Financing Administration .....   | BA | 68,257,395     | 77,072,000             | 87,819,000             |
|  | O  | 62,669,305     | 71,802,878             | 73,279,354             |
| Total Federal funds Health Programs .....                      | BA | 47,383,210     | 50,635,163             | 51,848,613             |
|  | O  | 46,271,324     | 51,214,889             | 52,182,661             |
| Total Trust funds Health Programs .....                        | BA | 68,276,130     | 77,080,124             | 87,827,124             |
|  | O  | 62,687,446     | 71,814,388             | 73,288,257             |
| <b>Social Security Administration</b>                          |    |                |                        |                        |
| <i>Federal funds</i>   |    |                |                        |                        |
| <b>General and Special Funds:</b>                              |    |                |                        |                        |
| Payments to social security trust funds 571                    |    |                |                        |                        |
| Appropriation, current.....                                    | BA | 2,950,258      | 512,722                | 497,008                |
|  |    |                | <sup>A</sup> 3,500,000 |                        |
| Appropriation, permanent, indefinite.....                      | BA | 3,954,261      | 3,229,000              | 1,765,000              |
| Outlays .....  | O  | 6,877,870      | 3,741,722              | 2,262,008              |
|  |    |                |                        | <sup>A</sup> 3,500,000 |
| Total Payments to social security trust funds.....             | BA | 6,904,519      | 7,241,722              | 2,262,008              |
|  | O  | 6,877,870      | 3,741,722              | 5,762,008              |
| Special benefits for disabled coal miners 601                  |    |                |                        |                        |
| Appropriation, current.....                                    | BA | 1,068,000      | 1,036,520              | 683,519                |
|  |    |                |                        | <sup>L</sup> 32,000    |
| Appropriation, permanent.....                                  | BA |                |                        | 270,000                |
| Outlays .....  | O  | 1,056,697      | 1,038,520              | 958,519                |
|  |    |                |                        | <sup>L</sup> 32,000    |
| Total Special benefits for disabled coal miners....            | BA | 1,068,000      | 1,036,520              | 985,519                |
|  | O  | 1,056,697      | 1,038,520              | 990,519                |
| Supplemental security income program 609                       |    |                |                        |                        |
| Appropriation, current.....                                    | BA | 8,650,832      | 9,210,036              | 7,515,721              |
| Appropriation, permanent.....                                  | BA |                |                        | 2,345,769              |
| Outlays .....  | O  | 8,497,629      | 9,510,868              | 9,889,894              |
| Total Supplemental security income program.....                | BA | 8,650,832      | 9,210,036              | 9,861,490              |
|  | O  | 8,497,629      | 9,510,868              | 9,889,894              |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate       |
|---|-----|----------------|------------------|------------------------|
| <b>Department of Health and Human Services—Con.</b>           |     |                |                  |                        |
| <b>Social Security Administration—Con.</b>                    |     |                |                  |                        |
| Assistance payments program                                   | 609 |                |                  |                        |
| Appropriation, current.....                                   | BA  | 6,584,479      | 6,210,201        | 6,238,262              |
|   |     |                |                  | <sup>L</sup> — 180,000 |
| Appropriation, permanent.....                                 | BA  | 1,718,000      | 2,073,000        | 2,095,000              |
| Outlays.....  | O   | 8,345,814      | 8,363,219        | 8,333,262              |
|   |     |                |                  | <sup>L</sup> — 180,000 |
| Total Assistance payments program.....                        | BA  | 8,302,479      | 8,283,201        | 8,153,262              |
|   | O   | 8,345,814      | 8,363,219        | 8,153,262              |
| Child support enforcement                                     | 609 |                |                  |                        |
| Appropriation, current.....                                   | BA  | 441,490        | 497,000          | 432,101                |
| Appropriation, permanent.....                                 | BA  | 118,000        | 138,000          | 160,000                |
| Outlays.....  | O   | 508,475        | 605,897          | 673,348                |
| Total Child support enforcement.....                          | BA  | 559,490        | 635,000          | 592,101                |
|   | O   | 508,475        | 605,897          | 673,348                |
| Refugee and entrant assistance                                | 609 |                |                  |                        |
| Appropriation, current.....                                   | BA  | 541,761        | 405,346          | 316,587                |
| Outlays.....  | O   | 601,532        | 449,557          | 362,205                |
| Low income home energy assistance                             | 609 |                |                  |                        |
| Appropriation, current.....                                   | BA  | 2,075,000      | 2,100,000        | 2,100,000              |
|   |     |                |                  | <sup>J</sup> — 809,476 |
| Outlays.....  | O   | 2,025,707      | 2,100,000        | 2,100,000              |
|   |     |                |                  | <sup>J</sup> — 809,476 |
| Total Low income home energy assistance.....                  | BA  | 2,075,000      | 2,100,000        | 1,290,524              |
|   | O   | 2,025,707      | 2,100,000        | 1,290,524              |
| Payments to states from receipts for child support            | 609 |                |                  |                        |
| Appropriation, permanent.....                                 | BA  | 417            | 450              | 450                    |
| Outlays.....  | O   | 450            | 578              | 450                    |
| <i>Trust funds</i>  |     |                |                  |                        |
| Federal old-age and survivors insurance trust fund            | 571 |                |                  |                        |
| Appropriation, current.....                                   | BA  |                |                  | <sup>A</sup> 3,200,000 |
|   |     |                |                  | <sup>J</sup> 273,000   |
| Appropriation, permanent, indefinite.....                     | BA  | 163,315,390    | 178,408,722      | 188,211,008            |
| Outlays.....  | O   | 162,406,492    | 173,582,946      | 183,778,753            |
| Total Federal old-age and survivors insurance trust fund..... | BA  | 163,315,390    | 178,408,722      | 191,684,008            |
|   | O   | 162,406,492    | 173,582,946      | 183,778,753            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                             |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate     |
|---|-----|----------------|-----------------------|----------------------|
| <b>Department of Health and Human Services—Con.</b>     |     |                |                       |                      |
| <b>Social Security Administration—Con.</b>              |     |                |                       |                      |
| Federal disability insurance trust fund                 | 571 |                |                       |                      |
| Appropriation, current.....                             | BA  |                |                       | <sup>A</sup> 300,000 |
|   |     |                |                       | <sup>J</sup> 25,000  |
| Appropriation, permanent, indefinite.....               | BA  | 17,812,276     | 20,009,000            | 20,431,000           |
| Outlays.....  | O   | 18,459,324     | 20,023,830            | 20,399,437           |
| Limitation on administrative expenses.....              |     | (3,718,303)    | (3,787,515)           | (3,911,586)          |
|   |     |                | <sup>A</sup> (—9,176) |                      |
| Total Federal disability insurance trust fund.....      | BA  | 17,812,276     | 20,009,000            | 20,756,000           |
|   | O   | 18,459,324     | 20,023,830            | 20,399,437           |
| Total Federal funds Social Security Administration..... | BA  | 28,102,498     | 28,912,275            | 23,461,941           |
|   | O   | 27,914,174     | 25,810,361            | 27,122,210           |
| Total Trust funds Social Security Administration..      | BA  | 181,127,666    | 198,417,722           | 212,440,008          |
|   | O   | 180,865,816    | 193,606,776           | 204,178,190          |
| <b>Human Development Services</b>                       |     |                |                       |                      |
| <i>Federal funds</i>                                    |     |                |                       |                      |
| <b>General and Special Funds:</b>                       |     |                |                       |                      |
| Social services block grant                             | 506 |                |                       |                      |
| Appropriation, current.....                             | BA  | 2,700,000      | 2,725,000             | 2,700,000            |
| Outlays.....  | O   | 2,788,978      | 2,750,041             | 2,702,035            |
| Human development services                              | 506 |                |                       |                      |
| Appropriation, current.....                             | BA  | 1,881,234      | 1,996,154             | 1,969,167            |
|   |     |                | <sup>H</sup> — 1,334  |                      |
| Outlays.....  | O   | 1,819,071      | 1,888,804             | 1,975,523            |
|   |     |                | <sup>H</sup> — 1,254  | <sup>H</sup> — 80    |
| Total Human development services.....                   | BA  | 1,881,234      | 1,994,820             | 1,969,167            |
|   | O   | 1,819,071      | 1,887,550             | 1,975,443            |
| Family social services                                  | 506 |                |                       |                      |
| Appropriation, current.....                             | BA  | 685,905        | 690,902               | 740,994              |
|   |     |                | <sup>A</sup> 46,404   |                      |
|   |     |                | <sup>H</sup> — 396    |                      |
| Outlays.....  | O   | 658,576        | 689,173               | 723,775              |
|   |     |                | <sup>A</sup> 55,097   | <sup>A</sup> 24,398  |
|   |     |                | <sup>H</sup> — 372    | <sup>H</sup> — 24    |
| Total Family social services.....                       | BA  | 685,905        | 736,910               | 740,994              |
|   | O   | 658,576        | 743,898               | 748,149              |
| Work incentives   | 504 |                |                       |                      |
| Appropriation, current.....                             | BA  | 270,760        | 266,760               |                      |
| Outlays.....  | O   | 264,639        | 266,760               | 59,914               |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                            |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate  |
|--|-----|----------------|----------------------|-------------------|
| <b>Department of Health and Human Services—Con.</b>    |     |                |                      |                   |
| <b>Human Development Services—Con.</b>                 |     |                |                      |                   |
| Community services                                     | 506 |                |                      |                   |
| Appropriation, current.....                            | BA  | 352,369        | 372,435<br>H — 34    | 3,864             |
| Outlays .....  | O   | 357,811        | 367,453<br>H — 29    | 128,795<br>H — 5  |
| Total Community services .....                         | BA  | 352,369        | 372,401              | 3,864             |
|  | O   | 357,811        | 367,424              | 128,790           |
| <b>Public Enterprise Funds:</b>                        |     |                |                      |                   |
| Rural development loan fund                            | 452 |                |                      |                   |
| Outlays .....  | O   | 6,629          | 475                  | — 1,500           |
| Community development credit union revolving loan fund | 452 |                |                      |                   |
| Outlays .....  | O   | 143            | 350                  | — 1,000           |
| Total Federal funds Human Development Services .....   | BA  | 5,890,268      | 6,095,891            | 5,414,025         |
|  | O   | 5,895,847      | 6,016,498            | 5,611,831         |
| <b>Departmental Management</b>                         |     |                |                      |                   |
| <i>Federal funds</i>                                   |     |                |                      |                   |
| <b>General and Special Funds:</b>                      |     |                |                      |                   |
| General Departmental management                        | 609 |                |                      |                   |
| Appropriation, current.....                            | BA  | 157,963        | 133,000<br>H — 1,246 | 127,749           |
| Outlays .....  | O   | 154,888        | 133,588<br>H — 1,171 | 128,124<br>H — 75 |
| Total General Departmental management .....            | BA  | 157,963        | 131,754              | 127,749           |
|  | O   | 154,888        | 132,417              | 128,049           |
| Office of the Inspector General                        | 609 |                |                      |                   |
| Appropriation, current.....                            | BA  | 97,163         | 53,391<br>H — 496    | 40,143            |
| Appropriation, permanent.....                          | BA  | .....          | 9,000                | .....             |
| Outlays .....  | O   | 88,086         | 68,709<br>H — 466    | 44,659<br>H — 30  |
| Total Office of the Inspector General .....            | BA  | 97,163         | 61,895               | 40,143            |
|  | O   | 88,086         | 68,243               | 44,629            |
| Office for Civil Rights                                | 751 |                |                      |                   |
| Appropriation, current.....                            | BA  | 18,945         | 17,850               | 15,636            |
| Outlays .....  | O   | 18,430         | 17,491               | 15,663            |
| Office of Consumer Affairs                             | 506 |                |                      |                   |
| Appropriation, current.....                            | BA  | 2,011          | 2,096                | 1,988             |
| Outlays .....  | O   | 1,867          | 2,017                | 1,959             |
| Policy research  | 609 |                |                      |                   |
| Appropriation, current.....                            | BA  | 10,000         | 9,750                | 6,000             |
| Outlays .....  | O   | 11,284         | 11,115               | 8,212             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                         |     | 1984<br>actual     | 1985<br>estimate   | 1986<br>estimate   |
|---|-----|--------------------|--------------------|--------------------|
| <b>Department of Health and Human Services—Con.</b> |     |                    |                    |                    |
| <b>Departmental Management—Con.</b>                 |     |                    |                    |                    |
| <b>Intragovernmental Funds:</b>                     |     |                    |                    |                    |
| Working capital fund                                | 506 |                    |                    |                    |
| Outlays.....  | 0   | — 1,087            | 2,254              | .....              |
| Total Federal funds Departmental Management...      | BA  | <b>286,082</b>     | <b>223,345</b>     | <b>191,516</b>     |
|   | 0   | 273,468            | 233,537            | 198,512            |
| <b>Summary</b>                                      |     |                    |                    |                    |
| <b>Federal funds:</b>                               |     |                    |                    |                    |
| (As shown in detail above).....                     | BA  | <b>81,662,058</b>  | <b>85,866,674</b>  | <b>80,916,095</b>  |
|   | 0   | 80,354,813         | 83,275,285         | 85,115,214         |
| <b>Trust funds:</b>                                 |     |                    |                    |                    |
| (As shown in detail above).....                     | BA  | <b>249,403,796</b> | <b>275,497,846</b> | <b>300,267,132</b> |
|   | 0   | 243,553,262        | 265,421,164        | 277,466,447        |
| <b>Deductions for offsetting receipts:</b>          |     |                    |                    |                    |
| Intrafund transactions                              | 571 |                    |                    |                    |
|   | BA  | — 1,882,515        | — 1,639,000        | — 1,066,000        |
|   | 0   |                    |                    |                    |
| Proprietary receipts from the public                | 551 |                    |                    |                    |
|   | BA  | — 17,779           | — 7,169            | — 7,169            |
|   | 0   |                    |                    |                    |
|   | 572 |                    |                    |                    |
|   | BA  | — 4,942,368        | — 5,547,000        | — 5,927,000        |
|   | 0   |                    |                    |                    |
|   | BA  |                    |                    | — 194,000          |
|   | 0   |                    |                    |                    |
|   | 908 |                    |                    |                    |
|   | BA  | — 291              | — 8,000            | — 8,000            |
|   | 0   |                    |                    |                    |
| Total Trust funds.....                              | BA  | <b>242,560,843</b> | <b>268,296,677</b> | <b>293,064,963</b> |
|   | 0   | 236,710,309        | 258,219,995        | 270,264,278        |
| <b>Interfund transactions</b>                       |     |                    |                    |                    |
|   | 571 |                    |                    |                    |
|   | BA  | — 6,877,870        | — 3,741,722        | — 5,762,008        |
|   | 0   |                    |                    |                    |
|   | 572 |                    |                    |                    |
|   | BA  | — 17,917,010       | — 19,261,000       | — 20,086,000       |
|   | 0   |                    |                    |                    |
|   | BA  |                    |                    | — 736,000          |
|   | 0   |                    |                    |                    |
| Total Department of Health and Human Services       | BA  | <b>299,428,021</b> | <b>331,160,629</b> | <b>348,869,050</b> |
|   | 0   | 292,270,242        | 318,492,558        | 330,267,484        |

**Department of Housing and Urban Development****Housing Programs***Federal funds***General and Special Funds:****Subsidized housing programs:**

(Community development)

451

(Contract authority, current).....

BA

**615,000**

(Outlays) .....

0

95,000

261,500

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                             |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Department of Housing and Urban Development—Con.</b> |    |                |                  |                  |
| <b>Housing Programs—Con.</b>                            |    |                |                  |                  |
| (Housing assistance) 604                                |    |                |                  |                  |
| (Contract authority, current).....                      | BA | 9,447,928      | 10,759,483       | 499,000          |
| (Contract authority, permanent) .....                   | BA | 19,397         |                  |                  |
| (Liquidation of contract authority, current) .....      |    | (10,495,293)   | (265,000)        |                  |
|   |    |                | ✓ (455,000)      | ✓ (1,445,500)    |
| (Liquidation of contract authority, permanent) ...      |    |                | (11,240,000)     | (12,418,000)     |
| (Outlays) .....   | O  | 8,774,084      | 9,722,000        | 10,539,000       |
|   |    |                | ✓ - 455,000      | ✓ - 1,445,500    |
| Total (Housing assistance).....                         | BA | 9,467,325      | 10,759,483       | 499,000          |
|   | O  | 8,774,084      | 9,267,000        | 9,093,500        |
| Total Subsidized housing programs .....                 | BA | 10,082,325     | 10,759,483       | 499,000          |
|   | O  | 8,774,084      | 9,362,000        | 9,355,000        |
| Troubled projects operating subsidy 604                 |    |                |                  |                  |
| Outlays .....   | O  | - 13,257       | - 22,000         | 18,000           |
| Congregate services program 604                         |    |                |                  |                  |
| Appropriation, current .....                            | BA |                | 4,144            |                  |
| Outlays .....   | O  | 4,176          | 10,000           | 5,500            |
| Housing counseling assistance 506                       |    |                |                  |                  |
| Appropriation, current .....                            | BA | 3,500          | 3,500            |                  |
| Outlays .....   | O  | 3,328          | 3,500            | 3,500            |
| Mobile home standards program 376                       |    |                |                  |                  |
| Outlays .....   | O  |                | 198              |                  |
| Manufactured home inspection and monitoring 376         |    |                |                  |                  |
| Appropriation, permanent, indefinite .....              | BA | 5,950          | 5,791            | 5,952            |
| Outlays .....   | O  | 4,924          | 6,477            | 6,544            |
|   |    |                |                  | ✓ 263            |
| Total Manufactured home inspection and monitoring ..... | BA | 5,950          | 5,791            | 5,952            |
|   | O  | 4,924          | 6,477            | 6,807            |
| Interstate land sales 376                               |    |                |                  |                  |
| Appropriation, permanent, indefinite .....              | BA | 217            | 1,200            | 1,345            |
| Outlays .....   | O  | 364            | 1,207            | 1,345            |
| <b>Public Enterprise Funds:</b>                         |    |                |                  |                  |
| Federal Housing Administration fund 371                 |    |                |                  |                  |
| Appropriation, current .....                            | BA | 59,640         | 167,683          | 84,387           |
| Authority to borrow, permanent, indefinite .....        | BA | 6,300          | 40,332           | 43,559           |
| Outlays .....   | O  | - 365,930      | - 802,151        | - 1,330,370      |
| Limitation on direct loan obligations .....             |    | (56,390)       | (65,448)         | (89,222)         |
| Total Federal Housing Administration fund .....         | BA | 65,940         | 208,015          | 127,946          |
|   | O  | - 365,930      | - 802,151        | - 1,330,370      |
| Housing for the elderly or handicapped fund 371         |    |                |                  |                  |
| Authority to borrow, current, indefinite .....          | BA | 556,902        | 564,428          | 19,929           |
| Outlays .....   | O  | 661,254        | 571,556          | 589,581          |
| Nonprofit sponsor assistance 604                        |    |                |                  |                  |
| Outlays .....   | O  | 6              | - 140            | - 427            |
| Limitation on direct loan obligations .....             |    | (1,790)        | (1,880)          | (500)            |
| Community disposal operations fund 451                  |    |                |                  |                  |
| Outlays .....   | O  | - 234          | - 159            | - 144            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                       |     | 1984<br>actual    | 1985<br>estimate   | 1986<br>estimate   |
|---|-----|-------------------|--------------------|--------------------|
| <b>Department of Housing and Urban Development—Con.</b>           |     |                   |                    |                    |
| <b>Housing Programs—Con.</b>                                      |     |                   |                    |                    |
| Rental housing assistance fund                                    | 604 |                   |                    |                    |
| Outlays.....  | O   | — 1,053           | 3,403              | — 1,000            |
| Total Federal funds Housing Programs.....                         | BA  | <b>10,714,834</b> | <b>11,546,561</b>  | <b>654,172</b>     |
|   | O   | <u>9,067,662</u>  | <u>9,133,891</u>   | <u>8,647,792</u>   |
| <b>Public and Indian Housing Programs</b>                         |     |                   |                    |                    |
| <i>Federal funds</i>  |     |                   |                    |                    |
| <b>General and Special Funds:</b>                                 |     |                   |                    |                    |
| Payments for operation of low income housing projects             | 604 |                   |                    |                    |
| Appropriation, current.....                                       | BA  | <b>1,362,200</b>  | <b>1,138,500</b>   | <b>1,010,600</b>   |
|   |     |                   | <i>H</i> — 253,138 |                    |
| Reappropriation.....  | BA  | <b>355,538</b>    |                    |                    |
| Outlays.....  | O   | 1,135,116         | 1,380,600          | 1,252,200          |
|   |     |                   | <i>H</i> — 126,000 | <i>H</i> — 126,000 |
| Total Payments for operation of low income housing projects ..... | BA  | <b>1,717,738</b>  | <b>885,362</b>     | <b>1,010,600</b>   |
|   | O   | <u>1,135,116</u>  | <u>1,254,600</u>   | <u>1,126,200</u>   |
| <b>Public Enterprise Funds:</b>                                   |     |                   |                    |                    |
| Low-rent public housing—loans and other expenses                  | 604 |                   |                    |                    |
| Authority to borrow, current, indefinite .....                    | BA  |                   | <i>J</i> — 350,500 | <i>J</i> — 24,700  |
| Authority to borrow, permanent, indefinite.....                   | BA  | <b>1,120,000</b>  | <b>14,648,653</b>  | <b>1,846,600</b>   |
| Outlays.....  | O   | 1,111,012         | 14,797,430         | 1,988,479          |
|   |     |                   | <i>J</i> — 350,500 | <i>J</i> — 24,700  |
| Total Low-rent public housing—loans and other expenses.....       | BA  | <b>1,120,000</b>  | <b>14,298,153</b>  | <b>1,821,900</b>   |
|   | O   | <u>1,111,012</u>  | <u>14,446,930</u>  | <u>1,963,779</u>   |
| Total Federal funds Public and Indian Housing Programs.....       | BA  | <b>2,837,738</b>  | <b>15,183,515</b>  | <b>2,832,500</b>   |
|   | O   | <u>2,246,128</u>  | <u>15,701,530</u>  | <u>3,089,979</u>   |
| <b>Government National Mortgage Association</b>                   |     |                   |                    |                    |
| <i>Federal funds</i>  |     |                   |                    |                    |
| <b>General and Special Funds:</b>                                 |     |                   |                    |                    |
| Payment of participation sales insufficiencies                    | 371 |                   |                    |                    |
| Appropriation, current.....                                       | BA  | <b>1,059</b>      | <b>350</b>         |                    |
| <b>Public Enterprise Funds:</b>                                   |     |                   |                    |                    |
| Special assistance functions fund                                 | 371 |                   |                    |                    |
| Outlays.....  | O   | 818,293           |                    |                    |
| Emergency mortgage purchase assistance                            | 371 |                   |                    |                    |
| Authority to borrow, permanent, indefinite.....                   | BA  | <b>99,610</b>     |                    |                    |
| Outlays.....  | O   | 129,761           |                    |                    |
| Management and liquidating functions fund                         | 371 |                   |                    |                    |
| Outlays.....  | O   | — 85,401          | — 411,125          | — 410,688          |
| Guarantees of mortgage-backed securities                          | 371 |                   |                    |                    |
| Outlays.....  | O   | — 185,728         | — 241,305          | — 298,275          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                       |         | 1984<br>actual                   | 1985<br>estimate               | 1986<br>estimate                 |
|---|---------|----------------------------------|--------------------------------|----------------------------------|
| <b>Department of Housing and Urban Development—Con.</b>           |         |                                  |                                |                                  |
| <b>Government National Mortgage Association—Con.</b>              |         |                                  |                                |                                  |
| Participation sales fund:   |         |                                  |                                |                                  |
| (Mortgage credit and deposit insurance) 371                       |         |                                  |                                |                                  |
| (Outlays) .....   | 0       | — 20,770                         | — 29,773                       | — 35,985                         |
| (Other advancement of commerce) 376                               |         |                                  |                                |                                  |
| (Outlays) .....   | 0       | — 20,555                         | — 12,262                       | — 12,828                         |
| (Community development) 451                                       |         |                                  |                                |                                  |
| (Outlays) .....   | 0       | 259                              | 423                            | 50                               |
| (Higher education) 502  |         |                                  |                                |                                  |
| (Outlays) .....   | 0       | — 548                            | — 17,568                       | — 27,128                         |
| (Health research) 552   |         |                                  |                                |                                  |
| (Outlays) .....   | 0       | — 889                            | — 993                          | — 1,088                          |
| (Veterans housing) 704  |         |                                  |                                |                                  |
| (Outlays) .....   | 0       | — 22,215                         | — 18,709                       | — 21,123                         |
| Total Participation sales fund.....                               | 0       | — 64,718                         | — 78,882                       | — 98,102                         |
| Total Federal funds Government National Mortgage Association..... | BA<br>0 | <u>100,669</u><br><u>612,207</u> | <u>350</u><br><u>— 731,312</u> | <u>.....</u><br><u>— 807,065</u> |
| <b>Solar Energy and Energy Conservation Bank</b>                  |         |                                  |                                |                                  |
| <i>Federal funds</i>  |         |                                  |                                |                                  |
| General and Special Funds:  |         |                                  |                                |                                  |
| Assistance for solar and conservation improvements 272            |         |                                  |                                |                                  |
| Appropriation, current.....                                       | BA      | <b>25,000</b>                    | <b>15,000</b>                  | .....                            |
| Outlays .....   | 0       | <u>7,927</u>                     | <u>26,300</u>                  | <u>35,000</u>                    |
| <b>Community Planning and Development</b>                         |         |                                  |                                |                                  |
| <i>Federal funds</i>  |         |                                  |                                |                                  |
| General and Special Funds:  |         |                                  |                                |                                  |
| Community development grants 451                                  |         |                                  |                                |                                  |
| Appropriation, current.....                                       | BA      | <b>3,468,000</b>                 | <b>3,472,000</b>               | <b>3,124,800</b>                 |
| Outlays .....   | 0       | 3,819,329                        | 3,900,000                      | 3,520,000                        |
| Urban development action grants 451                               |         |                                  |                                |                                  |
| Appropriation, current.....                                       | BA      | <b>440,000</b>                   | <b>440,000</b>                 | .....                            |
| Outlays .....   | 0       | 453,905                          | 500,000                        | 522,000                          |
| Urban homesteading 451  |         |                                  |                                |                                  |
| Appropriation, current.....                                       | BA      | <b>12,000</b>                    | <b>12,000</b>                  | <b>12,000</b>                    |
| Outlays .....   | 0       | 16,288                           | 16,500                         | 14,535                           |
| Planning assistance 451   |         |                                  |                                |                                  |
| Outlays .....   | 0       | — 16                             | 603                            | .....                            |
| Neighborhood self-help development program 451                    |         |                                  |                                |                                  |
| Outlays .....   | 0       | — 20                             | 106                            | .....                            |
| Miscellaneous appropriations 451                                  |         |                                  |                                |                                  |
| Outlays .....   | 0       | — 390                            | 452                            | .....                            |
| Public Enterprise Funds:  |         |                                  |                                |                                  |
| Rehabilitation loan fund 451                                      |         |                                  |                                |                                  |
| Outlays .....   | 0       | — 21,005                         | 55,000                         | — 1,594                          |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                 |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate    |
|---|-----|----------------|---------------------|---------------------|
| <b>Department of Housing and Urban Development—Con.</b>     |     |                |                     |                     |
| <b>Community Planning and Development—</b>                  |     |                |                     |                     |
| <b>Con.</b>   |     |                |                     |                     |
| Urban renewal programs                                      | 451 |                |                     |                     |
| Liquidation of contract authority, permanent.....           |     | (50,000)       | (22,902)            |                     |
| Outlays.....  | 0   | 44,256         | 14,462              |                     |
| Revolving fund (liquidating programs)                       | 451 |                |                     |                     |
| Appropriation, current.....                                 | BA  | 938            | 395                 |                     |
| Outlays.....  | 0   | —37,100        | —18,631             | 17,635              |
| Total Federal funds Community Planning and Development..... | BA  | 3,920,938      | 3,924,395           | 3,136,800           |
|   | 0   | 4,275,247      | 4,468,492           | 4,072,576           |
| <b>Policy Development and Research</b>                      |     |                |                     |                     |
| <i>Federal funds</i>  |     |                |                     |                     |
| <b>General and Special Funds:</b>                           |     |                |                     |                     |
| Research and technology                                     | 451 |                |                     |                     |
| Appropriation, current.....                                 | BA  | 19,200         | 16,900              |                     |
|   |     |                |                     | <sup>H</sup> 18,900 |
| Outlays.....  | 0   | 24,636         | 18,900              | 18,300              |
| Total Research and technology.....                          | BA  | 19,200         | 16,900              | 18,900              |
|   | 0   | 24,636         | 18,900              | 18,300              |
| <b>Fair Housing and Equal Opportunity</b>                   |     |                |                     |                     |
| <i>Federal funds</i>  |     |                |                     |                     |
| <b>General and Special Funds:</b>                           |     |                |                     |                     |
| Fair housing assistance                                     | 751 |                |                     |                     |
| Appropriation, current.....                                 | BA  | 4,700          | 6,700               | 5,000               |
| Outlays.....  | 0   | 5,854          | 7,770               | 5,000               |
| Fair housing initiatives                                    | 751 |                |                     |                     |
| Appropriation, current.....                                 | BA  |                |                     | <sup>J</sup> 10,000 |
| Outlays.....  | 0   |                |                     | <sup>J</sup> 6,000  |
| Total Federal funds Fair Housing and Equal Opportunity..... | BA  | 4,700          | 6,700               | 15,000              |
|   | 0   | 5,854          | 7,770               | 11,000              |
| <b>Management and Administration</b>                        |     |                |                     |                     |
| <i>Federal funds</i>  |     |                |                     |                     |
| <b>General and Special Funds:</b>                           |     |                |                     |                     |
| Salaries and expenses, Including transfer of funds:         |     |                |                     |                     |
| (Community development)                                     | 451 |                |                     |                     |
| (Appropriation, current).....                               | BA  | 151,769        | 190,537             | 191,020             |
|   |     |                | <sup>H</sup> —4,463 |                     |
| (Outlays).....  | 0   | 139,935        | 195,201             | 192,041             |
|   |     |                | <sup>H</sup> —4,463 |                     |
| Total (Community development).....                          | BA  | 151,769        | 186,074             | 191,020             |
|   | 0   | 139,935        | 190,738             | 192,041             |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                       |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|---|----|----------------|----------------------|------------------|
| <b>Department of Housing and Urban Development—Con.</b>           |    |                |                      |                  |
| <b>Management and Administration—Con.</b>                         |    |                |                      |                  |
| (Housing assistance) 604  |    |                |                      |                  |
| (Appropriation, current) .....                                    | BA | 125,682        | 78,111               | 96,138           |
|   |    |                | <sup>H</sup> — 1,834 |                  |
| (Outlays) .....   | 0  | 115,859        | 80,026               | 91,685           |
|   |    |                | <sup>H</sup> — 1,834 |                  |
| Total (Housing assistance) .....                                  | BA | 125,682        | 76,277               | 96,138           |
|   | 0  | 115,859        | 78,192               | 91,685           |
| (Federal law enforcement activities) 751                          |    |                |                      |                  |
| (Appropriation, current) .....                                    | BA | 23,499         | 26,587               | 26,267           |
|   |    |                | <sup>H</sup> — 622   |                  |
| (Outlays) .....   | 0  | 21,666         | 27,245               | 27,782           |
|   |    |                | <sup>H</sup> — 622   |                  |
| Total (Federal law enforcement activities) .....                  | BA | 23,499         | 25,965               | 26,267           |
|   | 0  | 21,666         | 26,623               | 27,782           |
| Total Salaries and expenses, Including transfer<br>of funds ..... | BA | 300,950        | 288,316              | 313,425          |
|   | 0  | 277,460        | 295,553              | 311,508          |
| New community assistance grants 451                               |    |                |                      |                  |
| Outlays .....   | 0  | 3              | 886                  | .....            |
| <b>Intragovernmental Funds:</b>                                   |    |                |                      |                  |
| Working capital fund 451  |    |                |                      |                  |
| Outlays .....   | 0  | 3,119          | .....                | .....            |
| <i>Trust funds</i>  |    |                |                      |                  |
| Gifts and bequests 451  |    |                |                      |                  |
| Appropriation, permanent, indefinite .....                        | BA | .....          | 5                    | 5                |
| Outlays .....   | 0  | — 2            | 5                    | 5                |
| Total Federal funds Management and Adminis-<br>tration .....      | BA | 300,950        | 288,316              | 313,425          |
|   | 0  | 280,582        | 296,439              | 311,508          |
| Total Trust funds Management and Administra-<br>tion .....        | BA | .....          | 5                    | 5                |
|   | 0  | — 2            | 5                    | 5                |
| <b>Summary</b>  |    |                |                      |                  |
| <b>Federal funds:</b>   |    |                |                      |                  |
| (As shown in detail above) .....                                  | BA | 17,924,029     | 30,981,737           | 6,970,797        |
|   | 0  | 16,520,243     | 28,922,010           | 15,379,090       |
| <b>Trust funds:</b>   |    |                |                      |                  |
| (As shown in detail above) .....                                  | BA | .....          | 5                    | 5                |
|   | 0  | — 2            | 5                    | 5                |
| Total Department of Housing and Urban Devel-<br>opment .....      | BA | 17,924,029     | 30,981,742           | 6,970,802        |
|   | 0  | 16,520,241     | 28,922,015           | 15,379,095       |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                   |         | 1984<br>actual     | 1985<br>estimate     | 1986<br>estimate   |
|---|---------|--------------------|----------------------|--------------------|
| <b>Department of the Interior</b>                             |         |                    |                      |                    |
| <b>Land and Minerals Management</b>                           |         |                    |                      |                    |
| <b>Bureau of Land Management</b>                              |         |                    |                      |                    |
| <i>Federal funds</i>  |         |                    |                      |                    |
| <b>General and Special Funds:</b>                             |         |                    |                      |                    |
| Management of lands and resources                             | 302     |                    |                      |                    |
| Appropriation, current.....                                   | BA      | 411,336            | 385,853<br>H — 5,778 | 364,524            |
| Outlays.....  | O       | 418,113            | 381,995<br>H — 5,778 | 368,899            |
| Total Management of lands and resources.....                  | BA<br>O | 411,336<br>418,113 | 380,075<br>376,217   | 364,524<br>368,899 |
| Construction and access                                       | 302     |                    |                      |                    |
| Appropriation, current.....                                   | BA      | 3,070              | 1,203                | 1,203              |
| Outlays.....  | O       | 2,969              | 2,261                | 2,500              |
| Payments in lieu of taxes                                     | 852     |                    |                      |                    |
| Appropriation, current.....                                   | BA      | 105,000            | 102,900              | 105,000            |
| Outlays.....  | O       | 104,258            | 102,900              | 105,000            |
| Oregon and California grant lands                             | 302     |                    |                      |                    |
| Appropriation, current.....                                   | BA      | 48,536             | 54,289<br>H — 679    | .....              |
| Outlays.....  | O       | 52,509             | 53,746<br>H — 679    | .....              |
| Total Oregon and California grant lands.....                  | BA<br>O | 48,536<br>52,509   | 53,610<br>53,067     | .....<br>.....     |
| Special acquisition of lands and minerals                     | 302     |                    |                      |                    |
| Appropriation, current.....                                   | BA      | .....              | 14,700               | .....              |
| Authority to borrow, permanent .....                          | BA      | 15,400             | 1,300                | 1,300              |
| Outlays.....  | O       | 15,339             | 16,061               | 1,300              |
| Total Special acquisition of lands and minerals ...           | BA<br>O | 15,400<br>15,339   | 16,000<br>16,061     | 1,300<br>1,300     |
| Land acquisition  | 302     |                    |                      |                    |
| Appropriation, current.....                                   | BA      | 4,201              | 2,695                | .....              |
| Outlays.....  | O       | 1,263              | 1,890                | 3,472              |
| Range improvements  | 302     |                    |                      |                    |
| Appropriation, current, indefinite .....                      | BA      | 10,000             | 10,000               | 10,000             |
| Outlays.....  | O       | 10,882             | 9,750                | 9,750              |
| Recreation development and operation of recreation facilities | 302     |                    |                      |                    |
| Outlays.....  | O       | 1                  | .....                | .....              |
| Service charges, deposits, and forfeitures                    | 302     |                    |                      |                    |
| Appropriation, current, indefinite .....                      | BA      | 3,860              | 4,070                | 5,920              |
| Outlays.....  | O       | 3,368              | 3,742                | 5,560              |
| Miscellaneous permanent appropriations:                       |         |                    |                      |                    |
| (Conservation and land management)                            | 302     |                    |                      |                    |
| (Appropriation, permanent, indefinite).....                   | BA      | 7,046              | 5,600                | 500                |
| (Outlays) .....   | O       | 7,046              | 5,600                | 500                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate  |
|--|-----|----------------|---------------------|-------------------|
| <b>Department of the Interior—Con.</b>             |     |                |                     |                   |
| <b>Land and Minerals Management—Con.</b>           |     |                |                     |                   |
| <b>Bureau of Land Management—Con.</b>              |     |                |                     |                   |
| (Other general purpose fiscal assistance)          | 852 |                |                     |                   |
| (Appropriation, permanent, indefinite).....        | BA  | 58,566         | 79,894              | 11,908            |
| (Outlays) .....                                    | O   | 55,620         | 79,894              | 11,908            |
| Total Miscellaneous permanent appropriations ..... | BA  | 65,612         | 85,494              | 12,408            |
|  | O   | 62,666         | 85,494              | 12,408            |
| <b>Intragovernmental Funds:</b>                    |     |                |                     |                   |
| Working capital fund                               | 302 |                |                     |                   |
| Outlays.....                                       | O   | —1,938         | 2,456<br>H —2,951   | —1,516            |
| Total Working capital fund.....                    | O   | —1,938         | —495                | —1,516            |
| <b>Trust funds</b>                                 |     |                |                     |                   |
| Miscellaneous trust funds                          | 302 |                |                     |                   |
| Appropriation, current, indefinite .....           | BA  | 1              | 100                 | 100               |
| Appropriation, permanent, indefinite .....         | BA  | 1,582          | 600                 | 600               |
| Outlays .....                                      | O   | 1,446          | 700                 | 700               |
| Total Miscellaneous trust funds .....              | BA  | 1,583          | 700                 | 700               |
|  | O   | 1,446          | 700                 | 700               |
| Total Federal funds Bureau of Land Management      | BA  | 667,015        | 656,047             | 500,355           |
|  | O   | 669,430        | 650,887             | 507,373           |
| Total Trust funds Bureau of Land Management...     | BA  | 1,583          | 700                 | 700               |
|  | O   | 1,446          | 700                 | 700               |
| <b>Minerals Management Service</b>                 |     |                |                     |                   |
| <b>Federal funds</b>                               |     |                |                     |                   |
| <b>General and Special Funds:</b>                  |     |                |                     |                   |
| Minerals and royalty management                    | 302 |                |                     |                   |
| Appropriation, current.....                        | BA  | 164,625        | 162,560<br>H —1,764 | 154,241           |
| Outlays .....                                      | O   | 157,291        | 184,287<br>H —1,323 | 159,187<br>H —397 |
| Total Minerals and royalty management .....        | BA  | 164,625        | 160,796             | 154,241           |
|  | O   | 157,291        | 182,964             | 158,790           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate   |
|--|----|----------------|----------------------|--------------------|
| <b>Department of the Interior—Con.</b>   |    |                |                      |                    |
| <b>Land and Minerals Management—Con.</b>                                       |    |                |                      |                    |
| <b>Minerals Management Service—Con.</b>  |    |                |                      |                    |
| Payments to States from receipts under Mineral Leasing Act 852                 |    |                |                      |                    |
| Appropriation, current, indefinite .....                                       | BA |                | <sup>A</sup> 800     |                    |
| Appropriation, permanent, indefinite .....                                     | BA | 735,891        | 510,455              | 479,083            |
| Outlays .....  | O  | 735,943        | 510,455              | 479,083            |
|  |    |                | <sup>A</sup> 733     | <sup>A</sup> 67    |
| Total Payments to States from receipts under Mineral Leasing Act .....         | BA | 735,891        | 511,255              | 479,083            |
|  | O  | 735,943        | 511,188              | 479,150            |
| Total Federal funds Minerals Management Service .....                          | BA | 900,516        | 672,051              | 633,324            |
|  | O  | 893,234        | 694,152              | 637,940            |
| <b>Office of Surface Mining Reclamation and Enforcement</b>                    |    |                |                      |                    |
| <i>Federal funds</i>   |    |                |                      |                    |
| General and Special Funds:   |    |                |                      |                    |
| Regulation and technology 302  |    |                |                      |                    |
| Appropriation, current .....   | BA | 70,695         | 75,092               | 79,921             |
|  |    |                | <sup>A</sup> 4,800   |                    |
|  |    |                | <sup>H</sup> — 546   |                    |
| Outlays .....  | O  | 71,371         | 75,778               | 77,996             |
|  |    |                | <sup>A</sup> 1,600   | <sup>A</sup> 3,200 |
|  |    |                | <sup>H</sup> — 546   |                    |
| Total Regulation and technology .....  | BA | 70,695         | 79,346               | 79,921             |
|  | O  | 71,371         | 76,832               | 81,196             |
| Abandoned mine reclamation fund 302  |    |                |                      |                    |
| Appropriation, current .....   | BA | 271,228        | 296,941              | 250,324            |
|  |    |                | <sup>H</sup> — 3,233 |                    |
| Outlays .....  | O  | 134,667        | 207,478              | 239,390            |
|  |    |                | <sup>H</sup> — 623   | <sup>H</sup> — 580 |
| Total Abandoned mine reclamation fund .....                                    | BA | 271,228        | 293,708              | 250,324            |
|  | O  | 134,667        | 206,855              | 238,810            |
| Total Federal funds Office of Surface Mining Reclamation and Enforcement ..... | BA | 341,923        | 373,054              | 330,245            |
|  | O  | 206,038        | 283,687              | 320,006            |
| Total Federal funds Land and Minerals Management .....                         | BA | 1,909,454      | 1,701,152            | 1,463,924          |
|  | O  | 1,768,702      | 1,628,726            | 1,465,319          |
| Total Trust funds Land and Minerals Management .....                           | BA | 1,583          | 700                  | 700                |
|  | O  | 1,446          | 700                  | 700                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                     |     | 1984<br>actual | 1985<br>estimate            | 1986<br>estimate |
|---|-----|----------------|-----------------------------|------------------|
| <b>Department of the Interior—Con.</b>          |     |                |                             |                  |
| <b>Water and Science</b>                        |     |                |                             |                  |
| <b>Bureau of Reclamation</b>                    |     |                |                             |                  |
| <i>Federal funds</i>                            |     |                |                             |                  |
| <b>General and Special Funds:</b>               |     |                |                             |                  |
| Construction program                            | 301 |                |                             |                  |
| Appropriation, current.....                     | BA  | 695,318        | 740,000<br><i>H — 2,571</i> | 532,430          |
| Outlays .....                                   | O   | 655,857        | 702,729<br><i>H — 2,571</i> | 700,000          |
| Total Construction program.....                 | BA  | 695,318        | 737,429                     | 532,430          |
|   | O   | 655,857        | 700,158                     | 700,000          |
| Loan program                                    | 301 |                |                             |                  |
| Appropriation, current.....                     | BA  | 45,000         | 67,537                      | 41,415           |
| Outlays .....                                   | O   | 45,479         | 62,408                      | 48,740           |
| General investigations                          | 301 |                |                             |                  |
| Appropriation, current.....                     | BA  | 34,057         | 35,566<br><i>H — 209</i>    | 32,050           |
| Outlays .....                                   | O   | 35,063         | 35,979<br><i>H — 209</i>    | 32,050           |
| Total General investigations .....              | BA  | 34,057         | 35,357                      | 32,050           |
|   | O   | 35,063         | 35,770                      | 32,050           |
| Emergency fund                                  | 301 |                |                             |                  |
| Appropriation, current.....                     | BA  | 1,000          | 1,000                       | 1,000            |
| Outlays .....                                   | O   | 3,089          | 2,000                       | 1,000            |
| Operation and maintenance                       | 301 |                |                             |                  |
| Appropriation, current.....                     | BA  | 134,291        | 149,689<br><i>H — 1,540</i> | 132,665          |
| Outlays .....                                   | O   | 134,723        | 148,740<br><i>H — 1,540</i> | 130,170          |
| Total Operation and maintenance.....            | BA  | 134,291        | 148,149                     | 132,665          |
|   | O   | 134,723        | 147,200                     | 130,170          |
| General administrative expenses                 | 301 |                |                             |                  |
| Appropriation, current.....                     | BA  | 53,750         | 58,917<br><i>H — 1,468</i>  | 49,200           |
| Outlays .....                                   | O   | 44,455         | 65,965<br><i>H — 1,468</i>  | 49,200           |
| Total General administrative expenses .....     | BA  | 53,750         | 57,449                      | 49,200           |
|   | O   | 44,455         | 64,497                      | 49,200           |
| Colorado River dam fund, Boulder Canyon project |     |                |                             |                  |
|   | 852 |                |                             |                  |
| Appropriation, permanent, indefinite.....       | BA  | 1,930          | 2,100                       | 31,767           |
| Outlays .....                                   | O   | 1,936          | 2,100                       | 32,750           |
| Miscellaneous permanent appropriations          | 852 |                |                             |                  |
| Appropriation, permanent, indefinite.....       | BA  | 254            | 350                         | 350              |
| Outlays .....                                   | O   | 249            | 350                         | 350              |
| <b>Public Enterprise Funds:</b>                 |     |                |                             |                  |
| Lower Colorado River Basin development fund     | 301 |                |                             |                  |
| Outlays .....                                   | O   | — 35,024       |                             |                  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                  |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate    |
|--|-----|----------------|---------------------|---------------------|
| <b>Department of the Interior—Con.</b>                       |     |                |                     |                     |
| <b>Water and Science—Con.</b>                                |     |                |                     |                     |
| <b>Bureau of Reclamation—Con.</b>                            |     |                |                     |                     |
| Upper Colorado River Basin fund                              | 301 |                |                     |                     |
| Outlays.....   | 0   | —20,032        |                     |                     |
| <i>Trust funds</i>   |     |                |                     |                     |
| Reclamation trust funds                                      | 301 |                |                     |                     |
| Appropriation, permanent, indefinite.....                    | BA  | 5,723          | 6,880               | 18,711              |
| Outlays.....   | 0   | 7,464          | 7,233               | 18,711              |
| Total Federal funds Bureau of Reclamation.....               | BA  | 965,600        | 1,049,371           | 820,877             |
|  | 0   | 865,795        | 1,014,483           | 994,260             |
| Total Trust funds Bureau of Reclamation.....                 | BA  | 5,723          | 6,880               | 18,711              |
|  | 0   | 7,464          | 7,233               | 18,711              |
| <b>Geological Survey</b>                                     |     |                |                     |                     |
| <i>Federal funds</i>   |     |                |                     |                     |
| <b>General and Special Funds:</b>                            |     |                |                     |                     |
| Surveys, investigations and research                         | 306 |                |                     |                     |
| Appropriation, current.....                                  | BA  | 377,672        | 413,173             | 406,670             |
|  |     |                | <sup>H</sup> —4,519 |                     |
| Outlays.....   | 0   | 410,876        | 412,757             | 407,219             |
|  |     |                | <sup>H</sup> —3,390 | <sup>H</sup> —1,129 |
| Total Surveys, investigations and research.....              | BA  | 377,672        | 408,654             | 406,670             |
|  | 0   | 410,876        | 409,367             | 406,090             |
| Barrow area gas operation, exploration, and develop-<br>ment | 271 |                |                     |                     |
| Appropriation, current.....                                  | BA  | 13,000         |                     |                     |
| Outlays.....   | 0   | 32,843         | 203                 |                     |
| Exploration of national petroleum reserve in<br>Alaska       | 271 |                |                     |                     |
| Outlays.....   | 0   | 8,507          | 8,920               | 1,000               |
| <i>Trust funds</i>   |     |                |                     |                     |
| Contributed funds  | 306 |                |                     |                     |
| Appropriation, permanent, indefinite.....                    | BA  |                | 500                 | 500                 |
| Outlays.....   | 0   |                | 500                 | 500                 |
| Total Federal funds Geological Survey.....                   | BA  | 390,672        | 408,654             | 406,670             |
|  | 0   | 452,226        | 418,490             | 407,090             |
| Total Trust funds Geological Survey.....                     | BA  |                | 500                 | 500                 |
|  | 0   |                | 500                 | 500                 |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                    |     | 1984<br>actual | 1985<br>estimate            | 1986<br>estimate          |
|--|-----|----------------|-----------------------------|---------------------------|
| <b>Department of the Interior—Con.</b>         |     |                |                             |                           |
| <b>Water and Science—Con.</b>                  |     |                |                             |                           |
| <i>Bureau of Mines</i>                         |     |                |                             |                           |
| <i>Federal funds</i>                           |     |                |                             |                           |
| <b>General and Special Funds:</b>              |     |                |                             |                           |
| Mines and minerals                             | 306 |                |                             |                           |
| Appropriation, current.....                    | BA  | 136,855        | 135,959<br><i>H</i> — 1,355 | 104,313                   |
| Outlays.....                                   | O   | 160,259        | 140,500<br><i>H</i> — 1,355 | 111,270                   |
| Total Mines and minerals.....                  | BA  | 136,855        | 134,604                     | 104,313                   |
|  | O   | 160,259        | 139,145                     | 111,270                   |
| <b>Public Enterprise Funds:</b>                |     |                |                             |                           |
| Helium fund                                    | 306 |                |                             |                           |
| Outlays.....                                   | O   | — 4,538        |                             |                           |
| <i>Trust funds</i>                             |     |                |                             |                           |
| Contributed funds                              | 306 |                |                             |                           |
| Appropriation, permanent, indefinite.....      | BA  | 433            | 500                         | 500                       |
| Outlays.....                                   | O   | 576            | 500                         | 500                       |
| Total Federal funds Bureau of Mines.....       | BA  | 136,855        | 134,604                     | 104,313                   |
|  | O   | 155,721        | 139,145                     | 111,270                   |
| Total Trust funds Bureau of Mines.....         | BA  | 433            | 500                         | 500                       |
|  | O   | 576            | 500                         | 500                       |
| Total Federal funds Water and Science.....     | BA  | 1,493,127      | 1,592,629                   | 1,331,860                 |
|  | O   | 1,473,742      | 1,572,118                   | 1,512,620                 |
| Total Trust funds Water and Science.....       | BA  | 6,156          | 7,880                       | 19,711                    |
|  | O   | 8,040          | 8,233                       | 19,711                    |
| <b>Fish and Wildlife and Parks</b>             |     |                |                             |                           |
| <i>United States Fish and Wildlife Service</i> |     |                |                             |                           |
| <i>Federal funds</i>                           |     |                |                             |                           |
| <b>General and Special Funds:</b>              |     |                |                             |                           |
| Resource management                            | 303 |                |                             |                           |
| Appropriation, current.....                    | BA  | 277,534        | 305,138<br><i>H</i> — 3,869 | 298,735                   |
| Appropriation, permanent, indefinite.....      | BA  |                | 250                         | 250                       |
| Outlays.....                                   | O   | 276,678        | 296,131<br><i>H</i> — 3,752 | 296,846<br><i>H</i> — 117 |
| Total Resource management.....                 | BA  | 277,534        | 301,519                     | 298,985                   |
|  | O   | 276,678        | 292,379                     | 296,729                   |
| Construction                                   | 303 |                |                             |                           |
| Appropriation, current.....                    | BA  | 31,781         | 24,298<br><i>H</i> — 40     | 5,613                     |
| Outlays.....                                   | O   | 15,683         | 29,090<br><i>H</i> — 40     | 23,245                    |
| Total Construction.....                        | BA  | 31,781         | 24,258                      | 5,613                     |
|  | O   | 15,683         | 29,050                      | 23,245                    |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                      |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|-----|----------------|------------------|------------------|
| <b>Department of the Interior—Con.</b>                           |     |                |                  |                  |
| <b>Fish and Wildlife and Parks—Con.</b>                          |     |                |                  |                  |
| <b>United States Fish and Wildlife Service—<br/>Con.</b>         |     |                |                  |                  |
| Land acquisition   | 303 |                |                  |                  |
| Appropriation, current.....                                      | BA  | 52,297         | 63,218           | 1,500            |
| Outlays.....   | O   | 20,389         | 40,718           | 32,000           |
| Migratory bird conservation account                              | 303 |                |                  |                  |
| Appropriation, current.....                                      | BA  | 7,000          | 21,266           | .....            |
| Appropriation, permanent, indefinite.....                        | BA  | 13,999         | 16,376           | 16,400           |
| Outlays.....   | O   | 19,978         | 37,642           | 16,400           |
| Total Migratory bird conservation account.....                   | BA  | 20,999         | 37,642           | 16,400           |
|  | O   | 19,978         | 37,642           | 16,400           |
| National wildlife refuge fund                                    | 852 |                |                  |                  |
| Appropriation, current.....                                      | BA  | 5,760          | 5,645            | 5,645            |
| Appropriation, permanent, indefinite.....                        | BA  | 7,057          | 7,040            | 7,040            |
| Outlays.....   | O   | 12,657         | 12,600           | 12,600           |
| Total National wildlife refuge fund.....                         | BA  | 12,817         | 12,685           | 12,685           |
|  | O   | 12,657         | 12,600           | 12,600           |
| Operations and maintenance of quarters                           | 303 |                |                  |                  |
| Appropriation, current.....                                      | BA  | .....          | 20,915           | .....            |
| Appropriation, permanent.....                                    | BA  | .....          | .....            | 21,084           |
| Outlays.....   | O   | .....          | 20,695           | 21,054           |
| Total Operations and maintenance of quarters.....                | BA  | .....          | 20,915           | 21,084           |
|  | O   | .....          | 20,695           | 21,054           |
| Miscellaneous permanent appropriations                           | 303 |                |                  |                  |
| Appropriation, permanent, indefinite.....                        | BA  | 127,690        | 124,158          | 111,800          |
| Outlays.....   | O   | 148,626        | 148,200          | 120,200          |
| <i>Trust funds</i>   |     |                |                  |                  |
| Sport fish restoration   | 303 |                |                  |                  |
| Appropriation, current, indefinite.....                          | BA  | .....          | .....            | 44,000           |
| Outlays.....   | O   | .....          | .....            | 42,680           |
| Contributed funds  | 303 |                |                  |                  |
| Appropriation, permanent, indefinite.....                        | BA  | 3,537          | 3,838            | 4,165            |
| Outlays.....   | O   | 3,852          | 3,573            | 3,903            |
| Total Federal funds United States Fish and Wildlife Service..... | BA  | 523,118        | 584,395          | 468,067          |
|  | O   | 494,011        | 581,284          | 522,228          |
| Total Trust funds United States Fish and Wildlife Service.....   | BA  | 3,537          | 3,838            | 48,165           |
|  | O   | 3,852          | 3,573            | 46,583           |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                       |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Department of the Interior—Con.</b>                            |     |                |                  |                  |
| <b>Fish and Wildlife and Parks—Con.</b>                           |     |                |                  |                  |
| <i>National Park Service</i>                                      |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                                 |     |                |                  |                  |
| Operation of the national park system                             | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 616,390        | 612,858          | 585,685          |
|   |     |                | <i>H</i> — 8,598 |                  |
| Reappropriation.....  | BA  | 180            |                  |                  |
| Outlays.....  | O   | 642,070        | 611,633          | 589,972          |
|   |     |                | <i>H</i> — 8,598 |                  |
| Total Operation of the national park system.....                  | BA  | 616,570        | 604,260          | 585,685          |
|   | O   | 642,070        | 603,035          | 589,972          |
| National recreation and preservation                              | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 10,377         | 11,111           | 9,259            |
|   |     |                | <i>H</i> — 94    |                  |
| Outlays.....  | O   | 8,740          | 11,211           | 9,268            |
|   |     |                | <i>H</i> — 94    |                  |
| Total National recreation and preservation.....                   | BA  | 10,377         | 11,017           | 9,259            |
|   | O   | 8,740          | 11,117           | 9,268            |
| Construction  | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 66,690         | 111,442          | 49,456           |
|   |     |                | <i>H</i> — 397   |                  |
| Outlays.....  | O   | 103,094        | 96,000           | 93,000           |
|   |     |                | <i>H</i> — 397   |                  |
| Total Construction.....   | BA  | 66,690         | 111,045          | 49,456           |
|   | O   | 103,094        | 95,603           | 93,000           |
| Road construction   | 303 |                |                  |                  |
| Outlays.....  | O   | 1,065          | 1,476            |                  |
| John F. Kennedy Center for the Performing Arts                    |     |                |                  |                  |
|   | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 4,542          | <i>K</i> 4,529   | <i>K</i> 4,529   |
| Outlays.....  | O   | 4,399          | 4,506            | 4,546            |
| Total John F. Kennedy Center for the Performing Arts.....         | BA  | 4,542          | 4,529            | 4,529            |
|   | O   | 4,399          | 4,506            | 4,546            |
| Urban park and recreation fund                                    | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  | 8,700          |                  |                  |
| Outlays.....  | O   | 37,502         | 40,538           | 12,200           |
| Illinois and Michigan canal national heritage-corridor Commission | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  |                | 245              |                  |
| Outlays.....  | O   |                | 245              |                  |
| Jefferson national expansion memorial commission                  |     |                |                  |                  |
|   | 303 |                |                  |                  |
| Appropriation, current.....                                       | BA  |                | 73               |                  |
| Outlays.....  | O   |                | 73               |                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate      |
|---|-----|----------------|-----------------------|-----------------------|
| <b>Department of the Interior—Con.</b>                        |     |                |                       |                       |
| <b>Fish and Wildlife and Parks—Con.</b>                       |     |                |                       |                       |
| <i>National Park Service—Con.</i>                             |     |                |                       |                       |
| National park system visitor facilities fund                  | 303 |                |                       |                       |
| Appropriation, current.....                                   | BA  | 5,800          | 5,880                 | 8,500                 |
| Outlays.....  | O   | 640            | 8,440                 | 8,500                 |
| Land acquisition  | 303 |                |                       |                       |
| Appropriation, current.....                                   | BA  | 203,650        | 147,216               | 11,275                |
|   |     |                | <sup>H</sup> — 52     |                       |
| Contract authority, current.....                              | BA  | — 30,000       | <sup>H</sup> — 30,000 |                       |
|   |     |                |                       | <sup>J</sup> — 30,000 |
| Contract authority, permanent.....                            | BA  | 30,000         | 30,000                | 30,000                |
| Outlays.....  | O   | 255,798        | 259,000               | 134,000               |
|   |     |                | <sup>H</sup> — 52     |                       |
| Total Land acquisition.....                                   | BA  | 203,650        | 147,164               | 11,275                |
|   | O   | 255,798        | 258,948               | 134,000               |
| Planning, development, and operation of recreation facilities | 303 |                |                       |                       |
| Outlays.....  | O   | — 21           | 231                   |                       |
| Historic preservation fund                                    | 303 |                |                       |                       |
| Appropriation, current.....                                   | BA  | 26,500         | 25,480                |                       |
| Outlays.....  | O   | 51,103         | 29,412                | 16,181                |
| Commemorative activities fund                                 | 303 |                |                       |                       |
| Outlays.....  | O   | 26             | 34                    |                       |
| Miscellaneous permanent appropriations                        | 303 |                |                       |                       |
| Appropriation, permanent, indefinite.....                     | BA  | 994            | 1,020                 | 1,035                 |
| Outlays.....  | O   | 552            | 1,423                 | 1,035                 |
| <i>Trust funds</i>  |     |                |                       |                       |
| Construction (trust fund)                                     | 401 |                |                       |                       |
| Liquidation of contract authority, current.....               |     | (14,000)       | (28,000)              |                       |
| Outlays.....  | O   | 1,166          | 18,201                | 211                   |
|   |     |                | <sup>A</sup> 25,066   |                       |
| Total Construction (trust fund).....                          | O   | 1,166          | 43,267                | 211                   |
| Miscellaneous trust funds                                     | 303 |                |                       |                       |
| Appropriation, permanent, indefinite.....                     | BA  | 6,567          | 16,059                | 18,148                |
| Outlays.....  | O   | 4,598          | 17,254                | 18,303                |
| Total Federal funds National Park Service.....                | BA  | 943,823        | 910,713               | 669,739               |
|   | O   | 1,104,968      | 1,055,081             | 868,702               |
| Total Trust funds National Park Service.....                  | BA  | 6,567          | 16,059                | 18,148                |
|   | O   | 5,764          | 60,521                | 18,514                |
| Total Federal funds Fish and Wildlife and Parks..             | BA  | 1,466,941      | 1,495,108             | 1,137,806             |
|   | O   | 1,598,979      | 1,636,365             | 1,390,930             |
| Total Trust funds Fish and Wildlife and Parks.....            | BA  | 10,104         | 19,897                | 66,313                |
|   | O   | 9,616          | 64,094                | 65,097                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate   |
|--|----|----------------|----------------------|--------------------|
| <b>Department of the Interior—Con.</b>                                     |    |                |                      |                    |
| <b>Indian Affairs</b>  |    |                |                      |                    |
| <b>Bureau of Indian Affairs</b>  |    |                |                      |                    |
| <i>Federal funds</i>   |    |                |                      |                    |
| <b>General and Special Funds:</b>  |    |                |                      |                    |
| Operation of Indian programs:  |    |                |                      |                    |
| (Conservation and land management) 302                                     |    |                |                      |                    |
| (Appropriation, current) .....   | BA | 117,694        | 110,150              | 107,074            |
|  |    |                | <sup>G</sup> 543     |                    |
|  |    |                | <sup>H</sup> — 478   |                    |
| (Outlays) .....  | O  | 118,635        | 110,292              | 107,087            |
|  |    |                | <sup>H</sup> — 458   | <sup>H</sup> — 20  |
| Total (Conservation and land management) .....                             | BA | 117,694        | 110,215              | 107,074            |
|  | O  | 118,635        | 109,834              | 107,067            |
| (Area and regional development) 452  |    |                |                      |                    |
| (Appropriation, current) .....   | BA | 501,931        | 498,498              | 502,208            |
|  |    |                | <sup>G</sup> 2,320   |                    |
|  |    |                | <sup>H</sup> — 3,315 |                    |
| (Outlays) .....  | O  | 506,415        | 499,996              | 502,742            |
|  |    |                | <sup>H</sup> — 3,185 | <sup>H</sup> — 130 |
| Total (Area and regional development) .....                                | BA | 501,931        | 497,503              | 502,208            |
|  | O  | 506,415        | 496,811              | 502,612            |
| (Elementary, secondary, and vocational education) 501                      |    |                |                      |                    |
| (Appropriation, current) .....   | BA | 255,754        | 269,268              | 246,405            |
|  |    |                | <sup>G</sup> 2,137   |                    |
|  |    |                | <sup>H</sup> — 1,777 |                    |
| (Reappropriation) .....  | BA | 11,100         |                      |                    |
| (Outlays) .....  | O  | 257,760        | 270,962              | 248,447            |
|  |    |                | <sup>H</sup> — 1,707 | <sup>H</sup> — 70  |
| Total (Elementary, secondary, and vocational education) .....              | BA | 266,854        | 269,628              | 246,405            |
|  | O  | 257,760        | 269,255              | 248,377            |
| Total Operation of Indian programs .....                                   | BA | 886,479        | 877,346              | 855,687            |
|  | O  | 882,810        | 875,900              | 858,056            |
| Construction 452   |    |                |                      |                    |
| Appropriation, current .....   | BA | 77,314         | 107,492              | 70,245             |
|  |    |                | <sup>F</sup> — 5,000 |                    |
| Appropriation, permanent .....   | BA |                |                      | 4,900              |
| Outlays .....  | O  | 101,108        | 127,500              | 96,844             |
| Total Construction .....   | BA | 77,314         | 102,492              | 75,145             |
|  | O  | 101,108        | 127,500              | 96,844             |
| Road construction 452  |    |                |                      |                    |
| Appropriation, current .....   | BA | 4,000          | 5,880                |                    |
| Outlays .....  | O  | 22,667         | 11,000               | 2,750              |
| Payment to Utah Paiute Economic Development and Tribal Government Fund 452 |    |                |                      |                    |
| Appropriation, current .....   | BA |                | 2,450                |                    |
| Outlays .....  | O  |                | 2,450                |                    |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                          |     | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate |
|--|-----|------------------|------------------|------------------|
| <b>Department of the Interior—Con.</b>               |     |                  |                  |                  |
| <b>Indian Affairs—Con.</b>                           |     |                  |                  |                  |
| <b>Bureau of Indian Affairs—Con.</b>                 |     |                  |                  |                  |
| Eastern Indian land claims settlement fund           | 806 |                  |                  |                  |
| Appropriation, current.....                          | BA  | <b>900</b>       |                  |                  |
| Outlays.....   | O   | 1,203            |                  |                  |
| Miscellaneous permanent appropriations:              |     |                  |                  |                  |
| (Area and regional development)                      | 452 |                  |                  |                  |
| (Appropriation, permanent, indefinite).....          | BA  | <b>43,716</b>    | <b>44,000</b>    | <b>44,000</b>    |
| (Outlays) .....                                      | O   | 37,635           | 42,500           | 42,500           |
| (Other general government)                           | 806 |                  |                  |                  |
| (Appropriation, permanent, indefinite).....          | BA  | <b>1,916</b>     | <b>2,000</b>     | <b>2,000</b>     |
| (Outlays) .....                                      | O   | 1,607            | 2,000            | 2,000            |
| Total Miscellaneous permanent appropriations .....   | BA  | <b>45,632</b>    | <b>46,000</b>    | <b>46,000</b>    |
|  | O   | 39,242           | 44,500           | 44,500           |
| <b>Public Enterprise Funds:</b>                      |     |                  |                  |                  |
| Revolving fund for loans                             | 452 |                  |                  |                  |
| Outlays.....   | O   | 3,218            | 8,500            | 4,962            |
| Limitation on direct loan obligations.....           |     | (13,075)         | (18,600)         | (16,300)         |
| Indian loan guaranty and insurance fund              | 452 |                  |                  |                  |
| Appropriation, current.....                          | BA  |                  |                  | <b>1,485</b>     |
| Outlays.....   | O   | 3,167            | 4,470            | 5,955            |
| Liquidation of Hoonah Housing Project revolving fund | 452 |                  |                  |                  |
| Outlays.....   | O   | 3                |                  |                  |
| <b>Trust funds</b>                                   |     |                  |                  |                  |
| Cooperative fund (papago)                            | 452 |                  |                  |                  |
| Appropriation, permanent, indefinite.....            | BA  | <b>7,165</b>     | <b>3,850</b>     | <b>1,280</b>     |
| Miscellaneous trust funds:                           |     |                  |                  |                  |
| (Area and regional development)                      | 452 |                  |                  |                  |
| (Appropriation, current) .....                       | BA  | <b>2,786</b>     | <b>4,000</b>     | <b>4,000</b>     |
| (Indefinite) .....                                   | BA  | <b>48,258</b>    |                  |                  |
| (Appropriation, permanent, indefinite).....          | BA  | <b>327,074</b>   | <b>418,386</b>   | <b>416,136</b>   |
| (Outlays) .....                                      | O   | 433,951          | 460,400          | 458,000          |
| Total (Area and regional development) .....          | BA  | <b>378,118</b>   | <b>422,386</b>   | <b>420,136</b>   |
|  | O   | 433,951          | 460,400          | 458,000          |
| Total Federal funds Bureau of Indian Affairs .....   | BA  | <b>1,014,325</b> | <b>1,034,168</b> | <b>978,317</b>   |
|  | O   | 1,053,418        | 1,074,320        | 1,013,067        |
| Total Trust funds Bureau of Indian Affairs .....     | BA  | <b>385,283</b>   | <b>426,236</b>   | <b>421,416</b>   |
|  | O   | 433,951          | 460,400          | 458,000          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                     |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|---|-----|----------------|--------------------|------------------|
| <b>Department of the Interior—Con.</b>                          |     |                |                    |                  |
| <b>Territorial and International Affairs</b>                    |     |                |                    |                  |
| <i>Territorial and International Affairs</i>                    |     |                |                    |                  |
| <i>Federal funds</i>  |     |                |                    |                  |
| <b>General and Special Funds:</b>                               |     |                |                    |                  |
| Administration of territories                                   | 806 |                |                    |                  |
| Appropriation, current.....                                     | BA  | 81,756         | 75,557             | 61,333           |
|   |     |                | <sup>A</sup> 1,994 |                  |
|   |     |                | <sup>H</sup> — 107 |                  |
| Outlays.....  | O   | 70,445         | 77,402             | 64,606           |
|   |     |                | <sup>A</sup> 1,994 |                  |
|   |     |                | <sup>H</sup> — 107 |                  |
| Total Administration of territories.....                        | BA  | 81,756         | 77,444             | 61,333           |
|   | O   | 70,445         | 79,289             | 64,606           |
| Trust Territory of the Pacific Islands                          | 806 |                |                    |                  |
| Appropriation, current.....                                     | BA  | 114,109        | 98,795             | 13,500           |
| Outlays.....  | O   | 104,206        | 126,589            | 28,345           |
| Micronesian claims fund, Trust Territory of the Pacific Islands | 806 |                |                    |                  |
| Outlays.....  | O   | .....          | 1,578              | .....            |
| Payments to the United States territories, fiscal assistance    | 852 |                |                    |                  |
| Appropriation, permanent, indefinite.....                       | BA  | 65,258         | 63,000             | 66,000           |
| Outlays.....  | O   | 65,161         | 63,000             | 66,000           |
| Total Federal funds Territorial and International Affairs.....  | BA  | 261,123        | 239,239            | 140,833          |
|   | O   | 239,812        | 270,456            | 158,951          |
| <b>Departmental Offices</b>                                     |     |                |                    |                  |
| <i>Office of the Secretary</i>                                  |     |                |                    |                  |
| <i>Federal funds</i>  |     |                |                    |                  |
| <b>General and Special Funds:</b>                               |     |                |                    |                  |
| Office of the Secretary   | 306 |                |                    |                  |
| Appropriation, current.....                                     | BA  | 44,068         | 44,633             | 39,939           |
| Outlays.....  | O   | 15,730         | 65,526             | 39,540           |
| Office of the Secretary (special foreign currency program)      | 306 |                |                    |                  |
| Appropriation, current.....                                     | BA  | 420            | 1,960              | .....            |
| Outlays.....  | O   | 569            | 2,742              | .....            |
| Construction management   | 306 |                |                    |                  |
| Appropriation, current.....                                     | BA  | 800            | 735                | 660              |
| Outlays.....  | O   | 1,868          | 1,000              | 660              |
| Miscellaneous expiring appropriations:                          |     |                |                    |                  |
| (Water resources)   | 301 |                |                    |                  |
| (Outlays) .....   | O   | 736            | 707                | .....            |
| (Conservation and land management)                              | 302 |                |                    |                  |
| (Outlays) .....   | O   | 94             | 14                 | .....            |
| Total Miscellaneous expiring appropriations .....               | O   | 830            | 721                | .....            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                       |        | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate |
|---|--------|------------------|------------------|------------------|
| <b>Department of the Interior—Con.</b>            |        |                  |                  |                  |
| <b>Departmental Offices—Con.</b>                  |        |                  |                  |                  |
| <b>Office of the Secretary—Con.</b>               |        |                  |                  |                  |
| <b>Intragovernmental Funds:</b>                   |        |                  |                  |                  |
| Working capital fund                              | 306    |                  |                  |                  |
| Outlays.....                                      | 0      | 13,461           | — 548            |                  |
| Total Federal funds Office of the Secretary ..... | BA     | <b>45,288</b>    | <b>47,328</b>    | <b>40,599</b>    |
|   | 0      | 32,458           | 69,441           | 40,200           |
| <b>Office of the Solicitor</b>                    |        |                  |                  |                  |
| <i>Federal funds</i>                              |        |                  |                  |                  |
| <b>General and Special Funds:</b>                 |        |                  |                  |                  |
| Office of the Solicitor                           | 306    |                  |                  |                  |
| Appropriation, current.....                       | BA     | <b>19,542</b>    | <b>20,256</b>    | <b>18,417</b>    |
| Outlays.....                                      | 0      | 18,513           | 20,000           | 18,190           |
| <b>Office of Inspector General</b>                |        |                  |                  |                  |
| <i>Federal funds</i>                              |        |                  |                  |                  |
| <b>General and Special Funds:</b>                 |        |                  |                  |                  |
| Office of Inspector General                       | 306    |                  |                  |                  |
| Appropriation, current.....                       | BA     | <b>16,814</b>    | <b>16,908</b>    | <b>15,175</b>    |
| Outlays.....                                      | 0      | 21,858           | 20,104           | 15,203           |
| Total Federal funds Departmental Offices .....    | BA     | <b>81,644</b>    | <b>84,492</b>    | <b>74,191</b>    |
|   | 0      | 72,829           | 109,545          | 73,593           |
| <b>Summary</b>                                    |        |                  |                  |                  |
| <b>Federal funds:</b>                             |        |                  |                  |                  |
| (As shown in detail above).....                   | BA     | <b>6,226,614</b> | <b>6,146,788</b> | <b>5,126,931</b> |
|   | 0      | 6,207,482        | 6,291,530        | 5,614,480        |
| <b>Deductions for offsetting receipts:</b>        |        |                  |                  |                  |
| Proprietary receipts from the public              | 301 BA |                  |                  |                  |
|   | 0      | — 59,191         | — 70,803         | — 74,852         |
|   | 302 BA |                  |                  |                  |
|   | 0      | — 1,203,217      | — 1,231,689      | — 1,260,665      |
|   | BA     |                  |                  |                  |
|   | 0      |                  | 1                | 106,442          |
|   | 303 BA |                  |                  |                  |
|   | 0      | — 49,596         | — 67,705         | — 70,012         |
|   | BA     |                  |                  |                  |
|   | 0      |                  |                  | 29,992           |
|   | 306 BA |                  |                  |                  |
|   | 0      | — 194            | — 5              | — 5              |
|   | 452 BA |                  |                  |                  |
|   | 0      | — 43,857         | — 44,001         | — 44,001         |
|   | 908 BA |                  |                  |                  |
|   | 0      | — 6,784          | — 5,176          | — 7,029          |
| Total Federal funds.....                          | BA     | <b>4,863,775</b> | <b>4,727,410</b> | <b>3,746,817</b> |
|   | 0      | 4,844,643        | 4,872,152        | 4,234,366        |
| <b>Trust funds:</b>                               |        |                  |                  |                  |
| (As shown in detail above).....                   | BA     | <b>403,126</b>   | <b>454,713</b>   | <b>508,140</b>   |
|   | 0      | 453,053          | 533,427          | 543,508          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code            |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|--------|----------------|------------------|------------------|
| <b>Department of the Interior—Con.</b> |        |                |                  |                  |
| <b>Summary—Con.</b>                    |        |                |                  |                  |
| Deductions for offsetting receipts:    |        |                |                  |                  |
| Proprietary receipts from the public   | 301 BA | —5,723         | —6,880           | —18,711          |
|  | O      |                |                  |                  |
|  | 302 BA | —1,583         | —700             | —700             |
|  | O      |                |                  |                  |
|  | 303 BA | —3,537         | —3,838           | —4,165           |
|  | O      |                |                  |                  |
|  | 306 BA | —433           | —1,000           | —1,000           |
|  | O      |                |                  |                  |
|  | 452 BA | —224,483       | —232,500         | —237,600         |
|  | O      |                |                  |                  |
|  | 908 BA | —82,370        | —74,620          | —71,320          |
|  | O      |                |                  |                  |
| Total Trust funds .....                | BA     | 84,997         | 135,175          | 174,644          |
|  | O      | 134,924        | 213,889          | 210,012          |
| Interfund transactions                 | 452 BA |                | —2,450           |                  |
|  | O      |                |                  |                  |
|  | 806 BA | —31,962        | —75,000          | —75,000          |
|  | O      |                |                  |                  |
| Total Department of the Interior ..... | BA     | 4,916,810      | 4,785,135        | 3,846,461        |
|  | O      | 4,947,605      | 5,008,591        | 4,369,378        |

**Department of Justice****General Administration***Federal funds***General and Special Funds:**

|                                   |     |        |                     |                     |
|-----------------------------------|-----|--------|---------------------|---------------------|
| Salaries and expenses             | 751 |        |                     |                     |
| Appropriation, current .....      | BA  | 64,485 | 71,150              | <sup>K</sup> 63,243 |
|                                   |     |        | <sup>A</sup> —3,890 |                     |
|                                   |     |        | <sup>D</sup> 1,068  |                     |
|                                   |     |        | <sup>H</sup> —166   |                     |
| Outlays .....                     | O   | 60,644 | 70,136              | 61,978              |
|                                   |     |        | <sup>A</sup> —3,790 | <sup>A</sup> —100   |
|                                   |     |        | <sup>H</sup> —166   |                     |
| Total Salaries and expenses ..... | BA  | 64,485 | 68,162              | 63,243              |
|                                   | O   | 60,644 | 66,180              | 61,878              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|--|-----|----------------|----------------------|----------------------|
| <b>Department of Justice—Con.</b>                          |     |                |                      |                      |
| <b>General Administration—Con.</b>                         |     |                |                      |                      |
| <b>Intragovernmental Funds:</b>                            |     |                |                      |                      |
| Working capital fund                                       | 751 |                |                      |                      |
| Appropriation, current.....                                | BA  |                | <b>3,000</b>         |                      |
|  |     |                | <sup>H</sup> — 3,000 |                      |
| Outlays.....   | O   | — 3,086        | 4,145                | 1,140                |
|  |     |                | <sup>H</sup> — 3,000 |                      |
| Total Working capital fund.....                            | O   | — 3,086        | 1,145                | 1,140                |
| Total Federal funds General Administration.....            | BA  | <b>64,485</b>  | <b>68,162</b>        | <b>63,243</b>        |
|  | O   | 57,558         | 67,325               | 63,018               |
| <b>United States Parole Commission</b>                     |     |                |                      |                      |
| <i>Federal funds</i>                                       |     |                |                      |                      |
| <b>General and Special Funds:</b>                          |     |                |                      |                      |
| Salaries and expenses                                      | 751 |                |                      |                      |
| Appropriation, current.....                                | BA  | <b>7,858</b>   | <b>8,913</b>         |                      |
|  |     |                |                      | <sup>K</sup> 9,415   |
|  |     |                | <sup>D</sup> 160     |                      |
| Outlays.....   | O   | 7,088          | 9,020                | 9,235                |
| Total Salaries and expenses.....                           | BA  | <b>7,858</b>   | <b>9,073</b>         | <b>9,415</b>         |
|  | O   | 7,088          | 9,020                | 9,235                |
| <b>Legal Activities</b>                                    |     |                |                      |                      |
| <i>Federal funds</i>                                       |     |                |                      |                      |
| <b>General and Special Funds:</b>                          |     |                |                      |                      |
| Salaries and expenses, General Legal Activities            | 752 |                |                      |                      |
| Appropriation, current.....                                | BA  | <b>169,637</b> | <b>194,163</b>       |                      |
|  |     |                |                      | <sup>K</sup> 200,277 |
|  |     |                | <sup>A</sup> 1,348   |                      |
|  |     |                | <sup>D</sup> 3,308   |                      |
|  |     |                | <sup>H</sup> — 470   |                      |
| Outlays.....   | O   | 160,864        | 196,560              | 196,271              |
|  |     |                | <sup>A</sup> 1,321   | <sup>A</sup> 27      |
|  |     |                | <sup>H</sup> — 470   |                      |
| Total Salaries and expenses, General Legal Activities..... | BA  | <b>169,637</b> | <b>198,349</b>       | <b>200,277</b>       |
|  | O   | 160,864        | 197,411              | 196,298              |
| Salaries and expenses, Antitrust Division                  | 752 |                |                      |                      |
| Appropriation, current.....                                | BA  | <b>44,229</b>  | <b>42,519</b>        |                      |
|  |     |                |                      | <sup>K</sup> 43,476  |
|  |     |                | <sup>D</sup> 665     |                      |
|  |     |                | <sup>H</sup> — 65    |                      |
| Outlays.....   | O   | 41,652         | 42,277               | 42,685               |
|  |     |                | <sup>H</sup> — 65    |                      |
| Total Salaries and expenses, Antitrust Division....        | BA  | <b>44,229</b>  | <b>43,119</b>        | <b>43,476</b>        |
|  | O   | 41,652         | 42,212               | 42,685               |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate   |
|--|-----|----------------|----------------------|--------------------|
| <b>Department of Justice—Con.</b>                                      |     |                |                      |                    |
| <b>Legal Activities—Con.</b>   |     |                |                      |                    |
| Salaries and expenses, Foreign Claims Settlement Commission            | 153 |                |                      |                    |
| Appropriation, current.....  | BA  | 843            | 929                  | κ 879              |
| Outlays.....   | O   | 596            | 935                  | 880                |
| Total Salaries and expenses, Foreign Claims Settlement Commission..... | BA  | 843            | 929                  | 879                |
|  | O   | 596            | 935                  | 880                |
| Payment of Vietnam and U.S.S. Pueblo prisoner of war claims            | 153 |                |                      |                    |
| Outlays.....   | O   | 26             | 10                   | 15                 |
| Salaries and expenses, United States Attorneys and Marshals            | 752 |                |                      |                    |
| Appropriation, current.....  | BA  | 384,626        | 431,114              | κ 478,057          |
|  |     |                | <sup>A</sup> 13,722  |                    |
|  |     |                | <sup>D</sup> 6,151   |                    |
|  |     |                | <sup>G</sup> 1,636   |                    |
|  |     |                | <sup>H</sup> — 889   |                    |
| Reappropriation.....   | BA  | 2,536          |                      |                    |
| Outlays.....   | O   | 381,221        | 437,183              | 468,617            |
|  |     |                | <sup>A</sup> 24,650  | <sup>A</sup> 1,298 |
|  |     |                | <sup>H</sup> — 889   |                    |
| Total Salaries and expenses, United States Attorneys and Marshals..... | BA  | 387,162        | 451,734              | 478,057            |
|  | O   | 381,221        | 460,944              | 469,915            |
| Support of United States prisoners                                     | 752 |                |                      |                    |
| Appropriation, current.....  | BA  | 51,465         | 63,240               | κ 58,240           |
|  |     |                | <sup>A</sup> — 3,683 |                    |
|  |     |                | <sup>F</sup> — 1,636 |                    |
| Outlays.....   | O   | 40,241         | 64,284               | 64,416             |
|  |     |                | <sup>A</sup> — 3,683 |                    |
| Total Support of United States prisoners.....                          | BA  | 51,465         | 57,921               | 58,240             |
|  | O   | 40,241         | 60,601               | 64,416             |
| Fees and expenses of witnesses   | 752 |                |                      |                    |
| Appropriation, current.....  | BA  | 37,883         | 40,600               | κ 47,900           |
|  |     |                | <sup>A</sup> 2,800   |                    |
|  |     |                | <sup>H</sup> — 309   |                    |
| Outlays.....   | O   | 34,617         | 39,788               | 46,912             |
|  |     |                | <sup>A</sup> 2,744   | <sup>A</sup> 56    |
|  |     |                | <sup>H</sup> — 309   |                    |
| Total Fees and expenses of witnesses.....                              | BA  | 37,883         | 43,091               | 47,900             |
|  | O   | 34,617         | 42,223               | 46,968             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate             |
|---|-----|----------------|--------------------|------------------------------|
| <b>Department of Justice—Con.</b>                             |     |                |                    |                              |
| <b>Legal Activities—Con.</b>                                  |     |                |                    |                              |
| Salaries and expenses, Community Relations Service            | 752 |                |                    |                              |
| Appropriation, current.....                                   | BA  | 32,327         | 33,000             | .....<br><sup>K</sup> 33,217 |
|   |     |                | <sup>D</sup> 135   |                              |
|   |     |                | <sup>H</sup> — 43  |                              |
| Outlays.....  | 0   | 17,337         | 38,805             | 38,637                       |
|   |     |                | <sup>H</sup> — 43  |                              |
| Total Salaries and expenses, Community Relations Service..... | BA  | 32,327         | 33,092             | 33,217                       |
|   | 0   | 17,337         | 38,762             | 38,637                       |
| Assets forfeiture fund  | 752 |                |                    |                              |
| Appropriation, current.....                                   | BA  | .....          | .....              | 20,000                       |
|   |     |                | <sup>A</sup> 5,000 |                              |
| Outlays.....  | 0   | .....          | .....              | 19,731                       |
|   |     |                | <sup>A</sup> 4,887 | <sup>A</sup> 113             |
| Total Assets forfeiture fund.....                             | BA  | .....          | 5,000              | 20,000                       |
|   | 0   | .....          | 4,887              | 19,844                       |
| Total Federal funds Legal Activities.....                     | BA  | 723,546        | 833,235            | 882,046                      |
|   | 0   | 676,554        | 847,985            | 879,658                      |
| <b>Interagency Law Enforcement</b>                            |     |                |                    |                              |
| <i>Federal funds</i>  |     |                |                    |                              |
| <b>General and Special Funds:</b>                             |     |                |                    |                              |
| Organized crime drug enforcement                              | 751 |                |                    |                              |
| Appropriation, current.....                                   | BA  | 90,182         | 1,500              | .....                        |
|   |     |                | <sup>A</sup> 635   |                              |
|   |     |                | <sup>D</sup> 43    |                              |
| Outlays.....  | 0   | 103,416        | 79,293             | 13                           |
|   |     |                | <sup>A</sup> 635   |                              |
| Total Organized crime drug enforcement.....                   | BA  | 90,182         | 2,178              | .....                        |
|   | 0   | 103,416        | 79,928             | 13                           |

**Federal Bureau of Investigation**

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                 |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|---|-----|----------------|------------------|----------------------|
| <b>Department of Justice—Con.</b>           |     |                |                  |                      |
| <b>Federal Bureau of Investigation—Con.</b> |     |                |                  |                      |
| <i>Federal funds</i>                        |     |                |                  |                      |
| General and Special Funds:                  |     |                |                  |                      |
| Salaries and expenses                       | 751 |                |                  |                      |
| Appropriation, current.....                 | BA  | 1,063,936      | 1,147,123        | .....<br>K 1,185,664 |
|   |     |                | A 1,500          |                      |
|   |     |                | C 342            |                      |
|   |     |                | D 14,928         |                      |
|   |     |                | H —3,505         |                      |
| Reappropriation.....                        | BA  |                | A 10,000         |                      |
| Outlays.....                                | O   | 915,549        | 1,144,962        | 1,166,480            |
|   |     |                | A —8,504         | A 8,795              |
|   |     |                | H —3,505         |                      |
| Total Salaries and expenses.....            | BA  | 1,063,936      | 1,170,388        | 1,185,664            |
|   | O   | 915,549        | 1,132,953        | 1,175,275            |
| <b>Drug Enforcement Administration</b>      |     |                |                  |                      |
| <i>Federal funds</i>                        |     |                |                  |                      |
| General and Special Funds:                  |     |                |                  |                      |
| Salaries and expenses                       | 751 |                |                  |                      |
| Appropriation, current.....                 | BA  | 290,623        | 329,988          | .....<br>K 345,671   |
|   |     |                | A 2,700          |                      |
|   |     |                | D 4,682          |                      |
|   |     |                | H —876           |                      |
| Outlays.....                                | O   | 281,808        | 327,923          | 338,470              |
|   |     |                | A 2,700          |                      |
|   |     |                | H —876           |                      |
| Total Salaries and expenses.....            | BA  | 290,623        | 336,494          | 345,671              |
|   | O   | 281,808        | 329,747          | 338,470              |
| <i>Trust funds</i>                          |     |                |                  |                      |
| Drug abuse prevention and control gift fund | 751 |                |                  |                      |
| Appropriation, permanent, indefinite.....   | BA  | 2              |                  |                      |
| Outlays.....                                | O   |                | 2                |                      |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate   |
|---|-----|----------------|------------------|--------------------|
| <b>Department of Justice—Con.</b>             |     |                |                  |                    |
| <b>Immigration and Naturalization Service</b> |     |                |                  |                    |
| <i>Federal funds</i>                          |     |                |                  |                    |
| <b>General and Special Funds:</b>             |     |                |                  |                    |
| Salaries and expenses                         | 751 |                |                  |                    |
| Appropriation, current.....                   | BA  | 510,638        | 576,417          | .....<br>K 577,510 |
|   |     |                | C 86             |                    |
|   |     |                | D 9,475          |                    |
|   |     |                | H — 947          |                    |
| Reappropriation.....                          | BA  |                | A 6,586          |                    |
| Outlays.....                                  | O   | 512,563        | 582,046          | 573,467            |
|   |     |                | A — 6,586        | A 4,500            |
|   |     |                | H — 940          | H — 7              |
| Total Salaries and expenses.....              | BA  | 510,638        | 591,617          | 577,510            |
|   | O   | 512,563        | 574,520          | 577,960            |
| <b>Federal Prison System</b>                  |     |                |                  |                    |
| <i>Federal funds</i>                          |     |                |                  |                    |
| <b>General and Special Funds:</b>             |     |                |                  |                    |
| Salaries and expenses                         | 753 |                |                  |                    |
| Appropriation, current.....                   | BA  | 447,550        | 503,450          | .....<br>K 546,884 |
|   |     |                | A 3,083          |                    |
|   |     |                | C 735            |                    |
|   |     |                | D 6,610          |                    |
|   |     |                | H — 451          |                    |
| Outlays.....                                  | O   | 434,473        | 509,595          | 531,601            |
|   |     |                | A 2,836          | A 247              |
|   |     |                | H — 451          |                    |
| Total Salaries and expenses.....              | BA  | 447,550        | 513,427          | 546,884            |
|   | O   | 434,473        | 511,980          | 531,848            |
| <b>National Institute of Corrections</b>      |     |                |                  |                    |
| Appropriation, current.....                   | BA  | 17,300         | 14,000           | .....<br>K 13,120  |
|   |     |                | H — 894          |                    |
| Outlays.....                                  | O   | 11,306         | 14,870           | 17,842             |
|   |     |                | H — 894          |                    |
| Total National Institute of Corrections.....  | BA  | 17,300         | 13,106           | 13,120             |
|   | O   | 11,306         | 13,976           | 17,842             |
| <b>Buildings and facilities</b>               |     |                |                  |                    |
| Appropriation, current.....                   | BA  | 47,711         | 86,056           | .....<br>K 46,063  |
|   |     |                | H — 13           |                    |
| Outlays.....                                  | O   | 52,180         | 68,093           | 100,156            |
|   |     |                | H — 13           |                    |
| Total Buildings and facilities.....           | BA  | 47,711         | 86,043           | 46,063             |
|   | O   | 52,180         | 68,080           | 100,156            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                              |     | 1984<br>actual   | 1985<br>estimate     | 1986<br>estimate     |
|--|-----|------------------|----------------------|----------------------|
| <b>Department of Justice—Con.</b>                        |     |                  |                      |                      |
| <b>Federal Prison System—Con.</b>                        |     |                  |                      |                      |
| <b>Intragovernmental Funds:</b>                          |     |                  |                      |                      |
| Federal Prison Industries, Incorporated                  | 753 |                  |                      |                      |
| Outlays.....   | 0   | 7,828            |                      |                      |
| Limitation on administrative expenses.....               |     | (1,676)          | (2,074)              | (2,070)              |
| Limitation on vocational expenses.....                   |     | (5,701)          | (6,994)              | (6,920)              |
| <i>Trust funds</i>                                       |     |                  |                      |                      |
| Commissary funds, Federal prisons (trust revolving fund) | 753 |                  |                      |                      |
| Outlays.....   | 0   | — 662            |                      |                      |
| Total Federal funds Federal Prison System.....           | BA  | <b>512,561</b>   | <b>612,576</b>       | <b>606,067</b>       |
|  | 0   | 505,787          | 594,036              | 649,846              |
| Total Trust funds Federal Prison System.....             | 0   | — 662            |                      |                      |
| <b>Office of Justice Programs</b>                        |     |                  |                      |                      |
| <i>Federal funds</i>                                     |     |                  |                      |                      |
| <b>General and Special Funds:</b>                        |     |                  |                      |                      |
| Justice assistance                                       | 754 |                  |                      |                      |
| Appropriation, current.....                              | BA  | <b>197,352</b>   | <b>145,551</b>       | <b>139,300</b>       |
|  |     |                  | <sup>H</sup> — 2,031 |                      |
| Outlays.....   | 0   | 124,512          | 210,505              | 208,151              |
|  |     |                  | <sup>A</sup> — 4,497 | <sup>A</sup> — 6,210 |
|  |     |                  | <sup>H</sup> — 1,931 | <sup>H</sup> — 100   |
| Total Justice assistance.....                            | BA  | <b>197,352</b>   | <b>143,520</b>       | <b>139,300</b>       |
|  | 0   | 124,512          | 204,077              | 201,841              |
| Crime victims fund                                       | 754 |                  |                      |                      |
| Appropriation, current.....                              | BA  |                  | <b>70,000</b>        |                      |
| Appropriation, permanent.....                            | BA  |                  |                      | <b>100,000</b>       |
| Outlays.....   | 0   |                  | 15,000               | 60,000               |
| Total Crime victims fund.....                            | BA  |                  | <b>70,000</b>        | <b>100,000</b>       |
|  | 0   |                  | 15,000               | 60,000               |
| <b>Public Enterprise Funds:</b>                          |     |                  |                      |                      |
| Revolving fund   | 754 |                  |                      |                      |
| Outlays.....   | 0   | 178              | 31                   |                      |
| Total Federal funds Office of Justice Programs....       | BA  | <b>197,352</b>   | <b>213,520</b>       | <b>239,300</b>       |
|  | 0   | 124,690          | 219,108              | 261,841              |
| <b>Summary</b>   |     |                  |                      |                      |
| <b>Federal funds:</b>                                    |     |                  |                      |                      |
| (As shown in detail above).....                          | BA  | <b>3,461,181</b> | <b>3,837,243</b>     | <b>3,908,916</b>     |
|  | 0   | 3,185,013        | 3,854,622            | 3,955,316            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate      |
|---|-----|----------------|------------------------|-----------------------|
| <b>Department of Justice—Con.</b>   |     |                |                        |                       |
| <b>Summary—Con.</b>   |     |                |                        |                       |
| <b>Trust funds:</b>   |     |                |                        |                       |
| (As shown in detail above).....   | BA  | 2              |                        |                       |
|   | O   | —662           | 2                      |                       |
| Total Department of Justice.....  | BA  | 3,461,183      | 3,837,243              | 3,908,916             |
|   | O   | 3,184,351      | 3,854,624              | 3,955,316             |
| <b>Department of Labor</b>  |     |                |                        |                       |
| <b>Employment and Training Administration</b>                             |     |                |                        |                       |
| <i>Federal funds</i>  |     |                |                        |                       |
| <b>General and Special Funds:</b>   |     |                |                        |                       |
| Program administration.....   | 504 |                |                        |                       |
| Appropriation, current.....   | BA  | 82,739         | 67,625                 | 62,914                |
|   |     |                | <sup>H</sup> — 1,921   |                       |
| Outlays.....  | O   | 77,318         | 73,551                 | 64,091                |
|   |     |                | <sup>H</sup> — 1,730   | <sup>H</sup> — 174    |
| Total Program administration.....   | BA  | 82,739         | 65,704                 | 62,914                |
|   | O   | 77,318         | 71,821                 | 63,917                |
| Training and employment services.....                                     | 504 |                |                        |                       |
| Appropriation, current.....   | BA  | 6,546,225      | 3,769,545              | 2,805,521             |
|   |     |                | <sup>H</sup> — 255,983 |                       |
| Outlays.....  | O   | 3,195,897      | 3,651,502              | 3,570,030             |
|   |     |                | <sup>H</sup> — 13,823  | <sup>H</sup> — 19,090 |
| Total Training and employment services.....                               | BA  | 6,546,225      | 3,513,562              | 2,805,521             |
|   | O   | 3,195,897      | 3,637,679              | 3,550,940             |
| Community service employment for older Americans.....                     | 504 |                |                        |                       |
| Appropriation, current.....   | BA  | 317,300        | 326,000                | 326,000               |
| Outlays.....  | O   | 321,348        | 318,931                | 326,000               |
| Temporary employment assistance.....                                      | 504 |                |                        |                       |
| Outlays.....  | O   | —15,229        |                        |                       |
| Federal unemployment benefits and allowances.....                         | 603 |                |                        |                       |
| Appropriation, current.....   | BA  | 12,000         | 75,000                 | 10,000                |
| Outlays.....  | O   | 33,756         | 69,000                 | 10,000                |
| State unemployment insurance and employment service operations:           |     |                |                        |                       |
| (Training and employment).....  | 504 |                |                        |                       |
| (Appropriation, current).....   | BA  | 72,500         | 23,500                 | 23,600                |
| (Outlays).....  | O   | 16,362         | 50,604                 | 23,225                |
| (Unemployment compensation).....  | 603 |                |                        |                       |
| (Outlays).....  | O   | 4,162          |                        |                       |
| Total State unemployment insurance and employment service operations..... | BA  | 72,500         | 23,500                 | 23,600                |
|   | O   | 20,524         | 50,604                 | 23,225                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate       |
|---|----|----------------|-----------------------|------------------------|
| <b>Department of Labor—Con.</b>   |    |                |                       |                        |
| <b>Employment and Training Administration—<br/>Con.</b>                                       |    |                |                       |                        |
| Advances to the unemployment trust fund and other funds:                                      |    |                |                       |                        |
| (General retirement and disability insurance 601)   |    |                |                       |                        |
| (Appropriation, current) .....  | BA | 731,339        |                       | 365,000                |
|   |    |                |                       | <sup>J</sup> — 235,000 |
|   |    |                |                       | <sup>L</sup> 20,000    |
| (Outlays) .....   | O  | 346,063        | 365,490               | 365,000                |
|   |    |                |                       | <sup>J</sup> — 235,000 |
|   |    |                |                       | <sup>L</sup> 20,000    |
| Total (General retirement and disability insurance) .....                                     | BA | 731,339        |                       | 150,000                |
|   | O  | 346,063        | 365,490               | 150,000                |
| (Unemployment compensation) 603   |    |                |                       |                        |
| (Appropriation, current) .....  | BA | 6,377,661      |                       | 80,000                 |
| (Outlays) .....   | O  | 3,836,300      | 1,310,000             | 80,000                 |
| Total Advances to the unemployment trust fund and other funds .....                           | BA | 7,109,000      |                       | 230,000                |
|   | O  | 4,182,363      | 1,675,490             | 230,000                |
| <b>Intragovernmental Funds:</b>   |    |                |                       |                        |
| Advances to the Employment Security Administration account of the Unemployment trust fund 603 |    |                |                       |                        |
| Outlays .....   | O  | — 120,925      |                       |                        |
| <i>Trust funds</i>  |    |                |                       |                        |
| Gifts and bequests 504  |    |                |                       |                        |
| Appropriation, permanent, indefinite .....  | BA |                | 10                    | 10                     |
| Outlays .....   | O  | 73             | 7                     | 14                     |
| Unemployment trust fund:  |    |                |                       |                        |
| (Training and employment) 504   |    |                |                       |                        |
| (Appropriation, current) .....  | BA |                | <sup>A</sup> — 41,048 |                        |
| (Appropriation, permanent, indefinite) .....  | BA | 1,398,685      | 962,900               | 917,674                |
| (Outlays) .....   | O  | 782,275        | 963,837               | 934,698                |
|   |    |                | <sup>A</sup> — 13,298 | <sup>A</sup> — 27,750  |
| (Veterans employment and training) .....  |    |                | (122,172)             | (124,070)              |
|   |    |                | <sup>A</sup> (— 119)  |                        |
|   |    |                | <sup>D</sup> (143)    |                        |
| Total (Training and employment) .....   | BA | 1,398,685      | 921,852               | 917,674                |
|   | O  | 782,275        | 950,539               | 906,948                |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate       |
|--|-----|----------------|------------------------|------------------------|
| <b>Department of Labor—Con.</b>  |     |                |                        |                        |
| <b>Employment and Training Administration—<br/>Con.</b>                      |     |                |                        |                        |
| (Unemployment compensation)  | 603 |                |                        |                        |
| (Appropriation, current) .....   | BA  |                | <sup>A</sup> 41,048    | <sup>J</sup> 146,000   |
| (Appropriation, permanent, indefinite) .....                                 | BA  | 28,493,643     | 27,337,100             | 26,082,326             |
| (Outlays) .....  | O   | 25,306,489     | 21,836,163             | 21,165,302             |
|  |     |                |                        | <sup>J</sup> 67,000    |
| (Limitation on railroad unemployment insurance<br>administration fund) ..... |     | (13,912)       | (16,678)               | (9,205)                |
|  |     |                | <sup>A</sup> (— 502)   |                        |
| Total (Unemployment compensation) .....                                      | BA  | 28,493,643     | 27,378,148             | 26,228,326             |
|  | O   | 25,306,489     | 21,836,163             | 21,232,302             |
| Total Unemployment trust fund .....  | BA  | 29,892,328     | 28,300,000             | 27,146,000             |
|  | O   | 26,088,764     | 22,786,702             | 22,139,250             |
| Total Federal funds Employment and Training<br>Administration .....          | BA  | 14,139,764     | 4,003,766              | 3,458,035              |
|  | O   | 7,695,052      | 5,823,525              | 4,204,082              |
| Total Trust funds Employment and Training Ad-<br>ministration .....          | BA  | 29,892,328     | 28,300,010             | 27,146,010             |
|  | O   | 26,088,837     | 22,786,709             | 22,139,264             |
| <b>Labor-Management Services</b>   |     |                |                        |                        |
| <i>Federal funds</i>   |     |                |                        |                        |
| <b>General and Special Funds:</b>  |     |                |                        |                        |
| Salaries and expenses  | 505 |                |                        |                        |
| Appropriation, current .....   | BA  | 62,136         | 60,211                 | 56,002                 |
|  |     |                | <sup>D</sup> 526       |                        |
|  |     |                | <sup>H</sup> — 1,678   |                        |
| Outlays .....  | O   | 55,664         | 63,129                 | 57,007                 |
|  |     |                | <sup>H</sup> — 1,678   |                        |
| Total Salaries and expenses .....  | BA  | 62,136         | 59,059                 | 56,002                 |
|  | O   | 55,664         | 61,451                 | 57,007                 |
| <b>Pension Benefit Guaranty Corporation</b>                                  |     |                |                        |                        |
| <i>Federal funds</i>   |     |                |                        |                        |
| <b>Public Enterprise Funds:</b>  |     |                |                        |                        |
| Pension Benefit Guaranty Corporation fund                                    | 601 |                |                        |                        |
| Outlays .....  | O   | — 9,921        | — 12,136               | 9,037                  |
|  |     |                | <sup>H</sup> — 228     |                        |
|  |     |                | <sup>J</sup> — 145,105 | <sup>J</sup> — 183,523 |
| Limitation on administration .....   |     |                | (33,057)               | (32,346)               |
|  |     |                | <sup>A</sup> (— 228)   |                        |
|  |     |                | <sup>D</sup> (244)     |                        |
| Total Pension Benefit Guaranty Corporation fund.                             | O   | — 9,921        | — 157,469              | — 174,486              |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                              |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate      |
|--|-----|----------------|----------------------|-----------------------|
| <b>Department of Labor—Con.</b>                          |     |                |                      |                       |
| <b>Employment Standards Administration</b>               |     |                |                      |                       |
| <i>Federal funds</i>                                     |     |                |                      |                       |
| <b>General and Special Funds:</b>                        |     |                |                      |                       |
| Salaries and expenses                                    | 505 |                |                      |                       |
| Appropriation, current.....                              | BA  | 188,483        | 192,582              | 180,757               |
|  |     |                | <sup>D</sup> 1,819   |                       |
|  |     |                | <sup>H</sup> - 2,235 |                       |
| Outlays.....   | O   | 172,844        | 192,405              | 180,850               |
|  |     |                | <sup>H</sup> - 2,235 |                       |
| Total Salaries and expenses.....                         | BA  | 188,483        | 192,166              | 180,757               |
|  | O   | 172,844        | 190,170              | 180,850               |
| <b>Special benefits:</b>                                 |     |                |                      |                       |
| (General retirement and disability insurance)            |     |                |                      |                       |
|  | 601 |                |                      |                       |
| (Appropriation, current) .....                           | BA  | 4,100          | 4,400                | 4,500                 |
| (Outlays) .....  | O   | 4,100          | 4,400                | 4,500                 |
| (Federal employee retirement and disability)             |     |                |                      |                       |
|  | 602 |                |                      |                       |
| (Appropriation, current) .....                           | BA  | 216,000        | 207,000              | 255,000               |
|  |     |                |                      | <sup>J</sup> - 22,000 |
| (Outlays) .....  | O   | 218,694        | 207,000              | 255,000               |
|  |     |                |                      | <sup>J</sup> - 22,000 |
| Total (Federal employee retirement and disability) ..... | BA  | 216,000        | 207,000              | 233,000               |
|  | O   | 218,694        | 207,000              | 233,000               |
| Total Special benefits.....                              | BA  | 220,100        | 211,400              | 237,500               |
|  | O   | 222,794        | 211,400              | 237,500               |
| <i>Trust funds</i>                                       |     |                |                      |                       |
| Black lung disability trust fund                         | 601 |                |                      |                       |
| Appropriation, current.....                              | BA  | 861,785        | 941,781              | 963,244               |
|  |     |                | <sup>D</sup> 176     |                       |
|  |     |                |                      | <sup>J</sup> - 12,000 |
|  |     |                |                      | <sup>L</sup> 20,000   |
| Indefinite.....  | BA  | 576            | 756                  | 756                   |
| Outlays.....   | O   | 865,267        | 943,640              | 964,000               |
|  |     |                |                      | <sup>J</sup> - 12,000 |
|  |     |                |                      | <sup>L</sup> 20,000   |
| Total Black lung disability trust fund.....              | BA  | 862,361        | 942,713              | 972,000               |
|  | O   | 865,267        | 943,640              | 972,000               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                  |    | 1984<br>actual | 1985<br>estimate                                      | 1986<br>estimate |
|--|----|----------------|---|------------------|
| <b>Department of Labor—Con.</b>                              |    |                |   |                  |
| <b>Employment Standards Administration—Con.</b>              |    |                |   |                  |
| Special workers' compensation expenses: 601                  |    |                |   |                  |
| Appropriation, permanent, indefinite.....                    | BA | 48,429         | 58,000  | 68,000           |
| Outlays.....   | O  | 44,161         | 53,000  | 63,000           |
| Total Federal funds Employment Standards Administration..... | BA | 408,583        | 403,566   | 418,257          |
|  | O  | 395,638        | 401,570   | 418,350          |
| Total Trust funds Employment Standards Administration.....   | BA | 910,790        | 1,000,713   | 1,040,000        |
|  | O  | 909,428        | 996,640   | 1,035,000        |
| <b>Occupational Safety and Health Administration</b>         |    |                |   |                  |
| <i>Federal funds</i>   |    |                |   |                  |
| General and Special Funds:                                   |    |                |   |                  |
| Salaries and expenses 554                                    |    |                |   |                  |
| Appropriation, current.....                                  | BA | 212,560        | 219,652<br><sup>D</sup> 1,176<br><sup>H</sup> — 1,694 | 213,059          |
| Outlays.....   | O  | 207,225        | 222,001<br><sup>H</sup> — 1,694                       | 213,857          |
| Total Salaries and expenses.....                             | BA | 212,560        | 219,134   | 213,059          |
|  | O  | 207,225        | 220,307   | 213,857          |
| <b>Mine Safety and Health Administration</b>                 |    |                |   |                  |
| <i>Federal funds</i>   |    |                |   |                  |
| General and Special Funds:                                   |    |                |   |                  |
| Salaries and expenses 554                                    |    |                |   |                  |
| Appropriation, current.....                                  | BA | 151,397        | 150,550<br><sup>D</sup> 1,435<br><sup>H</sup> — 1,776 | 144,767          |
| Outlays.....   | O  | 150,223        | 152,764<br><sup>H</sup> — 1,776                       | 145,483          |
| Total Salaries and expenses.....                             | BA | 151,397        | 150,209   | 144,767          |
|  | O  | 150,223        | 150,988   | 145,483          |
| <b>Bureau of Labor Statistics</b>                            |    |                |   |                  |
| <i>Federal funds</i>   |    |                |   |                  |
| General and Special Funds:                                   |    |                |   |                  |
| Salaries and expenses 505                                    |    |                |   |                  |
| Appropriation, current.....                                  | BA | 137,337        | 152,860<br><sup>D</sup> 932<br><sup>H</sup> — 5,765   | 148,294          |
| Outlays.....   | O  | 131,778        | 155,562<br><sup>H</sup> — 5,765                       | 149,437          |
| Total Salaries and expenses.....                             | BA | 137,337        | 148,027   | 148,294          |
|  | O  | 131,778        | 149,797   | 149,437          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                     |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|---|-----|----------------|----------------------|----------------------|
| <b>Department of Labor—Con.</b>                 |     |                |                      |                      |
| <b>Departmental Management</b>                  |     |                |                      |                      |
| <i>Federal funds</i>                            |     |                |                      |                      |
| <b>General and Special Funds:</b>               |     |                |                      |                      |
| Salaries and expenses                           | 505 |                |                      |                      |
| Appropriation, current.....                     | BA  | 95,559         | 102,330              | 93,608               |
|   |     |                |                      | <sup>K</sup> 1,079   |
|   |     |                | <sup>D</sup> 1,070   |                      |
|   |     |                | <sup>H</sup> — 728   |                      |
| Outlays.....                                    | O   | 84,557         | 107,258              | 96,153               |
|   |     |                | <sup>H</sup> — 728   |                      |
| Total Salaries and expenses.....                | BA  | 95,559         | 102,672              | 94,687               |
|   | O   | 84,557         | 106,530              | 96,153               |
| <b>Office of the Inspector General</b>          |     |                |                      |                      |
| Appropriation, current.....                     | BA  | 38,000         | 39,323               | 33,554               |
|   |     |                | <sup>D</sup> 288     |                      |
|   |     |                | <sup>H</sup> — 3,766 |                      |
| Outlays.....                                    | O   | 36,370         | 38,886               | 35,728               |
|   |     |                | <sup>H</sup> — 2,410 | <sup>H</sup> — 1,356 |
| Total Office of the Inspector General.....      | BA  | 38,000         | 35,845               | 33,554               |
|   | O   | 36,370         | 36,476               | 34,372               |
| <b>Special foreign currency program</b>         |     |                |                      |                      |
| Appropriation, current.....                     | BA  | 67             | 67                   | 47                   |
|   |     |                | <sup>H</sup> — 20    |                      |
| Outlays.....                                    | O   | 72             | 67                   | 47                   |
|   |     |                | <sup>H</sup> — 20    |                      |
| Total Special foreign currency program.....     | BA  | 67             | 47                   | 47                   |
|   | O   | 72             | 47                   | 47                   |
| <b>Intragovernmental Funds:</b>                 |     |                |                      |                      |
| Working capital fund                            | 505 |                |                      |                      |
| Outlays.....                                    | O   | — 678          |                      |                      |
| Total Federal funds Departmental Management ... | BA  | 133,626        | 138,564              | 128,288              |
|   | O   | 120,321        | 143,053              | 130,572              |
| <b>Summary</b>                                  |     |                |                      |                      |
| <b>Federal funds:</b>                           |     |                |                      |                      |
| (As shown in detail above).....                 | BA  | 15,245,403     | 5,122,325            | 4,566,702            |
|   | O   | 8,745,980      | 6,793,222            | 5,144,302            |
| <b>Deductions for offsetting receipts:</b>      |     |                |                      |                      |
| Proprietary receipts from the public            | 908 |                |                      |                      |
|   | BA  | — 322,593      | — 359,000            | — 373,000            |
|   | O   |                |                      |                      |
| Total Federal funds.....                        | BA  | 14,922,810     | 4,763,325            | 4,193,702            |
|   | O   | 8,423,387      | 6,434,222            | 4,771,302            |
| <b>Trust funds:</b>                             |     |                |                      |                      |
| (As shown in detail above).....                 | BA  | 30,803,118     | 29,300,723           | 28,186,010           |
|   | O   | 26,998,265     | 23,783,349           | 23,174,264           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code          |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--------------------------------------|--------|----------------|------------------|------------------|
| <b>Department of Labor—Con.</b>      |        |                |                  |                  |
| <b>Summary—Con.</b>                  |        |                |                  |                  |
| Deductions for offsetting receipts:  |        |                |                  |                  |
| Proprietary receipts from the public | 908 BA |                |                  |                  |
|                                      | O      | — 450          | — 300            | — 300            |
| Total Trust funds .....              | BA     | 30,802,668     | 29,300,423       | 28,185,710       |
|                                      | O      | 26,997,815     | 23,783,049       | 23,173,964       |
| Interfund transactions               | 601 BA |                |                  |                  |
|                                      | O      | — 346,063      | — 365,490        | — 365,000        |
|                                      | BA     |                |                  | 215,000          |
|                                      | O      |                |                  |                  |
|                                      | 603 BA |                |                  |                  |
|                                      | O      | — 10,553,202   | — 6,387,000      | — 4,977,000      |
| Total Department of Labor .....      | BA     | 34,826,213     | 27,311,258       | 27,252,412       |
|                                      | O      | 24,521,937     | 23,464,781       | 22,818,266       |

**Department of State****Administration of Foreign Affairs***Federal funds***General and Special Funds:**

|  |     |           |                      |                     |
|--|-----|-----------|----------------------|---------------------|
| Salaries and expenses                              | 153 |           |                      |                     |
| Appropriation, current .....                       | BA  | 1,142,072 | 1,348,030            | 1,475,103           |
|  |     |           | <sup>A</sup> 87,121  |                     |
|  |     |           | <sup>H</sup> — 2,432 |                     |
| Reappropriation .....                              | BA  | 3,500     |                      |                     |
| Outlays .....                                      | O   | 1,031,448 | 1,242,755            | 1,457,158           |
|  |     |           | <sup>A</sup> 25,678  | <sup>A</sup> 47,664 |
|  |     |           | <sup>H</sup> — 2,432 |                     |
| Total Salaries and expenses .....                  | BA  | 1,145,572 | 1,432,719            | 1,475,103           |
|  | O   | 1,031,448 | 1,266,001            | 1,504,822           |
| Representation allowances                          | 153 |           |                      |                     |
| Appropriation, current .....                       | BA  | 4,148     | 4,500                | 4,700               |
|  |     |           |                      | <sup>K</sup> 4,700  |
| Outlays .....                                      | O   | 3,950     | 4,110                | 4,672               |
| Total Representation allowances .....              | BA  | 4,148     | 4,500                | 4,700               |
|  | O   | 3,950     | 4,110                | 4,672               |
| Protection of foreign missions and officials       | 153 |           |                      |                     |
| Appropriation, current .....                       | BA  |           | 9,500                | 9,900               |
|  |     |           |                      | <sup>K</sup> 9,900  |
| Outlays .....                                      | O   |           | 7,695                | 9,824               |
| Total Protection of foreign missions and officials | BA  |           | 9,500                | 9,900               |
|  | O   |           | 7,695                | 9,824               |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|--|----|----------------|----------------------|----------------------|
| <b>Department of State—Con.</b>  |    |                |                      |                      |
| <b>Administration of Foreign Affairs—Con.</b>  |    |                |                      |                      |
| Acquisition, operation, and maintenance of buildings abroad 153  |    |                |                      |                      |
| Appropriation, current.....  | BA | 207,140        | 239,000              | .....                |
|  |    |                | <sup>^</sup> 167,579 | <sup>κ</sup> 337,392 |
| Reappropriation.....   | BA | 3,000          | .....                | .....                |
| Outlays.....   | O  | 186,159        | 205,510              | 236,693              |
|  |    |                | <sup>^</sup> 25,000  | <sup>^</sup> 40,000  |
| Total Acquisition, operation, and maintenance of buildings abroad .....                                    |    |                |                      |                      |
|  | BA | 210,140        | 406,579              | 337,392              |
|  | O  | 186,159        | 230,510              | 276,693              |
| Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 153         |    |                |                      |                      |
| Appropriation, current.....  | BA | 10,012         | 19,353               | .....                |
|  |    |                | <sup>^</sup> 2,000   | <sup>κ</sup> 2,707   |
| Outlays.....   | O  | 11,348         | 14,911               | 13,760               |
|  |    |                | <sup>^</sup> 700     | <sup>^</sup> 1,300   |
| Total Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) ..... |    |                |                      |                      |
|  | BA | 10,012         | 21,353               | 2,707                |
|  | O  | 11,348         | 15,611               | 15,060               |
| Emergencies in the diplomatic and consular service 153   |    |                |                      |                      |
| Appropriation, current.....  | BA | 4,356          | 5,000                | .....                |
|  |    |                | <sup>^</sup> 4,000   | <sup>κ</sup> 4,400   |
| Outlays.....   | O  | 3,922          | 2,707                | 5,000                |
|  |    |                | <sup>^</sup> 1,000   | <sup>^</sup> 1,000   |
| Total Emergencies in the diplomatic and consular service.....  |    |                |                      |                      |
|  | BA | 4,356          | 9,000                | 4,400                |
|  | O  | 3,922          | 3,707                | 6,000                |
| Buying power maintenance 153   |    |                |                      |                      |
| Appropriation, current.....  | BA | 4,815          | .....                | .....                |
| Payment to the American Institute in Taiwan 153  |    |                |                      |                      |
| Appropriation, current.....  | BA | 9,380          | 9,800                | .....                |
|  |    |                |                      | <sup>κ</sup> 10,000  |
| Outlays.....   | O  | 10,127         | 9,690                | 9,948                |
| Total Payment to the American Institute in Taiwan.....   |    |                |                      |                      |
|  | BA | 9,380          | 9,800                | 10,000               |
|  | O  | 10,127         | 9,690                | 9,948                |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |         | 1984<br>actual         | 1985<br>estimate                    | 1986<br>estimate       |
|--|---------|------------------------|-------------------------------------|------------------------|
| <b>Department of State—Con.</b>  |         |                        |                                     |                        |
| <b>Administration of Foreign Affairs—Con.</b>                            |         |                        |                                     |                        |
| Payment to the Foreign Service retirement and disability fund 153        |         |                        |                                     |                        |
| Appropriation, current.....  | BA      | 109,190                | 106,738<br>^ 5,399                  | 118,174<br>J — 99,440  |
| Appropriation, permanent, indefinite.....                                | BA      | 227,900                | 230,000                             | 233,000                |
| Outlays.....   | O       | 337,090                | 336,738<br>^ 5,399                  | 351,174<br>J — 99,440  |
| Total Payment to the Foreign Service retirement and disability fund..... | BA<br>O | 337,090<br>337,090     | 342,137<br>342,137                  | 251,734<br>251,734     |
| <b>Intragovernmental Funds:</b>  |         |                        |                                     |                        |
| Working capital fund 153   |         |                        |                                     |                        |
| Outlays.....   | O       | 235                    |                                     |                        |
| <i>Trust funds</i>   |         |                        |                                     |                        |
| Foreign Service retirement and disability fund 602                       |         |                        |                                     |                        |
| Appropriation, current.....  | BA      |                        | ^ 6,701                             |                        |
| Indefinite.....  | BA      |                        |                                     | J — 112,100            |
| Appropriation, permanent, indefinite.....                                | BA      | 634,826                | 658,879                             | 697,091                |
| Outlays.....   | O       | 211,504                | 212,483                             | 253,659<br>J — 9,900   |
| Total Foreign Service retirement and disability fund.....                | BA<br>O | 634,826<br>211,504     | 665,580<br>212,483                  | 584,991<br>243,759     |
| <b>Miscellaneous trust funds 153</b>                                     |         |                        |                                     |                        |
| Appropriation, permanent, indefinite.....                                | BA      | 3,768                  | 4,000                               | 4,000                  |
| Outlays.....   | O       | 3,877                  | 3,900                               | 4,000                  |
| Total Federal funds Administration of Foreign Affairs.....               | BA<br>O | 1,725,513<br>1,584,279 | 2,235,588<br>1,879,461              | 2,095,936<br>2,078,753 |
| Total Trust funds Administration of Foreign Affairs.....                 | BA<br>O | 638,594<br>215,381     | 669,580<br>216,383                  | 588,991<br>247,759     |
| <b>International Organizations and Conferences</b>                       |         |                        |                                     |                        |
| <i>Federal funds</i>   |         |                        |                                     |                        |
| <b>General and Special Funds:</b>  |         |                        |                                     |                        |
| Contributions to international organizations 153                         |         |                        |                                     |                        |
| Appropriation, current.....  | BA      | 515,792                | 501,667                             | ^ 495,235              |
| Outlays.....   | O       | 517,121                | ^ — 13,779<br>505,743<br>^ — 13,779 | 493,191                |
| Total Contributions to international organizations                       | BA<br>O | 515,792<br>517,121     | 487,888<br>491,964                  | 495,235<br>493,191     |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|-----|----------------|------------------|------------------|
| <b>Department of State—Con.</b>  |     |                |                  |                  |
| <b>International Organizations and Conferences—Con.</b>                                      |     |                |                  |                  |
| Contributions for international peacekeeping activities                                      | 153 |                |                  |                  |
| Appropriation, current.....  | BA  | 55,400         | 47,400           | κ 51,000         |
| Outlays.....   | 0   | 53,446         | 47,400           | 51,000           |
| Total Contributions for international peacekeeping activities.....                           | BA  | 55,400         | 47,400           | 51,000           |
|  | 0   | 53,446         | 47,400           | 51,000           |
| Missions to international organizations  | 153 |                |                  |                  |
| Outlays.....   | 0   | —170           |                  |                  |
| International conferences and contingencies  | 153 |                |                  |                  |
| Appropriation, current.....  | BA  | 8,910          | 9,600            | κ 7,339          |
| Outlays.....   | 0   | 9,924          | 9,310            | 7,118            |
| Total International conferences and contingencies.....                                       | BA  | 8,910          | 9,600            | 7,339            |
|  | 0   | 9,924          | 9,310            | 7,118            |
| International trade negotiations   | 153 |                |                  |                  |
| Outlays.....   | 0   | 1              |                  |                  |
| <i>Trust funds</i>   |     |                |                  |                  |
| Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation | 153 |                |                  |                  |
| Outlays.....   | 0   | 1              | 7                |                  |
| Total Federal funds International Organizations and Conferences.....                         | BA  | 580,102        | 544,888          | 553,574          |
|  | 0   | 580,322        | 548,674          | 551,309          |
| Total Trust funds International Organizations and Conferences.....                           | 0   | 1              | 7                |                  |
| <b>International Commissions</b>   |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>General and Special Funds:</b>  |     |                |                  |                  |
| International Boundary and Water Commission, United States and Mexico:                       |     |                |                  |                  |
| Salaries and expenses  | 301 |                |                  |                  |
| Appropriation, current.....  | BA  | 10,776         | 11,600           | κ 10,066         |
| Outlays.....   | 0   | 9,805          | 11,368           | 10,240           |
| Total Salaries and expenses.....   | BA  | 10,776         | 11,600           | 10,066           |
|  | 0   | 9,805          | 11,368           | 10,240           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate    | 1986<br>estimate     |
|---|-----|----------------|---------------------|----------------------|
| <b>Department of State—Con.</b>                               |     |                |                     |                      |
| <b>International Commissions—Con.</b>                         |     |                |                     |                      |
| Construction  | 301 |                |                     |                      |
| Appropriation, current.....                                   | BA  | 672            | 2,400               | <sup>K</sup> 2,557   |
| Outlays .....   | 0   | 1,353          | 2,125               | 2,170                |
| Total Construction.....                                       | BA  | 672            | 2,400               | 2,557                |
|   | 0   | 1,353          | 2,125               | 2,170                |
| American sections, international commissions                  | 301 |                |                     |                      |
| Appropriation, current.....                                   | BA  | 3,464          | 3,685               | <sup>K</sup> 3,755   |
| Outlays.....  | 0   | 3,055          | 3,677               | 3,746                |
| Total American sections, international commissions.....       | BA  | 3,464          | 3,685               | 3,755                |
|   | 0   | 3,055          | 3,677               | 3,746                |
| International fisheries commissions                           | 302 |                |                     |                      |
| Appropriation, current.....                                   | BA  | 8,876          | 9,100               | <sup>K</sup> 9,900   |
| Outlays.....  | 0   | 8,802          | 9,100               | 9,900                |
| Total International fisheries commissions.....                | BA  | 8,876          | 9,100               | 9,900                |
|   | 0   | 8,802          | 9,100               | 9,900                |
| Total Federal funds International Commissions.....            | BA  | 23,788         | 26,785              | 26,278               |
|   | 0   | 23,015         | 26,270              | 26,056               |
| <b>Other</b>  |     |                |                     |                      |
| <i>Federal funds</i>  |     |                |                     |                      |
| <b>General and Special Funds:</b>                             |     |                |                     |                      |
| Migration and refugee assistance                              | 151 |                |                     |                      |
| Appropriation, current.....                                   | BA  | 335,650        | 325,500             | <sup>K</sup> 337,680 |
| Outlays.....  | 0   | 335,722        | 329,022             | 334,168              |
| Total Migration and refugee assistance.....                   | BA  | 335,650        | 325,500             | 337,680              |
|   | 0   | 335,722        | 329,022             | 334,168              |
| United States emergency refugee and migration assistance fund | 151 |                |                     |                      |
| Appropriation, current.....                                   | BA  |                | <sup>A</sup> 25,000 |                      |
| Outlays.....  | 0   | 349            | 24,945              | 5,000                |
| International narcotics control                               | 151 |                |                     |                      |
| Appropriation, current.....                                   | BA  | 41,200         | 50,217              | <sup>K</sup> 57,529  |
| Outlays.....  | 0   | 33,257         | 43,874              | 49,621               |
| Total International narcotics control.....                    | BA  | 41,200         | 50,217              | 57,529               |
|   | 0   | 33,257         | 43,874              | 49,621               |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                 |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|---|-----|----------------|------------------|----------------------|
| <b>Department of State—Con.</b>                             |     |                |                  |                      |
| <b>Other—Con.</b>   |     |                |                  |                      |
| Anti-terrorism assistance                                   | 152 |                |                  |                      |
| Appropriation, current.....                                 | BA  | 2,500          | 5,000            | <sup>K</sup> 5,000   |
| Outlays.....  | O   | 246            | 4,500            | 4,500                |
| Total Anti-terrorism assistance.....                        | BA  | 2,500          | 5,000            | 5,000                |
|   | O   | 246            | 4,500            | 4,500                |
| U.S. bilateral science and technology agreements            |     |                |                  |                      |
|   | 153 |                |                  |                      |
| Appropriation, current.....                                 | BA  | 1,683          |                  | <sup>K</sup> 4,000   |
| Outlays.....  | O   | 1,683          | 2,000            | 4,000                |
| Total U.S. bilateral science and technology agreements..... | BA  | 1,683          |                  | 4,000                |
|   | O   | 1,683          | 2,000            | 4,000                |
| Compact of free association                                 | 151 |                |                  |                      |
| Appropriation, current.....                                 | BA  |                |                  | <sup>K</sup> 178,750 |
| Appropriation, permanent, indefinite.....                   | BA  |                |                  | 120,520              |
| Outlays.....  | O   |                |                  | 299,270              |
| Total Compact of free association.....                      | BA  |                |                  | 299,270              |
|   | O   |                |                  | 299,270              |
| Soviet-East European research and training                  | 153 |                |                  |                      |
| Appropriation, current.....                                 | BA  |                | 4,800            | <sup>K</sup> 5,000   |
| Outlays.....  | O   |                | 4,800            | 5,000                |
| Total Soviet-East European research and training.....       | BA  |                | 4,800            | 5,000                |
|   | O   |                | 4,800            | 5,000                |
| Payment to the Asia Foundation                              | 153 |                |                  |                      |
| Appropriation, current.....                                 | BA  | 9,900          | 9,600            | <sup>K</sup> 9,785   |
| Outlays.....  | O   | 9,601          | 9,600            | 9,785                |
| Total Payment to the Asia Foundation.....                   | BA  | 9,900          | 9,600            | 9,785                |
|   | O   | 9,601          | 9,600            | 9,785                |
| Special assistance to refugees from Cambodia and Vietnam    | 609 |                |                  |                      |
| Outlays.....  | O   | 2              |                  |                      |
| International Center, Washington, D.C.                      | 153 |                |                  |                      |
| Appropriation, permanent, indefinite.....                   | BA  | 2,240          | 4,420            | 945                  |
| Outlays.....  | O   | 1,446          | 4,424            | 1,455                |
| Fishermen's protective fund                                 | 376 |                |                  |                      |
| Outlays.....  | O   |                | 61               |                      |
| Total Federal funds Other .....                             | BA  | 393,173        | 424,537          | 719,209              |
|   | O   | 382,306        | 423,226          | 712,799              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code          |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--------------------------------------|--------|----------------|------------------|------------------|
| <b>Department of State—Con.</b>      |        |                |                  |                  |
| <b>Summary</b>                       |        |                |                  |                  |
| <b>Federal funds:</b>                |        |                |                  |                  |
| (As shown in detail above).....      | BA     | 2,722,576      | 3,231,798        | 3,394,997        |
|                                      | O      | 2,569,922      | 2,877,631        | 3,368,917        |
| Deductions for offsetting receipts:  |        |                |                  |                  |
| Proprietary receipts from the public | 153 BA |                |                  |                  |
|                                      | O      | — 2,240        | — 4,420          | — 945            |
| Total Federal funds .....            | BA     | 2,720,336      | 3,227,378        | 3,394,052        |
|                                      | O      | 2,567,682      | 2,873,211        | 3,367,972        |
| <b>Trust funds:</b>                  |        |                |                  |                  |
| (As shown in detail above).....      | BA     | 638,594        | 669,580          | 588,991          |
|                                      | O      | 215,382        | 216,390          | 247,759          |
| Deductions for offsetting receipts:  |        |                |                  |                  |
| Intrafund transactions               | 602 BA |                |                  |                  |
|                                      | O      | — 2,301        | — 2,500          | — 2,500          |
| Total Trust funds .....              | BA     | 636,293        | 667,080          | 586,491          |
|                                      | O      | 213,081        | 213,890          | 245,259          |
| Interfund transactions               | 153 BA |                |                  |                  |
|                                      | O      | — 377,710      | — 384,001        | — 394,296        |
|                                      | BA     |                |                  | 107,000          |
|                                      | O      |                |                  |                  |
|                                      | 803 BA |                |                  |                  |
|                                      | O      | — 41           | — 41             | — 41             |
| Total Department of State .....      | BA     | 2,978,878      | 3,510,416        | 3,693,206        |
|                                      | O      | 2,403,012      | 2,703,059        | 3,325,894        |

**Department of Transportation**

|  |     |        |         |            |
|--|-----|--------|---------|------------|
| <b>Federal Highway Administration</b>            |     |        |         |            |
| <i>Federal funds</i>                             |     |        |         |            |
| <b>General and Special Funds:</b>                |     |        |         |            |
| Motor carrier safety                             | 401 |        |         |            |
| Appropriation, current.....                      | BA  | 13,020 | 14,066  | 13,639     |
|  |     |        | H — 164 | J — 13,639 |
| Outlays .....                                    | O   | 12,799 | 14,218  | 12,690     |
|  |     |        | H — 156 | H — 8      |
|  |     |        |         | J — 12,690 |
| Total Motor carrier safety .....                 | BA  | 13,020 | 13,902  |            |
|  | O   | 12,799 | 14,062  | — 8        |
| Auto pedestrian separation demonstration project |     |        |         |            |
|  | 401 |        |         |            |
| Appropriation, current.....                      | BA  |        | 1,750   |            |
| Outlays .....                                    | O   |        | 350     | 560        |
| Highway safety separation demonstration project  |     |        |         |            |
|  | 401 |        |         |            |
| Appropriation, current.....                      | BA  |        | 12,000  |            |
| Outlays .....                                    | O   |        | 2,400   | 3,840      |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                 |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Department of Transportation—Con.</b>                    |    |                |                  |                  |
| <b>Federal Highway Administration—Con.</b>                  |    |                |                  |                  |
| Railroad-highway crossings demonstration projects           |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Appropriation, current.....                                 | BA | 5,000          | 5,000            | .....            |
| Outlays.....  | 0  | 7,169          | 5,023            | 5,938            |
| Access highways to public recreation areas on certain lakes |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Appropriation, current.....                                 | BA | 4,270          | 5,000            | .....            |
| Outlays.....  | 0  | 13,619         | 8,003            | 7,988            |
| Waste isolation pilot project                               |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Appropriation, current.....                                 | BA | 5,800          | 16,400           | .....            |
| Outlays.....  | 0  | 32             | 5,587            | 6,978            |
| Miscellaneous appropriations                                |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Appropriation, current.....                                 | BA | 1,000          | .....            | .....            |
| Outlays.....  | 0  | 284,791        | 218,915          | 181,713          |
| <i>Trust funds</i>  |    |                |                  |                  |
| Federal-aid highways (trust fund)                           |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Contract authority, current.....                            | BA | 150,000        | .....            | .....            |
|   |    |                |                  | ✓ — 100,000      |
| Contract authority, permanent.....                          | BA | 13,635,387     | 14,838,423       | 15,311,096       |
| Liquidation of contract authority, current.....             |    | (11,600,000)   | (12,800,000)     | (13,836,000)     |
| Outlays.....  | 0  | 10,226,764     | 12,791,000       | 13,457,000       |
| Limitation on general operating expenses.....               |    | (201,700)      | (204,452)        | (189,805)        |
| Limitation on program level (obligations).....              |    | (12,520,000)   | (13,250,000)     | (13,250,000)     |
| Total Federal-aid highways (trust fund).....                | BA | 13,785,387     | 14,838,423       | 15,211,096       |
|   | 0  | 10,226,764     | 12,791,000       | 13,457,000       |
| Highway-related safety grants                               |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Contract authority, current.....                            | BA | .....          | .....            | ✓ — 10,000       |
| Contract authority, permanent.....                          | BA | 9,802          | 10,000           | 10,000           |
| Liquidation of contract authority, current.....             |    | (9,738)        | (5,000)          | (9,000)          |
|   |    |                |                  | ✓ (9,000)        |
| Outlays.....  | 0  | 12,169         | 10,530           | 11,544           |
|   |    |                |                  | ✓ — 11,544       |
| Limitation on program level (obligations).....              |    | (10,000)       | (10,000)         | (10,000)         |
| Total Highway-related safety grants.....                    | BA | 9,802          | 10,000           | .....            |
|   | 0  | 12,169         | 10,530           | .....            |
| Trust fund share of other highway programs                  |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Appropriation, current.....                                 | BA | 10,000         | 10,000           | .....            |
| Outlays.....  | 0  | 10,259         | 12,301           | 13,549           |
| Highway safety research and development                     |    |                |                  |                  |
| 401   |    |                |                  |                  |
| Appropriation, current.....                                 | BA | 8,500          | 8,500            | 8,500            |
|   |    |                |                  | ✓ — 5,000        |
| Outlays.....  | 0  | 8,422          | 9,214            | 6,785            |
|   |    |                |                  | ✓ — 4,003        |
| Total Highway safety research and development.....          | BA | 8,500          | 8,500            | 3,500            |
|   | 0  | 8,422          | 9,214            | 2,782            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                             |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate      |
|---|-----|----------------|-----------------------|-----------------------|
| <b>Department of Transportation—Con.</b>                |     |                |                       |                       |
| <b>Federal Highway Administration—Con.</b>              |     |                |                       |                       |
| Motor carrier safety grants                             | 401 |                |                       |                       |
| Appropriation, current.....                             | BA  | 8,000          | 14,000                | 14,000                |
|   |     |                | <sup>J</sup> — 14,000 |                       |
| Outlays.....  | O   | 1,671          | 18,842                | 14,000                |
|   |     |                |                       | <sup>J</sup> — 14,000 |
| Total Motor carrier safety grants.....                  | BA  | 8,000          | 14,000                |                       |
|   | O   | 1,671          | 18,842                |                       |
| Intermodal urban demonstration project                  | 401 |                |                       |                       |
| Appropriation, current.....                             | BA  |                | 2,750                 |                       |
| Outlays.....  | O   | 114            | 950                   | 1,180                 |
| Miscellaneous trust funds                               | 151 |                |                       |                       |
| Appropriation, permanent.....                           | BA  | 6,800          | 8,820                 | 8,655                 |
| Liquidation of contract authority, permanent.....       |     | (113)          | (846)                 |                       |
| Outlays.....  | O   | 7,414          | 9,130                 | 8,875                 |
| Miscellaneous trust funds—Highway                       | 401 |                |                       |                       |
| Outlays.....  | O   | 1,433          | 3,848                 | 3,126                 |
| Right-of-way revolving fund (trust revolving fund)      | 401 |                |                       |                       |
| Outlays.....  | O   | — 17,803       |                       |                       |
| Limitation on direct loan obligations.....              |     | (30,000)       | (50,000)              | (50,000)              |
| Total Federal funds Federal Highway Administration..... | BA  | 29,090         | 54,052                |                       |
|   | O   | 318,410        | 254,340               | 207,009               |
| Total Trust funds Federal Highway Administration.....   | BA  | 13,828,489     | 14,892,493            | 15,223,251            |
|   | O   | 10,250,443     | 12,855,815            | 13,486,512            |
| <b>National Highway Traffic Safety Administration</b>   |     |                |                       |                       |
| <i>Federal funds</i>                                    |     |                |                       |                       |
| General and Special Funds:                              |     |                |                       |                       |
| Operations and research                                 | 401 |                |                       |                       |
| Appropriation, current.....                             | BA  | 56,316         | 58,519                | 54,717                |
|   |     |                | <sup>G</sup> 367      |                       |
|   |     |                | <sup>H</sup> — 767    |                       |
|   |     |                |                       | <sup>J</sup> 3,040    |
| Outlays.....  | O   | 56,450         | 59,294                | 60,906                |
|   |     |                | <sup>A</sup> 2,800    | <sup>A</sup> 3,200    |
|   |     |                | <sup>H</sup> — 461    | <sup>H</sup> — 306    |
|   |     |                |                       | <sup>J</sup> 3,040    |
| Total Operations and research.....                      | BA  | 56,316         | 58,119                | 57,757                |
|   | O   | 56,450         | 61,633                | 66,840                |
| Motor carrier safety, NHTSA                             | 401 |                |                       |                       |
| Appropriation, current.....                             | BA  |                |                       | <sup>J</sup> 13,639   |
| Outlays.....  | O   |                |                       | <sup>J</sup> 12,690   |
| Miscellaneous safety programs                           | 401 |                |                       |                       |
| Outlays.....  | O   | 1,501          | 5,000                 | 2,000                 |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |         | 1984<br>actual     | 1985<br>estimate   | 1986<br>estimate               |
|---|---------|--------------------|--------------------|--------------------------------|
| <b>Department of Transportation—Con.</b>                                |         |                    |                    |                                |
| <b>National Highway Traffic Safety Administration—Con.</b>              |         |                    |                    |                                |
| <i>Trust funds</i>  |         |                    |                    |                                |
| Trust fund share of operations and research                             | 401     |                    |                    |                                |
| Appropriation, current.....   | BA      | 21,984             | 23,831<br>H — 408  | 25,455<br>J 5,000              |
| Outlays.....  | O       | 22,647             | 24,970<br>H — 246  | 23,413<br>H — 162<br>J 4,003   |
| Total Trust fund share of operations and research.....                  | BA<br>O | 21,984<br>22,647   | 23,423<br>24,724   | 30,455<br>27,254               |
| Highway traffic safety grants   | 401     |                    |                    |                                |
| Contract authority, current.....  | BA      |                    |                    | J 10,000                       |
| Contract authority, permanent.....                                      | BA      | 148,100            | 176,500            | 132,000                        |
| Liquidation of contract authority, current.....                         |         | (118,000)          | (125,000)          | (149,000)<br>J (9,000)         |
| Outlays.....  | O       | 117,395            | 127,400<br>H — 50  | 155,248<br>H — 200<br>J 11,544 |
| Limitation on program level (obligations).....                          |         | (142,950)          | (151,300)          | (155,300)                      |
| Total Highway traffic safety grants.....                                | BA<br>O | 148,100<br>117,395 | 176,500<br>127,350 | 142,000<br>166,592             |
| Motor carrier safety grants   | 401     |                    |                    |                                |
| Appropriation, current.....   | BA      |                    |                    | J 14,000                       |
| Outlays.....  | O       |                    |                    | J 14,000                       |
| Total Federal funds National Highway Traffic Safety Administration..... | BA<br>O | 56,316<br>57,951   | 58,119<br>66,633   | 71,396<br>81,530               |
| Total Trust funds National Highway Traffic Safety Administration.....   | BA<br>O | 170,084<br>140,042 | 199,923<br>152,074 | 186,455<br>207,846             |
| <b>Federal Railroad Administration</b>                                  |         |                    |                    |                                |
| <i>Federal funds</i>  |         |                    |                    |                                |
| <b>General and Special Funds:</b>                                       |         |                    |                    |                                |
| Office of the Administrator   | 401     |                    |                    |                                |
| Appropriation, current.....   | BA      | 11,680             | 10,700<br>H — 100  | 10,287                         |
| Outlays.....  | O       | 11,612             | 13,032<br>H — 100  | 10,587                         |
| Total Office of the Administrator.....                                  | BA<br>O | 11,680<br>11,612   | 10,600<br>12,932   | 10,287<br>10,587               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                      |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|--|-----|----------------|--------------------|------------------|
| <b>Department of Transportation—Con.</b>         |     |                |                    |                  |
| <b>Federal Railroad Administration—Con.</b>      |     |                |                    |                  |
| Railroad research and development                | 401 |                |                    |                  |
| Appropriation, current.....                      | BA  | 16,225         | 15,525             | 10,384           |
|  |     |                | <sup>H</sup> — 170 |                  |
| Outlays.....                                     | O   | 14,730         | 18,350             | 17,909           |
|  |     |                | <sup>H</sup> — 170 |                  |
| Total Railroad research and development.....     | BA  | 16,225         | 15,355             | 10,384           |
|  | O   | 14,730         | 18,180             | 17,909           |
| Rail service assistance                          | 401 |                |                    |                  |
| Appropriation, current.....                      | BA  | 25,191         | 23,200             | 5,686            |
|  |     |                | <sup>A</sup> 8,651 |                  |
|  |     |                | <sup>H</sup> — 90  |                  |
| Authority to borrow, current.....                | BA  | 60,782         |                    |                  |
| Outlays.....                                     | O   | 98,360         | 60,000             | 35,747           |
|  |     |                | <sup>A</sup> 8,651 |                  |
|  |     |                | <sup>H</sup> — 90  |                  |
| Total Rail service assistance.....               | BA  | 85,973         | 31,761             | 5,686            |
|  | O   | 98,360         | 68,561             | 35,747           |
| Railroad safety                                  | 401 |                |                    |                  |
| Appropriation, current.....                      | BA  | 28,900         | 26,061             | 27,267           |
|  |     |                | <sup>H</sup> — 140 |                  |
| Outlays.....                                     | O   | 27,660         | 26,362             | 29,593           |
|  |     |                | <sup>H</sup> — 140 |                  |
| Total Railroad safety.....                       | BA  | 28,900         | 25,921             | 27,267           |
|  | O   | 27,660         | 26,222             | 29,593           |
| Conrail labor protection                         | 603 |                |                    |                  |
| Appropriation, current.....                      | BA  | 61,000         | 15,000             |                  |
| Outlays.....                                     | O   | 57,806         | 45,500             | 18,302           |
| Commuter rail service                            | 401 |                |                    |                  |
| Outlays.....                                     | O   |                | 92                 |                  |
| Settlements of railroad litigation               | 401 |                |                    |                  |
| Appropriation, current.....                      | BA  | 15,974         |                    |                  |
|  |     |                | <sup>A</sup> 105   |                  |
| Authority to borrow, current.....                | BA  | 26,905         | 432                |                  |
| Outlays.....                                     | O   | 42,879         | 432                |                  |
|  |     |                | <sup>A</sup> 105   |                  |
| Total Settlements of railroad litigation.....    | BA  | 42,879         | 537                |                  |
|  | O   | 42,879         | 537                |                  |
| Northeast corridor improvement program           | 401 |                |                    |                  |
| Appropriation, current.....                      | BA  | 100,000        | 27,800             |                  |
|  |     |                | <sup>H</sup> — 200 |                  |
| Outlays.....                                     | O   | 241,134        | 240,000            | 115,000          |
|  |     |                | <sup>H</sup> — 200 |                  |
| Total Northeast corridor improvement program.... | BA  | 100,000        | 27,600             |                  |
|  | O   | 241,134        | 239,800            | 115,000          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate     |
|--|-----|----------------|--------------------|----------------------|
| <b>Department of Transportation—Con.</b>                           |     |                |                    |                      |
| <b>Federal Railroad Administration—Con.</b>                        |     |                |                    |                      |
| Grants to National Railroad Passenger Corporation                  |     |                |                    |                      |
|  | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 818,598        | 684,000            | .....                |
| Authority to borrow, current.....                                  | BA  | 1,119,635      | .....              | .....                |
| Outlays.....   | O   | 1,957,069      | 691,904            | 200,000              |
| Total Grants to National Railroad Passenger Corporation.....       | BA  | 1,938,233      | 684,000            | .....                |
|  | O   | 1,957,069      | 691,904            | 200,000              |
| <b>Public Enterprise Funds:</b>                                    |     |                |                    |                      |
| Alaska Railroad revolving fund                                     | 401 |                |                    |                      |
| Outlays.....   | O   | 6,215          | 2,480              | .....                |
| Railroad rehabilitation and improvement financing funds            | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 64             | .....              | .....                |
| Outlays.....   | O   | 45,424         | 40,220             | 18,345               |
|  |     |                |                    | <sup>A</sup> — 7,200 |
| Total Railroad rehabilitation and improvement financing funds..... | BA  | 64             | .....              | .....                |
|  | O   | 45,424         | 40,220             | 11,145               |
| Total Federal funds Federal Railroad Administration.....           | BA  | 2,284,954      | 810,774            | 53,624               |
|  | O   | 2,502,889      | 1,146,428          | 438,283              |
| <b>Urban Mass Transportation Administration</b>                    |     |                |                    |                      |
| <i>Federal funds</i>   |     |                |                    |                      |
| <b>General and Special Funds:</b>                                  |     |                |                    |                      |
| Administrative expenses  | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 29,200         | 31,000             | 26,810               |
|  |     |                | <sup>H</sup> — 265 |                      |
| Outlays.....   | O   | 32,515         | 31,425             | 26,827               |
|  |     |                | <sup>H</sup> — 239 | <sup>H</sup> — 26    |
| Total Administrative expenses.....                                 | BA  | 29,200         | 30,735             | 26,810               |
|  | O   | 32,515         | 31,186             | 26,801               |
| Research, training, and human resources                            | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 54,800         | 51,000             | .....                |
| Outlays.....   | O   | 46,784         | 49,794             | 36,669               |
| Interstate transfer grants-transit                                 | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 295,400        | 250,000            | .....                |
| Outlays.....   | O   | 591,090        | 472,876            | 367,594              |
| Washington metro   | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 250,000        | 250,000            | 250,000              |
| Outlays.....   | O   | 63,511         | 130,900            | 183,101              |
| Formula grants   | 401 |                |                    |                      |
| Appropriation, current.....  | BA  | 2,388,592      | 2,449,500          | .....                |
| Outlays.....   | O   | 1,394,950      | 1,648,387          | 1,074,211            |
| Miscellaneous expired accounts                                     | 401 |                |                    |                      |
| Outlays.....   | O   | 1,416,745      | 1,472,924          | 922,819              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                       |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate     |
|---|-----|----------------|-----------------------|----------------------|
| <b>Department of Transportation—Con.</b>                          |     |                |                       |                      |
| <b>Urban Mass Transportation Administration—</b>                  |     |                |                       |                      |
| <b>Con.</b>   |     |                |                       |                      |
| <i>Trust funds</i>  |     |                |                       |                      |
| Formula capital grants  | 401 |                |                       |                      |
| Contract authority, current                                       | BA  |                |                       | 1,100,000            |
| Liquidation of contract authority, current                        |     |                |                       | (55,000)             |
| Outlays   | O   |                |                       | 55,000               |
| Discretionary grants  | 401 |                |                       |                      |
| Contract authority, permanent                                     | BA  | 1,250,000      | 1,100,000             |                      |
| Liquidation of contract authority, permanent                      |     | (242,000)      | (450,000)             | (720,000)            |
| Outlays   | O   | 233,196        | 359,188               | 612,124              |
| Limitation on program level (obligations)                         |     | (1,225,000)    | (1,120,000)           |                      |
| Total Federal funds Urban Mass Transportation Administration      | BA  | 3,017,992      | 3,031,235             | 276,810              |
|   | O   | 3,545,595      | 3,806,067             | 2,611,195            |
| Total Trust funds Urban Mass Transportation Administration        | BA  | 1,250,000      | 1,100,000             | 1,100,000            |
|   | O   | 233,196        | 359,188               | 667,124              |
| <b>Federal Aviation Administration</b>                            |     |                |                       |                      |
| <i>Federal funds</i>  |     |                |                       |                      |
| <b>General and Special Funds:</b>                                 |     |                |                       |                      |
| Operations  | 402 |                |                       |                      |
| Appropriation, current  | BA  | 2,530,000      | 1,512,600             | 664,800              |
|   |     |                | <sup>H</sup> — 18,888 |                      |
| Outlays   | O   | 2,313,363      | 1,556,056             | 693,600              |
|   |     |                | <sup>H</sup> — 17,000 | <sup>H</sup> — 1,888 |
| Total Operations  | BA  | 2,530,000      | 1,493,712             | 664,800              |
|   | O   | 2,313,363      | 1,539,056             | 691,712              |
| Headquarters administration                                       | 402 |                |                       |                      |
| Appropriation, current  | BA  | 56,900         | 66,900                | 16,357               |
|   |     |                | <sup>H</sup> — 1,065  |                      |
| Outlays   | O   | 50,177         | 66,633                | 15,455               |
|   |     |                | <sup>H</sup> — 1,044  | <sup>H</sup> — 21    |
| Total Headquarters administration                                 | BA  | 56,900         | 65,835                | 16,357               |
|   | O   | 50,177         | 65,589                | 15,434               |
| Facilities, engineering and development                           | 402 |                |                       |                      |
| Outlays   | O   | 10,455         | 5,753                 | 2,523                |
| Operation and maintenance, Metropolitan Washington Airports       | 402 |                |                       |                      |
| Appropriation, current  | BA  | 34,557         | 35,932                | 35,400               |
|   |     |                | <sup>H</sup> — 17     |                      |
| Outlays   | O   | 33,459         | 35,376                | 35,215               |
|   |     |                | <sup>H</sup> — 17     |                      |
| Total Operation and maintenance, Metropolitan Washington Airports | BA  | 34,557         | 35,915                | 35,400               |
|   | O   | 33,459         | 35,359                | 35,215               |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate       |
|---|-----|----------------|-----------------------|------------------------|
| <b>Department of Transportation—Con.</b>                              |     |                |                       |                        |
| <b>Federal Aviation Administration—Con.</b>                           |     |                |                       |                        |
| Construction, Metropolitan Washington Airports                        |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Appropriation, current.....   | BA  | 14,250         | 13,000                | 13,000                 |
| Outlays.....  | O   | 18,042         | 22,684                | 20,000                 |
| Aircraft purchase loan guarantee program                              |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Appropriation, current.....   | BA  | 8,720          | .....                 | .....                  |
| Outlays.....  | O   | 31,543         | 667                   | .....                  |
| Public Enterprise Funds:  |     |                |                       |                        |
| Aviation insurance revolving fund                                     |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Outlays.....  | O   | —3,286         | —3,096                | —3,414                 |
| <i>Trust funds</i>  |     |                |                       |                        |
| Grants-in-aid for airports (Airport and airway trust fund)            |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Contract authority, permanent.....                                    | BA  | 993,500        | 987,000               | 1,017,000              |
| Liquidation of contract authority, current.....                       |     | (745,000)      | (810,000)             | (693,000)              |
| Outlays.....  | O   | 693,898        | 760,000               | 775,000                |
| Limitation on program level (obligations).....                        |     | (800,000)      | (925,000)             | (1,017,000)            |
| Facilities and equipment (Airport and airway trust fund)              |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Appropriation, current.....   | BA  | 750,000        | 1,370,000             | 1,146,500              |
|   |     |                | <sup>H</sup> — 10,000 |                        |
| Outlays.....  | O   | 267,686        | 500,000               | 845,000                |
|   |     |                | <sup>H</sup> — 2,900  | <sup>H</sup> — 3,900   |
| Total Facilities and equipment (Airport and airway trust fund).....   |     |                |                       |                        |
|   | BA  | 750,000        | 1,360,000             | 1,146,500              |
|   | O   | 267,686        | 497,100               | 841,100                |
| Research, engineering and development (Airport and airway trust fund) |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Appropriation, current.....   | BA  | 263,452        | 265,000               | 196,500                |
| Outlays.....  | O   | 146,219        | 300,000               | 196,100                |
| Trust fund share of FAA operations                                    |     |                |                       |                        |
|   | 402 |                |                       |                        |
| Appropriation, current.....   | BA  | .....          | 1,110,000             | 840,760                |
|   |     |                |                       | <sup>K</sup> 1,202,711 |
| Outlays.....  | O   | 256,973        | 1,110,000             | 2,043,471              |
| Total Trust fund share of FAA operations.....                         |     |                |                       |                        |
|   | BA  | .....          | 1,110,000             | 2,043,471              |
|   | O   | 256,973        | 1,110,000             | 2,043,471              |
| Total Federal funds Federal Aviation Administration.....              |     |                |                       |                        |
|   | BA  | 2,644,427      | 1,608,462             | 729,557                |
|   | O   | 2,453,753      | 1,666,012             | 761,470                |
| Total Trust funds Federal Aviation Administration                     |     |                |                       |                        |
|   | BA  | 2,006,952      | 3,722,000             | 4,403,471              |
|   | O   | 1,364,776      | 2,667,100             | 3,855,671              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                 |     | 1984<br>actual | 1985<br>estimate                           | 1986<br>estimate             |
|---|-----|----------------|--|------------------------------|
| <b>Department of Transportation—Con.</b>                    |     |                |  |                              |
| <b>Coast Guard</b>  |     |                |  |                              |
| <i>Federal funds</i>  |     |                |  |                              |
| <b>General and Special Funds:</b>                           |     |                |  |                              |
| Operating expenses  | 403 |                |  |                              |
| Appropriation, current.....                                 | BA  | 1,690,542      | 1,750,297<br><i>H</i> — 14,724             | 1,767,101                    |
| Outlays.....  | O   | 1,657,500      | 1,718,400<br><i>H</i> — 14,724             | 1,735,416                    |
| Total Operating expenses.....                               | BA  | 1,690,542      | 1,735,573                                  | 1,767,101                    |
|   | O   | 1,657,500      | 1,703,676                                  | 1,735,416                    |
| Acquisition, construction, and improvements                 | 403 |                |  |                              |
| Appropriation, current.....                                 | BA  | 669,000        | 346,500<br><i>H</i> — 500                  | 303,058                      |
| Outlays.....  | O   | 467,989        | 525,000<br><i>H</i> — 500                  | 450,000                      |
| Total Acquisition, construction, and improve-<br>ments..... | BA  | 669,000        | 346,000                                    | 303,058                      |
|   | O   | 467,989        | 524,500                                    | 450,000                      |
| Alteration of bridges                                       | 403 |                |  |                              |
| Appropriation, current.....                                 | BA  | 8,600          | 5,200<br><i>B</i> 8,400                    | 5,200                        |
| Outlays.....  | O   | 14,750         | 10,000<br><i>B</i> 5,000                   | 3,400<br><i>B</i> 3,400      |
| Total Alteration of bridges.....                            | BA  | 8,600          | 13,600                                     | 5,200                        |
|   | O   | 14,750         | 15,000                                     | 6,800                        |
| Retired pay   | 403 |                |  |                              |
| Appropriation, current.....                                 | BA  | 315,200        | 330,800                                    | 351,800<br><i>J</i> — 11,300 |
| Outlays.....  | O   | 310,728        | 299,800                                    | 350,800<br><i>J</i> — 11,300 |
| Total Retired pay.....                                      | BA  | 315,200        | 330,800                                    | 340,500                      |
|   | O   | 310,728        | 299,800                                    | 339,500                      |
| Reserve training  | 403 |                |  |                              |
| Appropriation, current.....                                 | BA  | 55,355         | 58,833<br><i>G</i> 1,468<br><i>H</i> — 441 | 27,359<br><i>K</i> 34,143    |
| Outlays.....  | O   | 54,811         | 60,301<br><i>H</i> — 441                   | 61,502                       |
| Total Reserve training.....                                 | BA  | 55,355         | 59,860                                     | 61,502                       |
|   | O   | 54,811         | 59,860                                     | 61,502                       |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                            |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate       |
|--|-----|----------------|--------------------|------------------------|
| <b>Department of Transportation—Con.</b>               |     |                |                    |                        |
| <b>Coast Guard—Con.</b>                                |     |                |                    |                        |
| Research, development, test, and evaluation            | 403 |                |                    |                        |
| Appropriation, current.....                            | BA  | 22,500         | 23,000             | 23,000                 |
|  |     |                | <sup>H</sup> — 135 |                        |
| Outlays.....   | O   | 19,811         | 23,000             | 23,000                 |
|  |     |                | <sup>H</sup> — 135 |                        |
| Total Research, development, test, and evaluation..... | BA  | 22,500         | 22,865             | 23,000                 |
|  | O   | 19,811         | 22,865             | 23,000                 |
| Pollution fund   | 304 |                |                    |                        |
| Appropriation, permanent, indefinite.....              | BA  | 4,793          | 7,000              | 7,000                  |
| Outlays.....   | O   | 2,543          | 7,000              | 7,000                  |
| Offshore oil pollution compensation fund               | 304 |                |                    |                        |
| Appropriation, current.....                            | BA  |                | 1,000              | 1,000                  |
| Outlays.....   | O   | 86             | 1,000              | 1,000                  |
| Deepwater port liability fund                          | 304 |                |                    |                        |
| Appropriation, current.....                            | BA  | 1,000          | 1,000              | 1,000                  |
| Outlays.....   | O   |                | 1,000              | 1,000                  |
| <b>Intragovernmental Funds:</b>                        |     |                |                    |                        |
| Coast Guard supply fund                                | 403 |                |                    |                        |
| Outlays.....   | O   | — 969          |                    | 99                     |
| Coast Guard yard fund                                  | 403 |                |                    |                        |
| Outlays.....   | O   | — 9,302        | 5,000              | 5,015                  |
| <i>Trust funds</i>                                     |     |                |                    |                        |
| Boat safety  | 403 |                |                    |                        |
| Appropriation, current.....                            | BA  | 12,500         | 13,625             | 28,625                 |
| Outlays.....   | O   | 10,730         | 13,750             | 28,625                 |
| Limitation on program level (obligations).....         |     | (12,500)       | (13,750)           |                        |
| Coast Guard general gift fund                          | 403 |                |                    |                        |
| Appropriation, permanent, indefinite.....              | BA  | 18             | 80                 | 80                     |
| Outlays.....   | O   | 2              | 50                 | 50                     |
| Miscellaneous trust revolving funds                    | 403 |                |                    |                        |
| Outlays.....   | O   | 26             | 25                 | 25                     |
| Total Federal funds Coast Guard.....                   | BA  | 2,766,990      | 2,517,698          | 2,509,361              |
|  | O   | 2,517,947      | 2,639,701          | 2,630,332              |
| Total Trust funds Coast Guard.....                     | BA  | 12,518         | 13,705             | 28,705                 |
|  | O   | 10,758         | 13,825             | 28,700                 |
| <b>Maritime Administration</b>                         |     |                |                    |                        |
| <i>Federal funds</i>                                   |     |                |                    |                        |
| <b>General and Special Funds:</b>                      |     |                |                    |                        |
| Ship construction                                      | 403 |                |                    |                        |
| Outlays.....   | O   | 13,695         | 9,585              |                        |
| Operating-differential subsidies                       | 403 |                |                    |                        |
| Contract authority, permanent, indefinite.....         | BA  | 361,634        | 329,200            | 299,500                |
| Liquidation of contract authority, current.....        |     | (361,634)      | (329,200)          |                        |
|  |     |                |                    | <sup>K</sup> (299,500) |
| Outlays.....   | O   | 384,260        | 344,200            | 310,174                |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                          |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate      |
|--|-----|----------------|--------------------|-----------------------|
| <b>Department of Transportation—Con.</b>             |     |                |                    |                       |
| <b>Maritime Administration—Con.</b>                  |     |                |                    |                       |
| Research and development                             | 403 |                |                    |                       |
| Appropriation, current.....                          | BA  | 11,385         | 2,900              | <sup>K</sup> 9,900    |
| Outlays.....   | O   | 10,005         | 12,200             | 11,300                |
| Total Research and development.....                  | BA  | 11,385         | 2,900              | 9,900                 |
|  | O   | 10,005         | 12,200             | 11,300                |
| Operations and training                              | 403 |                |                    |                       |
| Appropriation, current.....                          | BA  | 84,283         | 77,467             | <sup>K</sup> 59,312   |
|  |     |                | <sup>H</sup> — 888 |                       |
| Outlays.....   | O   | 76,384         | 89,478             | 69,574                |
|  |     |                | <sup>H</sup> — 888 |                       |
| Total Operations and training.....                   | BA  | 84,283         | 76,579             | 59,312                |
|  | O   | 76,384         | 88,590             | 69,574                |
| <b>Public Enterprise Funds:</b>                      |     |                |                    |                       |
| Federal ship financing fund                          | 403 |                |                    |                       |
| Outlays.....   | O   | 23,351         | 85,369             | 3,900                 |
|  |     |                |                    | <sup>J</sup> — 13,500 |
| Total Federal ship financing fund.....               | O   | 23,351         | 85,369             | — 9,600               |
| Vessel operations revolving fund                     | 403 |                |                    |                       |
| Outlays.....   | O   | — 616          |                    |                       |
| War risk insurance revolving fund                    | 403 |                |                    |                       |
| Outlays.....   | O   | — 697          | — 950              | — 950                 |
| <i>Trust funds</i>                                   |     |                |                    |                       |
| Special studies, services and projects               | 403 |                |                    |                       |
| Appropriation, permanent, indefinite.....            | BA  | 185            | 385                | 385                   |
| Outlays.....   | O   | 317            | 385                | 385                   |
| Gifts and bequests                                   | 403 |                |                    |                       |
| Appropriation, permanent, indefinite.....            | BA  | 4              | 15                 | 15                    |
| Outlays.....   | O   | 8              | 15                 | 15                    |
| Total Federal funds Maritime Administration.....     | BA  | 457,302        | 408,679            | 368,712               |
|  | O   | 506,382        | 538,994            | 380,498               |
| Total Trust funds Maritime Administration.....       | BA  | 189            | 400                | 400                   |
|  | O   | 325            | 400                | 400                   |
| <b>Saint Lawrence Seaway Development Corporation</b> |     |                |                    |                       |
| <i>Federal funds</i>                                 |     |                |                    |                       |
| <b>Public Enterprise Funds:</b>                      |     |                |                    |                       |
| Saint Lawrence Seaway Development Corporation        | 403 |                |                    |                       |
| Outlays.....   | O   | — 2,548        | — 311              | 200                   |
| Limitation on administrative expenses.....           |     | (1,800)        | (1,842)            | (1,890)               |
|  |     |                | <sup>D</sup> (20)  |                       |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate         | 1986<br>estimate         |
|---|-----|----------------|--------------------------|--------------------------|
| <b>Department of Transportation—Con.</b>                              |     |                |                          |                          |
| <b>Office of the Inspector General</b>                                |     |                |                          |                          |
| <i>Federal funds</i>  |     |                |                          |                          |
| <b>General and Special Funds:</b>                                     |     |                |                          |                          |
| Salaries and expenses   | 407 |                |                          |                          |
| Appropriation, current.....   | BA  | 26,795         | 27,900<br><i>H</i> — 300 | 26,951                   |
| Outlays.....  | O   | 21,574         | 27,939<br><i>H</i> — 300 | 27,089                   |
| Total Salaries and expenses.....                                      | BA  | 26,795         | 27,600                   | 26,951                   |
|   | O   | 21,574         | 27,639                   | 27,089                   |
| <b>Research and Special Programs Administration</b>                   |     |                |                          |                          |
| <i>Federal funds</i>  |     |                |                          |                          |
| <b>General and Special Funds:</b>                                     |     |                |                          |                          |
| Research and special programs   | 407 |                |                          |                          |
| Appropriation, current.....   | BA  | 20,200         | 18,900<br><i>A</i> 850   | 10,073<br><i>K</i> 9,000 |
| Outlays.....  | O   | 21,121         | 19,400<br><i>A</i> 700   | 19,053<br><i>A</i> 150   |
| Total Research and special programs.....                              | BA  | 20,200         | 19,750                   | 19,073                   |
|   | O   | 21,121         | 20,100                   | 19,203                   |
| <b>Intragovernmental Funds:</b>                                       |     |                |                          |                          |
| Working capital fund, Transportation Systems Center                   | 407 |                |                          |                          |
| Outlays.....  | O   | — 12,888       |                          |                          |
| Total Federal funds Research and Special Programs Administration..... | BA  | 20,200         | 19,750                   | 19,073                   |
|   | O   | 8,233          | 20,100                   | 19,203                   |
| <b>Office of the Secretary</b>  |     |                |                          |                          |
| <i>Federal funds</i>  |     |                |                          |                          |
| <b>General and Special Funds:</b>                                     |     |                |                          |                          |
| Salaries and expenses   | 407 |                |                          |                          |
| Appropriation, current.....   | BA  | 41,275         | 50,000<br><i>G</i> 875   | 50,695                   |
| Outlays.....  | O   | 36,663         | 48,200<br><i>H</i> — 435 | 53,000                   |
| Total Salaries and expenses.....                                      | BA  | 41,275         | 50,875                   | 50,695                   |
|   | O   | 36,663         | 47,765                   | 53,000                   |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|---|-----|----------------|----------------------|------------------|
| <b>Department of Transportation—Con.</b>  |     |                |                      |                  |
| <b>Office of the Secretary—Con.</b>   |     |                |                      |                  |
| Payments to air carriers, DOT   | 402 |                |                      |                  |
| Appropriation, current.....   | BA  | 46,286         | 52,000               | .....            |
|   |     |                | <sup>A</sup> — 850   |                  |
|   |     |                | <sup>F</sup> — 2,710 |                  |
| Liquidation of contract authority, current.....                                   |     | (3,744)        | .....                | .....            |
| Outlays.....  | O   | 40,920         | 53,009               | .....            |
|   |     |                | <sup>A</sup> — 850   |                  |
| Total Payments to air carriers, DOT.....  | BA  | 46,286         | 48,440               | .....            |
|   | O   | 40,920         | 52,159               | .....            |
| Transportation planning, research, and develop-<br>ment                           | 407 |                |                      |                  |
| Appropriation, current.....   | BA  | 4,878          | 5,700                | 5,458            |
|   |     |                | <sup>H</sup> — 65    |                  |
| Outlays.....  | O   | 4,995          | 5,760                | 6,100            |
|   |     |                | <sup>H</sup> — 65    |                  |
| Total Transportation planning, research, and de-<br>velopment.....                | BA  | 4,878          | 5,635                | 5,458            |
|   | O   | 4,995          | 5,695                | 6,100            |
| Transportation research activities overseas (special<br>foreign currency program) | 407 |                |                      |                  |
| Outlays.....  | O   | .....          | 19                   | .....            |
| <b>Intragovernmental Funds:</b>   |     |                |                      |                  |
| Working capital fund  | 407 |                |                      |                  |
| Outlays.....  | O   | — 7,754        | — 162                | .....            |
| <i>Trust funds</i>  |     |                |                      |                  |
| Gifts and bequests  | 407 |                |                      |                  |
| Appropriation, permanent, indefinite.....   | BA  | 26             | .....                | .....            |
| Total Federal funds Office of the Secretary .....                                 | BA  | 92,439         | 104,950              | 56,153           |
|   | O   | 74,824         | 105,476              | 59,100           |
| Total Trust funds Office of the Secretary.....                                    | BA  | 26             | .....                | .....            |
| <b>Summary</b>  |     |                |                      |                  |
| <b>Federal funds:</b>   |     |                |                      |                  |
| (As shown in detail above).....   | BA  | 11,396,505     | 8,641,319            | 4,111,637        |
|   | O   | 12,005,010     | 10,271,079           | 7,215,909        |
| <b>Deductions for offsetting receipts:</b>  |     |                |                      |                  |
| Intrafund transactions  | 908 |                |                      |                  |
|   | BA  | — 5,318        | — 5,700              | — 7,500          |
|   | O   |                |                      |                  |
| Proprietary receipts from the public  | 304 |                |                      |                  |
|   | BA  | — 16           | — 6,000              | — 6,000          |
|   | O   |                |                      |                  |
|   | 402 |                |                      |                  |
|   | BA  | — 51,718       | — 52,917             | — 58,017         |
|   | O   |                |                      |                  |
|   | 403 |                |                      |                  |
|   | BA  | — 6,158        | — 10,742             | — 11,883         |
|   | O   |                |                      |                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code              |             | 1984<br>actual           | 1985<br>estimate         | 1986<br>estimate         |
|--|-------------|--------------------------|--------------------------|--------------------------|
| <b>Department of Transportation—Con.</b> |             |                          |                          |                          |
| <b>Summary—Con.</b>                      |             |                          |                          |                          |
|  | BA<br>0     |                          | <i>J</i> — 2,542         | <i>J</i> — 236,317       |
| Total Federal funds .....                | BA<br>0     | 11,333,295<br>11,941,800 | 8,563,418<br>10,193,178  | 3,791,920<br>6,896,192   |
| <b>Trust funds:</b>                      |             |                          |                          |                          |
| (As shown in detail above) .....         | BA<br>0     | 17,268,258<br>11,999,540 | 19,928,521<br>16,048,402 | 20,942,282<br>18,246,253 |
| Deductions for offsetting receipts:      |             |                          |                          |                          |
| Proprietary receipts from the public     | 151 BA<br>0 | — 6,346                  | — 8,771                  | — 8,000                  |
|  | 401 BA<br>0 | — 547                    | — 884                    | — 643                    |
|  | 403 BA<br>0 | — 185                    | — 385                    | — 385                    |
| Total Trust funds .....                  | BA<br>0     | 17,261,180<br>11,992,462 | 19,918,481<br>16,038,362 | 20,933,254<br>18,237,225 |
| Total Department of Transportation ..... | BA<br>0     | 28,594,475<br>23,934,262 | 28,481,899<br>26,231,540 | 24,725,174<br>25,133,417 |

**Department of the Treasury****Office of the Secretary***Federal funds***General and Special Funds:**

|  |         |                  |   |                         |
|--|---------|------------------|---|-------------------------|
| Salaries and expenses                      | 803     |                  |   |                         |
| Appropriation, current .....               | BA      | 67,152           | 79,242<br><i>C</i> 24<br><i>D</i> 633<br><i>H</i> — 969 | 76,716                  |
| Outlays .....                              | 0       | 66,778           | 77,395<br><i>H</i> — 891                                | 75,683<br><i>H</i> — 78 |
| Total Salaries and expenses .....          | BA<br>0 | 67,152<br>66,778 | 78,930<br>76,504  | 76,716<br>75,605        |
| Presidential election campaign fund        | 806     |                  |   |                         |
| Appropriation, permanent, indefinite ..... | BA      | 34,770           | 37,000  | 37,000                  |
| Outlays .....                              | 0       | 117,829          | 1,107   | .....                   |
| <b>Public Enterprise Funds:</b>            |         |                  |   |                         |
| Exchange stabilization fund                | 155     |                  |   |                         |
| Outlays .....                              | 0       | — 246,009        | — 280,252   | — 288,568               |
| <b>Intragovernmental Funds:</b>            |         |                  |   |                         |
| Working capital fund                       | 803     |                  |   |                         |
| Outlays .....                              | 0       | — 1,408          | .....   | .....                   |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate        |
|---|-----|----------------|------------------|-------------------------|
| <b>Department of the Treasury—Con.</b>                                    |     |                |                  |                         |
| <b>Office of the Secretary—Con.</b>                                       |     |                |                  |                         |
| <i>Trust funds</i>  |     |                |                  |                         |
| Gifts and bequests  | 803 |                |                  |                         |
| Appropriation, current, indefinite  | BA  |                | 1,000            |                         |
| Appropriation, permanent, indefinite                                      | BA  |                |                  | 2,000                   |
| Outlays   | O   |                | 1,000            | 2,000                   |
| Total Gifts and bequests  | BA  |                | 1,000            | 2,000                   |
|   | O   |                | 1,000            | 2,000                   |
| Total Federal funds Office of the Secretary                               | BA  | 101,922        | 115,930          | 113,716                 |
|   | O   | —62,810        | —202,641         | —212,963                |
| Total Trust funds Office of the Secretary                                 | BA  |                | 1,000            | 2,000                   |
|   | O   |                | 1,000            | 2,000                   |
| <b>Office of Revenue Sharing</b>  |     |                |                  |                         |
| <i>Federal funds</i>  |     |                |                  |                         |
| General and Special Funds:  |     |                |                  |                         |
| Salaries and expenses   | 851 |                |                  |                         |
| Appropriation, current  | BA  | 7,278          | 7,941            | 7,785                   |
|   |     |                | <sup>D</sup> 72  |                         |
|   |     |                | <sup>H</sup> —90 |                         |
|   |     |                |                  | <sup>J</sup> —1,785     |
| Outlays   | O   | 6,565          | 7,452            | 7,245                   |
|   |     |                | <sup>H</sup> —84 | <sup>H</sup> —6         |
|   |     |                |                  | <sup>J</sup> —1,750     |
| Total Salaries and expenses   | BA  | 7,278          | 7,923            | 6,000                   |
|   | O   | 6,565          | 7,368            | 5,489                   |
| Payments to State and local government fiscal assistance trust fund       |     |                |                  |                         |
|   | 851 |                |                  |                         |
| Appropriation, current  | BA  | 4,566,700      | 4,566,700        | 4,566,700               |
|   |     |                |                  | <sup>J</sup> —4,566,700 |
| Outlays   | O   | 4,566,700      | 4,566,700        | 4,566,700               |
|   |     |                |                  | <sup>J</sup> —4,566,700 |
| Total Payments to State and local government fiscal assistance trust fund | BA  | 4,566,700      | 4,566,700        |                         |
|   | O   | 4,566,700      | 4,566,700        |                         |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>                              |    |                |                  |                  |
| <b>Office of Revenue Sharing—Con.</b>                               |    |                |                  |                  |
| <i>Trust funds</i>  |    |                |                  |                  |
| State and local government fiscal assistance trust fund 851         |    |                |                  |                  |
| Appropriation, current, indefinite .....                            | BA |                |                  | J — 4,566,700    |
| Appropriation, permanent, indefinite .....                          | BA | 4,566,700      | 4,566,700        | 4,566,700        |
| Outlays .....   | O  | 4,566,588      | 4,610,073        | 4,576,170        |
|   |    |                |                  | J — 3,414,095    |
| Total State and local government fiscal assistance trust fund ..... | BA | 4,566,700      | 4,566,700        | .....            |
|   | O  | 4,566,588      | 4,610,073        | 1,162,075        |
| Total Federal funds Office of Revenue Sharing ....                  | BA | 4,573,978      | 4,574,623        | 6,000            |
|   | O  | 4,573,265      | 4,574,068        | 5,489            |
| Total Trust funds Office of Revenue Sharing .....                   | BA | 4,566,700      | 4,566,700        | .....            |
|   | O  | 4,566,588      | 4,610,073        | 1,162,075        |
| <b>Federal Law Enforcement Training Center</b>                      |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| General and Special Funds:  |    |                |                  |                  |
| Salaries and expenses 751   |    |                |                  |                  |
| Appropriation, current .....  | BA | 14,664         | 18,314           | 17,500           |
|   |    |                | D 102            |                  |
|   |    |                | H — 75           |                  |
| Outlays .....   | O  | 14,327         | 17,976           | 17,200           |
|   |    |                | H — 75           |                  |
| Total Salaries and expenses .....                                   | BA | 14,664         | 18,341           | 17,500           |
|   | O  | 14,327         | 17,901           | 17,200           |
| Construction, Federal Law Enforcement Training Center 751           |    |                |                  |                  |
| Outlays .....   | O  | 2,562          | 2,591            | .....            |
| Total Federal funds Federal Law Enforcement Training Center .....   | BA | 14,664         | 18,341           | 17,500           |
|   | O  | 16,889         | 20,492           | 17,200           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                  |         | 1984<br>actual     | 1985<br>estimate  | 1986<br>estimate           |
|--|---------|--------------------|---|----------------------------|
| <b>Department of the Treasury—Con.</b>       |         |                    |   |                            |
| <b>Financial Management Service</b>          |         |                    |   |                            |
| <i>Federal funds</i>                         |         |                    |   |                            |
| <b>General and Special Funds:</b>            |         |                    |   |                            |
| Salaries and expenses                        | 803     |                    |   |                            |
| Appropriation, current.....                  | BA      | 239,995            | 235,994<br><sup>A</sup> 6,600<br><sup>C</sup> 37<br><sup>D</sup> 1,192<br><sup>H</sup> —972 | 248,121                    |
| Outlays.....                                 | 0       | 223,081            | 232,366<br><sup>A</sup> 6,600<br><sup>H</sup> —972  | 243,159                    |
| Total Salaries and expenses.....             | BA<br>0 | 239,995<br>223,081 | 242,851<br>237,994  | 248,121<br>243,159         |
| Chrysler Corporation loan guarantee program  | 376     |                    |   |                            |
| Appropriation, current.....                  | BA      | 495                | .....   | .....                      |
| Outlays.....                                 | 0       | 281                | 2   | .....                      |
| Portfolio liquidation                        | 803     |                    |   |                            |
| Appropriation, current.....                  | BA      |                    |   | <sup>J</sup> 73,961        |
| Outlays.....                                 | 0       |                    |   | <sup>J</sup> 66,565        |
| HUD public housing interest subsidy payments | 604     |                    |   |                            |
| Appropriation, current.....                  | BA      | .....              | 300,000   | .....                      |
| Outlays.....                                 | 0       | .....              | 300,000   | .....                      |
| Claims, judgments, and relief acts           | 806     |                    |   |                            |
| Appropriation, permanent, indefinite.....    | BA      | 235,517            | 390,420   | 301,170                    |
| Outlays.....                                 | 0       | 235,516            | 390,440   | 301,170                    |
| Advances to the railroad retirement account  | 601     |                    |   |                            |
| Appropriation, permanent, indefinite.....    | BA      | 525,000            | .....   | .....                      |
| Outlays.....                                 | 0       | 525,000            | .....   | .....                      |
| Interest on uninvested funds                 | 908     |                    |   |                            |
| Appropriation, current, indefinite.....      | BA      |                    |   | <sup>J</sup> —10           |
| Appropriation, permanent, indefinite.....    | BA      | 17,455             | 20,471  | 19,686                     |
| Outlays.....                                 | 0       | 17,250             | 20,471  | 19,686<br><sup>J</sup> —10 |
| Total Interest on uninvested funds.....      | BA<br>0 | 17,455<br>17,250   | 20,471<br>20,471  | 19,676<br>19,676           |
| Payment of Government losses in shipment     | 803     |                    |   |                            |
| Outlays.....                                 | 0       | 135                | 122   | 47                         |
| Postal savings system liquidation            | 806     |                    |   |                            |
| Appropriation, current.....                  | BA      | 1,000              | .....   | .....                      |
| Outlays.....                                 | 0       | 1,000              | .....   | .....                      |
| Energy security reserve                      | 271     |                    |   |                            |
| Outlays.....                                 | 0       | 16,486             | 159,447   | 320,976                    |
| Biomass energy development                   | 271     |                    |   |                            |
| Outlays.....                                 | 0       | 1,082              | 900   | 800                        |
| <b>Public Enterprise Funds:</b>              |         |                    |   |                            |
| Business loan and investment fund            | 376     |                    |   |                            |
| Appropriation, current.....                  | BA      |                    |   | <sup>J</sup> 2,596,870     |
| Outlays.....                                 | 0       |                    |   | <sup>J</sup> 2,841,870     |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>                               |                |                  |                  |
| <b>Financial Management Service—Con.</b>                             |                |                  |                  |
| Disaster loan fund 453   |                |                  |                  |
| Appropriation, current..... BA                                       |                |                  | ✓ 36,300         |
| Outlays..... O   |                |                  | ✓ 482,000        |
| Lease guarantees revolving fund 376                                  |                |                  |                  |
| Outlays..... O   |                |                  | ✓ 1,550          |
| Surety bond guarantees revolving fund 376                            |                |                  |                  |
| Appropriation, current..... BA                                       |                |                  | ✓ 13,572         |
| Outlays..... O   |                |                  | ✓ 18,000         |
| Pollution control equipment contract guarantee revolving fund 376    |                |                  |                  |
| Outlays..... O   |                |                  | ✓ 11,000         |
| <b>Intragovernmental Funds:</b>                                      |                |                  |                  |
| Fishermen's protective fund 376                                      |                |                  |                  |
| Outlays..... O   | 566            |                  |                  |
| <i>Trust funds</i>   |                |                  |                  |
| <b>Miscellaneous trust funds:</b>                                    |                |                  |                  |
| (Other veterans benefits and services) 705                           |                |                  |                  |
| (Appropriation, permanent, indefinite)..... BA                       | 7              | 7                | 7                |
| (Outlays)..... O   |                | 7                |                  |
| (Other general government) 806                                       |                |                  |                  |
| (Appropriation, permanent, indefinite)..... BA                       | 220            | 18               | 18               |
| (Outlays)..... O   | 67             | 215              | 18               |
| Total Miscellaneous trust funds..... BA                              | 227            | 25               | 25               |
| O  | 67             | 222              | 18               |
| Total Federal funds Financial Management Service..... BA             | 1,019,462      | 953,742          | 3,289,670        |
| O  | 1,020,397      | 1,109,376        | 4,306,813        |
| Total Trust funds Financial Management Service..... BA               | 227            | 25               | 25               |
| O  | 67             | 222              | 18               |
| <b>Federal Financing Bank Activities</b>                             |                |                  |                  |
| <b>Funds Appropriated to the President</b>                           |                |                  |                  |
| <i>Federal funds</i>   |                |                  |                  |
| <b>General and Special Funds:</b>                                    |                |                  |                  |
| Foreign military sales credit, FFB (loan guarantee originations) 152 |                |                  |                  |
| Authority to borrow, permanent, indefinite..... BA                   | ✓ 3,502,858    | ✓ 3,146,960      | ✓ 1,311,234      |
| Outlays..... O   | ✓ 2,817,589    | ✓ 2,340,260      | ✓ 282,034        |
| <b>Public Enterprise Funds:</b>                                      |                |                  |                  |
| Overseas Private Investment Corporation, FFB (loan asset sales) 151  |                |                  |                  |
| Outlays..... O   | ✓ — 5,333      | ✓ — 5,092        | ✓ — 5,136        |
| Total Federal funds Funds Appropriated to the President..... BA      | 3,502,858      | 3,146,960        | 1,311,234        |
| O  | 2,812,256      | 2,335,168        | 276,898          |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>                                       |    |                |                  |                  |
| <b>Federal Financing Bank Activities—Con.</b>                                |    |                |                  |                  |
| Department of Agriculture  |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| Public Enterprise Funds:   |    |                |                  |                  |
| REA, FFB (loan asset sales) 271  |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA |                |                  | J — 7,287        |
|  |    | Y 69,200       | Y 447,006        | Y 260,358        |
| Outlays.....   | O  |                |                  | J — 7,287        |
|  |    | Y 69,200       | Y 447,006        | Y 260,358        |
| Total REA, FFB (loan asset sales) .....                                      | BA | 69,200         | 447,006          | 253,071          |
|  | O  | 69,200         | 447,006          | 253,071          |
| REA, FFB (loan guarantee originations) 271                                   |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA | Y 2,395,039    | Y 2,885,000      | Y 2,432,000      |
| Outlays.....   | O  | Y 1,648,189    | Y 2,685,000      | Y 2,222,000      |
| Agricultural credit insurance fund, FFB (loan asset sales) 351               |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA |                |                  | J — 760,000      |
|  |    | Y 6,805,000    | Y 5,332,000      | Y 926,000        |
| Outlays.....   | O  |                |                  | J — 760,000      |
|  |    | Y 1,410,000    | Y 1,175,000      | Y — 324,000      |
| Total Agricultural credit insurance fund, FFB (loan asset sales) .....       | BA | 6,805,000      | 5,332,000        | 166,000          |
|  | O  | 1,410,000      | 1,175,000        | — 1,084,000      |
| Rural housing insurance fund, FFB (loan asset sales) 371                     |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA | Y 5,020,000    | Y 4,445,000      | Y 26,000         |
| Outlays.....   | O  | Y 1,090,000    | Y 2,335,000      | Y — 180,000      |
| Rural development insurance fund, FFB (loan asset sales) 452                 |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA | Y 1,300,000    | Y 1,183,814      | Y 360,282        |
| Outlays.....   | O  | Y 320,000      | Y 588,814        | Y 360,282        |
| Total Federal funds Department of Agriculture ....                           | BA | 15,589,239     | 14,292,820       | 3,237,353        |
|  | O  | 4,537,389      | 7,230,820        | 1,571,353        |
| Department of Defense—Military   |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| Public Enterprise Funds:   |    |                |                  |                  |
| DOD, Defense production guarantees, FFB (loan guarantee originations) 051    |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA | Y 2,032        | Y 5,000          | Y 5,000          |
| Outlays.....   | O  | Y 2,032        | Y 5,000          | Y 5,000          |
| Department of Energy   |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| General and Special Funds:   |    |                |                  |                  |
| Geothermal resources development fund, FFB (loan guarantee originations) 271 |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....                              | BA | Y 6,234        | Y 79,108         | Y 14,258         |
| Outlays.....   | O  | Y — 38,766     | Y 79,108         | Y 13,908         |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>   |    |                |                  |                  |
| <b>Federal Financing Bank Activities—Con.</b>  |    |                |                  |                  |
| Alternative fuels production, FFB (loan guarantee originations) 271                      |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | ¥ 404,500      | ¥ 273,700        |                  |
| Outlays.....   | O  | ¥ 404,500      | ¥ 273,700        |                  |
| Total Federal funds Department of Energy.....  | BA | 410,734        | 352,808          | 14,258           |
|  | O  | 365,734        | 352,808          | 13,908           |
| <b>Department of Health and Human Services</b>   |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>Public Enterprise Funds:</b>  |    |                |                  |                  |
| Medical facilities guarantee and loan fund, FFB (loan asset sales) 551                   |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA |                | ¥ 4,944          |                  |
| Outlays.....   | O  | ¥ -11,737      | ¥ -463           | ¥ -5,793         |
| Health maintenance organization loan and loan guarantee fund, FFB (loan asset sales) 551 |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | ¥ 723          | ¥ 2,600          | ¥ 700            |
| Outlays.....   | O  | ¥ -2,662       | ¥ -3,730         | ¥ -3,850         |
| Total Federal funds Department of Health and Human Services.....                         | BA | 723            | 7,544            | 700              |
|  | O  | -14,399        | -4,193           | -9,643           |
| <b>Department of Housing and Urban Development</b>                                       |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>General and Special Funds:</b>  |    |                |                  |                  |
| Community development grants, FFB (loan guarantee originations) 451                      |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | ¥ 70,758       | ¥ 113,000        | ¥ 116,000        |
| Outlays.....   | O  | ¥ 31,000       | ¥ 42,000         | ¥ 25,000         |
| <b>Public Enterprise Funds:</b>  |    |                |                  |                  |
| Low-rent public housing—loans and other expenses, FFB (loan guarantee originations) 604  |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | ¥ 153,451      |                  |                  |
| Outlays.....   | O  | ¥ 111,658      | ¥ -32,280        | ¥ -34,690        |
| Revolving fund (liquidating programs), FFB (loan guarantee originations) 451             |    |                |                  |                  |
| Outlays.....   | O  |                |                  | ¥ -1,300         |
| Total Federal funds Department of Housing and Urban Development.....                     | BA | 224,209        | 113,000          | 116,000          |
|  | O  | 142,658        | 9,720            | -10,990          |
| <b>Department of Interior</b>  |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>General and Special Funds:</b>  |    |                |                  |                  |
| Territory of the Virgin Islands, FFB (loan guarantee originations) 806                   |    |                |                  |                  |
| Outlays.....   | O  | ¥ -435         | ¥ -468           | ¥ -506           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>   |    |                |                  |                  |
| <b>Federal Financing Bank Activities—Con.</b>  |    |                |                  |                  |
| Department of Transportation   |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| General and Special Funds:   |    |                |                  |                  |
| Grants to National Railroad Passenger Corporation,<br>FFB (loan guarantee originations) 401      |    |                |                  |                  |
| Outlays.....   | 0  | Y — 880,000    |                  |                  |
| Public Enterprise Funds:   |    |                |                  |                  |
| Railroad rehabilitation and improvement financing<br>fund, FFB (loan guarantee originations) 401 |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | Y 1,030        | Y 4,650          | Y 1,600          |
| Outlays.....   | 0  | Y — 23,973     | Y — 5,461        | Y — 9,402        |
| Total Federal funds Department of Transportation.....  | BA | 1,030          | 4,650            | 1,600            |
|  | 0  | — 903,973      | — 5,461          | — 9,402          |
| Department of the Treasury   |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| Intragovernmental Funds:   |    |                |                  |                  |
| Federal Financing Bank 803   |    |                |                  |                  |
| Outlays.....   | 0  | Y — 59,588     |                  |                  |
| General Services Administration  |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| Intragovernmental Funds:   |    |                |                  |                  |
| Federal buildings fund, FFB (loan guarantee origina-<br>tions) 804                               |    |                |                  |                  |
| Outlays.....   | 0  | Y — 3,949      | Y — 4,419        | Y — 4,825        |
| National Aeronautics and Space Administration  |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| General and Special Funds:   |    |                |                  |                  |
| Space flight, control, and data communication, FFB<br>(loan guarantee originations) 255          |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | Y 141,992      |                  |                  |
| Outlays.....   | 0  | Y 7,381        | Y — 67,021       | Y — 107,216      |
| Small Business Administration  |    |                |                  |                  |
| Federal funds  |    |                |                  |                  |
| Public Enterprise Funds:   |    |                |                  |                  |
| Small business investment companies, FFB (loan<br>guarantee originations) 376                    |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | Y 159,807      | Y 265,000        |                  |
| Outlays.....   | 0  | Y 55,967       | Y 165,000        | Y — 1,025,284    |
| Section 503 loan guarantees, FFB (loan guarantee<br>originations) 376                            |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....  | BA | Y 213,566      | Y 360,000        | Y 375,000        |
| Outlays.....   | 0  | Y 206,829      | Y 345,000        | Y — 699,586      |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>  |    |                |                  |                  |
| <b>Federal Financing Bank Activities—Con.</b>   |    |                |                  |                  |
| Small business development company loans, FFB<br>(loan asset sales) 376                       |    |                |                  |                  |
| Outlays.....  | 0  | Y — 8,385      | Y — 10,000       | Y — 10,000       |
| Total Federal funds Small Business Administra-<br>tion.....                                   | BA | 373,373        | 625,000          | 375,000          |
|   | 0  | 254,411        | 500,000          | — 1,734,870      |
| <b>Tennessee Valley Authority</b>   |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| <b>Public Enterprise Funds:</b>   |    |                |                  |                  |
| Tennessee Valley Authority fund, Seven States Corp.,<br>FFB (loan guarantee originations) 271 |    |                |                  |                  |
| Authority to borrow, permanent, indefinite.....   | BA | Y 137,063      | Y 90,100         | Y 87,400         |
| Outlays.....  | 0  | Y 137,063      | Y 90,100         | Y 87,400         |
| Total Federal funds Federal Financing Bank Ac-<br>tivities.....                               | BA | 20,383,253     | 18,637,882       | 5,148,545        |
|   | 0  | 7,276,580      | 10,442,054       | 77,107           |
| <b>Bureau of Alcohol, Tobacco and Firearms</b>  |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| <b>General and Special Funds:</b>   |    |                |                  |                  |
| Salaries and expenses 751   |    |                |                  |                  |
| Appropriation, current.....   | BA | 159,553        | 169,271          | 169,562          |
|   |    |                | A 1,900          |                  |
|   |    |                | D 1,339          |                  |
|   |    |                | H — 397          |                  |
| Outlays.....  | 0  | 158,263        | 165,722          | 166,168          |
|   |    |                | A 1,860          | A 40             |
|   |    |                | H — 397          |                  |
| Total Salaries and expenses.....  | BA | 159,553        | 172,113          | 169,562          |
|   | 0  | 158,263        | 167,185          | 166,208          |
| <b>United States Customs Service</b>  |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| <b>General and Special Funds:</b>   |    |                |                  |                  |
| Salaries and expenses 751   |    |                |                  |                  |
| Appropriation, current.....   | BA | 599,481        | 643,465          | 639,102          |
|   |    |                | A 2,200          |                  |
|   |    |                | C 18             |                  |
|   |    |                | D 6,228          |                  |
|   |    |                | H — 1,223        |                  |
| Outlays.....  | 0  | 607,968        | 643,170          | 631,694          |
|   |    |                | A 2,178          | A 22             |
|   |    |                | H — 1,205        | H — 18           |
| Total Salaries and expenses.....  | BA | 599,481        | 650,688          | 639,102          |
|   | 0  | 607,968        | 644,143          | 631,698          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|-----|----------------|------------------|------------------|
| <b>Department of the Treasury—Con.</b>                                 |     |                |                  |                  |
| <b>United States Customs Service—Con.</b>                              |     |                |                  |                  |
| Operation and maintenance, air interdiction program                    | 751 |                |                  |                  |
| Appropriation, current.....  | BA  | <b>56,000</b>  | <b>44,425</b>    | <b>60,425</b>    |
| Outlays.....   | O   | 6,744          | 63,408           | 58,205           |
| Customs forfeiture fund  | 803 |                |                  |                  |
| Appropriation, current.....  | BA  |                | <b>6,000</b>     | <b>8,000</b>     |
| Outlays.....   | O   |                | <b>6,000</b>     | 8,000            |
| Total Customs forfeiture fund.....                                     | BA  |                | <b>6,000</b>     | <b>8,000</b>     |
|  | O   |                | 6,000            | 8,000            |
| Customs services at small airports                                     | 806 |                |                  |                  |
| Appropriation, current.....  | BA  |                | <b>42</b>        | <b>75</b>        |
| Outlays.....   | O   |                | <b>42</b>        | 75               |
| Total Customs services at small airports.....                          | BA  |                | <b>42</b>        | <b>75</b>        |
|  | O   |                | 42               | 75               |
| Miscellaneous permanent appropriations                                 | 852 |                |                  |                  |
| Appropriation, permanent, indefinite.....                              | BA  | <b>92,952</b>  | <b>102,000</b>   | <b>105,000</b>   |
| Outlays.....   | O   | 76,854         | 102,000          | 105,000          |
| <i>Trust funds</i>   |     |                |                  |                  |
| Refunds, transfers and expenses, unclaimed, abandoned and seized goods | 803 |                |                  |                  |
| Appropriation, permanent, indefinite.....                              | BA  | <b>6,772</b>   | <b>7,322</b>     | <b>7,988</b>     |
| Outlays.....   | O   | 3,455          | 7,322            | 7,988            |
| Total Federal funds United States Customs Service.....                 | BA  | <b>748,433</b> | <b>803,155</b>   | <b>812,602</b>   |
|  | O   | 691,566        | 815,593          | 802,978          |
| Total Trust funds United States Customs Service.....                   | BA  | <b>6,772</b>   | <b>7,322</b>     | <b>7,988</b>     |
|  | O   | 3,455          | 7,322            | 7,988            |
| <b>Bureau of Engraving and Printing</b>                                |     |                |                  |                  |
| <i>Federal funds</i>   |     |                |                  |                  |
| <b>Intragovernmental Funds:</b>  |     |                |                  |                  |
| Bureau of Engraving and Printing fund                                  | 803 |                |                  |                  |
| Outlays.....   | O   | <b>16,880</b>  | <b>3,000</b>     | <b>15,000</b>    |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                 |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate    |
|---|-----|----------------|--------------------|---------------------|
| <b>Department of the Treasury—Con.</b>      |     |                |                    |                     |
| <b>Bureau of the Mint</b>                   |     |                |                    |                     |
| <i>Federal funds</i>                        |     |                |                    |                     |
| <b>General and Special Funds:</b>           |     |                |                    |                     |
| Salaries and expenses                       | 803 |                |                    |                     |
| Appropriation, current.....                 | BA  | 49,000         | 47,758             | <sup>K</sup> 46,954 |
|   |     |                | <sup>H</sup> — 87  |                     |
| Outlays .....                               | O   | 40,564         | 46,805             | 46,015              |
|   |     |                | <sup>H</sup> — 85  | <sup>H</sup> — 2    |
| Total Salaries and expenses.....            | BA  | 49,000         | 47,671             | 46,954              |
|   | O   | 40,564         | 46,720             | 46,013              |
| Expansion and improvements                  | 803 |                |                    |                     |
| Appropriation, current.....                 | BA  | 3,070          |                    |                     |
| Outlays .....                               | O   | 274            | 10,114             | 3,571               |
| Coinage profit fund                         | 803 |                |                    |                     |
| Appropriation, permanent, indefinite.....   | BA  | 40,835         | 105,956            | 3,852               |
| Outlays .....                               | O   | 39,629         | 105,956            | 3,852               |
| Total Federal funds Bureau of the Mint..... | BA  | 92,905         | 153,627            | 50,806              |
|   | O   | 80,467         | 162,790            | 53,436              |
| <b>Bureau of the Public Debt</b>            |     |                |                    |                     |
| <i>Federal funds</i>                        |     |                |                    |                     |
| <b>General and Special Funds:</b>           |     |                |                    |                     |
| Administering the public debt               | 803 |                |                    |                     |
| Appropriation, current.....                 | BA  | 196,427        | 197,955            | 197,225             |
|   |     |                | <sup>D</sup> 849   |                     |
|   |     |                | <sup>H</sup> — 52  |                     |
| Outlays .....                               | O   | 181,455        | 194,858            | 193,301             |
|   |     |                | <sup>H</sup> — 52  |                     |
| Total Administering the public debt .....   | BA  | 196,427        | 198,752            | 197,225             |
|   | O   | 181,455        | 194,806            | 193,301             |
| <b>Internal Revenue Service</b>             |     |                |                    |                     |
| <i>Federal funds</i>                        |     |                |                    |                     |
| <b>General and Special Funds:</b>           |     |                |                    |                     |
| Salaries and expenses                       | 803 |                |                    |                     |
| Appropriation, current.....                 | BA  | 98,802         | 104,687            | 95,932              |
|   |     |                | <sup>D</sup> 1,500 |                     |
|   |     |                | <sup>H</sup> — 198 |                     |
| Outlays .....                               | O   | 96,435         | 100,417            | 93,374              |
|   |     |                | <sup>H</sup> — 198 |                     |
| Total Salaries and expenses.....            | BA  | 98,802         | 105,989            | 95,932              |
|   | O   | 96,435         | 100,219            | 93,374              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                               |     | 1984<br>actual | 1985<br>estimate  | 1986<br>estimate |
|---|-----|----------------|---|------------------|
| <b>Department of the Treasury—Con.</b>                    |     |                |   |                  |
| <b>Internal Revenue Service—Con.</b>                      |     |                |   |                  |
| Processing tax returns                                    | 803 |                |   |                  |
| Appropriation, current.....                               | BA  | 932,436        | 982,457<br><sup>D</sup> 4,704<br><sup>H</sup> — 781                           | 998,241          |
| Outlays.....  | O   | 869,570        | 956,923<br><sup>H</sup> — 781   | 969,004          |
| Total Processing tax returns.....                         | BA  | 932,436        | 986,380   | 998,241          |
|   | O   | 869,570        | 956,142   | 969,004          |
| Examinations and appeals                                  | 803 |                |   |                  |
| Appropriation, current.....                               | BA  | 1,268,302      | 1,357,135<br><sup>D</sup> 21,193<br><sup>H</sup> — 1,588                      | 1,375,302        |
| Outlays.....  | O   | 1,250,884      | 1,352,743<br><sup>H</sup> — 1,588   | 1,350,672        |
| Total Examinations and appeals.....                       | BA  | 1,268,302      | 1,376,740   | 1,375,302        |
|   | O   | 1,250,884      | 1,351,155   | 1,350,672        |
| Investigation, collection and taxpayer service            | 803 |                |   |                  |
| Appropriation, current.....                               | BA  | 1,026,090      | 1,066,921<br><sup>A</sup> 2,400<br><sup>D</sup> 4,800<br><sup>H</sup> — 1,633 | 1,041,725        |
| Outlays.....  | O   | 1,018,711      | 1,060,682<br><sup>A</sup> 2,400<br><sup>H</sup> — 1,633                       | 1,027,926        |
| Total Investigation, collection and taxpayer service..... | BA  | 1,026,090      | 1,072,488   | 1,041,725        |
|   | O   | 1,018,711      | 1,061,449   | 1,027,926        |
| Payment where energy credit exceeds liability for tax     | 271 |                |   |                  |
| Appropriation, current.....                               | BA  | 200            | 100   | .....            |
| Outlays.....  | O   | — 6            | 100   | .....            |
| Payment where credit exceeds liability for tax            | 609 |                |   |                  |
| Appropriation, permanent, indefinite.....                 | BA  | 1,192,901      | 1,054,000   | 1,255,000        |
| Outlays.....  | O   | 1,192,901      | 1,054,000   | 1,255,000        |
| Refunding internal revenue collections, interest          | 908 |                |   |                  |
| Appropriation, permanent, indefinite.....                 | BA  | 1,301,370      | 1,185,000   | 1,258,000        |
| Outlays.....  | O   | 1,301,370      | 1,185,000   | 1,258,000        |
| Internal revenue collections for Puerto Rico              | 852 |                |   |                  |
| Appropriation, permanent, indefinite.....                 | BA  | 370,137        | 315,000   | 245,000          |
| Outlays.....  | O   | 365,142        | 315,000   | 245,000          |
| <b>Public Enterprise Funds:</b>                           |     |                |   |                  |
| Federal tax lien revolving fund                           | 803 |                |   |                  |
| Appropriation, current.....                               | BA  |                | <sup>A</sup> 9,000  | .....            |
| Outlays.....  | O   | 5              | .....   | .....            |
| Total Federal funds internal Revenue Service.....         | BA  | 6,190,238      | 6,104,697   | 6,269,200        |
|   | O   | 6,095,012      | 6,023,065   | 6,198,976        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                |        | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate                    |
|--|--------|----------------|--|-------------------------------------|
| <b>Department of the Treasury—Con.</b>                     |        |                |  |                                     |
| <b>United States Secret Service</b>                        |        |                |  |                                     |
| <i>Federal funds</i>                                       |        |                |  |                                     |
| <b>General and Special Funds:</b>                          |        |                |  |                                     |
| Salaries and expenses                                      | 751    |                |  |                                     |
| Appropriation, current.....                                | BA     | 293,152        | 286,500<br><sup>A</sup> 4,100<br><sup>D</sup> 2,214<br><sup>H</sup> —1,465 | 283,805                             |
| Outlays.....   | O      | 258,480        | 281,504<br><sup>A</sup> 4,100<br><sup>H</sup> —1,465                       | 277,044                             |
| Total Salaries and expenses.....                           | BA     | 293,152        | 291,349  | 283,805                             |
|  | O      | 258,480        | 284,139  | 277,044                             |
| Contribution for annuity benefits                          | 751    |                |  |                                     |
| Appropriation, permanent, indefinite.....                  | BA     | 8,455          | 11,000   | 11,000                              |
| Outlays.....   | O      | 8,455          | 11,000   | 11,000                              |
| Total Federal funds United States Secret Service.          | BA     | 301,607        | 302,349  | 294,805                             |
|  | O      | 266,935        | 295,139  | 288,044                             |
| <b>Comptroller of the Currency</b>                         |        |                |  |                                     |
| <i>Trust funds</i>   |        |                |  |                                     |
| Assessment funds   | 376    |                |  |                                     |
| Outlays.....   | O      | 95             | —3,056   | —7,301                              |
| <b>Interest on the Public Debt</b>                         |        |                |  |                                     |
| <i>Federal funds</i>                                       |        |                |  |                                     |
| <b>General and Special Funds:</b>                          |        |                |  |                                     |
| Interest on the public debt                                | 901    |                |  |                                     |
| Appropriation, permanent.....                              | BA     | 133,483,794    | 154,745,930  | 169,661,390                         |
| Outlays.....   | O      | 133,483,794    | 154,745,930  | 169,661,390                         |
| Interest on the public debt paid to trust funds            | 901    |                |  |                                     |
| Appropriation, current.....                                | BA     |                | <sup>J</sup> 2,000   | <sup>J</sup> —587,162               |
| Appropriation, permanent.....                              | BA     | 20,353,889     | 25,552,070   | 29,735,772                          |
| Outlays.....   | O      | 20,353,889     | 25,552,070<br><sup>J</sup> 2,000   | 29,735,772<br><sup>J</sup> —587,162 |
| Total Interest on the public debt paid to trust funds..... | BA     | 20,353,889     | 25,554,070   | 29,148,610                          |
|  | O      | 20,353,889     | 25,554,070   | 29,148,610                          |
| Total Federal funds Interest on the Public Debt...         | BA     | 153,837,683    | 180,300,000  | 198,810,000                         |
|  | O      | 153,837,683    | 180,300,000  | 198,810,000                         |
| <b>Summary</b>   |        |                |  |                                     |
| <b>Federal funds:</b>                                      |        |                |  |                                     |
| (As shown in detail above).....                            | BA     | 187,620,125    | 212,335,211  | 215,179,631                         |
|  | O      | 174,118,822    | 203,904,927  | 210,721,589                         |
| Deductions for offsetting receipts:                        |        |                |  |                                     |
| Intrafund transactions:                                    |        |                |  |                                     |
| Under current law  | 803 BA |                |  |                                     |
|  | O      | —112           | —100   | —90                                 |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                         |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate      |
|---|--------|----------------|------------------|-----------------------|
| <b>Department of the Treasury—Con.</b>              |        |                |                  |                       |
| <b>Summary—Con.</b>                                 |        |                |                  |                       |
|   | 806 BA |                |                  |                       |
|   | O      | —11            | —40              | —40                   |
|   | 809 BA |                |                  |                       |
|   | O      | —38,896        | .....            | .....                 |
|   | 908 BA | —5,203,977     | —4,675,841       | —4,660,694            |
|   | O      |                |                  |                       |
|   | BA     |                |                  | <sup>J</sup> —384,000 |
|   | O      |                |                  |                       |
| From entities that are off-budget under current law | 803 BA | —170,412       | —201,390         | —205,665              |
|   | O      |                |                  |                       |
|   | 809 BA | —24            | .....            | .....                 |
|   | O      |                |                  |                       |
|   | 908 BA | —15,207,703    | —17,710,348      | —19,133,384           |
|   | O      |                |                  |                       |
| Proprietary receipts from the public                | 151 BA | —110,184       | —111,229         | —111,229              |
|   | O      |                |                  |                       |
|   | 155 BA | —83,553        | —85,225          | —86,929               |
|   | O      |                |                  |                       |
|   | 376 BA |                |                  | <sup>J</sup> —694,650 |
|   | O      |                |                  |                       |
|   | 453 BA |                |                  | <sup>J</sup> —948,000 |
|   | O      |                |                  |                       |
|   | 803 BA | —82,196        | —153,714         | —53,752               |
|   | O      |                |                  |                       |
|   | BA     |                |                  | <sup>J</sup> —473,000 |
|   | O      |                |                  |                       |
|   | 806 BA | .....          | —42              | —75                   |
|   | O      |                |                  |                       |
|   | 809 BA | —473,824       | —447,427         | —445,753              |
|   | O      |                |                  |                       |
|   | BA     |                |                  | <sup>J</sup> —58,132  |
|   | O      |                |                  |                       |
|   | 901 BA | —15,376        | —5,430           | —5,430                |
|   | O      |                |                  |                       |
|   | 908 BA | —2,443,271     | —2,218,597       | —1,998,350            |
|   | O      |                |                  |                       |
| Total Federal funds.....                            | BA     | 163,790,586    | 186,725,828      | 185,920,458           |
|   | O      | 150,289,283    | 178,295,544      | 181,462,416           |
| <b>Trust funds:</b>                                 |        |                |                  |                       |
| (As shown in detail above).....                     | BA     | 4,573,699      | 4,575,047        | 10,013                |
|   | O      | 4,570,205      | 4,615,561        | 1,164,780             |
| <b>Interfund transactions</b>                       | 571 BA | —760,141       | —861,000         | —867,000              |
|   | O      |                |                  |                       |
|   | 572 BA | —186,595       | .....            | .....                 |
|   | O      |                |                  |                       |
|   | 601 BA | —793,314       | —495,000         | —497,000              |
|   | O      |                |                  |                       |
|   | 803 BA | —206,642       | —270,250         | —267,944              |
|   | O      |                |                  |                       |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|--|-----|----------------|----------------------|----------------------|
| <b>Department of the Treasury—Con.</b>       |     |                |                      |                      |
| <b>Summary—Con.</b>                          |     |                |                      |                      |
| 809 BA                                       |     |                |                      |                      |
|  |     | — 140          | — 400                | .....                |
| 0  |     |                |                      |                      |
| 851 BA                                       |     |                |                      |                      |
|  |     | — 4,566,700    | — 4,566,700          | — 4,566,700          |
| 0  |     |                |                      |                      |
| BA   |     |                |                      |                      |
| 0  |     |                |                      | 4,566,700            |
| Total Department of the Treasury.....        | BA  | 161,850,753    | 185,107,525          | 184,298,527          |
|  | 0   | 148,345,956    | 176,717,755          | 180,995,252          |
| <b>Environmental Protection Agency</b>       |     |                |                      |                      |
| <i>Federal funds</i>                         |     |                |                      |                      |
| <b>General and Special Funds:</b>            |     |                |                      |                      |
| Salaries and expenses                        | 304 |                |                      |                      |
| Appropriation, current.....                  | BA  | 579,800        | 656,275              | 343,074              |
|  |     |                |                      | <sup>K</sup> 311,622 |
|  |     |                | <sup>D</sup> 5,423   |                      |
|  |     |                | <sup>H</sup> — 1,863 |                      |
| Outlays.....                                 | 0   | 584,961        | 631,510              | 647,382              |
|  |     |                | <sup>H</sup> — 1,602 | <sup>H</sup> — 205   |
| Total Salaries and expenses.....             | BA  | 579,800        | 659,835              | 654,696              |
|  | 0   | 584,961        | 629,908              | 647,177              |
| <b>Research and development:</b>             |     |                |                      |                      |
| (Energy supply)                              | 271 |                |                      |                      |
| (Appropriation, current).....                | BA  | 31,983         | 51,888               | .....                |
|  |     |                |                      | <sup>K</sup> 61,863  |
| (Outlays).....                               | 0   | 39,714         | 43,291               | 52,778               |
| Total (Energy supply).....                   | BA  | 31,983         | 51,888               | 61,863               |
|  | 0   | 39,714         | 43,291               | 52,778               |
| (Pollution control and abatement)            | 304 |                |                      |                      |
| (Appropriation, current).....                | BA  | 113,717        | 141,112              | .....                |
|  |     |                | <sup>H</sup> — 4,125 | <sup>K</sup> 150,537 |
| (Outlays).....                               | 0   | 124,147        | 121,691              | 140,900              |
|  |     |                | <sup>H</sup> — 1,093 | <sup>H</sup> — 2,145 |
| Total (Pollution control and abatement)..... | BA  | 113,717        | 136,987              | 150,537              |
|  | 0   | 124,147        | 120,598              | 138,755              |
| Total Research and development.....          | BA  | 145,700        | 188,875              | 212,400              |
|  | 0   | 163,861        | 163,889              | 191,533              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate     |
|--|-----|----------------|----------------------|----------------------|
| <b>Environmental Protection Agency—Con.</b>                          |     |                |                      |                      |
| Abatement, control, and compliance                                   | 304 |                |                      |                      |
| Appropriation, current.....  | BA  | 443,900        | 460,500              | 148,330<br>K 347,170 |
| Outlays.....   | O   | 417,767        | H — 7,413<br>459,092 | 488,844              |
|  |     |                | H — 2,298            | H — 3,707            |
| Total Abatement, control, and compliance .....                       | BA  | 443,900        | 453,087              | 495,500              |
|  | O   | 417,767        | 456,794              | 485,137              |
| Buildings and facilities   | 304 |                |                      |                      |
| Appropriation, current.....  | BA  | 2,600          | 12,000               | 5,000                |
| Outlays.....   | O   | 3,650          | 4,565                | 5,195                |
| Construction grants  | 304 |                |                      |                      |
| Appropriation, current.....  | BA  | 2,435,000      | 2,400,000            | K 2,400,000          |
| Outlays.....   | O   | 2,622,960      | 2,740,000            | 2,650,000            |
| Total Construction grants.....                                       | BA  | 2,435,000      | 2,400,000            | 2,400,000            |
|  | O   | 2,622,960      | 2,740,000            | 2,650,000            |
| Scientific activities overseas (Special foreign currency<br>program) | 304 |                |                      |                      |
| Outlays.....   | O   | 33             | 100                  | 100                  |
| Operations, research, and facilities                                 | 304 |                |                      |                      |
| Outlays.....   | O   | 917            | 601                  | 280                  |
| Payment to the hazardous substance response trust<br>fund            | 304 |                |                      |                      |
| Appropriation, current.....  | BA  | 44,000         | 44,000               | .....                |
| Outlays.....   | O   | 44,000         | 44,000               | .....                |
| <b>Public Enterprise Funds:</b>                                      |     |                |                      |                      |
| Revolving fund for certification and other services                  | 304 |                |                      |                      |
| Outlays.....   | O   | — 251          | 15                   | 15                   |
| <i>Trust funds</i>   |     |                |                      |                      |
| Hazardous substance response trust fund                              | 304 |                |                      |                      |
| Appropriation, current.....  | BA  | 460,000        | 620,000              | 145,233<br>K 754,767 |
| Outlays.....   | O   | 285,279        | 450,000              | 670,000              |
| Total Hazardous substance response trust fund...                     | BA  | 460,000        | 620,000              | 900,000              |
|  | O   | 285,279        | 450,000              | 670,000              |
| Miscellaneous contributed funds                                      | 304 |                |                      |                      |
| Appropriation, permanent, indefinite.....                            | BA  | 22             | .....                | .....                |
| Outlays.....   | O   | 20             | 25                   | 25                   |
| <b>Summary</b>   |     |                |                      |                      |
| <b>Federal funds:</b>  |     |                |                      |                      |
| (As shown in detail above).....                                      | BA  | 3,651,000      | 3,757,797            | 3,767,596            |
|  | O   | 3,837,898      | 4,039,872            | 3,979,437            |
| <b>Trust funds:</b>  |     |                |                      |                      |
| (As shown in detail above).....                                      | BA  | 460,022        | 620,000              | 900,000              |
|  | O   | 285,299        | 450,025              | 670,025              |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                        |        | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|--|--------|----------------|----------------------|------------------|
| <b>Environmental Protection Agency—Con.</b>        |        |                |                      |                  |
| <b>Summary—Con.</b>                                |        |                |                      |                  |
| Deductions for offsetting receipts:                |        |                |                      |                  |
| Proprietary receipts from the public               | 304 BA |                |                      |                  |
|  | O      | —3,462         | —28,000              | —32,000          |
| Total Trust funds .....                            | BA     | 456,560        | 592,000              | 868,000          |
|  | O      | 281,837        | 422,025              | 638,025          |
| Interfund transactions                             | 304 BA |                |                      |                  |
|  | O      | —44,000        | —44,000              | .....            |
| Total Environmental Protection Agency .....        | BA     | 4,063,560      | 4,305,797            | 4,635,596        |
|  | O      | 4,075,735      | 4,417,897            | 4,617,462        |
| <b>General Services Administration</b>             |        |                |                      |                  |
| <b>Real Property Activities</b>                    |        |                |                      |                  |
| <i>Federal funds</i>                               |        |                |                      |                  |
| <b>Intragovernmental Funds:</b>                    |        |                |                      |                  |
| Federal buildings fund                             | 804    |                |                      |                  |
| Appropriation, current .....                       | BA     | 2,650          | 348                  | .....            |
| Outlays .....                                      | O      | 9,055          | 160,309              | —73,765          |
|  |        |                | <sup>A</sup> 7,225   |                  |
|  |        |                | <sup>H</sup> —3,204  |                  |
| Limitation on program level (obligations) .....    |        | (2,043,780)    | (2,256,180)          | (2,396,868)      |
| Total Federal buildings fund .....                 | BA     | 2,650          | 348                  | .....            |
|  | O      | 9,055          | 164,330              | —73,765          |
| <b>Personal Property Activities</b>                |        |                |                      |                  |
| <i>Federal funds</i>                               |        |                |                      |                  |
| <b>General and Special Funds:</b>                  |        |                |                      |                  |
| Personal property, operating expenses              | 804    |                |                      |                  |
| Appropriation, current .....                       | BA     | 161,774        | 161,000              | 164,257          |
|  |        |                | <sup>G</sup> 2,200   |                  |
|  |        |                | <sup>H</sup> —300    |                  |
| Outlays .....                                      | O      | 153,441        | 162,861              | 160,989          |
|  |        |                | <sup>H</sup> —300    |                  |
| Total Personal property, operating expenses .....  | BA     | 161,774        | 162,900              | 164,257          |
|  | O      | 153,441        | 162,561              | 160,989          |
| <b>Intragovernmental Funds:</b>                    |        |                |                      |                  |
| General supply fund                                | 804    |                |                      |                  |
| Outlays .....                                      | O      | —75,300        | 4,600                | 3,800            |
|  |        |                | <sup>H</sup> —30,848 |                  |
| Total General supply fund .....                    | O      | —75,300        | —26,248              | 3,800            |
| Total Federal funds Personal Property Activities . | BA     | 161,774        | 162,900              | 164,257          |
|  | O      | 78,141         | 136,313              | 164,789          |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |         | 1984<br>actual    | 1985<br>estimate            | 1986<br>estimate |
|--|---------|-------------------|-----------------------------|------------------|
| <b>General Services Administration—Con.</b>                                |         |                   |                             |                  |
| <b>Office of Information Resources Management</b>                          |         |                   |                             |                  |
| <i>Federal funds</i>   |         |                   |                             |                  |
| <b>General and Special Funds:</b>  |         |                   |                             |                  |
| Operating expenses, Office of Information Resources Management 804         |         |                   |                             |                  |
| Appropriation, current.....  | BA      | 29,273            | 33,867<br>F — 400<br>H — 45 | 30,630           |
| Outlays.....   | O       | 30,733            | 32,185<br>H — 45            | 29,512           |
| Total Operating expenses, Office of Information Resources Management ..... | BA<br>O | 29,273<br>30,733  | 33,422<br>32,140            | 30,630<br>29,512 |
| <b>Public Enterprise Funds:</b>  |         |                   |                             |                  |
| Consumer information center fund 376                                       |         |                   |                             |                  |
| Appropriation, current.....  | BA      | 1,348             | 1,149                       | 1,249            |
| Outlays.....   | O       | 1,239             | 1,149<br>H — 63             | 1,249            |
| Total Consumer information center fund .....                               | BA<br>O | 1,348<br>1,239    | 1,149<br>1,086              | 1,249<br>1,249   |
| <b>Intragovernmental Funds:</b>  |         |                   |                             |                  |
| Federal telecommunications fund 804  |         |                   |                             |                  |
| Outlays.....   | O       | — 46,641          | 2,905<br>H — 415            | 2,905            |
| Total Federal telecommunications fund .....                                | O       | — 46,641          | 2,490                       | 2,905            |
| Automatic data processing fund 804   |         |                   |                             |                  |
| Outlays.....   | O       | 12,518            | 4,240<br>H — 145            | 3,710            |
| Total Automatic data processing fund.....                                  | O       | 12,518            | 4,095                       | 3,710            |
| Total Federal funds Office of Information Resources Management .....       | BA<br>O | 30,621<br>— 2,151 | 34,571<br>39,811            | 31,879<br>37,376 |
| <b>Federal Property Resources Activities</b>                               |         |                   |                             |                  |
| <i>Federal funds</i>   |         |                   |                             |                  |
| <b>General and Special Funds:</b>  |         |                   |                             |                  |
| Operating expenses, federal property resources service:                    |         |                   |                             |                  |
| (Defense-related activities) 054   |         |                   |                             |                  |
| (Appropriation, current) .....   | BA      | 23,339            | 26,885<br>H — 150           | 29,334           |
| (Outlays) .....  | O       | 19,146            | 29,045<br>H — 150           | 28,748           |
| Total (Defense-related activities) .....                                   | BA<br>O | 23,339<br>19,146  | 26,735<br>28,895            | 29,334<br>28,748 |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|--|-----|----------------|----------------------|------------------|
| <b>General Services Administration—Con.</b>                                  |     |                |                      |                  |
| <b>Federal Property Resources Activities—Con.</b>                            |     |                |                      |                  |
| (General property and records management)                                    |     |                |                      |                  |
|  | 804 |                |                      |                  |
| (Appropriation, current) .....   | BA  | 14,102         | 12,243               | 11,414           |
|  |     |                | <sup>H</sup> — 57    |                  |
| (Outlays) .....  | O   | 13,961         | 12,121               | 11,185           |
|  |     |                | <sup>H</sup> — 57    |                  |
| Total (General property and records management) .....                        | BA  | 14,102         | 12,186               | 11,414           |
|  | O   | 13,961         | 12,064               | 11,185           |
| Total Operating expenses, federal property resources service .....           | BA  | 37,441         | 38,921               | 40,748           |
|  | O   | 33,107         | 40,959               | 39,933           |
| Expenses, disposal of surplus real and related personal property             |     |                |                      |                  |
|  | 804 |                |                      |                  |
| Appropriation, current, indefinite .....                                     | BA  |                | <sup>H</sup> — 1,832 |                  |
| Appropriation, permanent, indefinite .....                                   | BA  | 2,895          | 6,000                | 3,668            |
| Outlays .....  | O   | 2,282          | 6,000                | 3,668            |
|  |     |                | <sup>H</sup> — 1,832 |                  |
| Total Expenses, disposal of surplus real and related personal property ..... | BA  | 2,895          | 4,168                | 3,668            |
|  | O   | 2,282          | 4,168                | 3,668            |
| <b>Public Enterprise Funds:</b>  |     |                |                      |                  |
| National defense stockpile transaction fund                                  | 054 |                |                      |                  |
| Outlays .....  | O   | 70,099         | — 99,481             | .....            |
|  |     |                | <sup>J</sup> 153,481 |                  |
| Limitation on program level (obligations) .....                              |     | (120,000)      | (185,000)            | .....            |
| Total National defense stockpile transaction fund                            | O   | 70,099         | 54,000               | .....            |
| William Langer Jewel bearing plant revolving fund                            |     |                |                      |                  |
|  | 054 |                |                      |                  |
| Outlays .....  | O   | — 966          | .....                | .....            |
| Total Federal funds Federal Property Resources Activities .....              | BA  | 40,336         | 43,089               | 44,416           |
|  | O   | 104,522        | 99,127               | 43,601           |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |         | 1984<br>actual     | 1985<br>estimate                            | 1986<br>estimate   |
|---|---------|--------------------|---|--------------------|
| <b>General Services Administration—Con.</b>                             |         |                    |   |                    |
| <b>General Activities</b>   |         |                    |   |                    |
| <i>Federal funds</i>  |         |                    |   |                    |
| <b>General and Special Funds:</b>                                       |         |                    |   |                    |
| General management and administration, salaries and expenses 804        |         |                    |   |                    |
| Appropriation, current.....   | BA      | 133,732            | 134,836<br><i>G</i> 2,200<br><i>H</i> — 403 | 123,410            |
| Outlays.....  | 0       | 121,468            | 134,279<br><i>H</i> — 403                   | 120,959            |
| Total General management and administration, salaries and expenses..... | BA<br>0 | 133,732<br>121,468 | 136,633<br>133,876                          | 123,410<br>120,959 |
| Economic Opportunity Act close-out activities 506                       |         |                    |   |                    |
| Reappropriation.....  | BA      | 1,000              | .....                                       | .....              |
| Outlays.....  | 0       | 97                 | 49  | 10                 |
| Office of Inspector General 804   |         |                    |   |                    |
| Appropriation, current.....   | BA      | 19,686             | 21,296<br><i>H</i> — 35                     | 19,305             |
| Outlays.....  | 0       | 19,356             | 20,870<br><i>H</i> — 35                     | 18,919             |
| Total Office of Inspector General.....                                  | BA<br>0 | 19,686<br>19,356   | 21,261<br>20,835                            | 19,305<br>18,919   |
| Allowances and office staff for former Presidents 802                   |         |                    |   |                    |
| Appropriation, current.....   | BA      | 1,171              | 1,170<br><i>H</i> — 19                      | 1,208              |
| Outlays.....  | 0       | 1,080              | 1,147<br><i>H</i> — 19                      | 1,184              |
| Total Allowances and office staff for former Presidents.....            | BA<br>0 | 1,171<br>1,080     | 1,151<br>1,128                              | 1,208<br>1,184     |
| Expenses, presidential transition 802                                   |         |                    |   |                    |
| Appropriation, current.....   | BA      | .....              | 3,000<br><i>F</i> — 3,000                   | .....              |
| Total Expenses, presidential transition.....                            | 0       | .....              | .....                                       | .....              |
| <b>Public Enterprise Funds:</b>   |         |                    |   |                    |
| Virgin Islands Corporation liquidation fund 804                         |         |                    |   |                    |
| Outlays.....  | 0       | — 214              | — 128                                       | — 91               |
| <b>Intragovernmental Funds:</b>   |         |                    |   |                    |
| Working capital fund 804  |         |                    |   |                    |
| Outlays.....  | 0       | — 1,441            | — 300<br><i>H</i> — 8                       | — 300              |
| Total Working capital fund.....   | 0       | — 1,441            | — 308                                       | — 300              |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                     |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----|----------------|------------------|------------------|
| <b>General Services Administration—Con.</b>                     |    |                |                  |                  |
| <b>General Activities—Con.</b>                                  |    |                |                  |                  |
| <i>Trust funds</i>  |    |                |                  |                  |
| Unconditional gifts of real, personal, or other property<br>804 |    |                |                  |                  |
| Outlays .....   | 0  |                |                  | 1                |
| Total Federal funds General Activities .....                    | BA | 155,589        | 159,045          | 143,923          |
|   | 0  | 140,346        | 155,452          | 140,681          |
| Total Trust funds General Activities .....                      | 0  |                |                  | 1                |
| <b>Summary</b>  |    |                |                  |                  |
| <b>Federal funds:</b>   |    |                |                  |                  |
| (As shown in detail above) .....                                | BA | 390,970        | 399,953          | 384,475          |
|   | 0  | 329,913        | 595,033          | 312,682          |
| Deductions for offsetting receipts:                             |    |                |                  |                  |
| Proprietary receipts from the public 804                        | BA |                |                  |                  |
|   | 0  | -120,301       | -224,096         | -198,999         |
| Total Federal funds .....                                       | BA | 270,669        | 175,857          | 185,476          |
|   | 0  | 209,612        | 370,937          | 113,683          |
| <b>Trust funds:</b>   |    |                |                  |                  |
| (As shown in detail above) .....                                | 0  |                |                  | 1                |
| Total General Services Administration .....                     | BA | 270,669        | 175,857          | 185,476          |
|   | 0  | 209,612        | 370,937          | 113,684          |
| <b>National Aeronautics and Space Administration</b>            |    |                |                  |                  |
| <i>Federal funds</i>  |    |                |                  |                  |
| <b>General and Special Funds:</b>                               |    |                |                  |                  |
| Research and development:                                       |    |                |                  |                  |
| (Space flight) 253  |    |                |                  |                  |
| (Appropriation, current) .....                                  | BA | 431,700        |                  |                  |
|   |    |                | κ 501,400        | κ 709,300        |
| (Outlays) .....   | 0  | 1,052,159      | 590,525          | 654,000          |
| Total (Space flight) .....                                      | BA | 431,700        | 501,400          | 709,300          |
|   | 0  | 1,052,159      | 590,525          | 654,000          |
| (Space science, applications, and technology) 254               |    |                |                  |                  |
| (Appropriation, current) .....                                  | BA | 1,283,000      |                  |                  |
|   |    |                | κ 1,564,000      | κ 1,802,300      |
| (Reappropriation) .....   | BA | 20,000         |                  |                  |
| (Outlays) .....   | 0  | 1,259,425      | 1,441,093        | 1,685,900        |
| Total (Space science, applications, and technology) .....       | BA | 1,303,000      | 1,564,000        | 1,802,300        |
|   | 0  | 1,259,425      | 1,441,093        | 1,685,900        |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                     |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate       |
|---|-----|----------------|----------------------|------------------------|
| <b>National Aeronautics and Space Administration—Con.</b>       |     |                |                      |                        |
| (Supporting space activities)                                   | 255 |                |                      |                        |
| (Appropriation, current) .....                                  | BA  | 14,200         | <sup>K</sup> 14,800  | <sup>K</sup> 16,200    |
| (Outlays) .....   | O   | 172,851        | 40,095               | 25,900                 |
| Total (Supporting space activities) .....                       | BA  | 14,200         | 14,800               | 16,200                 |
|   | O   | 172,851        | 40,095               | 25,900                 |
| (Air transportation)  | 402 |                |                      |                        |
| (Appropriation, current) .....                                  | BA  | 315,300        | <sup>K</sup> 342,400 | <sup>K</sup> 354,000   |
| (Outlays) .....   | O   | 307,376        | 325,754              | 328,100                |
| Total (Air transportation) .....                                | BA  | 315,300        | 342,400              | 354,000                |
|   | O   | 307,376        | 325,754              | 328,100                |
| Total Research and development .....                            | BA  | 2,064,200      | 2,422,600            | 2,881,800              |
|   | O   | 2,791,811      | 2,397,467            | 2,693,900              |
| Space flight, control, and data communications:                 |     |                |                      |                        |
| (Space flight)  | 253 |                |                      |                        |
| (Appropriation, current) .....                                  | BA  | 3,098,300      | 2,806,100            | <sup>K</sup> 2,701,600 |
| (Outlays) .....   | O   | 2,451,223      | 2,701,600            | 2,723,100              |
| Total (Space flight) .....                                      | BA  | 3,098,300      | 2,806,100            | 2,701,600              |
|   | O   | 2,451,223      | 2,701,600            | 2,723,100              |
| (Supporting space activities)                                   | 255 |                |                      |                        |
| (Appropriation, current) .....                                  | BA  | 674,000        | 795,700              | <sup>K</sup> 808,300   |
| (Outlays) .....   | O   | 463,391        | 719,600              | 847,400                |
| Total (Supporting space activities) .....                       | BA  | 674,000        | 795,700              | 808,300                |
|   | O   | 463,391        | 719,600              | 847,400                |
| Total Space flight, control, and data communica-<br>tions ..... | BA  | 3,772,300      | 3,601,800            | 3,509,900              |
|   | O   | 2,914,614      | 3,421,200            | 3,570,500              |
| Construction of facilities:                                     |     |                |                      |                        |
| (Space flight)  | 253 |                |                      |                        |
| (Appropriation, current) .....                                  | BA  | 60,550         | 31,200               | <sup>K</sup> 29,900    |
| (Outlays) .....   | O   | 26,316         | 52,300               | 45,739                 |
| Total (Space flight) .....                                      | BA  | 60,550         | 31,200               | 29,900                 |
|   | O   | 26,316         | 52,300               | 45,739                 |
| (Space science, applications, and technology)                   | 254 |                |                      |                        |
| (Appropriation, current) .....                                  | BA  | 12,000         | 8,300                | <sup>K</sup> 13,000    |
| (Outlays) .....   | O   | 427            | 6,300                | 8,958                  |
| Total (Space science, applications, and technolo-<br>gy) .....  | BA  | 12,000         | 8,300                | 13,000                 |
|   | O   | 427            | 6,300                | 8,958                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                               |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate          |
|---|-----|----------------|------------------|---------------------------|
| <b>National Aeronautics and Space Administration—Con.</b> |     |                |                  |                           |
| (Supporting space activities)                             | 255 |                |                  |                           |
| (Appropriation, current) .....                            | BA  | 58,950         | 85,200           | .....<br><i>K</i> 93,300  |
| (Reappropriation) .....                                   | BA  | 67,697         | .....            | .....                     |
| (Outlays) .....   | O   | 56,033         | 68,300           | 74,717                    |
| Total (Supporting space activities) .....                 | BA  | 126,647        | 85,200           | 93,300                    |
|   | O   | 56,033         | 68,300           | 74,717                    |
| (Air transportation)                                      | 402 |                |                  |                           |
| (Appropriation, current) .....                            | BA  | 24,000         | 25,300           | .....<br><i>K</i> 13,100  |
| (Outlays) .....   | O   | 26,009         | 40,100           | 32,886                    |
| Total (Air transportation) .....                          | BA  | 24,000         | 25,300           | 13,100                    |
|   | O   | 26,009         | 40,100           | 32,886                    |
| Total Construction of facilities .....                    | BA  | 223,197        | 150,000          | 149,300                   |
|   | O   | 108,785        | 167,000          | 162,300                   |
| Research and program management:                          |     |                |                  |                           |
| (Space flight)  | 253 |                |                  |                           |
| (Appropriation, current) .....                            | BA  | 510,547        | 557,200          | .....<br><i>K</i> 581,200 |
|   |     |                | <i>D</i> 9,900   |                           |
| (Outlays) .....   | O   | 498,485        | 570,000          | 581,200                   |
| Total (Space flight) .....                                | BA  | 510,547        | 567,100          | 581,200                   |
|   | O   | 498,485        | 570,000          | 581,200                   |
| (Space science, applications, and technology)             | 254 |                |                  |                           |
| (Appropriation, current) .....                            | BA  | 432,031        | 441,200          | .....<br><i>K</i> 449,600 |
|   |     |                | <i>D</i> 7,800   |                           |
| (Outlays) .....   | O   | 427,020        | 442,800          | 449,600                   |
| Total (Space science, applications, and technology) ..... | BA  | 432,031        | 449,000          | 449,600                   |
|   | O   | 427,020        | 442,800          | 449,600                   |
| (Supporting space activities)                             | 255 |                |                  |                           |
| (Appropriation, current) .....                            | BA  | 53,073         | 57,600           | .....<br><i>K</i> 59,200  |
|   |     |                | <i>D</i> 1,000   |                           |
| (Outlays) .....   | O   | 54,036         | 57,700           | 59,200                    |
| Total (Supporting space activities) .....                 | BA  | 53,073         | 58,600           | 59,200                    |
|   | O   | 54,036         | 57,700           | 59,200                    |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|--|-----|----------------|----------------------|------------------|
| <b>National Aeronautics and Space Administration—Con.</b>    |     |                |                      |                  |
| (Air transportation)   | 402 |                |                      |                  |
| (Appropriation, current)                                     | BA  | 260,431        | 261,000              | 255,000          |
|  |     |                | <sup>D</sup> 4,600   | <sup>K</sup>     |
|  |     |                | <sup>H</sup> — 4,000 |                  |
| (Outlays)  | 0   | 252,882        | 264,800              | 255,000          |
|  |     |                | <sup>H</sup> — 4,000 |                  |
| Total (Air transportation)                                   | BA  | 260,431        | 261,600              | 255,000          |
|  | 0   | 252,882        | 260,800              | 255,000          |
| Total Research and program management                        | BA  | 1,256,082      | 1,336,300            | 1,345,000        |
|  | 0   | 1,232,423      | 1,331,300            | 1,345,000        |
| <i>Trust funds</i>   |     |                |                      |                  |
| Miscellaneous trust funds                                    | 255 |                |                      |                  |
| Appropriation, permanent, indefinite                         | BA  | 2              |                      |                  |
| Outlays  | 0   |                | 46                   |                  |
| <b>Summary</b>   |     |                |                      |                  |
| <b>Federal funds:</b>  |     |                |                      |                  |
| (As shown in detail above)                                   | BA  | 7,315,779      | 7,510,700            | 7,886,000        |
|  | 0   | 7,047,633      | 7,316,967            | 7,771,700        |
| <b>Trust funds:</b>  |     |                |                      |                  |
| (As shown in detail above)                                   | BA  | 2              |                      |                  |
|  | 0   |                | 46                   |                  |
| Total National Aeronautics and Space Administration          | BA  | 7,315,781      | 7,510,700            | 7,886,000        |
|  | 0   | 7,047,633      | 7,317,013            | 7,771,700        |
| <b>Office of Personnel Management</b>                        |     |                |                      |                  |
| <i>Federal funds</i>   |     |                |                      |                  |
| <b>General and Special Funds:</b>                            |     |                |                      |                  |
| Salaries and expenses  | 805 |                |                      |                  |
| Appropriation, current                                       | BA  | 107,046        | 106,653              | 99,846           |
|  |     |                | <sup>D</sup> 917     |                  |
|  |     |                | <sup>H</sup> — 1,161 |                  |
| Outlays  | 0   | 98,538         | 112,794              | 101,499          |
|  |     |                | <sup>H</sup> — 1,161 |                  |
| Limitation payable under trust funds                         |     | (48,572)       | (50,687)             | (52,844)         |
|  |     |                | <sup>D</sup> (448)   |                  |
| Total Salaries and expenses                                  | BA  | 107,046        | 106,409              | 99,846           |
|  | 0   | 98,538         | 111,633              | 101,499          |
| Government payment for annuitants, employees health benefits | 551 |                |                      |                  |
| Appropriation, current                                       | BA  | 1,506,339      | 1,341,553            | 1,606,165        |
| Outlays  | 0   | 1,391,547      | 1,473,777            | 1,627,587        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |        | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate |
|--|--------|----------------|------------------------|------------------|
| <b>Office of Personnel Management—Con.</b>                         |        |                |                        |                  |
| Payment to civil service retirement and disability fund            | 805    |                |                        |                  |
| Appropriation, current.....  | BA     | 4,146,571      | 4,366,868<br>^ 40,965  | 4,407,234        |
|  |        |                |                        | J — 62,426       |
| Appropriation, permanent, indefinite.....                          | BA     | 11,211,500     | 11,182,414             | 11,300,792       |
| Outlays.....   | O      | 15,358,071     | 15,549,282<br>^ 40,965 | 15,708,026       |
|  |        |                |                        | J — 62,426       |
| Total Payment to civil service retirement and disability fund..... | BA     | 15,358,071     | 15,590,247             | 15,645,600       |
|  | O      | 15,358,071     | 15,590,247             | 15,645,600       |
| Intergovernmental personnel assistance                             | 806    |                |                        |                  |
| Outlays.....   | O      | — 52           |                        |                  |
| <b>Intragovernmental Funds:</b>                                    |        |                |                        |                  |
| Revolving fund   | 805    |                |                        |                  |
| Outlays.....   | O      | — 2,321        | — 2,000                | — 350            |
| <i>Trust funds</i>   |        |                |                        |                  |
| Civil service retirement and disability fund                       | 602    |                |                        |                  |
| Appropriation, current.....  | BA     |                | ^ 40,965               | J 269,284        |
|  |        |                |                        | 40,813,389       |
| Appropriation, permanent, indefinite.....                          | BA     | 36,115,726     | 39,295,290             | 24,733,327       |
| Outlays.....   | O      | 21,890,542     | 23,114,953             | J — 730,877      |
| Total Civil service retirement and disability fund.                | BA     | 36,115,726     | 39,336,255             | 41,082,673       |
|  | O      | 21,890,542     | 23,114,953             | 24,002,450       |
| Employees health benefits fund                                     | 551    |                |                        |                  |
| Outlays.....   | O      | — 49,694       | — 329,102              | — 167,494        |
| Employees life insurance fund                                      | 602    |                |                        |                  |
| Outlays.....   | O      | — 703,979      | — 719,069              | — 724,122        |
| Retired employees health benefits fund                             | 551    |                |                        |                  |
| Outlays.....   | O      | — 116          | — 2,113                | — 139            |
| <b>Summary</b>   |        |                |                        |                  |
| <b>Federal funds:</b>  |        |                |                        |                  |
| (As shown in detail above).....                                    | BA     | 16,971,456     | 17,038,209             | 17,351,611       |
|  | O      | 16,845,783     | 17,173,657             | 17,374,336       |
| <b>Trust funds:</b>  |        |                |                        |                  |
| (As shown in detail above).....                                    | BA     | 36,115,726     | 39,336,255             | 41,082,673       |
|  | O      | 21,136,753     | 22,064,669             | 23,110,695       |
| Deductions for offsetting receipts:                                |        |                |                        |                  |
| Intrafund transactions   | 602 BA |                |                        |                  |
|  | O      | — 200          | — 200                  | — 200            |
| Total Trust funds.....   | BA     | 36,115,526     | 39,336,055             | 41,082,473       |
|  | O      | 21,136,553     | 22,064,469             | 23,110,495       |
| Interfund transactions   | 602 BA |                |                        |                  |
|  | O      | — 33,855       | — 36,000               | — 39,000         |
|  | 805 BA |                |                        |                  |
|  | O      | — 15,358,071   | — 15,590,247           | — 15,708,026     |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                    |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate |
|--|-----|----------------|----------------------|------------------|
| <b>Office of Personnel Management—Con.</b>     |     |                |                      |                  |
| <b>Summary—Con.</b>                            |     |                |                      |                  |
|  | BA  |                |                      | J 62,426         |
|  | O   |                |                      |                  |
| Total Office of Personnel Management.....      | BA  | 37,695,056     | 40,748,017           | 42,749,484       |
|  | O   | 22,590,410     | 23,611,879           | 24,800,231       |
| <b>Small Business Administration</b>           |     |                |                      |                  |
| <i>Federal funds</i>                           |     |                |                      |                  |
| <b>General and Special Funds:</b>              |     |                |                      |                  |
| Salaries and expenses                          | 376 |                |                      |                  |
| Appropriation, current.....                    | BA  | 225,543        | 233,840<br>H — 3,781 | J — 224,000      |
|  |     |                |                      | J — 126,875      |
| Outlays.....                                   | O   | 258,338        | 303,840<br>H — 3,781 | 264,093          |
|  |     |                |                      | J — 114,188      |
| Total Salaries and expenses.....               | BA  | 225,543        | 230,059              | 97,125           |
|  | O   | 258,338        | 300,059              | 149,905          |
| White House Conference on Small Business       | 376 |                |                      |                  |
| Appropriation, current.....                    | BA  |                | 2,000                | 1,000            |
|  |     |                |                      | J — 1,000        |
| Outlays.....                                   | O   |                | 2,000                | 1,000            |
|  |     |                |                      | J — 1,000        |
| Total White House Conference on Small Business | BA  |                | 2,000                |                  |
|  | O   |                | 2,000                |                  |
| <b>Public Enterprise Funds:</b>                |     |                |                      |                  |
| Business loan and investment fund              | 376 |                |                      |                  |
| Appropriation, current.....                    | BA  | 363,400        | 484,000              | 345,000          |
|  |     |                |                      | J — 345,000      |
| Outlays.....                                   | O   | 390,102        | 489,000              | 290,000          |
|  |     |                |                      | J — 290,000      |
| Total Business loan and investment fund.....   | BA  | 363,400        | 484,000              |                  |
|  | O   | 390,102        | 489,000              |                  |
| Disaster loan fund                             | 453 |                |                      |                  |
| Outlays.....                                   | O   | — 418,884      | — 87,000             | — 284,000        |
|  |     |                |                      | J 284,000        |
| Total Disaster loan fund.....                  | O   | — 418,884      | — 87,000             |                  |
| Lease guarantees revolving fund                | 376 |                |                      |                  |
| Outlays.....                                   | O   | 750            | 900                  | 900              |
|  |     |                |                      | J — 900          |
| Total Lease guarantees revolving fund.....     | O   | 750            | 900                  |                  |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|--------|----------------|------------------|------------------|
| <b>Small Business Administration—Con.</b>                                |        |                |                  |                  |
| Surety bond guarantees revolving fund                                    | 376    |                |                  |                  |
| Appropriation, current.....  | BA     | 8,910          | 8,910            | 8,000            |
|  |        |                |                  | J — 8,000        |
| Outlays .....  | O      | 15,974         | 15,000           | 12,000           |
|  |        |                |                  | J — 12,000       |
| Total Surety bond guarantees revolving fund.....                         | BA     | 8,910          | 8,910            |                  |
|  | O      | 15,974         | 15,000           |                  |
| Pollution control equipment contract guarantee revolving fund            | 376    |                |                  |                  |
| Outlays .....  | O      | 9,024          | 6,300            | 10,000           |
|  |        |                |                  | J — 10,000       |
| Total Pollution control equipment contract guarantee revolving fund..... | O      | 9,024          | 6,300            |                  |
| <b>Summary</b>   |        |                |                  |                  |
| <b>Federal funds:</b>  |        |                |                  |                  |
| (As shown in detail above) .....   | BA     | 597,853        | 724,969          | 97,125           |
|  | O      | 255,304        | 726,259          | 149,905          |
| Deductions for offsetting receipts:                                      |        |                |                  |                  |
| Proprietary receipts from the public                                     | 376 BA |                |                  | — 305,000        |
|  | O      |                |                  |                  |
|  | BA     |                |                  | J 305,000        |
|  | O      |                |                  |                  |
|  | 453 BA |                |                  | — 366,000        |
|  | O      |                |                  |                  |
|  | BA     |                |                  | J 366,000        |
|  | O      |                |                  |                  |
| Total Small Business Administration .....                                | BA     | 597,853        | 724,969          | 97,125           |
|  | O      | 255,304        | 726,259          | 149,905          |
| <b>Veterans Administration</b>   |        |                |                  |                  |
| <i>Federal funds</i>   |        |                |                  |                  |
| <b>General and Special Funds:</b>  |        |                |                  |                  |
| Compensation   | 701    |                |                  |                  |
| Appropriation, current.....  | BA     | 9,952,512      | 10,047,481       | 10,186,000       |
|  |        |                | A 175,000        |                  |
|  |        |                |                  | J 342,800        |
| Outlays .....  | O      | 9,915,741      | 10,035,700       | 10,194,000       |
|  |        |                | A 175,000        |                  |
|  |        |                |                  | J 285,700        |
| Total Compensation.....  | BA     | 9,952,512      | 10,222,481       | 10,528,800       |
|  | O      | 9,915,741      | 10,210,700       | 10,479,700       |
| Pensions   | 701    |                |                  |                  |
| Appropriation, current.....  | BA     | 3,916,000      | 3,811,419        | 3,838,000        |
| Outlays .....  | O      | 3,874,220      | 3,846,600        | 3,833,000        |
| Burial benefits and miscellaneous assistance                             | 701    |                |                  |                  |
| Appropriation, current.....  | BA     | 128,388        | 134,000          | 136,800          |
| Outlays .....  | O      | 128,388        | 134,000          | 136,800          |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate      | 1986<br>estimate |
|---|-----|----------------|-----------------------|------------------|
| <b>Veterans Administration—Con.</b>                                       |     |                |                       |                  |
| Reinstated entitlement program for survivors under<br>Public Law 97-377   | 701 |                |                       |                  |
| Appropriation, current.....   | BA  | 51,000         |                       |                  |
| Outlays.....  | O   | 44,802         | 2,325                 |                  |
| Readjustment benefits   | 702 |                |                       |                  |
| Appropriation, current.....   | BA  | 1,443,200      | 1,137,800             | 1,026,000        |
|   |     |                | <sup>A</sup> 44,200   |                  |
| Outlays.....  | O   | 1,408,267      | 1,202,800             | 1,033,785        |
|   |     |                | <sup>A</sup> 43,485   | <sup>A</sup> 715 |
| Total Readjustment benefits.....  | BA  | 1,443,200      | 1,182,000             | 1,026,000        |
|   | O   | 1,408,267      | 1,246,285             | 1,034,500        |
| Veterans job training   | 702 |                |                       |                  |
| Appropriation, current.....   | BA  | 130,000        |                       |                  |
| Outlays.....  | O   | 17,078         | 88,422                | 35,000           |
| Veterans insurance and indemnities  | 701 |                |                       |                  |
| Appropriation, current.....   | BA  | 7,400          | 11,000                | 9,750            |
| Outlays.....  | O   | 7,167          | 11,000                | 9,750            |
| Medical care  | 703 |                |                       |                  |
| Appropriation, current.....   | BA  | 8,244,414      | 8,792,165             | 9,090,000        |
|   |     |                | <sup>C</sup> 4,110    |                  |
|   |     |                | <sup>D</sup> 68,414   |                  |
|   |     |                | <sup>H</sup> — 10,261 |                  |
| Outlays.....  | O   | 8,123,794      | 8,752,282             | 9,051,700        |
|   |     |                | <sup>H</sup> — 10,261 |                  |
| Total Medical care.....   | BA  | 8,244,414      | 8,854,428             | 9,090,000        |
|   | O   | 8,123,794      | 8,742,021             | 9,051,700        |
| Medical and prosthetic research   | 703 |                |                       |                  |
| Appropriation, current.....   | BA  | 217,680        | 192,695               | 187,080          |
|   |     |                | <sup>H</sup> — 323    |                  |
| Outlays.....  | O   | 186,289        | 223,669               | 187,080          |
|   |     |                | <sup>H</sup> — 323    |                  |
| Total Medical and prosthetic research.....                                | BA  | 217,680        | 192,372               | 187,080          |
|   | O   | 186,289        | 223,346               | 187,080          |
| Medical administration and miscellaneous operating<br>expenses            | 703 |                |                       |                  |
| Appropriation, current.....   | BA  | 66,552         | 70,000                | 55,879           |
|   |     |                | <sup>H</sup> — 2,109  |                  |
| Outlays.....  | O   | 64,581         | 69,670                | 57,379           |
|   |     |                | <sup>H</sup> — 2,109  |                  |
| Total Medical administration and miscellaneous<br>operating expenses..... | BA  | 66,552         | 67,891                | 55,879           |
|   | O   | 64,581         | 67,561                | 57,379           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                               |     | 1984<br>actual | 1985<br>estimate                | 1986<br>estimate |
|---|-----|----------------|---------------------------------|------------------|
| <b>Veterans Administration—Con.</b>                       |     |                |                                 |                  |
| General operating expenses                                | 705 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 715,676        | 750,454<br><sup>D</sup> 7,932   | 749,412          |
|   |     |                | <sup>H</sup> — 4,334            |                  |
| Outlays .....   | O   | 704,093        | 755,239<br><sup>H</sup> — 4,334 | 748,856          |
| Total General operating expenses.....                     | BA  | 715,676        | 754,052                         | 749,412          |
|   | O   | 704,093        | 750,905                         | 748,856          |
| Construction, major projects                              | 703 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 345,692        | 568,194                         | 417,200          |
| Outlays .....   | O   | 352,806        | 425,123                         | 581,100          |
| Construction, minor projects                              | 703 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 185,378        | 200,200<br><sup>H</sup> — 377   | 194,400          |
| Outlays .....   | O   | 122,663        | 140,123<br><sup>H</sup> — 377   | 156,700          |
| Total Construction, minor projects .....                  | BA  | 185,378        | 199,823                         | 194,400          |
|   | O   | 122,663        | 139,746                         | 156,700          |
| Grants for construction of state extended care facilities | 703 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 18,000         | 34,500                          | 22,000           |
| Outlays .....   | O   | 5,154          | 18,064                          | 24,125           |
| Grants to the Republic of the Philippines                 | 703 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 500            | 500                             | 500              |
| Outlays .....   | O   | 454            | 1,046                           | 500              |
| Grants for the construction of State veterans cemeteries  | 705 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 3,000          | 5,000                           | 3,000            |
| Outlays .....   | O   | 849            | 2,600                           | 2,600            |
| Assistance for health manpower training institutions      | 703 |                |                                 |                  |
| Outlays .....   | O   | 5,252          | 4,020                           | .....            |
| <b>Public Enterprise Funds:</b>                           |     |                |                                 |                  |
| Loan guaranty revolving fund                              | 704 |                |                                 |                  |
| Appropriation, current.....                               | BA  | 260,000        | 306,600                         | 404,600          |
|   |     |                | <sup>J</sup> — 404,600          |                  |
| Outlays .....   | O   | 369,847        | 425,000                         | 383,500          |
|   |     |                | <sup>J</sup> — 604,600          |                  |
| Total Loan guaranty revolving fund .....                  | BA  | 260,000        | 306,600                         | .....            |
|   | O   | 369,847        | 425,000                         | — 221,100        |
| Direct loan revolving fund                                | 704 |                |                                 |                  |
| Outlays .....   | O   | — 44,573       | — 48,716                        | — 45,600         |
| Canteen service revolving fund                            | 705 |                |                                 |                  |
| Outlays .....   | O   | 1,224          | — 504                           | — 307            |
| Service-disabled veterans insurance fund                  | 701 |                |                                 |                  |
| Outlays .....   | O   | — 395          | — 1,000                         | 1,000            |
| Veterans reopened insurance fund                          | 701 |                |                                 |                  |
| Outlays .....   | O   | — 15,864       | 9,800                           | 46,400           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                            |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate  |
|--|--------|----------------|------------------|-------------------|
| <b>Veterans Administration—Con.</b>                    |        |                |                  |                   |
| Education loan fund                                    | 702    |                |                  |                   |
| Outlays .....  | 0      | — 6,780        | — 7,300          | — 7,500<br>J — 44 |
| Total Education loan fund .....                        | 0      | — 6,780        | — 7,300          | — 7,544           |
| Vocational rehabilitation revolving fund               | 702    |                |                  |                   |
| Outlays .....  | 0      | 24             | 8                | — 26              |
| Servicemen's group life insurance fund                 | 701    |                |                  |                   |
| Outlays .....  | 0      | — 27,010       | — 28,200         | 20,100            |
| Special therapeutic and rehabilitation activities fund | 703    |                |                  |                   |
| Outlays .....  | 0      | — 72           | — 10             | — 10              |
| <b>Intragovernmental Funds:</b>                        |        |                |                  |                   |
| Supply fund  | 705    |                |                  |                   |
| Outlays .....  | 0      | — 9,477        |                  |                   |
| <i>Trust funds</i>                                     |        |                |                  |                   |
| Post-Vietnam era veterans education account            | 702    |                |                  |                   |
| Appropriation, permanent, indefinite .....             | BA     | 224,776        | 218,000          | 171,000           |
| Outlays .....  | 0      | 155,996        | 185,000          | 211,000           |
| General post fund, national homes                      | 705    |                |                  |                   |
| Appropriation, permanent, indefinite .....             | BA     | 13,447         | 14,000           | 15,000            |
| Outlays .....  | 0      | 10,479         | 12,500           | 13,500            |
| National service life insurance fund                   | 701    |                |                  |                   |
| Appropriation, permanent, indefinite .....             | BA     | 1,248,781      | 1,248,900        | 1,297,200         |
| Outlays .....  | 0      | 922,003        | 981,600          | 1,042,700         |
| United States government life insurance fund           | 701    |                |                  |                   |
| Appropriation, permanent, indefinite .....             | BA     | 23,279         | 20,900           | 18,800            |
| Outlays .....  | 0      | 51,879         | 49,200           | 45,700            |
| Veterans special life insurance fund                   | 701    |                |                  |                   |
| Outlays .....  | 0      | — 57,992       | — 67,000         | — 64,500          |
| <b>Summary</b>   |        |                |                  |                   |
| <b>Federal funds:</b>                                  |        |                |                  |                   |
| (As shown in detail above) .....                       | BA     | 25,685,392     | 26,344,260       | 26,258,821        |
|  | 0      | 25,228,522     | 26,262,842       | 26,131,703        |
| Deductions for offsetting receipts:                    |        |                |                  |                   |
| Proprietary receipts from the public                   | 703 BA |                |                  | J — 65,000        |
|  | 0      |                |                  |                   |
|  | 704 BA | — 59,070       |                  |                   |
|  | 0      |                |                  |                   |
| Total Federal funds .....                              | BA     | 25,626,322     | 26,344,260       | 26,193,821        |
|  | 0      | 25,169,452     | 26,262,842       | 26,066,703        |
| <b>Trust funds:</b>                                    |        |                |                  |                   |
| (As shown in detail above) .....                       | BA     | 1,510,283      | 1,501,800        | 1,502,000         |
|  | 0      | 1,082,365      | 1,161,300        | 1,248,400         |
| Deductions for offsetting receipts:                    |        |                |                  |                   |
| Proprietary receipts from the public                   | 701 BA | — 441,491      | — 393,100        | — 413,450         |
|  | 0      |                |                  |                   |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code         |        | 1984<br>actual    | 1985<br>estimate  | 1986<br>estimate  |
|-------------------------------------|--------|-------------------|-------------------|-------------------|
| <b>Veterans Administration—Con.</b> |        |                   |                   |                   |
| <b>Summary—Con.</b>                 |        |                   |                   |                   |
|                                     | 702 BA |                   |                   |                   |
|                                     | O      | — 175,678         | — 167,000         | — 101,800         |
| Total Trust funds .....             | BA     | <b>893,114</b>    | <b>941,700</b>    | <b>986,750</b>    |
|                                     | O      | 465,196           | 601,200           | 733,150           |
| Interfund transactions              | 701 BA |                   |                   |                   |
|                                     | O      | — 1,916           | — 1,775           | — 1,739           |
|                                     | 702 BA |                   |                   |                   |
|                                     | O      | — 40,174          | — 51,000          | — 69,200          |
| Total Veterans Administration ..... | BA     | <b>26,477,346</b> | <b>27,233,185</b> | <b>27,109,632</b> |
|                                     | O      | 25,592,558        | 26,811,267        | 26,728,914        |

**Other Independent Agencies****ACTION***Federal funds***General and Special Funds:**

|                                |     |                |                      |                    |
|--------------------------------|-----|----------------|----------------------|--------------------|
| Operating expenses             | 506 |                |                      |                    |
| Appropriation, current .....   | BA  | <b>135,590</b> | <b>150,164</b>       | <b>147,550</b>     |
|                                |     |                | <sup>D</sup> 233     |                    |
|                                |     |                | <sup>H</sup> — 1,139 |                    |
| Outlays .....                  | O   | 132,947        | 144,350              | 148,216            |
|                                |     |                | <sup>H</sup> — 625   | <sup>H</sup> — 514 |
| Total Operating expenses ..... | BA  | <b>135,590</b> | <b>149,258</b>       | <b>147,550</b>     |
|                                | O   | 132,947        | 143,725              | 147,702            |

**Administrative Conference of the United States***Federal funds***General and Special Funds:**

|                                   |     |              |                 |              |
|-----------------------------------|-----|--------------|-----------------|--------------|
| Salaries and expenses             | 751 |              |                 |              |
| Appropriation, current .....      | BA  | <b>1,123</b> | <b>1,468</b>    | <b>1,450</b> |
|                                   |     |              | <sup>D</sup> 12 |              |
| Outlays .....                     | O   | 1,204        | 1,436           | 1,406        |
| Total Salaries and expenses ..... | BA  | <b>1,123</b> | <b>1,480</b>    | <b>1,450</b> |
|                                   | O   | 1,204        | 1,436           | 1,406        |

**Advisory Committee on Federal Pay***Federal funds***General and Special Funds:**

|                              |     |            |            |            |
|------------------------------|-----|------------|------------|------------|
| Salaries and expenses        | 805 |            |            |            |
| Appropriation, current ..... | BA  | <b>215</b> | <b>220</b> | <b>219</b> |
| Outlays .....                | O   | 168        | 216        | 217        |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate    |
|---|-----|----------------|------------------|---------------------|
| <b>Other Independent Agencies—Con.</b>                                |     |                |                  |                     |
| <b>Advisory Council on Historic Preservation</b>                      |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                                     |     |                |                  |                     |
| Salaries and expenses   | 303 |                |                  |                     |
| Appropriation, current.....   | BA  | 1,561          | 1,546            | 1,200               |
| Outlays.....  | 0   | 1,523          | 1,575            | 1,232               |
| <i>Trust funds</i>  |     |                |                  |                     |
| Donations   | 303 |                |                  |                     |
| Appropriation, permanent.....   | BA  | 3              | 5                | 5                   |
| Outlays.....  | 0   | 3              | 5                | 5                   |
| <b>American Battle Monuments Commission</b>                           |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                                     |     |                |                  |                     |
| Salaries and expenses   | 705 |                |                  |                     |
| Appropriation, current.....   | BA  | 10,462         | 11,065           | 10,954              |
| Outlays.....  | 0   | 10,938         | 10,974           | 10,734              |
| <i>Trust funds</i>  |     |                |                  |                     |
| Contributions   | 705 |                |                  |                     |
| Appropriation, permanent, indefinite.....                             | BA  | 56             | 34               | 34                  |
| Outlays.....  | 0   | 57             | 34               | 34                  |
| <b>Architectural and Transportation Barriers<br/>Compliance Board</b> |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                                     |     |                |                  |                     |
| Salaries and expenses   | 751 |                |                  |                     |
| Appropriation, current.....   | BA  | 1,900          | 2,000            | 1,930               |
| Outlays.....  | 0   | 1,723          | 2,156            | 1,931               |
| <b>Arms Control and Disarmament Agency</b>                            |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                                     |     |                |                  |                     |
| Arms control and disarmament activities                               | 153 |                |                  |                     |
| Appropriation, current.....   | BA  | 18,628         | 19,468           | <sup>K</sup> 19,468 |
| Outlays.....  | 0   | 17,007         | 19,174           | 19,408              |
| Total Arms control and disarmament activities....                     | BA  | 18,628         | 19,468           | 19,468              |
|   | 0   | 17,007         | 19,174           | 19,408              |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|--|-----|----------------|------------------|----------------------|
| <b>Other Independent Agencies—Con.</b>                                       |     |                |                  |                      |
| <b>Board for International Broadcasting</b>                                  |     |                |                  |                      |
| <i>Federal funds</i>   |     |                |                  |                      |
| <b>General and Special Funds:</b>  |     |                |                  |                      |
| Grants and expenses  | 154 |                |                  |                      |
| Appropriation, current.....  | BA  | 118,182        | 97,498           | <sup>K</sup> 142,125 |
| Reappropriation.....   | BA  | 11,524         |                  |                      |
| Outlays.....   | O   | 105,197        | 110,665          | 121,225              |
| Total Grants and expenses.....   | BA  | 129,706        | 97,498           | 142,125              |
|  | O   | 105,197        | 110,665          | 121,225              |
| <b>Central Intelligence Agency</b>   |     |                |                  |                      |
| <i>Federal funds</i>   |     |                |                  |                      |
| <b>General and Special Funds:</b>  |     |                |                  |                      |
| Payment to the Central Intelligence Agency retirement<br>and disability fund | 054 |                |                  |                      |
| Appropriation, current.....  | BA  | 86,300         | 99,300           | 101,400              |
| Outlays.....   | O   | 86,300         | 99,300           | 101,400              |
| <b>Civil Aeronautics Board</b>   |     |                |                  |                      |
| <i>Federal funds</i>   |     |                |                  |                      |
| <b>General and Special Funds:</b>  |     |                |                  |                      |
| Salaries and expenses  | 402 |                |                  |                      |
| Appropriation, current.....  | BA  | 20,400         | 5,600            |                      |
| Outlays.....   | O   | 21,418         | 6,763            |                      |
| <b>Commission of Fine Arts</b>   |     |                |                  |                      |
| <i>Federal funds</i>   |     |                |                  |                      |
| <b>General and Special Funds:</b>  |     |                |                  |                      |
| Salaries and expenses  | 451 |                |                  |                      |
| Appropriation, current.....  | BA  | 340            | 372              | 365                  |
|  |     |                | <sup>D</sup> 2   |                      |
| Outlays.....   | O   | 333            | 374              | 365                  |
| Total Salaries and expenses.....   | BA  | 340            | 374              | 365                  |
|  | O   | 333            | 374              | 365                  |
| <b>Commission on Civil Rights</b>  |     |                |                  |                      |
| <i>Federal funds</i>   |     |                |                  |                      |
| <b>General and Special Funds:</b>  |     |                |                  |                      |
| Salaries and expenses  | 751 |                |                  |                      |
| Appropriation, current.....  | BA  | 12,010         | 12,747           | 12,061               |
|  |     |                | <sup>D</sup> 122 |                      |
| Outlays.....   | O   | 11,622         | 12,766           | 12,150               |
| Total Salaries and expenses.....   | BA  | 12,010         | 12,869           | 12,061               |
|  | O   | 11,622         | 12,766           | 12,150               |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>  |     |                |                  |                  |
| <b>Committee for Purchase from the Blind<br/>and other Severely Handicapped</b> |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Salaries and expenses   | 505 |                |                  |                  |
| Appropriation, current.....   | BA  | 687            | 710              | 730              |
| Outlays.....  | O   | 638            | 709              | 710              |
| <b>Commodity Futures Trading Commission</b>                                     |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Commodity Futures Trading Commission  | 376 |                |                  |                  |
| Appropriation, current.....   | BA  | 26,739         | 27,292<br>D 272  | 27,222           |
| Outlays.....  | O   | 25,015         | 27,151           | 26,814           |
| Total Commodity Futures Trading Commission.....                                 | BA  | 26,739         | 27,564           | 27,222           |
|   | O   | 25,015         | 27,151           | 26,814           |
| <b>Community Services Administration</b>  |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Community services program  | 506 |                |                  |                  |
| Outlays.....  | O   | —11,620        | 4,315            | .....            |
| <b>Consumer Product Safety Commission</b>                                       |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Product safety  | 554 |                |                  |                  |
| Appropriation, current.....   | BA  | 35,250         | 36,000           | 33,700           |
| Outlays.....  | O   | 33,630         | 36,899           | 33,815           |
| <b>Corporation for Public Broadcasting</b>                                      |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Public broadcasting fund  | 503 |                |                  |                  |
| Appropriation, permanent.....   | BA  | 137,500        | 150,500          | 159,500          |
| Outlays.....  | O   | 137,500        | 150,500          | 159,500          |
| <b>District of Columbia</b>   |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Federal payment to the District of Columbia                                     | 852 |                |                  |                  |
| Appropriation, current.....   | BA  | 485,812        | 533,343          | 532,170          |
| Outlays.....  | O   | 485,812        | 533,343          | 532,170          |
| Loans to the District of Columbia for capital<br>projects                       | 852 |                |                  |                  |
| Appropriation, current.....   | BA  | 115,000        | .....            | .....            |
| Outlays.....  | O   | 115,000        | .....            | .....            |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                      |        | 1984<br>actual  | 1985<br>estimate | 1986<br>estimate |
|--|--------|-----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                           |        |                 |                  |                  |
| <b>District of Columbia—Con.</b>                                 |        |                 |                  |                  |
| <i>Summary</i>   |        |                 |                  |                  |
| <b>Federal funds:</b>  |        |                 |                  |                  |
| (As shown in detail above).....                                  | BA     | <b>600,812</b>  | <b>533,343</b>   | <b>532,170</b>   |
|  | O      | 600,812         | 533,343          | 532,170          |
| <b>Deductions for offsetting receipts:</b>                       |        |                 |                  |                  |
| Proprietary receipts from the public                             | 852 BA |                 |                  |                  |
|  | O      | <i>— 31,144</i> | <i>— 34,000</i>  | <i>— 34,000</i>  |
| Total District of Columbia.....                                  | BA     | <b>569,668</b>  | <b>499,343</b>   | <b>498,170</b>   |
|  | O      | 569,668         | 499,343          | 498,170          |
| <b>Equal Employment Opportunity Commission</b>                   |        |                 |                  |                  |
| <i>Federal funds</i>   |        |                 |                  |                  |
| <b>General and Special Funds:</b>                                |        |                 |                  |                  |
| Salaries and expenses  | 751    |                 |                  |                  |
| Appropriation, current.....                                      | BA     | <b>154,039</b>  | <b>160,755</b>   | <b>158,825</b>   |
|  | O      |                 | <i>D 2,900</i>   |                  |
| Outlays.....   | O      | 152,007         | 165,118          | 159,242          |
| Total Salaries and expenses.....                                 | BA     | <b>154,039</b>  | <b>163,655</b>   | <b>158,825</b>   |
|  | O      | 152,007         | 165,118          | 159,242          |
| <b>Export-Import Bank of the United States</b>                   |        |                 |                  |                  |
| <i>Federal funds</i>   |        |                 |                  |                  |
| <b>Public Enterprise Funds:</b>                                  |        |                 |                  |                  |
| Export-Import Bank of the United States                          | 155    |                 |                  |                  |
| Authority to borrow, current, indefinite.....                    | BA     | <b>829,209</b>  | <b>3,939,674</b> |                  |
| Outlays.....   | O      | 1,067,598       | 1,358,800        | 607,895          |
| Limitation on administrative expenses.....                       |        | (16,899)        | (18,900)         | (18,000)         |
| Limitation on direct loan obligations.....                       |        | (3,865,000)     | (3,865,000)      |                  |
| Interest rate subsidy program                                    | 155    |                 |                  |                  |
| Outlays.....   | O      |                 |                  | <i>J — 4,740</i> |
| Total Federal funds Export-Import Bank of the United States..... | BA     | <b>829,209</b>  | <b>3,939,674</b> |                  |
|  | O      | 1,067,598       | 1,358,800        | 603,155          |
| <b>Farm Credit Administration</b>                                |        |                 |                  |                  |
| <i>Federal funds</i>   |        |                 |                  |                  |
| <b>Public Enterprise Funds:</b>                                  |        |                 |                  |                  |
| Revolving fund for administrative expenses                       | 351    |                 |                  |                  |
| Outlays.....   | O      | <i>— 2,135</i>  | 28               |                  |
| Limitation on administrative expenses.....                       |        | (20,551)        | (22,092)         | (21,175)         |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                  |     | 1984<br>actual | 1985<br>estimate           | 1986<br>estimate              |
|--|-----|----------------|----------------------------|-------------------------------|
| <b>Other Independent Agencies—Con.</b>       |     |                |                            |                               |
| <b>Federal Communications Commission</b>     |     |                |                            |                               |
| <i>Federal funds</i>                         |     |                |                            |                               |
| <b>General and Special Funds:</b>            |     |                |                            |                               |
| Salaries and expenses                        | 376 |                |                            |                               |
| Appropriation, current.....                  | BA  | 88,983         | 93,611<br><sup>C</sup> 16  | 92,285                        |
|  |     |                | <sup>D</sup> 1,814         |                               |
| Outlays.....                                 | 0   | 86,971         | 95,699                     | 91,964                        |
| Total Salaries and expenses.....             | BA  | 88,983         | 95,441                     | 92,285                        |
|  | 0   | 86,971         | 95,699                     | 91,964                        |
| <b>Federal Deposit Insurance Corporation</b> |     |                |                            |                               |
| <i>Trust funds</i>                           |     |                |                            |                               |
| Federal Deposit Insurance Corporation        | 371 |                |                            |                               |
| Outlays.....                                 | 0   | —247,674       | —1,000,000                 | —1,500,000                    |
| <b>Federal Election Commission</b>           |     |                |                            |                               |
| <i>Federal funds</i>                         |     |                |                            |                               |
| <b>General and Special Funds:</b>            |     |                |                            |                               |
| Salaries and expenses                        | 806 |                |                            |                               |
| Appropriation, current.....                  | BA  | 10,744         | 12,900<br><sup>D</sup> 116 | 12,433                        |
| Outlays.....                                 | 0   | 10,467         | 13,236                     | 12,474                        |
| Total Salaries and expenses.....             | BA  | 10,744         | 13,016                     | 12,433                        |
|  | 0   | 10,467         | 13,236                     | 12,474                        |
| <b>Federal Emergency Management Agency</b>   |     |                |                            |                               |
| <i>Federal funds</i>                         |     |                |                            |                               |
| <b>General and Special Funds:</b>            |     |                |                            |                               |
| Salaries and expenses:                       |     |                |                            |                               |
| (Defense-related activities)                 | 054 |                |                            |                               |
| (Appropriation, current).....                | BA  | 65,887         | 68,928                     | 39,053<br><sup>K</sup> 29,807 |
|  |     |                | <sup>A</sup> 3,100         |                               |
|  |     |                | <sup>G</sup> 1,348         |                               |
|  |     |                | <sup>H</sup> — 786         |                               |
| (Outlays).....                               | 0   | 67,685         | 71,400                     | 66,546                        |
|  |     |                | <sup>A</sup> 3,100         |                               |
|  |     |                | <sup>H</sup> — 707         | <sup>H</sup> — 79             |
| Total (Defense-related activities).....      | BA  | 65,887         | 72,590                     | 68,860                        |
|  | 0   | 67,685         | 73,793                     | 66,467                        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                   |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate    |
|---|-----|----------------|----------------------|---------------------|
| <b>Other Independent Agencies—Con.</b>                        |     |                |                      |                     |
| <b>Federal Emergency Management Agency—<br/>Con.</b>          |     |                |                      |                     |
| (Disaster relief and insurance)                               | 453 |                |                      |                     |
| (Appropriation, current) .....                                | BA  | 57,354         | 61,221               | 35,462              |
|   |     |                |                      | <sup>K</sup> 11,386 |
|   |     |                | <sup>G</sup> 1,124   |                     |
| (Outlays) .....   | O   | 57,657         | 60,821               | 46,219              |
| Total (Disaster relief and insurance) .....                   | BA  | 57,354         | 62,345               | 46,848              |
|   | O   | 57,657         | 60,821               | 46,219              |
| Total Salaries and expenses .....                             | BA  | 123,241        | 134,935              | 115,708             |
|   | O   | 125,342        | 134,614              | 112,686             |
| Emergency management planning and assistance:                 |     |                |                      |                     |
| (Defense-related activities)                                  | 054 |                |                      |                     |
| (Appropriation, current) .....                                | BA  | 234,564        | 252,178              | 115,399             |
|   |     |                |                      | <sup>K</sup> 89,318 |
|   |     |                | <sup>A</sup> — 3,100 |                     |
|   |     |                | <sup>F</sup> — 2,472 |                     |
|   |     |                | <sup>H</sup> — 1,287 |                     |
| (Outlays) .....   | O   | 172,574        | 237,618              | 223,059             |
|   |     |                | <sup>A</sup> — 3,100 |                     |
|   |     |                | <sup>H</sup> — 1,094 | <sup>H</sup> — 193  |
| Total (Defense-related activities) .....                      | BA  | 234,564        | 245,319              | 204,717             |
|   | O   | 172,574        | 233,424              | 222,866             |
| (Disaster relief and insurance)                               | 453 |                |                      |                     |
| (Appropriation, current) .....                                | BA  | 82,213         | 79,041               | 13,309              |
|   |     |                |                      | <sup>K</sup> 14,336 |
| (Outlays) .....   | O   | 75,742         | 75,022               | 55,743              |
| Total (Disaster relief and insurance) .....                   | BA  | 82,213         | 79,041               | 27,645              |
|   | O   | 75,742         | 75,022               | 55,743              |
| Total Emergency management planning and as-<br>sistance ..... | BA  | 316,777        | 324,360              | 232,362             |
|   | O   | 248,316        | 308,446              | 278,609             |
| Emergency food distribution and shelter program               |     |                |                      |                     |
|   | 605 |                |                      |                     |
| Appropriation, current .....                                  | BA  | 110,000        | .....                | .....               |
| Outlays .....   | O   | 57,956         | 70,000               | .....               |
| <b>Public Enterprise Funds:</b>                               |     |                |                      |                     |
| National insurance development fund                           | 451 |                |                      |                     |
| Authority to borrow, permanent, indefinite .....              | BA  | 9,346          | 10,668               | 18,255              |
| Outlays .....   | O   | 13,767         | 11,086               | 16,738              |
| National flood insurance fund                                 | 453 |                |                      |                     |
| Authority to borrow, permanent, indefinite .....              | BA  | 98,596         | 59,885               | 78,243              |
| Outlays .....   | O   | 145,532        | 65,474               | 73,069              |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                       |         | 1984<br>actual      | 1985<br>estimate   | 1986<br>estimate   |
|---|---------|---------------------|--------------------|--------------------|
| <b>Other Independent Agencies—Con.</b>                            |         |                     |                    |                    |
| <b>Federal Emergency Management Agency—<br/>Con.</b>              |         |                     |                    |                    |
| <i>Trust funds</i>  |         |                     |                    |                    |
| Gift and bequests, fire administration                            | 451     |                     |                    |                    |
| Outlays.....  | 0       | 4                   | 3                  |                    |
| Total Federal funds Federal Emergency Manage-<br>ment Agency..... | BA<br>0 | 657,960<br>590,913  | 529,848<br>589,620 | 444,568<br>481,102 |
| Total Trust funds Federal Emergency Manage-<br>ment Agency.....   | 0       | 4                   | 3                  |                    |
| <b>Federal Home Loan Bank Board</b>                               |         |                     |                    |                    |
| <i>Federal funds</i>  |         |                     |                    |                    |
| <b>Public Enterprise Funds:</b>                                   |         |                     |                    |                    |
| Federal Home Loan Bank Board revolving fund                       | 371     |                     |                    |                    |
| Outlays.....  | 0       | 577                 |                    |                    |
| Limitation on administrative expenses.....                        |         | (25,820)            | (24,381)           | (25,213)           |
| Limitation on nonadministrative expenses.....                     |         | (40,570)            | (43,184)           | (45,032)           |
| Federal Savings and Loan Insurance Corporation<br>fund            | 371     |                     |                    |                    |
| Authority to borrow, current, indefinite.....                     | BA      | 700,000             |                    |                    |
| Outlays.....  | 0       | —561,551            | 349,881            | 57,077             |
| Limitation on administrative expenses.....                        |         | (1,245)             | (1,343)            | (1,404)            |
| Total Federal funds Federal Home Loan Bank<br>Board.....          | BA<br>0 | 700,000<br>—560,974 |                    |                    |
| <b>Federal Labor Relations Authority</b>                          |         |                     |                    |                    |
| <i>Federal funds</i>  |         |                     |                    |                    |
| <b>General and Special Funds:</b>                                 |         |                     |                    |                    |
| Salaries and expenses   | 805     |                     |                    |                    |
| Appropriation, current.....                                       | BA      | 16,863              | 17,197<br>167      | 17,490             |
| Outlays.....  | 0       | 16,684              | 17,328             | 17,044             |
| Total Salaries and expenses.....                                  | BA<br>0 | 16,863<br>16,684    | 17,364<br>17,328   | 17,490<br>17,044   |
| <b>Federal Maritime Commission</b>                                |         |                     |                    |                    |
| <i>Federal funds</i>  |         |                     |                    |                    |
| <b>General and Special Funds:</b>                                 |         |                     |                    |                    |
| Salaries and expenses   | 403     |                     |                    |                    |
| Appropriation, current.....                                       | BA      | 10,946              | 12,292             | 11,606             |
| Outlays.....  | 0       | 11,111              | 12,302             | 11,616             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                             |     | 1984<br>actual | 1985<br>estimate  | 1986<br>estimate    |
|---|-----|----------------|---|---------------------|
| <b>Other Independent Agencies—Con.</b>                  |     |                |   |                     |
| <b>Federal Mediation and Conciliation Service</b>       |     |                |   |                     |
| <i>Federal funds</i>                                    |     |                |   |                     |
| <b>General and Special Funds:</b>                       |     |                |   |                     |
| Salaries and expenses                                   | 505 |                |   |                     |
| Appropriation, current.....                             | BA  | 23,258         | 23,611<br><sup>D</sup> 234  | 22,768              |
| Outlays.....  | O   | 22,347         | 23,866  | 22,822              |
| Total Salaries and expenses.....                        | BA  | 23,258         | 23,845  | 22,768              |
|   | O   | 22,347         | 23,866  | 22,822              |
| <b>Federal Mine Safety and Health Review Commission</b> |     |                |   |                     |
| <i>Federal funds</i>                                    |     |                |   |                     |
| <b>General and Special Funds:</b>                       |     |                |   |                     |
| Salaries and expenses                                   | 554 |                |   |                     |
| Appropriation, current.....                             | BA  | 3,858          | 3,837<br><sup>D</sup> 36  | 3,709               |
| Outlays.....  | O   | 3,647          | 3,876   | 3,719               |
| Total Salaries and expenses.....                        | BA  | 3,858          | 3,873   | 3,709               |
|   | O   | 3,647          | 3,876   | 3,719               |
| <b>Federal Trade Commission</b>                         |     |                |   |                     |
| <i>Federal funds</i>                                    |     |                |   |                     |
| <b>General and Special Funds:</b>                       |     |                |   |                     |
| Salaries and expenses                                   | 376 |                |   |                     |
| Appropriation, current.....                             | BA  | 64,150         | 64,311<br><sup>A</sup> 3,811<br><sup>C</sup> 12<br><sup>D</sup> 1,438 | <sup>K</sup> 63,934 |
| Outlays.....  | O   | 65,864         | 66,450<br><sup>A</sup> 3,811  | 64,623              |
| Total Salaries and expenses.....                        | BA  | 64,150         | 69,572  | 63,934              |
|   | O   | 65,864         | 70,261  | 64,623              |
| <b>Harry S Truman Scholarship Foundation</b>            |     |                |   |                     |
| <i>Trust funds</i>                                      |     |                |   |                     |
| Harry S Truman memorial scholarship trust fund          | 502 |                |   |                     |
| Appropriation, permanent, indefinite.....               | BA  | 4,250          | 4,861   | 4,759               |
| Outlays.....  | O   | 1,929          | 2,460   | 3,194               |
| <b>Historical and Memorial Agencies</b>                 |     |                |   |                     |
| <b>Other Historical and Memorial Agencies</b>           |     |                |   |                     |
| <i>Federal funds</i>                                    |     |                |   |                     |
| <b>General and Special Funds:</b>                       |     |                |   |                     |
| Christopher Columbus Quincentenary Jubilee Commission   | 376 |                |   |                     |
| Appropriation, current.....                             | BA  | 220            |   | 220                 |
| Outlays.....  | O   |                | 220   | 198                 |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code  |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                                   |    |                |                  |                  |
| <b>Historical and Memorial Agencies—Con.</b>                             |    |                |                  |                  |
| <b>Other Historical and Memorial Agencies—Con.</b>                       |    |                |                  |                  |
| Franklin Delano Roosevelt Memorial Commission: Salaries and expenses 806 |    |                |                  |                  |
| Appropriation, current.....  | BA | 20             | 21               | 21               |
| Outlays.....   | O  | 22             | 24               | 24               |
| Total Federal funds Other Historical and Memorial Agencies.....          | BA | 240            | 21               | 241              |
|  | O  | 22             | 244              | 222              |
| <b>Intelligence Community Staff</b>                                      |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>General and Special Funds:</b>  |    |                |                  |                  |
| Intelligence community staff 054   |    |                |                  |                  |
| Appropriation, current.....  | BA | 17,467         | 20,797<br>D 123  | 21,900           |
|  |    |                | E 51             |                  |
| Outlays.....   | O  | 15,964         | 16,192           | 16,833           |
| Total Intelligence community staff.....                                  | BA | 17,467         | 20,971           | 21,900           |
|  | O  | 15,964         | 16,192           | 16,833           |
| <b>Intragovernmental Agencies</b>  |    |                |                  |                  |
| <b>Advisory Commission on Intergovernmental Relations</b>                |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>General and Special Funds:</b>  |    |                |                  |                  |
| Salaries and expenses 806  |    |                |                  |                  |
| Appropriation, current.....  | BA | 2,016          | 2,131<br>D 17    | 2,058            |
| Outlays.....   | O  | 2,122          | 2,148            | 2,058            |
| Total Salaries and expenses.....   | BA | 2,016          | 2,148            | 2,058            |
|  | O  | 2,122          | 2,148            | 2,058            |
| <i>Trust funds</i>   |    |                |                  |                  |
| Contributions 806  |    |                |                  |                  |
| Appropriation, permanent, indefinite.....                                | BA | 262            | 184              | 184              |
| Outlays.....   | O  | 261            | 222              | 184              |
| <b>Appalachian Regional Commission</b>                                   |    |                |                  |                  |
| <i>Federal funds</i>   |    |                |                  |                  |
| <b>General and Special Funds:</b>  |    |                |                  |                  |
| Salaries and expenses 452  |    |                |                  |                  |
| Appropriation, current.....  | BA | 2,700          | 2,300            | .....            |
| Outlays.....   | O  | 2,689          | 2,300            | 38               |
| <i>Trust funds</i>   |    |                |                  |                  |
| Miscellaneous trust funds 452  |    |                |                  |                  |
| Appropriation, permanent, indefinite.....                                | BA | 4,500          | 3,700            | .....            |
| Outlays.....   | O  | 4,228          | 4,740            | 2,813            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                      |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|--------|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                           |        |                |                  |                  |
| <b>Intragovernmental Agencies—Con.</b>                           |        |                |                  |                  |
| <b><i>Appalachian Regional Commission—Con.</i></b>               |        |                |                  |                  |
| <b><i>Summary</i></b>  |        |                |                  |                  |
| <b>Federal funds:</b>  |        |                |                  |                  |
| (As shown in detail above).....                                  | BA     | <b>2,700</b>   | <b>2,300</b>     | .....            |
|  | 0      | 2,689          | 2,300            | 38               |
| <b>Trust funds:</b>  |        |                |                  |                  |
| (As shown in detail above).....                                  | BA     | <b>4,500</b>   | <b>3,700</b>     | .....            |
|  | 0      | 4,228          | 4,740            | 2,813            |
| <b>Deductions for offsetting receipts:</b>                       |        |                |                  |                  |
| Proprietary receipts from the public                             | 452 BA |                |                  |                  |
|  | 0      | —2,250         | —1,850           | .....            |
| Total Trust funds.....   | BA     | <b>2,250</b>   | <b>1,850</b>     | .....            |
|  | 0      | 1,978          | 2,890            | 2,813            |
| Interfund transactions   | 452 BA |                |                  |                  |
|  | 0      | —2,250         | —1,850           | .....            |
| Total Appalachian Regional Commission.....                       | BA     | <b>2,700</b>   | <b>2,300</b>     | .....            |
|  | 0      | 2,417          | 3,340            | 2,851            |
| <b><i>Delaware River Basin Commission</i></b>                    |        |                |                  |                  |
| <b><i>Federal funds</i></b>                                      |        |                |                  |                  |
| <b>General and Special Funds:</b>                                |        |                |                  |                  |
| Salaries and expenses  | 301    |                |                  |                  |
| Appropriation, current.....                                      | BA     | <b>191</b>     | <b>172</b>       | <b>168</b>       |
|  |        |                | D 2              |                  |
| Outlays.....   | 0      | 126            | 174              | 168              |
| Total Salaries and expenses.....                                 | BA     | <b>191</b>     | <b>174</b>       | <b>168</b>       |
|  | 0      | 126            | 174              | 168              |
| Contribution to Delaware River Basin Commission                  | 301    |                |                  |                  |
| Appropriation, current.....                                      | BA     | <b>269</b>     | <b>283</b>       | <b>275</b>       |
| Outlays.....   | 0      | 269            | 283              | 275              |
| Total Federal funds Delaware River Basin Commission.....         | BA     | <b>460</b>     | <b>457</b>       | <b>443</b>       |
|  | 0      | 395            | 457              | 443              |
| <b><i>Interstate Commission on the Potomac River Basin</i></b>   |        |                |                  |                  |
| <b><i>Federal funds</i></b>                                      |        |                |                  |                  |
| <b>General and Special Funds:</b>                                |        |                |                  |                  |
| Contribution to Interstate Commission on the Potomac River Basin | 304    |                |                  |                  |
| Appropriation, current.....                                      | BA     | <b>68</b>      | <b>70</b>        | .....            |
| Outlays.....   | 0      | 68             | 70               | .....            |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                 |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate    |
|---|-----|----------------|------------------|---------------------|
| <b>Other Independent Agencies—Con.</b>                      |     |                |                  |                     |
| <b>Intragovernmental Agencies—Con.</b>                      |     |                |                  |                     |
| <b>Susquehanna River Basin Commission</b>                   |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                           |     |                |                  |                     |
| Salaries and expenses                                       | 301 |                |                  |                     |
| Appropriation, current.....                                 | BA  | 191            | 167              | 163                 |
|   |     |                | <sup>D</sup> 2   |                     |
| Outlays.....  | 0   | 127            | 169              | 163                 |
| Total Salaries and expenses.....                            | BA  | 191            | 169              | 163                 |
|   | 0   | 127            | 169              | 163                 |
| <b>Contribution to Susquehanna River Basin Commission</b>   |     |                |                  |                     |
|   | 301 |                |                  |                     |
| Appropriation, current.....                                 | BA  | 230            | 230              | 230                 |
| Outlays.....  | 0   | 230            | 230              | 230                 |
| Total Federal funds Susquehanna River Basin Commission..... | BA  | 421            | 399              | 393                 |
|   | 0   | 357            | 399              | 393                 |
| <b>Washington Metropolitan Area Transit Authority</b>       |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                           |     |                |                  |                     |
| Interest payments   | 401 |                |                  |                     |
| Appropriation, current.....                                 | BA  | 51,664         | 46,176           | 51,664              |
| Outlays.....  | 0   | 32,623         | 51,664           | 51,664              |
| Total Federal funds Intragovernmental Agencies..            | BA  | 57,329         | 51,550           | 54,558              |
|   | 0   | 38,254         | 57,038           | 54,596              |
| Total Trust funds Intragovernmental Agencies .....          | BA  | 2,512          | 2,034            | 184                 |
|   | 0   | 2,239          | 3,112            | 2,997               |
| <b>International Trade Commission</b>                       |     |                |                  |                     |
| <i>Federal funds</i>  |     |                |                  |                     |
| <b>General and Special Funds:</b>                           |     |                |                  |                     |
| Salaries and expenses                                       | 153 |                |                  |                     |
| Appropriation, current.....                                 | BA  | 21,488         | 24,830           |                     |
|   |     |                | <sup>D</sup> 549 |                     |
|   |     |                |                  | <sup>K</sup> 28,901 |
| Outlays.....  | 0   | 22,588         | 24,035           | 28,922              |
| Total Salaries and expenses.....                            | BA  | 21,488         | 25,379           | 28,901              |
|   | 0   | 22,588         | 24,035           | 28,922              |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                             |     | 1984<br>actual | 1985<br>estimate                                   | 1986<br>estimate           |
|---|-----|----------------|--|----------------------------|
| <b>Other Independent Agencies—Con.</b>                  |     |                |  |                            |
| <b>Interstate Commerce Commission</b>                   |     |                |  |                            |
| <i>Federal funds</i>                                    |     |                |  |                            |
| <b>General and Special Funds:</b>                       |     |                |  |                            |
| Salaries and expenses                                   | 401 |                |  |                            |
| Appropriation, current.....                             | BA  | 58,800         | 48,000<br><sup>A</sup> 4,463<br><sup>D</sup> 1,000 | 51,157                     |
| Outlays.....  | O   | 56,401         | 49,380<br><sup>A</sup> 4,163                       | 51,581<br><sup>A</sup> 300 |
| Total Salaries and expenses.....                        | BA  | 58,800         | 53,463   | 51,157                     |
|   | O   | 56,401         | 53,543   | 51,881                     |
| Payments for directed rail service                      | 401 |                |  |                            |
| Outlays.....  | O   | —32            | 1,001  |                            |
| Total Federal funds Interstate Commerce Commission..... | BA  | 58,800         | 53,463   | 51,157                     |
|   | O   | 56,369         | 54,544   | 51,881                     |
| <b>Japan-United States Friendship Commission</b>        |     |                |  |                            |
| <i>Trust funds</i>                                      |     |                |  |                            |
| Japan-United States friendship trust fund               | 154 |                |  |                            |
| Appropriation, current.....                             | BA  | 1,600          | 1,600  | 1,545                      |
| Outlays.....  | O   | 2,285          | 2,500  | 2,450                      |
| <b>Legal Services Corporation</b>                       |     |                |  |                            |
| <i>Federal funds</i>                                    |     |                |  |                            |
| <b>General and Special Funds:</b>                       |     |                |  |                            |
| Payment to the Legal Services Corporation               | 752 |                |  |                            |
| Appropriation, current.....                             | BA  | 275,000        | 305,000  |                            |
| Outlays.....  | O   | 270,861        | 301,868  | 36,600                     |
| <b>Marine Mammal Commission</b>                         |     |                |  |                            |
| <i>Federal funds</i>                                    |     |                |  |                            |
| <b>General and Special Funds:</b>                       |     |                |  |                            |
| Salaries and expenses                                   | 302 |                |  |                            |
| Appropriation, current.....                             | BA  | 929            | 929  | 781                        |
| Outlays.....  | O   | 759            | 1,081  | 845                        |
| <b>Merit Systems Protection Board</b>                   |     |                |  |                            |
| <i>Federal funds</i>                                    |     |                |  |                            |
| <b>General and Special Funds:</b>                       |     |                |  |                            |
| Salaries and expenses                                   | 805 |                |  |                            |
| Appropriation, current.....                             | BA  | 19,895         | 20,477<br><sup>D</sup> 194                         | 20,349                     |
| Outlays.....  | O   | 21,622         | 20,651   | 20,157                     |
| Total Salaries and expenses.....                        | BA  | 19,895         | 20,671   | 20,349                     |
|   | O   | 21,622         | 20,651   | 20,157                     |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate |
|---|-----|----------------|--------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                                |     |                |                    |                  |
| <b>Merit Systems Protection Board—Con.</b>                            |     |                |                    |                  |
| Office of the Special Counsel   | 805 |                |                    |                  |
| Appropriation, current.....   | BA  | 4,444          | 4,583<br>D 44      | 4,594            |
| Outlays.....  | O   | 4,605          | 4,687              | 4,552            |
| Total Office of the Special Counsel.....                              | BA  | 4,444          | 4,627              | 4,594            |
|   | O   | 4,605          | 4,687              | 4,552            |
| Total Federal funds Merit Systems Protection Board.....               | BA  | 24,339         | 25,298             | 24,943           |
|   | O   | 26,227         | 25,338             | 24,709           |
| <b>National Archives and Records Administration</b>                   |     |                |                    |                  |
| <i>Federal funds</i>  |     |                |                    |                  |
| <b>General and Special Funds:</b>                                     |     |                |                    |                  |
| Operating expenses  | 804 |                |                    |                  |
| Appropriation, current.....   | BA  | 91,535         | 100,792<br>H — 166 | 99,363           |
| Outlays.....  | O   | 85,567         | 95,083<br>H — 166  | 103,983          |
| Total Operating expenses.....   | BA  | 91,535         | 100,626            | 99,363           |
|   | O   | 85,567         | 94,917             | 103,983          |
| <i>Trust funds</i>  |     |                |                    |                  |
| National archives gift fund   | 804 |                |                    |                  |
| Appropriation, permanent, indefinite.....                             | BA  | 1,352          | 184                | 335              |
| Outlays.....  | O   | 396            | 370                | 430              |
| National archives trust fund  | 804 |                |                    |                  |
| Outlays.....  | O   | — 376          | — 488              | — 512            |
| Total Federal funds National Archives and Records Administration..... | BA  | 91,535         | 100,626            | 99,363           |
|   | O   | 85,567         | 94,917             | 103,983          |
| Total Trust funds National Archives and Records Administration.....   | BA  | 1,352          | 184                | 335              |
|   | O   | 20             | — 118              | — 82             |
| <b>National Capital Planning Commission</b>                           |     |                |                    |                  |
| <i>Federal funds</i>  |     |                |                    |                  |
| <b>General and Special Funds:</b>                                     |     |                |                    |                  |
| Salaries and expenses   | 451 |                |                    |                  |
| Appropriation, current.....   | BA  | 2,475          | 2,670<br>D 22      | 2,626            |
| Outlays.....  | O   | 2,370          | 2,692              | 2,626            |
| Total Salaries and expenses.....                                      | BA  | 2,475          | 2,692              | 2,626            |
|   | O   | 2,370          | 2,692              | 2,626            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                     |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|---|-----|----------------|------------------|----------------------|
| <b>Other Independent Agencies—Con.</b>                          |     |                |                  |                      |
| <b>National Commission on Libraries and Information Science</b> |     |                |                  |                      |
| <i>Federal funds</i>  |     |                |                  |                      |
| <b>General and Special Funds:</b>                               |     |                |                  |                      |
| Salaries and expenses   | 503 |                |                  |                      |
| Appropriation, current  | BA  | 674            | 720              |                      |
| Outlays   | 0   | 733            | 783              | 86                   |
| <i>Trust funds</i>  |     |                |                  |                      |
| Contributions   | 503 |                |                  |                      |
| Outlays   | 0   | 1              | 2                |                      |
| <b>National Council on the Handicapped</b>                      |     |                |                  |                      |
| <i>Federal funds</i>  |     |                |                  |                      |
| <b>General and Special Funds:</b>                               |     |                |                  |                      |
| Salaries and expenses   | 506 |                |                  |                      |
| Appropriation, current  | BA  | 500            | 750              | 685                  |
| Outlays   | 0   | 268            | 692              | 702                  |
| <b>National Credit Union Administration</b>                     |     |                |                  |                      |
| <i>Federal funds</i>  |     |                |                  |                      |
| <b>Public Enterprise Funds:</b>                                 |     |                |                  |                      |
| Operating fund  | 371 |                |                  |                      |
| Outlays   | 0   | 1,601          | 6,216            | 415                  |
| Credit union share insurance fund                               | 371 |                |                  |                      |
| Outlays   | 0   | —33,615        | —846,021         | —110,600             |
| Central liquidity facility                                      | 371 |                |                  |                      |
| Authority to borrow, permanent                                  | BA  | 381,155        | 46,120           | 20,000               |
| Outlays   | 0   | 224,717        | 18,295           | 14,000               |
| Limitation on direct loan obligations                           |     |                | (600,000)        | (600,000)            |
| Total Federal funds National Credit Union Administration        | BA  | 381,155        | 46,120           | 20,000               |
|   | 0   | 192,703        | —821,510         | —96,185              |
| <b>National Foundation on the Arts and the Humanities</b>       |     |                |                  |                      |
| <i>National Endowment for the Arts</i>                          |     |                |                  |                      |
| <i>Federal funds</i>  |     |                |                  |                      |
| <b>General and Special Funds:</b>                               |     |                |                  |                      |
| National endowment for the arts: Grants and administration      | 503 |                |                  |                      |
| Appropriation, current  | BA  | 162,223        | 163,660          | <sup>K</sup> 144,450 |
| Outlays   | 0   | 145,389        | 163,221          | 161,157              |
| Total National endowment for the arts                           | BA  | 162,223        | 163,660          | 144,450              |
|   | 0   | 145,389        | 163,221          | 161,157              |
| <i>Trust funds</i>  |     |                |                  |                      |
| Gifts and donations (arts)                                      | 503 |                |                  |                      |
| Appropriation, permanent, indefinite                            | BA  | 13             | 40               | 30                   |
| Outlays   | 0   | 20             | 26               | 40                   |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate   |
|---|----|----------------|------------------|--------------------|
| <b>Other Independent Agencies—Con.</b>                                |    |                |                  |                    |
| <b>National Foundation on the Arts and the Humanities—Con.</b>        |    |                |                  |                    |
| <i>National Endowment for the Humanities</i>                          |    |                |                  |                    |
| <i>Federal funds</i>  |    |                |                  |                    |
| <b>General and Special Funds:</b>                                     |    |                |                  |                    |
| National endowment for the humanities: Grants and administration 503  |    |                |                  |                    |
| Appropriation, current.....   | BA | 140,118        | 139,478          | .....<br>K 126,000 |
| Outlays.....  | O  | 139,118        | 154,160          | 131,458            |
| Total National endowment for the humanities.....                      | BA | 140,118        | 139,478          | 126,000            |
|   | O  | 139,118        | 154,160          | 131,458            |
| <i>Trust funds</i>  |    |                |                  |                    |
| Gifts and donations (humanities) 503                                  |    |                |                  |                    |
| Appropriation, permanent, indefinite.....                             | BA | 757            | 700              | 200                |
| Outlays.....  | O  | 540            | 870              | 600                |
| <b>Institute of Museum Services</b>                                   |    |                |                  |                    |
| <i>Federal funds</i>  |    |                |                  |                    |
| <b>General and Special Funds:</b>                                     |    |                |                  |                    |
| Institute of Museum Services 503                                      |    |                |                  |                    |
| Appropriation, current.....   | BA | 20,150         | 21,560           | .....<br>K 292     |
| Outlays.....  | O  | 17,141         | 25,078           | 16,495             |
| Total Institute of Museum Services.....                               | BA | 20,150         | 21,560           | 292                |
|   | O  | 17,141         | 25,078           | 16,495             |
| <i>Trust funds</i>  |    |                |                  |                    |
| Gifts and donations (museum services) 503                             |    |                |                  |                    |
| Appropriation, permanent, indefinite.....                             | BA | .....          | 1                | .....              |
| Outlays.....  | O  | .....          | 1                | .....              |
| <b>National Institute of Building Sciences</b>                        |    |                |                  |                    |
| <i>Federal funds</i>  |    |                |                  |                    |
| <b>General and Special Funds:</b>                                     |    |                |                  |                    |
| Payment to the National Institute of Building Sciences 376            |    |                |                  |                    |
| Appropriation, current.....   | BA | 250            | .....            | .....              |
| Outlays.....  | O  | 250            | .....            | .....              |
| Payment to the National Institute of Building Sciences trust fund 376 |    |                |                  |                    |
| Appropriation, current.....   | BA | 5,000          | .....            | .....              |
| Outlays.....  | O  | 5,000          | .....            | .....              |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                      |        | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate  |
|--|--------|----------------|----------------------|-------------------|
| <b>Other Independent Agencies—Con.</b>                           |        |                |                      |                   |
| <b>National Institute of Building Sciences—<br/>Con.</b>         |        |                |                      |                   |
| <i>Trust funds</i>   |        |                |                      |                   |
| National Institute of Building Sciences trust fund               |        |                |                      |                   |
|  | 376    |                |                      |                   |
| Appropriation, current.....                                      | BA     | 5,000          |                      |                   |
| Appropriation, permanent, indefinite.....                        | BA     |                | 500                  | 500               |
| Outlays.....   | O      |                | 500                  | 500               |
| Total National Institute of Building Sciences<br>trust fund..... | BA     | 5,000          | 500                  | 500               |
|  | O      |                | 500                  | 500               |
| <b>Summary</b>   |        |                |                      |                   |
| <b>Federal funds:</b>  |        |                |                      |                   |
| (As shown in detail above).....                                  | BA     | 5,250          |                      |                   |
|  | O      | 5,250          |                      |                   |
| <b>Trust funds:</b>  |        |                |                      |                   |
| (As shown in detail above).....                                  | BA     | 5,000          | 500                  | 500               |
|  | O      |                | 500                  | 500               |
| Interfund transactions   | 376 BA |                |                      |                   |
|  | O      | —5,000         |                      |                   |
| Total National Institute of Building Sciences.....               | BA     | 5,250          | 500                  | 500               |
|  | O      | 250            | 500                  | 500               |
| <b>National Labor Relations Board</b>                            |        |                |                      |                   |
| <i>Federal funds</i>   |        |                |                      |                   |
| <b>General and Special Funds:</b>                                |        |                |                      |                   |
| Salaries and expenses  | 505    |                |                      |                   |
| Appropriation, current.....                                      | BA     | 133,594        | 137,964<br>H — 1,070 | 130,895           |
| Outlays.....   | O      | 129,949        | 136,680<br>H — 1,059 | 131,614<br>H — 11 |
| Total Salaries and expenses.....                                 | BA     | 133,594        | 136,894              | 130,895           |
|  | O      | 129,949        | 135,621              | 131,603           |
| <b>National Mediation Board</b>                                  |        |                |                      |                   |
| <i>Federal funds</i>   |        |                |                      |                   |
| <b>General and Special Funds:</b>                                |        |                |                      |                   |
| Salaries and expenses  | 505    |                |                      |                   |
| Appropriation, current.....                                      | BA     | 6,238          | 6,358                | 6,347             |
| Outlays.....   | O      | 5,267          | 6,058                | 5,953             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate     | 1986<br>estimate       |
|--|-----|----------------|----------------------|------------------------|
| <b>Other Independent Agencies—Con.</b>                                       |     |                |                      |                        |
| <b>National Science Foundation</b>   |     |                |                      |                        |
| <i>Federal funds</i>   |     |                |                      |                        |
| <b>General and Special Funds:</b>  |     |                |                      |                        |
| Research and related activities  | 251 |                |                      |                        |
| Appropriation, current.....  | BA  | 1,142,260      | 1,306,912            | <sup>K</sup> 1,397,750 |
|  |     |                | <sup>H</sup> — 2,002 |                        |
| Outlays.....   | O   | 1,125,021      | 1,262,812            | 1,344,000              |
|  |     |                | <sup>H</sup> — 1,940 | <sup>H</sup> — 62      |
| Total Research and related activities.....                                   | BA  | 1,142,260      | 1,304,910            | 1,397,750              |
|  | O   | 1,125,021      | 1,260,872            | 1,343,938              |
| U.S. Antarctic program   | 251 |                |                      |                        |
| Appropriation, current.....  | BA  | 102,456        | 110,080              | <sup>K</sup> 120,100   |
|  |     |                | <sup>E</sup> 750     |                        |
| Outlays.....   | O   | 31,943         | 107,546              | 113,704                |
| Total U.S. Antarctic program.....  | BA  | 102,456        | 110,830              | 120,100                |
|  | O   | 31,943         | 107,546              | 113,704                |
| Scientific activities overseas (special foreign currency program)            | 251 |                |                      |                        |
| Appropriation, current.....  | BA  | 2,900          | 2,800                | <sup>K</sup> 1,000     |
| Outlays.....   | O   | 2,516          | 2,800                | 3,000                  |
| Total Scientific activities overseas (special foreign currency program)..... | BA  | 2,900          | 2,800                | 1,000                  |
|  | O   | 2,516          | 2,800                | 3,000                  |
| Science and engineering education activities                                 | 251 |                |                      |                        |
| Appropriation, current.....  | BA  | 75,000         | 82,000               | <sup>K</sup> 50,550    |
| Outlays.....   | O   | 29,746         | 53,000               | 74,000                 |
| Total Science and engineering education activities.....                      | BA  | 75,000         | 82,000               | 50,550                 |
|  | O   | 29,746         | 53,000               | 74,000                 |
| <i>Trust funds</i>   |     |                |                      |                        |
| Donations  | 251 |                |                      |                        |
| Appropriation, permanent, indefinite.....                                    | BA  | 5,675          | 5,000                | 5,000                  |
| Outlays.....   | O   | 9,034          | 5,000                | 5,000                  |
| Total Federal funds National Science Foundation.....                         | BA  | 1,322,616      | 1,500,540            | 1,569,400              |
|  | O   | 1,189,226      | 1,424,218            | 1,534,642              |
| Total Trust funds National Science Foundation....                            | BA  | 5,675          | 5,000                | 5,000                  |
|  | O   | 9,034          | 5,000                | 5,000                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                             |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                  |     |                |                  |                  |
| <b>National Transportation Safety Board</b>             |     |                |                  |                  |
| <i>Federal funds</i>                                    |     |                |                  |                  |
| <b>General and Special Funds:</b>                       |     |                |                  |                  |
| Salaries and expenses                                   | 407 |                |                  |                  |
| Appropriation, current.....                             | BA  | 21,048         | 21,700<br>P 199  | 21,559           |
| Outlays .....   | O   | 21,160         | 21,860           | 21,596           |
| Total Salaries and expenses .....                       | BA  | 21,048         | 21,899           | 21,559           |
|   | O   | 21,160         | 21,860           | 21,596           |
| <b>Native Hawaiians Study Commission</b>                |     |                |                  |                  |
| <i>Federal funds</i>                                    |     |                |                  |                  |
| <b>General and Special Funds:</b>                       |     |                |                  |                  |
| Salaries and expenses                                   | 806 |                |                  |                  |
| Outlays .....   | O   | 13             | 2                |                  |
| <b>Neighborhood Reinvestment Corporation</b>            |     |                |                  |                  |
| <i>Federal funds</i>                                    |     |                |                  |                  |
| <b>General and Special Funds:</b>                       |     |                |                  |                  |
| Payment to the Neighborhood Reinvestment Corporation    | 451 |                |                  |                  |
| Appropriation, current.....                             | BA  | 16,012         | 15,512           | 14,669           |
| Outlays .....   | O   | 16,012         | 15,512           | 14,669           |
| <b>Nuclear Regulatory Commission</b>                    |     |                |                  |                  |
| <i>Federal funds</i>                                    |     |                |                  |                  |
| <b>General and Special Funds:</b>                       |     |                |                  |                  |
| Salaries and expenses                                   | 276 |                |                  |                  |
| Appropriation, current.....                             | BA  | 465,800        | 448,200          | K 429,000        |
|   |     |                | H - 4,329        |                  |
| Outlays .....   | O   | 462,084        | 455,000          | 438,000          |
|   |     |                | H - 4,000        | H - 329          |
| Total Salaries and expenses .....                       | BA  | 465,800        | 443,871          | 429,000          |
|   | O   | 462,084        | 451,000          | 437,671          |
| <b>Occupational Safety and Health Review Commission</b> |     |                |                  |                  |
| <i>Federal funds</i>                                    |     |                |                  |                  |
| <b>General and Special Funds:</b>                       |     |                |                  |                  |
| Salaries and expenses.                                  | 554 |                |                  |                  |
| Appropriation, current.....                             | BA  | 5,982          | 6,143            | 5,742            |
| Outlays .....   | O   | 5,893          | 6,213            | 5,766            |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate              | 1986<br>estimate              |
|---|-----|----------------|-------------------------------|-------------------------------|
| <b>Other Independent Agencies—Con.</b>  |     |                |                               |                               |
| <b>Office of the Federal Inspector for the<br/>Alaska Natural Gas Transportation System</b> |     |                |                               |                               |
| <i>Federal funds</i>  |     |                |                               |                               |
| <b>General and Special Funds:</b>   |     |                |                               |                               |
| Salaries and expenses   | 276 |                |                               |                               |
| Appropriation, current.....   | BA  | 2,963          | 1,401                         | 864                           |
| Outlays.....  | 0   | 2,893          | 1,558                         | 776                           |
| <b>Panama Canal Commission</b>  |     |                |                               |                               |
| <i>Federal funds</i>  |     |                |                               |                               |
| <b>General and Special Funds:</b>   |     |                |                               |                               |
| Operations and facilities   | 403 |                |                               |                               |
| Appropriation, current.....   | BA  | 413,725        | 429,846                       | <sup>K</sup> 446,784          |
| Outlays.....  | 0   | 381,352        | 421,255<br><sup>A</sup> 4,526 | 444,000<br><sup>A</sup> 1,560 |
| Total Operations and facilities.....  | BA  | 413,725        | 429,846                       | 446,784                       |
|   | 0   | 381,352        | 425,781                       | 445,560                       |
| <b>Summary</b>  |     |                |                               |                               |
| <b>Federal funds:</b>   |     |                |                               |                               |
| (As shown in detail above).....   | BA  | 413,725        | 429,846                       | 446,784                       |
|   | 0   | 381,352        | 425,781                       | 445,560                       |
| <b>Deductions for offsetting receipts:</b>  |     |                |                               |                               |
| Proprietary receipts from the public  | 403 |                |                               |                               |
|   | BA  |                |                               |                               |
|   | 0   | —405,954       | —431,763                      | —447,973                      |
| Total Panama Canal Commission.....  | BA  | 7,771          | —1,917                        | —1,189                        |
|   | 0   | —24,602        | —5,982                        | —2,413                        |
| <b>Pennsylvania Avenue Development<br/>Corporation</b>                                      |     |                |                               |                               |
| <i>Federal funds</i>  |     |                |                               |                               |
| <b>General and Special Funds:</b>   |     |                |                               |                               |
| Salaries and expenses   | 451 |                |                               |                               |
| Appropriation, current.....   | BA  | 2,275          | 2,254<br><sup>D</sup> 18      | 2,221                         |
| Outlays.....  | 0   | 2,002          | 2,244                         | 2,220                         |
| Total Salaries and expenses.....  | BA  | 2,275          | 2,272                         | 2,221                         |
|   | 0   | 2,002          | 2,244                         | 2,220                         |
| Public development  | 451 |                |                               |                               |
| Appropriation, current.....   | BA  | 9,600          | 4,410                         | 3,250                         |
| Outlays.....  | 0   | 12,909         | 8,200                         | 7,710                         |
| <b>Public Enterprise Funds:</b>   |     |                |                               |                               |
| Land acquisition and development fund   | 451 |                |                               |                               |
| Outlays.....  | 0   | —1,371         | 4,310                         | 3,250                         |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                     |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                          |     |                |                  |                  |
| <b>Pennsylvania Avenue Development Corporation—Con.</b>         |     |                |                  |                  |
| <i>Trust funds</i>  |     |                |                  |                  |
| Gifts and donations   | 451 |                |                  |                  |
| Appropriation, permanent, indefinite                            | BA  |                |                  | 1                |
| Outlays   | 0   | — 118          | 119              | 1                |
| Total Federal funds Pennsylvania Avenue Development Corporation | BA  | 11,875         | 6,682            | 5,471            |
|   | 0   | 13,540         | 14,754           | 13,180           |
| Total Trust funds Pennsylvania Avenue Development Corporation   | BA  |                |                  | 1                |
|   | 0   | — 118          | 119              | 1                |
| <b>Postal Service</b>   |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                               |     |                |                  |                  |
| Payment to the Postal Service fund                              | 372 |                |                  |                  |
| Appropriation, current  | BA  | 879,000        | 1,040,509        | 39,128           |
| Outlays   | 0   | 878,574        | 1,040,509        | 39,128           |
| <b>Public Enterprise Funds:</b>                                 |     |                |                  |                  |
| Postal Service  | 372 |                |                  |                  |
| Authority to borrow, permanent, indefinite                      | BA  | ¥ 918,971      | ¥ 1,402,824      | ¥ 1,574,798      |
| Outlays   | 0   | ¥ 360,254      | ¥ 320,161        | ¥ 965,470        |
| Authority to borrow, current, indefinite                        | BA  |                |                  | ¥ 212,591        |
| Outlays   | 0   |                |                  | ¥ 212,591        |
| Total Postal Service  | BA  | 918,971        | 1,402,824        | 1,787,389        |
|   | 0   | 360,254        | 320,161          | 1,178,061        |
| Total Federal funds Postal Service                              | BA  | 1,797,971      | 2,443,333        | 1,826,517        |
|   | 0   | 1,238,828      | 1,360,670        | 1,217,189        |
| <b>Railroad Retirement Board</b>                                |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>                               |     |                |                  |                  |
| Federal windfall subsidy  | 601 |                |                  |                  |
| Appropriation, current  | BA  | 420,000        | 405,400          | 392,200          |
| Outlays   | 0   | 413,170        | 405,000          | 392,000          |
| Ad Hoc Federal subsidy for rail unemployment insurance          | 603 |                |                  |                  |
| Outlays   | 0   | — 72,525       |                  |                  |
| Federal payments to the railroad retirement accounts            | 601 |                |                  |                  |
| Appropriation, current  | BA  |                | 14,600           | 2,000            |
|   |     |                |                  | ¥ 50,000         |
| Appropriation, permanent, indefinite                            | BA  | 2,530,351      | 2,881,000        | 3,047,000        |
| Outlays   | 0   | 2,530,351      | 2,894,600        | 3,050,000        |
|   |     |                |                  | ¥ 50,000         |
| Total Federal payments to the railroad retirement accounts      | BA  | 2,530,351      | 2,895,600        | 3,099,000        |
|   | 0   | 2,530,351      | 2,894,600        | 3,100,000        |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                         |     | 1984<br>actual | 1985<br>estimate       | 1986<br>estimate      |
|---|-----|----------------|------------------------|-----------------------|
| <b>Other Independent Agencies—Con.</b>              |     |                |                        |                       |
| <b>Railroad Retirement Board—Con.</b>               |     |                |                        |                       |
| Milwaukee railroad restructuring, administration    |     |                |                        |                       |
|   | 603 |                |                        |                       |
| Outlays.....  | 0   | 565            | 141                    | .....                 |
| <i>Trust funds</i>                                  |     |                |                        |                       |
| Rail Industry Pension Fund                          |     |                |                        |                       |
|   | 601 |                |                        |                       |
| Appropriation, current.....                         | BA  |                |                        | <sup>J</sup> 125,000  |
| Appropriation, permanent, indefinite.....           | BA  | 8,441,614      | 3,740,600              | 3,945,000             |
| Outlays.....  | 0   | 5,728,062      | 2,319,025              | 2,381,025             |
|   |     |                |                        | <sup>J</sup> — 34,000 |
| Limitation on administration.....                   |     | (56,046)       | (55,422)               | (55,295)              |
|   |     |                | <sup>A</sup> (— 3,098) |                       |
| Total Rail Industry Pension Fund.....               | BA  | 8,441,614      | 3,740,600              | 4,070,000             |
|   | 0   | 5,728,062      | 2,319,025              | 2,347,025             |
| Railroad social security equivalent benefit account |     |                |                        |                       |
|   | 601 |                |                        |                       |
| Appropriation, permanent, indefinite.....           | BA  |                | 5,761,000              | 5,896,000             |
| Outlays.....  | 0   |                | 5,596,956              | 5,742,820             |
| <b>Summary</b>                                      |     |                |                        |                       |
| <b>Federal funds:</b>                               |     |                |                        |                       |
| (As shown in detail above).....                     | BA  | 2,950,351      | 3,301,000              | 3,491,200             |
|   | 0   | 2,871,561      | 3,299,741              | 3,492,000             |
| <b>Trust funds:</b>                                 |     |                |                        |                       |
| (As shown in detail above).....                     | BA  | 8,441,614      | 9,501,600              | 9,966,000             |
|   | 0   | 5,728,062      | 7,915,981              | 8,089,845             |
| Deductions for offsetting receipts:                 |     |                |                        |                       |
| Intrafund transactions                              |     |                |                        |                       |
|   | 601 |                |                        |                       |
|   | BA  | — 2,425,622    | — 2,413,000            | — 2,437,000           |
|   | 0   |                |                        |                       |
|   | 603 |                |                        |                       |
|   | BA  | — 71,550       | — 94,000               | .....                 |
|   | 0   |                |                        |                       |
|   | BA  |                |                        | <sup>J</sup> — 70,000 |
|   | 0   |                |                        |                       |
| Total Trust funds.....                              | BA  | 5,944,442      | 6,994,600              | 7,459,000             |
|   | 0   | 3,230,890      | 5,408,981              | 5,582,845             |
| Interfund transactions                              |     |                |                        |                       |
|   | 601 |                |                        |                       |
|   | BA  | — 2,496,540    | — 4,685,200            | — 4,873,000           |
|   | 0   |                |                        |                       |
|   | BA  |                |                        | <sup>J</sup> — 50,000 |
|   | 0   |                |                        |                       |
| Total Railroad Retirement Board.....                | BA  | 6,398,253      | 5,610,400              | 6,027,200             |
|   | 0   | 3,605,911      | 4,023,522              | 4,151,845             |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |     | 1984<br>actual | 1985<br>estimate   | 1986<br>estimate     |
|--|-----|----------------|--------------------|----------------------|
| <b>Other Independent Agencies—Con.</b>   |     |                |                    |                      |
| <b>Securities and Exchange Commission</b>                                      |     |                |                    |                      |
| <i>Federal funds</i>   |     |                |                    |                      |
| <b>General and Special Funds:</b>  |     |                |                    |                      |
| Salaries and expenses  | 376 |                |                    |                      |
| Appropriation, current.....  | BA  | 94,000         | 105,337            | <sup>K</sup> 108,117 |
|  |     |                | <sup>D</sup> 1,045 | <sup>J</sup> — 850   |
| Outlays.....   | O   | 91,950         | 104,231            | 105,972              |
|  |     |                |                    | <sup>J</sup> — 850   |
| Total Salaries and expenses.....   | BA  | 94,000         | 106,382            | 107,267              |
|  | O   | 91,950         | 104,231            | 105,122              |
| <b>Selective Service System</b>  |     |                |                    |                      |
| <i>Federal funds</i>   |     |                |                    |                      |
| <b>General and Special Funds:</b>  |     |                |                    |                      |
| Salaries and expenses  | 054 |                |                    |                      |
| Appropriation, current.....  | BA  | 24,869         | 27,780             | 27,384               |
| Outlays.....   | O   | 22,419         | 27,600             | 27,384               |
| <b>Smithsonian Institution</b>   |     |                |                    |                      |
| <i>Federal funds</i>   |     |                |                    |                      |
| <b>General and Special Funds:</b>  |     |                |                    |                      |
| Salaries and expenses  | 503 |                |                    |                      |
| Appropriation, current.....  | BA  | 156,683        | 162,415            | 180,525              |
|  |     |                | <sup>C</sup> 262   |                      |
|  |     |                | <sup>D</sup> 1,644 |                      |
| Outlays.....   | O   | 156,029        | 163,638            | 178,723              |
| Total Salaries and expenses.....   | BA  | 156,683        | 164,321            | 180,525              |
|  | O   | 156,029        | 163,638            | 178,723              |
| <b>Museum programs and related research (special foreign currency program)</b> |     |                |                    |                      |
|  | 503 |                |                    |                      |
| Appropriation, current.....  | BA  | 7,040          | 8,820              | 2,500                |
| Outlays.....   | O   | 2,642          | 6,500              | 4,900                |
| <b>Construction and improvements, National Zoological Park</b>                 |     |                |                    |                      |
|  | 503 |                |                    |                      |
| Appropriation, current.....  | BA  | 3,500          | 4,851              | 4,851                |
| Outlays.....   | O   | 2,231          | 3,492              | 4,112                |
| <b>Restoration and renovation of buildings</b>                                 |     |                |                    |                      |
|  | 503 |                |                    |                      |
| Appropriation, current.....  | BA  | 9,000          | 13,475             | 14,140               |
| Outlays.....   | O   | 8,102          | 13,600             | 16,401               |
| <b>Construction</b>  |     |                |                    |                      |
|  | 503 |                |                    |                      |
| Appropriation, current.....  | BA  | .....          | .....              | 4,000                |
| Outlays.....   | O   | 3,779          | 12,000             | 11,000               |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>  |     |                |                  |                  |
| <b>Smithsonian Institution—Con.</b>   |     |                |                  |                  |
| Salaries and expenses, National Gallery of Art                                      | 503 |                |                  |                  |
| Appropriation, current.....   | BA  | 34,639         | 36,085<br>C 86   | 36,704           |
|   |     |                | D 277            |                  |
| Outlays.....  | 0   | 35,727         | 37,820           | 38,347           |
| Total Salaries and expenses, National Gallery of Art.....                           | BA  | 34,639         | 36,448           | 36,704           |
|   | 0   | 35,727         | 37,820           | 38,347           |
| Salaries and expenses, Woodrow Wilson International Center for Scholars             | 503 |                |                  |                  |
| Appropriation, current.....   | BA  | 2,586          | 2,658<br>D 16    | 2,852            |
| Outlays.....  | 0   | 2,424          | 2,674            | 2,852            |
| Total Salaries and expenses, Woodrow Wilson International Center for Scholars ..... | BA  | 2,586          | 2,674            | 2,852            |
|   | 0   | 2,424          | 2,674            | 2,852            |
| <i>Trust funds</i>  |     |                |                  |                  |
| Canal Zone biological area fund   | 503 |                |                  |                  |
| Appropriation, permanent.....   | BA  | 112            | 115              | 115              |
| Outlays.....  | 0   | 130            | 115              | 115              |
| <b>Summary</b>  |     |                |                  |                  |
| Federal funds:  |     |                |                  |                  |
| (As shown in detail above).....   | BA  | 213,448        | 230,589          | 245,572          |
|   | 0   | 210,934        | 239,724          | 256,335          |
| Trust funds:  |     |                |                  |                  |
| (As shown in detail above).....   | BA  | 112            | 115              | 115              |
|   | 0   | 130            | 115              | 115              |
| Interfund transactions  | 803 |                |                  |                  |
|   | BA  | —3             | —4               | —4               |
|   | 0   |                |                  |                  |
| Total Smithsonian Institution.....  | BA  | 213,557        | 230,700          | 245,683          |
|   | 0   | 211,061        | 239,835          | 256,446          |
| <b>Temporary Study Commissions</b>  |     |                |                  |                  |
| <b>Other Temporary Commissions</b>  |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses  | 805 |                |                  |                  |
| Appropriation, current.....   | BA  |                | 160              |                  |
| Outlays.....  | 0   |                | 176              |                  |
| Commission on the Ukraine Famine:   | 153 |                |                  |                  |
| Appropriation, current.....   | BA  |                | 400              |                  |
| Outlays.....  | 0   |                | 340              | 60               |
| Commission on Wartime Relocation and Internment of Civilians: Salaries and expenses | 752 |                |                  |                  |
| Outlays.....  | 0   | 4              |                  |                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |         | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate |
|---|---------|------------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>  |         |                  |                  |                  |
| <b>Temporary Study Commissions—Con.</b>   |         |                  |                  |                  |
| <b>Other Temporary Commissions—Con.</b>   |         |                  |                  |                  |
| Motor Carrier Ratemaking Study Commission: Salaries and expenses                            | 401     |                  |                  |                  |
| Outlays.....  | 0       | 539              |                  |                  |
| National Alcohol Fuels Commission: Salaries and expenses                                    | 271     |                  |                  |                  |
| Outlays.....  | 0       |                  | 21               |                  |
| National Commission on Air Quality: Salaries and expenses                                   | 304     |                  |                  |                  |
| Outlays.....  | 0       | 21               |                  |                  |
| Total Federal funds Other Temporary Commissions.....  | BA<br>0 |                  | 560<br>537       |                  |
|   |         |                  |                  | 60               |
| <b>Other Temporary Commissions</b>  |         |                  |                  |                  |
| <i>Federal funds</i>  |         |                  |                  |                  |
| <b>General and Special Funds:</b>   |         |                  |                  |                  |
| National Council on Public Works Improvement  | 806     |                  |                  |                  |
| Outlays.....  | 0       |                  | 300              | 800              |
| <b>Temporary Study Commissions</b>  |         |                  |                  |                  |
| <b>Other Temporary Commissions</b>  |         |                  |                  |                  |
| <i>Federal funds</i>  |         |                  |                  |                  |
| <b>General and Special Funds:</b>   |         |                  |                  |                  |
| Navajo and Hopi Indian Relocation Commission: Salaries and expenses                         | 806     |                  |                  |                  |
| Appropriation, current.....   | BA      | 18,805           | 20,321           | 20,170           |
| Outlays.....  | 0       | 15,865           | 19,916           | 19,885           |
| President's Commission for the Study of Ethical Problems in Medicine: Salaries and expenses | 551     |                  |                  |                  |
| Outlays.....  | 0       | 4                |                  |                  |
| Total Federal funds Other Temporary Commissions.....  | BA<br>0 | 18,805<br>15,869 | 20,321<br>19,916 | 20,170<br>19,885 |
| <b>National Commission on Student Financial Assistance</b>                                  |         |                  |                  |                  |
| <i>Federal funds</i>  |         |                  |                  |                  |
| <b>General and Special Funds:</b>   |         |                  |                  |                  |
| Salaries and expenses   | 502     |                  |                  |                  |
| Outlays.....  | 0       | 20               |                  |                  |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                     |         | 1984<br>actual     | 1985<br>estimate                | 1986<br>estimate   |
|---|---------|--------------------|---------------------------------|--------------------|
| <b>Other Independent Agencies—Con.</b>                          |         |                    |                                 |                    |
| <b>Temporary Study Commissions—Con.</b>                         |         |                    |                                 |                    |
| <b>National Commission on Student Financial Assistance—Con.</b> |         |                    |                                 |                    |
| <i>Trust funds</i>  |         |                    |                                 |                    |
| Grants, gifts and bequests                                      | 502     |                    |                                 |                    |
| Outlays.....  | 0       | 28                 | 8                               |                    |
| Total Federal funds Temporary Study Commissions.....            | BA<br>0 | 18,805<br>15,889   | 20,321<br>19,916                | 20,170<br>19,885   |
| Total Trust funds Temporary Study Commissions.                  | 0       | 28                 | 8                               |                    |
| <b>Tennessee Valley Authority</b>                               |         |                    |                                 |                    |
| <i>Federal funds</i>  |         |                    |                                 |                    |
| <b>Public Enterprise Funds:</b>                                 |         |                    |                                 |                    |
| Tennessee Valley Authority fund:                                |         |                    |                                 |                    |
| (Energy supply)   | 271     |                    |                                 |                    |
| (Authority to borrow, permanent, indefinite) .....              | BA      | 364,098            | 435,110                         | 403,354            |
| (Outlays) .....   | 0       | 184,838            | 535,000                         | 165,000            |
| (Area and regional development)                                 | 452     |                    |                                 |                    |
| (Appropriation, current) .....                                  | BA      | 85,629             | 120,000                         | 38,605             |
| (Outlays) .....   | 0       | 166,293            | <sup>H</sup> — 1,538<br>145,000 | 40,000             |
| Total (Area and regional development) .....                     | BA<br>0 | 85,629<br>166,293  | 118,462<br>143,462              | 38,605<br>40,000   |
| Total Tennessee Valley Authority fund .....                     | BA<br>0 | 449,727<br>351,131 | 553,572<br>678,462              | 441,959<br>205,000 |
| Total Federal funds Tennessee Valley Authority ...              | BA<br>0 | 449,727<br>351,131 | 553,572<br>678,462              | 441,959<br>205,000 |
| <b>United States Holocaust Memorial Council</b>                 |         |                    |                                 |                    |
| <i>Federal funds</i>  |         |                    |                                 |                    |
| <b>General and Special Funds:</b>                               |         |                    |                                 |                    |
| Holocaust Memorial Council                                      | 806     |                    |                                 |                    |
| Appropriation, current.....                                     | BA      | 1,864              | 1,990<br><sup>D</sup> 13        | 1,950              |
| Outlays.....  | 0       | 1,427              | 1,959                           | 1,950              |
| Total Holocaust Memorial Council .....                          | BA<br>0 | 1,864<br>1,427     | 2,003<br>1,959                  | 1,950<br>1,950     |
| <i>Trust funds</i>  |         |                    |                                 |                    |
| Gifts and donations   | 806     |                    |                                 |                    |
| Appropriation, permanent.....                                   | BA      |                    | 100                             | 100                |
| Outlays.....  | 0       | 1                  | 100                             | 100                |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code   |     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|-----|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>  |     |                |                  |                  |
| <b>United States Information Agency</b>   |     |                |                  |                  |
| <i>Federal funds</i>  |     |                |                  |                  |
| <b>General and Special Funds:</b>   |     |                |                  |                  |
| Salaries and expenses   | 154 |                |                  |                  |
| Appropriation, current.....   | BA  | 475,013        | 545,856          | κ 585,054        |
|   |     |                | H — 433          |                  |
| Outlays .....   | O   | 484,824        | 520,371          | 571,793          |
|   |     |                | H — 433          |                  |
| Total Salaries and expenses.....  | BA  | 475,013        | 545,423          | 585,054          |
|   | O   | 484,824        | 519,938          | 571,793          |
| Salaries and expenses (special foreign currency program)                        | 154 |                |                  |                  |
| Appropriation, current.....   | BA  | 10,450         | 8,000            |                  |
| Outlays .....   | O   | 9,602          | 9,981            | 5,043            |
| Educational and cultural exchange programs                                      | 154 |                |                  |                  |
| Appropriation, current.....   | BA  | 100,850        | 130,000          | κ 159,136        |
| Outlays .....   | O   | 45,570         | 147,168          | 156,683          |
| Total Educational and cultural exchange programs .....                          | BA  | 100,850        | 130,000          | 159,136          |
|   | O   | 45,570         | 147,168          | 156,683          |
| National Endowment for Democracy  | 154 |                |                  |                  |
| Appropriation, current.....   | BA  | 18,000         |                  | κ 31,300         |
| Outlays .....   | O   | 6,401          | 10,439           | 29,214           |
| Total National Endowment for Democracy.....                                     | BA  | 18,000         |                  | 31,300           |
|   | O   | 6,401          | 10,439           | 29,214           |
| Radio broadcasting to Cuba  | 154 |                |                  |                  |
| Appropriation, current.....   | BA  | 10,000         | 8,500            | κ 11,202         |
| Outlays .....   | O   | 1,774          | 10,790           | 13,625           |
| Total Radio broadcasting to Cuba .....  | BA  | 10,000         | 8,500            | 11,202           |
|   | O   | 1,774          | 10,790           | 13,625           |
| Center for Cultural and Technical Interchange Between East and West             | 154 |                |                  |                  |
| Appropriation, current.....   | BA  | 18,362         | 19,000           | κ 19,000         |
| Outlays .....   | O   | 19,374         | 19,016           | 19,000           |
| Total Center for Cultural and Technical Interchange Between East and West ..... | BA  | 18,362         | 19,000           | 19,000           |
|   | O   | 19,374         | 19,016           | 19,000           |

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                                 |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate     |
|---|--------|----------------|------------------|----------------------|
| <b>Other Independent Agencies—Con.</b>                      |        |                |                  |                      |
| <b>United States Information Agency—Con.</b>                |        |                |                  |                      |
| Acquisition and construction of radio facilities            | 154    |                |                  |                      |
| Appropriation, current.....                                 | BA     | 31,000         | 85,000           | .....                |
|   |        |                |                  | <sup>K</sup> 167,947 |
| Outlays.....  | 0      | 4,476          | 107,500          | 120,000              |
| Total Acquisition and construction of radio facilities..... | BA     | 31,000         | 85,000           | 167,947              |
|   | 0      | 4,476          | 107,500          | 120,000              |
| <i>Trust funds</i>  |        |                |                  |                      |
| Miscellaneous trust funds                                   | 154    |                |                  |                      |
| Appropriation, permanent, indefinite.....                   | BA     | 3,215          | 1,723            | 614                  |
| Outlays.....  | 0      | 2,247          | 3,547            | 2,205                |
| <b>Summary</b>  |        |                |                  |                      |
| Federal funds:  |        |                |                  |                      |
| (As shown in detail above).....                             | BA     | 663,675        | 795,923          | 973,639              |
|   | 0      | 572,021        | 824,832          | 915,358              |
| Trust funds:  |        |                |                  |                      |
| (As shown in detail above).....                             | BA     | 3,215          | 1,723            | 614                  |
|   | 0      | 2,247          | 3,547            | 2,205                |
| Deductions for offsetting receipts:                         |        |                |                  |                      |
| Proprietary receipts from the public                        | 154 BA | — 114          | — 114            | — 114                |
|   | 0      |                |                  |                      |
| Total Trust funds.....                                      | BA     | 3,101          | 1,609            | 500                  |
|   | 0      | 2,133          | 3,433            | 2,091                |
| Total United States Information Agency.....                 | BA     | 666,776        | 797,532          | 974,139              |
|   | 0      | 574,154        | 828,265          | 917,449              |
| <b>United States Institute of Peace</b>                     |        |                |                  |                      |
| <i>Federal funds</i>  |        |                |                  |                      |
| General and Special Funds:                                  |        |                |                  |                      |
| United States Institute of Peace                            | 153    |                |                  |                      |
| Appropriation, current.....                                 | BA     | .....          | 4,000            | .....                |
| Outlays.....  | 0      | .....          | 1,000            | 3,000                |
| <b>United States Metric Board</b>                           |        |                |                  |                      |
| <i>Federal funds</i>  |        |                |                  |                      |
| General and Special Funds:                                  |        |                |                  |                      |
| Salaries and expenses                                       | 376    |                |                  |                      |
| Outlays.....  | 0      | 53             | 46               | .....                |
| <b>United States Railway Association</b>                    |        |                |                  |                      |
| <i>Federal funds</i>  |        |                |                  |                      |
| General and Special Funds:                                  |        |                |                  |                      |
| Administrative expenses                                     | 401    |                |                  |                      |
| Appropriation, current.....                                 | BA     | 2,100          | 2,100            | .....                |
| Outlays.....  | 0      | 2,425          | 3,300            | .....                |

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code                           |        | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|--------|----------------|------------------|------------------|
| <b>Other Independent Agencies—Con.</b>                |        |                |                  |                  |
| <b>United States Railway Association—Con.</b>         |        |                |                  |                  |
| <b>Public Enterprise Funds:</b>                       |        |                |                  |                  |
| Regional rail reorganization program                  | 401    |                |                  |                  |
| Authority to borrow, permanent, indefinite            | BA     | Y 3,092        |                  |                  |
| Outlays   | 0      | Y — 13,862     | Y — 3,500        |                  |
| Total Federal funds United States Railway Association | BA     | 5,192          | 2,100            |                  |
|   | 0      | — 11,437       | — 200            |                  |
| <b>United States Synthetic Fuels Corporation</b>      |        |                |                  |                  |
| <i>Federal funds</i>                                  |        |                |                  |                  |
| <b>Public Enterprise Funds:</b>                       |        |                |                  |                  |
| United States Synthetic Fuels Corporation             | 271    |                |                  |                  |
| Contract authority, permanent                         | BA     | Y 17,565       | Y 159,447        | Y 320,976        |
| <b>Water Resources Council</b>                        |        |                |                  |                  |
| <i>Federal funds</i>                                  |        |                |                  |                  |
| <b>General and Special Funds:</b>                     |        |                |                  |                  |
| Water resources planning                              | 301    |                |                  |                  |
| Outlays   | 0      | 590            |                  |                  |
| <i>Trust funds</i>                                    |        |                |                  |                  |
| River Basin Commissions                               | 301    |                |                  |                  |
| Outlays   | 0      | — 4            |                  |                  |
| <b>Summary</b>  |        |                |                  |                  |
| <b>Federal funds:</b>                                 |        |                |                  |                  |
| (As shown in detail above)                            | BA     | 13,676,225     | 17,191,748       | 12,682,924       |
|   | 0      | 11,253,757     | 13,023,824       | 12,086,046       |
| Deductions for offsetting receipts:                   |        |                |                  |                  |
| Proprietary receipts from the public                  | 403 BA | — 405,954      | — 431,763        | — 447,973        |
|   | 0      |                |                  |                  |
|   | 852 BA | — 31,144       | — 34,000         | — 34,000         |
|   | 0      |                |                  |                  |
| Total Federal funds                                   | BA     | 13,239,127     | 16,725,985       | 12,200,951       |
|   | 0      | 10,816,659     | 12,558,061       | 11,604,073       |
| <b>Trust funds:</b>                                   |        |                |                  |                  |
| (As shown in detail above)                            | BA     | 8,468,409      | 9,520,347        | 9,979,422        |
|   | 0      | 5,501,054      | 6,936,115        | 6,607,004        |
| Deductions for offsetting receipts:                   |        |                |                  |                  |
| Intrafund transactions                                | 601 BA | — 2,425,622    | — 2,413,000      | — 2,437,000      |
|   | 0      |                |                  |                  |
|   | 603 BA | — 71,550       | — 94,000         |                  |
|   | 0      |                |                  |                  |
|   | BA     |                |                  | J — 70,000       |
|   | 0      |                |                  |                  |
| Proprietary receipts from the public                  | 154 BA | — 114          | — 114            | — 114            |
|   | 0      |                |                  |                  |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code            |        | 1984<br>actual    | 1985<br>estimate  | 1986<br>estimate  |
|--|--------|-------------------|-------------------|-------------------|
| <b>Other Independent Agencies—Con.</b> |        |                   |                   |                   |
| <b>Summary—Con.</b>                    |        |                   |                   |                   |
|  | 452 BA |                   |                   |                   |
|  | O      | — 2,250           | — 1,850           | .....             |
| Total Trust funds .....                | BA     | <b>5,968,873</b>  | <b>7,011,383</b>  | <b>7,472,308</b>  |
|  | O      | 3,001,518         | 4,427,151         | 4,099,890         |
| Interfund transactions                 | 376 BA |                   |                   |                   |
|  | O      | — 5,000           | .....             | .....             |
|  | 452 BA |                   |                   |                   |
|  | O      | — 2,250           | — 1,850           | .....             |
|  | 601 BA |                   |                   |                   |
|  | O      | — 2,496,540       | — 4,685,200       | — 4,873,000       |
|  | BA     |                   |                   | ' — 50,000        |
|  | O      |                   |                   |                   |
|  | 803 BA |                   |                   |                   |
|  | O      | — 3               | — 4               | — 4               |
| Total Other Independent Agencies ..... | BA     | <b>16,704,207</b> | <b>19,050,314</b> | <b>14,750,255</b> |
|  | O      | 11,314,384        | 12,298,158        | 10,780,959        |

**Allowances****Allowances for:***Federal funds***General and Special Funds:**

Coast Guard military pay raises

Appropriation, current..... BA ' 6,000 ' 24,000

Outlays..... O ' 6,000 ' 24,000

Contingencies for:

Relatively uncontrollable programs

Appropriation, current..... BA 0

Outlays..... O 0

Other requirements

Appropriation, current..... BA ' 1,500,000

Outlays..... O ' 1,125,000 ' 375,000

Total Federal funds Allowances for:..... BA 1,506,000 24,000

O 1,131,000 399,000

**Summary****Federal funds:**

Total Allowances..... BA 1,506,000 24,000

O 1,131,000 399,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

| Account and functional code  |        | 1984<br>actual     | 1985<br>estimate   | 1986<br>estimate    |
|--|--------|--------------------|--------------------|---------------------|
| <b>Budget Totals</b>   |        |                    |                    |                     |
| <b>Federal funds:</b>  |        |                    |                    |                     |
| (As shown in detail above).....                                    | BA     | <b>757,016,753</b> | <b>825,954,028</b> | <b>803,972,748</b>  |
|  | O      | 692,562,822        | 772,674,277        | 782,524,453         |
| Deductions for offsetting receipts:<br>(As shown in detail above): |        |                    |                    |                     |
| Intrafund transactions:  |        |                    |                    |                     |
| Under current law.....   | BA     | <i>-5,252,574</i>  | <i>-4,714,704</i>  | <i>-4,761,394</i>   |
|  | O      |                    |                    |                     |
|  | BA     |                    |                    | <i>J -384,000</i>   |
|  | O      |                    |                    |                     |
| From entities that are off-budget under current<br>law .....       | BA     | <i>-15,378,139</i> | <i>-17,911,738</i> | <i>-19,339,049</i>  |
|  | O      |                    |                    |                     |
| Proprietary receipts from the public.....                          | BA     | <i>-12,393,744</i> | <i>-13,113,601</i> | <i>-11,860,394</i>  |
|  | O      |                    |                    |                     |
|  | BA     |                    | <i>J -2,541</i>    | <i>J -1,778,200</i> |
|  | O      |                    |                    |                     |
| (Undistributed by agency):   |        |                    |                    |                     |
| Intrafund transactions:  |        |                    |                    |                     |
| Employer share, employee retirement (imput-<br>ed) .....           | 951 BA | <i>-16,503,000</i> |                    |                     |
|  | O      |                    |                    |                     |
| Proprietary receipts from the public:                              |        |                    |                    |                     |
| Other interest .....   | 908 BA | <i>-17,808</i>     |                    | <i>-953,000</i>     |
|  | O      |                    |                    |                     |
| Rents and royalties on the Outer Continental<br>Shelf .....        | 953 BA | <i>-6,693,547</i>  | <i>-5,302,000</i>  | <i>-7,317,000</i>   |
|  | O      |                    |                    |                     |
|  | BA     |                    |                    |                     |
| Sale of Conrail .....  | 954 BA |                    |                    | <i>J -1,200,000</i> |
|  | O      |                    |                    |                     |
| Total deductions.....  | BA     | <i>-56,238,812</i> | <i>-41,044,584</i> | <i>-47,593,037</i>  |
|  | O      |                    |                    |                     |
| Federal fund totals.....   | BA     | <b>700,777,941</b> | <b>784,909,444</b> | <b>756,379,711</b>  |
|  | O      | 636,324,010        | 731,629,693        | 734,931,416         |
| <b>Trust funds:</b>  |        |                    |                    |                     |
| (As shown in detail above).....                                    | BA     | <b>360,738,656</b> | <b>422,121,961</b> | <b>448,621,847</b>  |
|  | O      | 327,223,321        | 369,617,104        | 383,812,915         |
| Deductions for offsetting receipts:<br>(As shown in detail above): |        |                    |                    |                     |
| Intrafund transactions .....                                       | BA     | <i>-4,382,189</i>  | <i>-4,148,700</i>  | <i>-3,505,700</i>   |
|  | O      |                    |                    |                     |
|  | BA     |                    |                    | <i>J -70,000</i>    |
|  | O      |                    |                    |                     |
| Proprietary receipts from the public.....                          | BA     | <i>-17,643,543</i> | <i>-19,063,376</i> | <i>-19,739,576</i>  |
|  | O      |                    |                    |                     |

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                                 |             | 1984<br>actual                           | 1985<br>estimate                           | 1986<br>estimate                           |
|---|-------------|--|--|--|
| <b>Budget Totals—Con.</b>                                   |             |  |  |  |
|   | BA<br>0     |  |  | ' — 596,990                                |
| Total deductions.....                                       | BA<br>0     | — 22,025,732                             | — 23,212,076                               | — 23,912,266                               |
| Trust fund totals.....                                      | BA<br>0     | 338,712,924<br>305,197,589               | 398,909,885<br>346,405,028                 | 424,709,581<br>359,900,649                 |
| <b>Interfund transactions (—):</b>                          |             |  |  |  |
| Interest received by trust funds.....                       | 902 BA<br>0 | — 20,353,889                             | — 25,552,070                               | — 29,735,772                               |
|   | BA<br>0     |  | ' — 2,000                                  | ' 587,162                                  |
| Employer share, employee retirement:                        |             |  |  |  |
| Under current law.....                                      | 951 BA<br>0 | — 6,763,698                              | — 24,493,641                               | — 26,084,911                               |
| From entities that are off-budget under current<br>law..... | 951 BA<br>0 | — 1,996,759                              | — 2,500,641                                | — 2,609,935                                |
|   | BA<br>0     |  |  | ' — 266,434                                |
| Applied by agency above.....                                | BA<br>0     | — 60,625,921                             | — 66,401,354                               | — 62,996,832                               |
| Total interfund transactions.....                           | BA<br>0     | — 89,740,267                             | — 118,949,706                              | — 121,106,722                              |
| <b>Budget totals<math>\Delta</math></b> .....               | BA<br>0     | <u>949,750,598</u><br><u>851,781,332</u> | <u>1,064,869,623</u><br><u>959,085,015</u> | <u>1,059,982,570</u><br><u>973,725,343</u> |

See footnotes at end of table.

## BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

| Account and functional code                             | 1984<br>actual | 1985<br>estimate | 1986<br>estimate          |
|---|----------------|------------------|---------------------------|
| <b>Budget Totals—Con.</b>                               |                |                  |                           |
| ΔBudget totals are distributed as follows:              |                |                  |                           |
|   | 1985           |                  | 1986                      |
|   | BA             | Outlays          | BA Outlays                |
| <b>Federal funds:</b>                                   |                |                  |                           |
| Enacted, pending and initial requests:                  |                |                  |                           |
| Appropriations.....                                     | 795,263,523    | 756,115,020      | 805,782,468 787,278,262   |
| Proposed to be included on budget ( <sup>Y</sup> )..... | 22,363,336     | 12,458,920       | 7,952,954 2,056,154       |
| Legislative action required ( <sup>L</sup> ).....       | .....          | —107,200         | —4,023,107 —3,783,162     |
| Proposed in this budget:                                |                |                  |                           |
| Supplemental requests:                                  |                |                  |                           |
| Programs:   |                |                  |                           |
| Under existing legislation ( <sup>A</sup> ).....        | 5,807,292      | 1,716,569        | ..... 3,674,623           |
| Add. authorizing leg. req. ( <sup>B</sup> ).....        | 33,400         | 30,000           | ..... 3,400               |
| Pay:  |                |                  |                           |
| Wage-board pay raises ( <sup>C</sup> ).....             | 212,295        | 209,493          | ..... 3,883               |
| Civilian pay raises ( <sup>D</sup> ).....               | 805,599        | 811,577          | ..... 21,396              |
| Military pay raises ( <sup>E</sup> ).....               | 1,438,207      | 1,415,514        | ..... 24,452              |
| Rescission proposal ( <sup>F</sup> ).....               | —1,706,967     | —854,442         | ..... —404,620            |
| To be proposed separately:                              |                |                  |                           |
| Under existing legislation ( <sup>G</sup> ).....        | 75,000         | 45,450           | ..... 22,050              |
| Under proposed legislation ( <sup>G</sup> ).....        | 156,343        | —297,624         | —5,763,567 —6,770,985     |
| Allowances.....   | 1,506,000      | 1,131,000        | 24,000 399,000            |
| Deductions for offsetting receipts.....                 | —41,042,043    | —41,042,043      | —44,230,837 —44,230,837   |
| Under proposed legislation ( <sup>G</sup> ).....        | —2,541         | —2,541           | —3,362,200 —3,362,200     |
| Total Federal funds.....                                | 784,909,444    | 731,629,693      | 756,379,711 734,931,416   |
| <b>Trust funds:</b>                                     |                |                  |                           |
| Enacted, pending and initial requests:                  |                |                  |                           |
| Appropriations.....                                     | 422,030,903    | 369,568,885      | 448,997,273 389,868,827   |
| Legislative action required ( <sup>L</sup> ).....       | .....          | .....            | 20,000 20,000             |
| Proposed in this budget:                                |                |                  |                           |
| Supplemental requests:                                  |                |                  |                           |
| Programs:   |                |                  |                           |
| Under existing legislation ( <sup>A</sup> ).....        | 47,666         | 9,632            | 3,500,000 —29,885         |
| Pay:  |                |                  |                           |
| Wage-board pay raises ( <sup>C</sup> ).....             | 184            | 174              | ..... 10                  |
| Civilian pay raises ( <sup>D</sup> ).....               | 316            | 309              | ..... 7                   |
| Rescission proposal ( <sup>F</sup> ).....               | —10,408        | —3,196           | ..... —4,262              |
| To be proposed separately:                              |                |                  |                           |
| Under proposed legislation ( <sup>G</sup> ).....        | 53,300         | 41,300           | —3,895,426 —6,041,782     |
| Deductions for offsetting receipts.....                 | —23,212,076    | —23,212,076      | —23,245,276 —23,245,276   |
| Under proposed legislation ( <sup>G</sup> ).....        | .....          | .....            | —666,990 —666,990         |
| Total Trust funds.....                                  | 398,909,885    | 346,405,028      | 424,709,581 359,900,649   |
| Interfund transactions ( — ).....                       | —118,949,706   | —118,949,706     | —121,106,722 —121,106,722 |
| Budget totals.....                                      | 1,064,869,623  | 959,085,015      | 1,059,982,570 973,725,343 |

<sup>A</sup> Supplemental under existing legislation.<sup>B</sup> Supplemental. Additional authorizing legislation required.<sup>C</sup> Supplemental for wage-board pay raises.<sup>D</sup> Supplemental for civilian pay raises.<sup>E</sup> Supplemental for military pay raises.<sup>F</sup> Proposed transfer to other accounts for pay raises ( — )<sup>G</sup> Proposed transfer from other accounts for pay raises.<sup>H</sup> Rescission proposal.<sup>I</sup> Proposed for later transmittal under existing legislation.<sup>J</sup> Proposed for later transmittal under proposed legislation.<sup>K</sup> Additional authorizing legislation required.<sup>L</sup> Legislative action required.<sup>Y</sup> Off-budget under current law; proposed to be included on budget.

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**PART 9**

**SUMMARY TABLES**

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## EXPLANATION OF THE SUMMARY TABLES

*Overview.*—The tables in this part of the budget are organized as follows:

- Tables 1 through 12 are short summary tables of the budget.
- Tables 13 through 15 provide greater detail in support of financial data in the first three tables.
- Table 16 presents 5-year projections of the estimated costs of proposed legislation pursuant to 31 U.S.C. 1105(a)(12).
- Table 17 provides detailed information on direct loan and guaranteed loan activity within the Federal credit control system.
- Tables 18 through 24 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.

*Presentation of data.*—Beginning with fiscal year 1985, the budget reflects establishment of a military retirement trust fund. Charges for accruals are reflected in Department of Defense—Military and in subfunction 051 (Department of Defense—Military), and the accrual offset in subfunction 951 (employer share, employee retirement). Cash payments to retired military personnel are included in Department of Defense—Civil presentations and in subfunction 602 (Federal employee retirement and disability). Amounts for previous years are shown on a comparable basis.

The 1986 budget proposes abolishment of the off-budget status of off-budget Federal entities. It generally presents data for these accounts on-budget without separate identification. However, tables 1, 12, 20, 22, and 24 include additional entries that show currently on-budget and off-budget amounts separately. Outlays of currently off-budget Federal entities that are being proposed to be included on-budget are shown separately in a table in Part 6 of this volume.



The outlay totals for 1984 are less than Treasury outlay totals by \$15 million primarily due to adjustment in outlays of the Department of Interior payment to Papago trust and cooperative fund.

*Allowances.*—In Part 9 summary and other tables, allowances for pay raises in 1985 and 1987-1990 are shown for military personnel of the Department of Defense and in 1987-1990 for civilian employees of the Department of Defense. In addition, allowances for possible legislative initiatives now under consideration are shown for 1986-1990 for the Department. These allowances are included in the totals for the Department of Defense—Military and in subfunction 051. Allowances for pay raises for non-defense civilian employees in 1987-1990, for military pay raises for the Coast Guard in 1985-1990 and for contingencies for other requirements in 1985, are shown at the end of the tables.

In addition, an allowance equal to a 10 percent reduction from 1986 current services levels for the Legislative Branch is included (as an Executive Branch recommendation) in the totals for that branch for 1986-1990.

*Undistributed offsetting receipts.*—Offsetting receipts are generally deducted from budget authority and outlays at the subfunction and agency levels. However, in some cases, these amounts are undistributed, i.e., deducted from budget totals for the Government as a whole rather than from a single agency or subfunction to avoid distortion of agency or subfunction totals. These payments are for the employer share, employee retirement, rents and royalties on the Outer Continental Shelf (OCS), and the proposed sale of Conrail in 1986. There are also offsetting receipts that are deducted at the subfunctional level but presented as undistributed offsetting receipts in tables showing budget totals by agency. These are interest received by trust funds (subfunction 902) and interest received from OCS escrow account (subfunction 908). Accordingly, the undistributed offsetting receipt totals included in tables by agency are larger by the amount of the interest received by trust funds and the interest received from OCS escrow account.

*Description of the tables.*—Each table in this part is described below and references to related data found elsewhere in the budget documents are provided. Information on the concepts used in the tables is included in Part 7 of this volume.

- *Table 1, Budget summary*, provides a general overview of budget authority, receipts, outlays, and deficits for 1984-1988.

For budget authority, data are provided on amounts available through current action by Congress, and those amounts available without current action. Budget authority for accounts that are off-budget under current law and proposed to be included on-budget are reflected in both categories although most are available without current action by Congress. The

amounts available through current action by Congress are further distributed by amounts enacted and pending, proposed in this budget, and to be requested separately. The first table in Part 6 of this volume provides a further distribution of the amounts proposed in this budget into appropriations, supplemental requests, and rescission proposals.

A summary of the Federal credit budget and information on the Federal debt are also provided. Detailed data related to these totals are contained in the following Part 9 tables and throughout the budget.

- *Table 2, Budget receipts by source and budget outlays by agency, 1984-1990*, displays data on the composition of budget receipts by source, the distribution of outlays by the Legislative and Judicial Branches and major agency in the Executive Branch, and the deficit for these years.
- *Table 3, Budget outlays by function, 1984-1990*, distributes budget outlays by function. Supporting detail by function and agency for 1984-1986 is found in table 15 and historical data by subfunction from 1976 in table 20 of this part. Part 5 of this volume provides detail at the program level for 1984-1988.
- *Table 4, Differences between current services and the budget: outlays by function, 1985-1990*, provides a bridge between current services estimates of outlays, and estimated budget outlays. Differences are shown as changes in outlays by function. For further information on current services, see Special Analysis A, "Current Services Estimates" in the Special Analyses volume.
- *Table 5, Budget authority by agency, 1984-1990*, presents the distribution of budget authority by Legislative and Judicial Branches and major agency in the Executive Branch. For account level detail, see Part 8 of this volume.
- *Table 6, Budget authority by function, 1984-1990*, distributes budget authority by function. For detail at the program level, see Part 5 of this volume. For the subfunctional classification of budget authority in each account, see Part 8 of this volume.
- *Table 7, Differences between current services and the budget: budget authority by function, 1985-1990*, provides a bridge between current services estimates of budget authority and budget authority proposed in this budget by function. For further information, see Special Analysis A, "Current Services Estimates" of the Sepcial Analyses volume.
- *Table 8, Budget authority and outlays available through current action by Congress*, presents budget authority, including supplemental requests, for 1984-1986, that requires Congressional action during or immediately preceding the fiscal year

in which it becomes available. Outlays resulting from current action are also displayed. An addendum ties budget authority and outlays available through current action to budget totals. In most cases, amounts for accounts that are off-budget under current law become available as the result of previously enacted legislation (substantive legislation or prior appropriation acts) and do not require further action by Congress. Therefore, they are included in the portion available without current action by the Congress. The remaining off-budget amounts that are proposed to be included on-budget are included in the portion available through current action by Congress.

See table 1 for a distribution of budget authority available through current action into categories that reflect amounts that are enacted and pending, proposed in this budget, or to be requested separately. See table 9 for a distribution of the total amount enacted and pending, and proposed in this budget into categories that reflect amounts that are appropriations, contract authority, authority to borrow, and reappropriations and reauthorizations under the heading "Enacted, pending, or recommended herein."

- *Table 9, Relation of budget authority to outlays*, provides a bridge from budget authority to net obligations incurred to outlays for 1984-1986. References to other Part 9 tables that provide detail on data shown in this table are included. A chart on the relation of budget authority to outlays is shown in Part 6 of this volume.
- *Table 10, Balances of budget authority*, presents data on obligated and unobligated balances of budget authority for 1984-1986. Detailed information is available in a separate OMB report, "Balances of Budget Authority", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.
- *Table 11, Full-time equivalent of Federal civilian employment*, provides full-time equivalent employment estimates for the major departments and agencies of the Executive Branch for 1983-1987. For additional information, see Special Analysis I, "Civilian Employment in the Executive Branch" in the Special Analyses volume.
- *Table 12, Budget financing and the debt*, shows the means of financing the Federal deficit, the gross debt held by Government agencies and the public, and the amount of debt subject to statutory limitation. Further data related to the totals are contained in Special Analysis E, "Borrowing and Debt" and in Part 6 of this volume.

- *Table 13, Budget receipts by source*, provides detailed data for 1984-1986 on the sources of receipts that are classified as budget receipts (also called governmental receipts). These receipts are offset against outlays to calculate the Federal deficit. Additional information on budget receipts is included in table 19 for 1976-1986 and in Part 4 of this volume.
- *Table 14, Offsetting receipts by type*, presents, by type, receipts for 1984-1986 that are deducted before arriving at total budget outlays. Offsetting receipts data are also included in Part 8 of this volume.
- *Table 15, Budget outlays by function and agency*, presents detailed data on budget outlays displayed first by function and subfunction, and then by agency for 1984-1986. For account level detail by agency and subfunction, see Part 8 of this volume.
- *Table 16, Legislative proposals for major new and expanded programs, projection of costs*, provides a description of major legislative proposals and a projection of costs for 1985-1990.
- *Table 17, Credit budget: new direct loan obligations and guaranteed loan commitments by agency*, displays new obligations for direct loans and new commitments for guaranteed loans by agency for 1984-1986. Direct loans that are guaranteed by Federal agencies and disbursed by the Federal Financing Bank are attributed to the guaranteeing agencies and identified as FFB direct loans. Additional information can be found in Part 5 of this volume and Special Analysis F, "Federal Credit Programs" of the Special Analyses volume.
- *Table 18, Controllability of budget outlays, 1976-1986*, displays data classified as relatively uncontrollable and relatively controllable outlays.
- *Table 19, Budget receipts by source, 1976-1986*, includes historical data on budget receipts by source.
- *Table 20, Budget outlays by function and subfunction, 1976-1986*, includes historical data on outlays by function and subfunction. Data reflect establishment of a military retirement trust fund in 1985. Amounts for previous years are shown on a comparable basis. For 1976-1984, amounts have been adjusted to reflect imputed charges for accruals in subfunction 051 and the accrual offset in subfunction 951. Cash payments to retired military personnel for 1976-1986 are included in subfunction 602.
- *Table 21, Federal transactions in the national income accounts, 1975-1986*, includes historical data on a national income basis for receipts and expenditures. For a detailed analysis, see Special Analysis B, "Federal Transactions in the National Income Accounts" of the Special Analyses volume.

- *Table 22, Federal finances and the gross national product, 1967-1988*, displays receipts, outlays, deficits and Federal debt and shows these amounts as a percentage of the gross national product.
- *Table 23, Composition of budget outlays in current and constant (fiscal year 1972) prices, 1966-1988*, includes historical data on the composition of outlays for the defense and nondefense portions of the budget in current and constant dollars.
- *Table 24, Budget receipts and outlays, 1789-1990*, includes historical data and out-year estimates of total budget receipts, outlays, and surplus or deficit. As discussed previously, it includes additional entries that show currently on-budget and off-budget amounts separately.

Table 1. BUDGET SUMMARY

(In millions of dollars)

| Description  | 1984 actual     | 1985 estimate    | 1986 estimate    | 1987 estimate    | 1988 estimate    |           |
|--|-----------------|------------------|------------------|------------------|------------------|-----------|
| THE BUDGET   |                 |                  |                  |                  |                  |           |
| <b>Budget authority (largely appropriations):</b>        |                 |                  |                  |                  |                  |           |
| Available through current action by Congress:            |                 |                  |                  |                  |                  |           |
| Enacted and pending <sup>1</sup> .....                   | 544,936         | 548,371          |                  |                  |                  |           |
| Proposed in this budget.....                             |                 | 6,628            | 554,213          | 609,350          | 670,509          |           |
| To be requested separately.....                          |                 | 1,791            | -9,635           | -3,421           | -3,751           |           |
| Available without current action by Congress.....        | 572,820         | 691,288          | 708,017          | 734,226          | 791,505          |           |
| Deductions for offsetting receipts <sup>2</sup> .....    | -168,005        | -183,207         | -192,612         | -197,144         | -205,271         |           |
| <b>Total budget authority.....</b>                       | <b>949,751</b>  | <b>1,064,870</b> | <b>1,059,983</b> | <b>1,143,011</b> | <b>1,252,992</b> |           |
| (On-budget under current law).....                       | (927,397)       | (1,042,666)      | (1,052,351)      | (1,138,931)      | (1,249,364)      |           |
| (Off-budget under current law) <sup>3</sup> .....        | (22,354)        | (22,204)         | (7,632)          | (4,080)          | (3,628)          |           |
| <b>Budget receipts, outlays, and surplus or deficit:</b> |                 |                  |                  |                  |                  |           |
| Receipts:  |                 |                  |                  |                  |                  |           |
| <b>Budget receipts.....</b>                              | <b>666,457</b>  | <b>736,859</b>   | <b>793,729</b>   | <b>861,676</b>   | <b>950,376</b>   |           |
| Outlays:   |                 |                  |                  |                  |                  |           |
| <b>Budget outlays.....</b>                               | <b>851,781</b>  | <b>959,085</b>   | <b>973,725</b>   | <b>1,026,625</b> | <b>1,094,761</b> |           |
| (On-budget under current law).....                       | (841,815)       | (946,626)        | (972,224)        | (1,029,865)      | (1,099,095)      |           |
| (Off-budget under current law) <sup>3</sup> .....        | (9,966)         | (12,459)         | (1,501)          | (-3,240)         | (-4,334)         |           |
| Surplus or deficit (-):                                  |                 |                  |                  |                  |                  |           |
| <b>Budget deficit (-).....</b>                           | <b>-185,324</b> | <b>-222,226</b>  | <b>-179,996</b>  | <b>-164,949</b>  | <b>-144,385</b>  |           |
| (On-budget under current law).....                       | (-175,358)      | (-209,767)       | (-178,495)       | (-168,189)       | (-148,719)       |           |
| (Off-budget under current law) <sup>3</sup> .....        | (-9,966)        | (-12,459)        | (-1,501)         | (3,240)          | (4,334)          |           |
| THE CREDIT BUDGET  |                 |                  |                  |                  |                  |           |
| <b>New obligations and commitments:</b>                  |                 |                  |                  |                  |                  |           |
| New direct loan obligations.....                         | 39,093          | 51,904           | 24,240           | 22,745           | 19,856           |           |
| New guaranteed loan commitments <sup>4</sup> .....       | 70,798          | 74,018           | 77,208           | 78,538           | 80,908           |           |
| <b>Total.....</b>  | <b>109,892</b>  | <b>125,923</b>   | <b>101,448</b>   | <b>101,283</b>   | <b>100,763</b>   |           |
| <b>Change in outstandings:</b>                           |                 |                  |                  |                  |                  |           |
| <b>Direct loans.....</b>                                 | <b>6,323</b>    | <b>15,234</b>    | <b>-276</b>      | <b>-3,730</b>    | <b>-5,470</b>    |           |
| (On-budget under current law).....                       | (-1,334)        | (4,344)          | (-584)           | (-692)           | (-1,616)         |           |
| (Off-budget under current law) <sup>3</sup> .....        | (7,658)         | (10,890)         | (308)            | (-3,038)         | (-3,854)         |           |
| Guaranteed loans <sup>4</sup> .....                      | 20,110          | 20,224           | 31,902           | 32,583           | 32,114           |           |
| <b>Total.....</b>  | <b>26,433</b>   | <b>35,458</b>    | <b>31,626</b>    | <b>28,853</b>    | <b>26,643</b>    |           |
| FEDERAL DEBT   |                 |                  |                  |                  |                  |           |
|  | 1983 actual     |                  |                  |                  |                  |           |
| <b>Debt outstanding, end of year:</b>                    |                 |                  |                  |                  |                  |           |
| Gross Federal debt.....                                  | 1,381,886       | 1,576,748        | 1,841,077        | 2,074,231        | 2,308,278        | 2,546,388 |
| Held by:   |                 |                  |                  |                  |                  |           |
| Government agencies.....                                 | 240,114         | 264,159          | 327,110          | 387,642          | 457,468          | 552,006   |
| The public.....  | 1,141,771       | 1,312,589        | 1,513,967        | 1,686,589        | 1,850,810        | 1,994,382 |

Table 1. BUDGET SUMMARY—Continued

## FEDERAL DEBT—Continued

(In millions of dollars)

| Description                                   | 1983 actual | 1984 actual | 1985 estimate | 1986 estimate | 1987 estimate | 1988 estimate |
|---|-------------|-------------|---------------|---------------|---------------|---------------|
| Federal Reserve System.....                   | 155,527     | 155,122     |               |               |               |               |
| Others .....                                  | 986,244     | 1,157,467   |               |               |               |               |
| <b>MEMORANDUM <sup>5</sup></b>                |             |             |               |               |               |               |
| Debt subject to statutory limitation ....     | 1,377,953   | 1,572,975   | 1,837,414     | 2,070,714     | 2,305,006     | 2,543,946     |
| Debt not subject to statutory limitation .... | 3,933       | 3,973       | 3,663         | 3,517         | 3,272         | 2,442         |

<sup>1</sup> Includes an imputed charge (\$16,503 million) for accruals for military retirement contributions in 1984 to adjust data for comparability with the military retirement presentation beginning in 1985. Offsetting receipts equal to the imputed charge for accruals are included as deductions for offsetting receipts in 1984.

<sup>2</sup> These consist of intragovernmental transactions and proprietary receipts from the public.

<sup>3</sup> Proposed to be included on-budget.

<sup>4</sup> To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed or guarantees (or commitments) by one Government account of direct loans made by another Government account.

<sup>5</sup> For additional information on the Federal debt subject to statutory limitation, see table 12 of this part, Part 6 of this volume, and Special Analysis E, "Borrowing and Debt".

Table 2. BUDGET RECEIPTS BY SOURCE AND BUDGET OUTLAYS BY AGENCY, 1984-90

(In billions of dollars)

|   | 1984<br>actual | Estimate      |               |                |                |                |                |
|---|----------------|---------------|---------------|----------------|----------------|----------------|----------------|
|   |                | 1985          | 1986          | 1987           | 1988           | 1989           | 1990           |
| <b>Budget receipts by source:</b>                   |                |               |               |                |                |                |                |
| Individual income taxes .....                       | 296.2          | 329.7         | 358.9         | 392.5          | 433.6          | 475.5          | 512.6          |
| Corporation income taxes .....                      | 56.9           | 66.4          | 74.1          | 87.5           | 99.0           | 106.7          | 112.5          |
| Social insurance taxes and contributions .....      | 241.7          | 268.4         | 289.4         | 309.5          | 346.5          | 376.5          | 409.1          |
| Excise taxes .....                                  | 37.4           | 37.0          | 35.0          | 35.0           | 33.6           | 33.1           | 33.5           |
| Estate and gift taxes .....                         | 6.0            | 5.6           | 5.3           | 5.0            | 4.7            | 4.7            | 5.1            |
| Customs duties .....                                | 11.4           | 11.8          | 12.3          | 12.8           | 13.4           | 14.0           | 14.7           |
| Miscellaneous receipts .....                        | 17.0           | 18.0          | 18.6          | 19.5           | 19.6           | 19.5           | 20.1           |
| <b>Total budget receipts .....</b>                  | <b>666.5</b>   | <b>736.9</b>  | <b>793.7</b>  | <b>861.7</b>   | <b>950.4</b>   | <b>1,029.9</b> | <b>1,107.7</b> |
| <b>Budget outlays by agency:</b>                    |                |               |               |                |                |                |                |
| Legislative branch <sup>1</sup> .....               | 1.6            | 1.8           | 1.8           | 1.7            | 1.7            | 1.7            | 1.8            |
| The Judiciary .....                                 | .9             | 1.0           | 1.1           | 1.2            | 1.2            | 1.3            | 1.3            |
| Executive Office of the President .....             | .1             | .1            | .1            | .1             | .1             | .1             | .1             |
| Funds appropriated to the President .....           | 8.5            | 11.1          | 12.1          | 12.4           | 12.0           | 11.6           | 10.8           |
| Agriculture .....                                   | 37.5           | 45.1          | 38.5          | 37.0           | 36.3           | 32.8           | 32.8           |
| Commerce <sup>2</sup> .....                         | 1.9            | 2.1           | 2.0           | 1.9            | 1.9            | 1.9            | 2.4            |
| Defense—Military <sup>3</sup> .....                 | 220.8          | 246.3         | 277.5         | 312.3          | 348.6          | 382.3          | 418.3          |
| Defense—Civil .....                                 | 19.5           | 19.0          | 20.3          | 21.1           | 22.5           | 23.7           | 24.9           |
| Education .....                                     | 15.5           | 17.4          | 16.9          | 16.0           | 15.7           | 15.8           | 16.1           |
| Energy .....  | 10.6           | 11.0          | 9.3           | 10.2           | 11.0           | 11.5           | 12.0           |
| Health and Human Services .....                     | 292.3          | 318.5         | 330.3         | 350.2          | 374.6          | 398.6          | 423.7          |
| Housing and Urban Development .....                 | 16.5           | 28.9          | 15.4          | 14.3           | 13.8           | 13.6           | 14.1           |
| Interior .....                                      | 4.9            | 5.0           | 4.4           | 4.2            | 4.2            | 4.2            | 4.2            |
| Justice .....                                       | 3.2            | 3.9           | 4.0           | 4.0            | 3.9            | 4.0            | 4.0            |
| Labor .....   | 24.5           | 23.5          | 22.8          | 22.6           | 22.8           | 23.1           | 23.4           |
| State .....   | 2.4            | 2.7           | 3.3           | 3.3            | 3.4            | 3.3            | 3.4            |
| Transportation .....                                | 23.9           | 26.2          | 25.1          | 23.9           | 23.4           | 23.6           | 23.6           |
| Treasury <sup>2</sup> .....                         | 148.3          | 176.7         | 181.0         | 190.6          | 200.5          | 193.6          | 187.8          |
| Environmental Protection Agency .....               | 4.1            | 4.4           | 4.6           | 4.6            | 4.6            | 4.4            | 4.0            |
| General Services Administration .....               | .2             | .4            | .1            | .2             | *              | .2             | .3             |
| National Aeronautics and Space Administration ..... | 7.0            | 7.3           | 7.8           | 7.8            | 7.9            | 8.6            | 9.3            |
| Office of Personnel Management .....                | 22.6           | 23.6          | 24.8          | 26.0           | 27.3           | 28.5           | 29.8           |
| Small Business Administration <sup>2</sup> .....    | .3             | .7            | .1            |                |                |                |                |
| Veterans Administration .....                       | 25.6           | 26.8          | 26.7          | 26.8           | 27.4           | 27.7           | 28.1           |
| Other agencies <sup>4</sup> .....                   | 11.3           | 12.3          | 10.8          | 8.0            | 6.3            | 5.0            | 4.0            |
| Allowances <sup>5</sup> .....                       |                | 1.1           | .4            | .7             | 1.8            | 2.9            | 4.0            |
| Undistributed offsetting receipts .....             | —52.3          | —57.9         | —67.6         | —74.5          | —78.3          | —86.5          | —94.0          |
| <b>Total budget outlays .....</b>                   | <b>851.8</b>   | <b>959.1</b>  | <b>973.7</b>  | <b>1,026.6</b> | <b>1,094.8</b> | <b>1,137.4</b> | <b>1,190.0</b> |
| <b>Budget surplus or deficit(—) .....</b>           | <b>—185.3</b>  | <b>—222.2</b> | <b>—180.0</b> | <b>—164.9</b>  | <b>—144.4</b>  | <b>—107.5</b>  | <b>—82.4</b>   |

\* \$50 million or less.

<sup>1</sup> Includes allowance for 10 percent reduction beginning in 1986 (Executive recommendation).<sup>2</sup> Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.<sup>3</sup> Includes allowances for civilian and military pay raises for Department of Defense.<sup>4</sup> For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.<sup>5</sup> Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Note.—Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.



Table 3. BUDGET OUTLAYS BY FUNCTION, 1984-90

(In billions of dollars)

|   | 1984 actual  | Estimate     |              |                |                |                |                |
|---|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
|   |              | 1985         | 1986         | 1987           | 1988           | 1989           | 1990           |
| 050 National defense.....                                     | 227.4        | 253.8        | 285.7        | 321.2          | 358.4          | 392.3          | 428.6          |
| Department of Defense—  |              |              |              |                |                |                |                |
| Military <sup>1</sup> .....                                   | (220.8)      | (246.3)      | (277.5)      | (312.3)        | (348.6)        | (382.3)        | (418.3)        |
| Other national defense.....                                   | (6.6)        | (7.5)        | (8.2)        | (8.9)          | (9.8)          | (10.0)         | (10.3)         |
| 150 International affairs.....                                | 15.9         | 19.6         | 18.3         | 16.9           | 15.8           | 14.8           | 14.5           |
| 250 General science, space and technology.....                | 8.3          | 8.7          | 9.3          | 9.4            | 9.6            | 10.3           | 11.1           |
| 270 Energy.....   | 7.1          | 8.2          | 4.7          | 4.1            | 3.1            | 2.7            | 2.3            |
| 300 Natural resources and environment.....                    | 12.6         | 13.0         | 11.9         | 10.9           | 10.8           | 10.6           | 10.0           |
| 350 Agriculture.....  | 13.6         | 20.0         | 12.6         | 9.0            | 8.3            | 4.6            | 3.8            |
| 370 Commerce and housing credit.....                          | 6.9          | 6.0          | 2.2          | -1.2           | -1.8           | -3.3           | -3.7           |
| 400 Transportation.....                                       | 23.7         | 27.0         | 25.9         | 24.6           | 24.2           | 24.4           | 24.4           |
| 450 Community and regional development.....                   | 7.7          | 8.6          | 7.3          | 6.2            | 5.7            | 5.4            | 5.5            |
| 500 Education, training, employment, and social services..... | 27.6         | 30.4         | 29.3         | 27.8           | 27.6           | 27.8           | 28.2           |
| 550 Health.....   | 30.4         | 33.9         | 34.9         | 35.7           | 37.3           | 39.0           | 40.8           |
| 570 Social security and medicare.....                         | 235.8        | 257.4        | 269.4        | 288.1          | 309.4          | 331.8          | 355.4          |
| Social security.....  | (178.2)      | (191.1)      | (202.2)      | (215.9)        | (230.1)        | (244.7)        | (259.9)        |
| Medicare.....   | (57.5)       | (66.3)       | (67.2)       | (72.2)         | (79.2)         | (87.1)         | (95.5)         |
| 600 Income security.....                                      | 112.7        | 127.2        | 115.8        | 118.9          | 123.4          | 127.2          | 130.6          |
| 700 Veterans benefits and services.....                       | 25.6         | 26.9         | 26.8         | 26.9           | 27.7           | 27.9           | 28.2           |
| 750 Administration of justice.....                            | 5.7          | 6.7          | 6.6          | 6.6            | 6.7            | 6.8            | 6.9            |
| 800 General government.....                                   | 5.1          | 5.8          | 4.8          | 4.9            | 5.0            | 5.0            | 4.9            |
| 850 General purpose fiscal assistance.....                    | 6.8          | 6.6          | 2.8          | 1.7            | 1.7            | 1.8            | 1.9            |
| 900 Net interest.....   | 111.1        | 130.4        | 142.5        | 152.9          | 159.2          | 147.6          | 137.7          |
| 920 Allowances.....   |              | 1.1          | .4           | .7             | 1.8            | 2.9            | 4.0            |
| Civilian agency pay raises <sup>2</sup> .....                 |              | (*)          | (*)          | (.7)           | (1.8)          | (2.9)          | (4.0)          |
| Contingencies for other requirements.....                     |              | (1.1)        | (.4)         |                |                |                |                |
| 950 Undistributed offsetting receipts.....                    | -32.0        | -32.3        | -37.5        | -38.7          | -39.0          | -42.1          | -45.0          |
| Employer-share, employee retirement.....                      | (-25.3)      | (-27.0)      | (-29.0)      | (-31.4)        | (-34.2)        | (-36.8)        | (-39.5)        |
| Rents and royalties on the Outer Continental Shelf.....       | (-6.7)       | (-5.3)       | (-7.3)       | (-7.3)         | (-4.8)         | (-5.4)         | (-5.6)         |
| Sale of Conrail.....  |              |              | (-1.2)       |                |                |                |                |
| <b>Total budget outlays...</b>                                | <b>851.8</b> | <b>959.1</b> | <b>973.7</b> | <b>1,026.6</b> | <b>1,094.8</b> | <b>1,137.4</b> | <b>1,190.0</b> |

<sup>\*</sup>50 million or less.<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense—Military.<sup>2</sup> Includes allowances for military pay raises for the Coast Guard.

Note. Beginning in 1985, the budget reflects the establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 4. DIFFERENCES BETWEEN CURRENT SERVICES AND THE BUDGET:  
OUTLAYS BY FUNCTION, 1985-1990

(In billions of dollars)

|   | Estimate     |                |                |                |                |                |
|---|--------------|----------------|----------------|----------------|----------------|----------------|
|   | 1985         | 1986           | 1987           | 1988           | 1989           | 1990           |
| <b>Current services estimates</b> .....                                       | <b>960.4</b> | <b>1,024.5</b> | <b>1,109.3</b> | <b>1,200.1</b> | <b>1,262.8</b> | <b>1,332.8</b> |
| Differences:  |              |                |                |                |                |                |
| National defense <sup>1</sup> .....   | .6           | -8.9           | -9.2           | -10.1          | -11.5          | -13.1          |
| International affairs .....   | .3           | -.7            | -2.1           | -3.4           | -4.4           | -5.0           |
| General science, space and technology .....                                   | —*           | *              | -.3            | -.6            | -.3            | .1             |
| Energy .....  | -.5          | -3.2           | -3.8           | -4.3           | -4.5           | -3.8           |
| Natural resources and environment .....                                       | —*           | -1.3           | -2.0           | -2.1           | -2.3           | -2.8           |
| Agriculture .....   | —*           | -5.5           | -10.2          | -12.3          | -16.3          | -16.3          |
| Commerce and housing credit .....   | —*           | -3.1           | -6.1           | -6.8           | -7.3           | -7.5           |
| Transportation .....  | —*           | -2.1           | -4.4           | -6.0           | -6.8           | -7.8           |
| Community and regional development .....                                      | -.1          | -.9            | -2.0           | -2.6           | -2.8           | -2.7           |
| Education, training, employment and social services .....                     | -.2          | -2.0           | -4.5           | -5.3           | -5.7           | -6.1           |
| Health .....  | —*           | -1.7           | -3.5           | -4.9           | -6.5           | -8.1           |
| Social security and medicare:   |              |                |                |                |                |                |
| Social security .....   | —*           | -.1            | -.2            | -.2            | -.3            | -.4            |
| Medicare .....  | —*           | -4.1           | -6.3           | -8.3           | -10.7          | -13.5          |
| Total social security and medicare .....                                      | —*           | -4.2           | -6.5           | -8.5           | -11.0          | -13.8          |
| Income security:  |              |                |                |                |                |                |
| General retirement and disability insurance (excluding social security) ..... | -.1          | -.3            | -.4            | -.5            | -.6            | -.7            |
| Federal employee retirement .....   | .1           | -1.3           | -2.2           | -2.8           | -3.5           | -4.2           |
| Unemployment compensation .....   | —*           | —*             | —*             | *              | *              | *              |
| Housing assistance .....  | -.9          | -1.7           | -2.5           | -3.0           | -2.8           | -2.7           |
| Food and nutrition assistance .....   | —*           | -.7            | -1.0           | -1.1           | -1.2           | -1.3           |
| Other income security .....   | —*           | -1.2           | -1.2           | -1.3           | -1.4           | -1.4           |
| Total income security .....   | -1.0         | -5.0           | -7.2           | -8.7           | -9.4           | -10.2          |
| Veterans benefits and services .....  | —*           | -1.1           | -1.9           | -2.4           | -2.9           | -3.5           |
| Administration of justice .....   | —*           | -.3            | -.3            | -.5            | -.4            | -.5            |
| General government .....  | —*           | -.9            | -.8            | -1.0           | -.9            | -1.2           |
| General purpose fiscal assistance .....                                       | *            | -3.8           | -5.0           | -5.1           | -5.1           | -5.2           |
| Net interest .....  | -.1          | -3.3           | -9.3           | -15.5          | -20.0          | -26.5          |
| Allowances <sup>2</sup> .....   | *            | -1.3           | -2.5           | -3.7           | -4.8           | -5.9           |
| Undistributed offsetting receipts .....                                       | -.1          | -1.5           | -1.0           | -1.6           | -2.4           | -2.9           |
| <b>Total differences</b> .....  | <b>-1.4</b>  | <b>-50.8</b>   | <b>-82.7</b>   | <b>-105.3</b>  | <b>-125.4</b>  | <b>-142.7</b>  |
| <b>Total budget outlays</b> .....   | <b>959.1</b> | <b>973.7</b>   | <b>1,026.6</b> | <b>1,094.8</b> | <b>1,137.4</b> | <b>1,190.0</b> |

\*50 million or less.

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense-Military.

<sup>2</sup> Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Table 5. BUDGET AUTHORITY BY AGENCY, 1984-90

(In billions of dollars)

| Department or other unit  | 1984<br>actual | Estimate       |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   |                | 1985           | 1986           | 1987           | 1988           | 1989           | 1990           |
| Legislative branch <sup>1</sup> .....                                 | 1.8            | 1.8            | 1.7            | 1.7            | 1.8            | 1.7            | 1.8            |
| The Judiciary.....  | .9             | 1.1            | 1.2            | 1.2            | 1.3            | 1.3            | 1.4            |
| Executive Office of the President.....                                | .1             | .1             | .1             | .1             | .1             | .1             | .1             |
| Funds appropriated to the President.....                              | 15.6           | 14.2           | 13.4           | 13.2           | 12.3           | 12.0           | 11.1           |
| Agriculture.....  | 31.2           | 42.7           | 36.9           | 36.5           | 36.6           | 33.5           | 33.9           |
| Commerce <sup>2</sup> .....   | 2.0            | 1.9            | 1.8            | 1.8            | 1.9            | 1.8            | 2.6            |
| Defense—Military <sup>3</sup> .....                                   | 258.2          | 284.7          | 313.7          | 354.0          | 401.6          | 438.8          | 477.7          |
| Defense—Civil.....  | 19.2           | 30.0           | 32.6           | 35.9           | 39.2           | 42.2           | 44.9           |
| Education.....  | 15.4           | 18.4           | 15.5           | 16.1           | 16.1           | 16.2           | 16.5           |
| Energy.....   | 10.5           | 11.4           | 9.7            | 11.4           | 12.0           | 12.3           | 12.8           |
| Health and Human Services.....  | 299.4          | 331.2          | 348.9          | 377.4          | 423.5          | 461.5          | 501.8          |
| Housing and Urban Development.....                                    | 17.9           | 31.0           | 7.0            | 8.1            | 11.6           | 11.8           | 12.1           |
| Interior.....   | 4.9            | 4.8            | 3.8            | 4.0            | 4.1            | 4.2            | 4.2            |
| Justice.....  | 3.5            | 3.8            | 3.9            | 4.1            | 4.0            | 4.1            | 4.2            |
| Labor.....  | 34.8           | 27.3           | 27.3           | 28.2           | 28.0           | 27.4           | 28.1           |
| State.....  | 3.0            | 3.5            | 3.7            | 3.5            | 3.6            | 3.7            | 3.8            |
| Transportation.....   | 28.6           | 28.5           | 24.7           | 24.5           | 24.1           | 24.1           | 24.0           |
| Treasury <sup>2</sup> .....   | 161.9          | 185.1          | 184.3          | 196.8          | 206.5          | 200.2          | 194.5          |
| Environmental Protection Agency.....                                  | 4.1            | 4.3            | 4.6            | 4.3            | 3.7            | 3.1            | 2.5            |
| General Services Administration.....                                  | .3             | .2             | .2             | .3             | .3             | .3             | .3             |
| National Aeronautics and Space Administra-<br>tion.....               | 7.3            | 7.5            | 7.9            | 7.9            | 8.2            | 9.1            | 9.5            |
| Office of Personnel Management.....                                   | 37.7           | 40.7           | 42.7           | 45.1           | 47.7           | 50.0           | 52.1           |
| Small Business Administration <sup>2</sup> .....                      | .6             | .7             | .1             |                |                |                |                |
| Veterans Administration.....  | 26.5           | 27.2           | 27.1           | 27.5           | 28.1           | 28.5           | 28.9           |
| Other agencies <sup>4</sup> .....                                     | 16.7           | 19.1           | 14.8           | 13.2           | 13.3           | 13.0           | 12.8           |
| Allowances <sup>5</sup> .....   |                | 1.5            | *              | .8             | 1.8            | 2.9            | 4.0            |
| Undistributed offsetting receipts:                                    |                |                |                |                |                |                |                |
| Interest received by trust funds.....                                 | -20.4          | -25.6          | -29.1          | -34.2          | -39.3          | -44.4          | -49.0          |
| Interest received from Outer Continental<br>Shelf escrow account..... | —*             |                | -1.0           | -1.6           |                |                |                |
| Employer share, employee retirement.....                              | -25.3          | -27.0          | -29.0          | -31.4          | -34.2          | -36.8          | -39.5          |
| Rents and royalties on the Outer Conti-<br>nental Shelf.....          | -6.7           | -5.3           | -7.3           | -7.3           | -4.8           | -5.4           | -5.6           |
| Sale of Conrail.....  |                |                | -1.2           |                |                |                |                |
| Total undistributed offsetting receipts...                            | -52.3          | -57.9          | -67.6          | -74.5          | -78.3          | -86.5          | -94.0          |
| <b>Total budget authority.....</b>                                    | <b>949.8</b>   | <b>1,064.9</b> | <b>1,060.0</b> | <b>1,143.0</b> | <b>1,253.0</b> | <b>1,317.5</b> | <b>1,391.8</b> |

\* \$50 million or less.

<sup>1</sup> Includes allowance for ten percent reduction beginning in 1986 (Executive recommendation).<sup>2</sup> Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.<sup>3</sup> Includes allowances for civilian and military pay raises for Department of Defense.<sup>4</sup> For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.<sup>5</sup> Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Note.—Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 6. BUDGET AUTHORITY BY FUNCTION, 1984-90

(In billions of dollars)

|  | 1984 actual  | Estimates      |                |                |                |                |                |
|--|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  |              | 1985           | 1986           | 1987           | 1988           | 1989           | 1990           |
| 050 National defense.....                                      | 265.2        | 292.6          | 322.2          | 363.3          | 411.5          | 448.9          | 488.1          |
| Department of Defense—   |              |                |                |                |                |                |                |
| Military <sup>1</sup> .....                                    | (258.2)      | (284.7)        | (313.7)        | (354.0)        | (401.6)        | (438.8)        | (477.7)        |
| Other national defense.....                                    | (7.0)        | (7.8)          | (8.5)          | (9.3)          | (9.9)          | (10.1)         | (10.4)         |
| 150 International affairs.....                                 | 24.6         | 26.7           | 20.6           | 20.0           | 19.1           | 19.0           | 18.5           |
| 250 General science, space, and technology .....               | 8.8          | 9.1            | 9.5            | 9.7            | 10.0           | 11.0           | 11.5           |
| 270 Energy.....  | 7.9          | 8.3            | 5.1            | 5.1            | 4.7            | 4.4            | 4.4            |
| 300 Natural resources and environment .....                    | 12.3         | 12.2           | 10.9           | 10.2           | 9.8            | 9.3            | 8.5            |
| 350 Agriculture.....   | 11.8         | 22.6           | 13.0           | 12.3           | 11.6           | 8.0            | 7.3            |
| 370 Commerce and housing credit .....                          | 13.3         | 12.4           | 7.8            | 4.8            | 6.0            | 5.6            | 6.0            |
| 400 Transportation.....  | 29.3         | 29.2           | 25.5           | 25.3           | 24.9           | 24.9           | 24.8           |
| 450 Community and regional development .....                   | 8.9          | 8.0            | 5.1            | 5.2            | 5.6            | 5.7            | 6.3            |
| 500 Education, training, employment, and social services ..... | 31.6         | 31.4           | 26.9           | 27.8           | 28.0           | 28.3           | 28.7           |
| 550 Health.....  | 31.6         | 33.6           | 34.7           | 36.2           | 37.9           | 39.7           | 41.5           |
| 570 Social security and medicare.....                          | 241.7        | 270.9          | 288.7          | 314.9          | 357.8          | 394.3          | 433.1          |
| Social security .....  | (178.5)      | (199.4)        | (207.0)        | (223.8)        | (264.3)        | (292.9)        | (323.6)        |
| Medicare.....  | (63.2)       | (71.5)         | (81.7)         | (91.1)         | (93.5)         | (101.3)        | (109.5)        |
| 600 Income security.....                                       | 138.8        | 162.0          | 144.1          | 152.1          | 162.1          | 167.4          | 173.2          |
| 700 Veterans benefits and services.....                        | 26.5         | 27.3           | 27.4           | 27.8           | 28.4           | 28.6           | 29.0           |
| 750 Administration of justice .....                            | 6.0          | 6.7            | 6.5            | 6.8            | 6.8            | 6.9            | 7.1            |
| 800 General government .....                                   | 5.5          | 5.7            | 5.0            | 5.1            | 5.2            | 5.3            | 5.1            |
| 850 General purpose fiscal assistance .....                    | 6.8          | 6.5            | 1.6            | 1.7            | 1.7            | 1.8            | 1.9            |
| 900 Net interest.....  | 111.1        | 130.4          | 142.5          | 152.9          | 159.2          | 147.6          | 137.7          |
| 920 Allowances .....   |              | 1.5            | *              | .8             | 1.8            | 2.9            | 4.0            |
| Civilian agency pay raises <sup>2</sup> .....                  |              | (*)            | (*)            | (.8)           | (1.8)          | (2.9)          | (4.0)          |
| Contingencies for other requirements .....                     |              | (1.5)          |                |                |                |                |                |
| 950 Undistributed offsetting receipts.....                     | -32.0        | -32.3          | -37.5          | -38.7          | -39.0          | -42.1          | -45.0          |
| Employer share, employee retirement .....                      | (-25.3)      | (-27.0)        | (-29.0)        | (-31.4)        | (-34.2)        | (-36.8)        | (-39.5)        |
| Rents and royalties on the Outer Continental Shelf .....       | (-6.7)       | (-5.3)         | (-7.3)         | (-7.3)         | (-4.8)         | (-5.4)         | (-5.6)         |
| Sale of Conrail .....  |              |                | (-1.2)         |                |                |                |                |
| <b>Total budget authority.....</b>                             | <b>949.8</b> | <b>1,064.9</b> | <b>1,060.0</b> | <b>1,143.0</b> | <b>1,253.0</b> | <b>1,317.5</b> | <b>1,391.8</b> |

\* \$50 million or less.

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense—Military.<sup>2</sup> Includes allowances for military pay raises for the Coast Guard.

Note: Beginning in 1985, the budget reflects the establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 7. DIFFERENCES BETWEEN CURRENT SERVICES AND THE BUDGET:  
BUDGET AUTHORITY BY FUNCTION, 1985-1990

(In billions of dollars)

|   | Estimate       |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 1985           | 1986           | 1987           | 1988           | 1989           | 1990           |
| <b>Current services estimates .....</b>                                       | <b>1,065.8</b> | <b>1,130.2</b> | <b>1,227.6</b> | <b>1,353.1</b> | <b>1,435.7</b> | <b>1,524.1</b> |
| Differences:  |                |                |                |                |                |                |
| National defense <sup>1</sup> .....   | .4             | -11.4          | -8.7           | -10.0          | -11.8          | -13.4          |
| International affairs .....   | .7             | -3.9           | -4.2           | -5.7           | -4.9           | -5.5           |
| General science, space and technology .....                                   | —*             | —*             | —4             | —5             | *              | .1             |
| Energy .....  | —5             | —3.4           | —3.5           | —3.6           | —3.8           | —2.1           |
| Natural resources and environment .....                                       | —1             | —2.1           | —3.0           | —3.6           | —4.2           | —5.0           |
| Agriculture .....   | *              | —5.4           | —7.2           | —9.4           | —16.1          | —13.9          |
| Commerce and housing credit .....   | —*             | —2.5           | —4.7           | —4.2           | —5.1           | —5.6           |
| Transportation .....  | —*             | —4.6           | —5.9           | —7.4           | —8.1           | —9.0           |
| Community and regional development .....                                      | —3             | —2.8           | —3.0           | —3.0           | —3.0           | —2.9           |
| Education, training, employment and social services .....                     | —5             | —5.1           | —5.3           | —5.8           | —6.1           | —6.5           |
| Health .....  | —*             | —2.3           | —3.7           | —5.1           | —6.5           | —8.1           |
| Social security and medicare:   |                |                |                |                |                |                |
| Social security .....   |                | .2             | —4             | —2             | .4             | —5             |
| Medicare .....  | *              | —9             | —1.3           | —2.3           | —3.4           | —5.3           |
| Total social security and medicare .....                                      | *              | —7             | —1.7           | —2.4           | —3.0           | —5.8           |
| Income security:  |                |                |                |                |                |                |
| General retirement and disability insurance (excluding social security) ..... |                | .1             | —1             | —2             | —2             | —3             |
| Federal employee retirement .....   | .2             | —1             | —2             | —*             | .4             | —6             |
| Unemployment compensation .....   | *              | .1             | .2             | .2             | .3             | .2             |
| Housing assistance .....  | —6             | —10.0          | —9.4           | —6.8           | —6.8           | —6.8           |
| Food and nutrition assistance .....   | —*             | —7             | —1.0           | —1.1           | —1.2           | —1.3           |
| Other income security .....   | —*             | —1.2           | —1.2           | —1.3           | —1.4           | —1.4           |
| Total income security .....   | —4             | —11.8          | —11.8          | —9.2           | —8.9           | —9.0           |
| Veterans benefits and services .....  | —*             | —1.5           | —2.5           | —2.9           | —3.0           | —3.4           |
| Administration of justice .....   | *              | —4             | —4             | —5             | —5             | —5             |
| General government .....  | *              | —9             | —9             | —9             | —9             | —1.3           |
| General purpose fiscal assistance .....                                       | —*             | —5.0           | —5.0           | —5.1           | —5.1           | —5.2           |
| Net interest .....  | —1             | —3.3           | —9.3           | —15.5          | —20.0          | —26.5          |
| Allowances <sup>2</sup> .....   | *              | —1.4           | —2.6           | —3.7           | —4.9           | —6.0           |
| Undistributed offsetting receipts .....                                       | —1             | —1.5           | —1.0           | —1.6           | —2.4           | —2.9           |
| Total differences .....   | —9             | —70.2          | —84.6          | —100.1         | —118.2         | —132.3         |
| <b>Total budget authority .....</b>   | <b>1,064.9</b> | <b>1,060.0</b> | <b>1,143.0</b> | <b>1,253.0</b> | <b>1,317.5</b> | <b>1,391.8</b> |

\*50 million or less.

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense—Military.

<sup>2</sup> Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Table 8. BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS

(In millions of dollars)

| Department or other unit   | Budget authority |                  |                  | Outlays        |                  |                  |
|--|------------------|------------------|------------------|----------------|------------------|------------------|
|  | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
| Legislative branch .....   | 1,629            | 1,627            | 1,597            | 1,324          | 1,478            | 1,421            |
| The Judiciary .....  | 819              | 1,038            | 1,139            | 788            | 919              | 1,008            |
| Executive Office of the President .....  | 109              | 115              | 111              | 81             | 97               | 92               |
| Funds appropriated to the President .....  | 17,295           | 14,329           | 13,557           | 3,449          | 6,070            | 6,025            |
| Agriculture .....  | 25,487           | 26,327           | 24,391           | 22,837         | 24,396           | 22,965           |
| Commerce <sup>1</sup> .....  | 2,024            | 1,887            | 1,775            | 1,171          | 1,251            | 1,204            |
| Defense—Military <sup>2</sup> .....  | 258,551          | 285,366          | 314,359          | 146,071        | 159,072          | 172,763          |
| (Imputed accruals for military retire-<br>ment contributions) <sup>3</sup> ..... | (16,503)         |                  |                  |                |                  |                  |
| Defense—Civil .....  | 19,237           | 2,928            | 2,893            | 18,186         | 2,203            | 1,796            |
| Education .....  | 15,439           | 18,465           | 15,538           | 5,337          | 6,704            | 5,386            |
| Energy .....   | 14,848           | 15,750           | 12,184           | 6,969          | 8,561            | 6,956            |
| Health and Human Services .....  | 70,610           | 74,408           | 71,271           | 62,698         | 63,908           | 60,491           |
| Housing and Urban Development .....  | 16,673           | 16,286           | 5,073            | 885            | 612              | 932              |
| Interior .....   | 5,168            | 5,263            | 4,346            | 3,472          | 3,634            | 3,235            |
| Justice .....  | 3,461            | 3,837            | 3,809            | 2,747          | 3,195            | 3,287            |
| Labor .....  | 16,108           | 6,065            | 5,685            | 8,109          | 2,497            | 2,687            |
| State .....  | 2,492            | 3,004            | 2,928            | 1,930          | 2,059            | 2,172            |
| Transportation .....   | 12,255           | 11,112           | 8,268            | 7,352          | 6,048            | 4,964            |
| Treasury <sup>1</sup> .....  | 9,580            | 10,179           | 2,832            | 8,907          | 9,495            | 3,110            |
| Environmental Protection Agency .....  | 4,111            | 4,378            | 4,668            | 963            | 1,100            | 1,099            |
| General Services Administration .....  | 388              | 394              | 381              | 323            | 497              | 322              |
| National Aeronautics and Space Admin-<br>istration .....                         | 7,316            | 7,511            | 7,886            | 5,130          | 5,338            | 5,621            |
| Office of Personnel Management .....   | 5,760            | 5,897            | 6,320            | 5,526          | 5,706            | 5,887            |
| Small Business Administration <sup>1</sup> .....                                 | 598              | 725              | 97               | 536            | 663              | 97               |
| Veterans Administration .....  | 25,685           | 26,344           | 26,259           | 22,422         | 23,180           | 23,406           |
| Other independent agencies <sup>4</sup> .....                                    | 9,222            | 12,048           | 7,187            | 5,574          | 6,097            | 5,178            |
| Allowances <sup>5</sup> .....  |                  | 1,506            | 24               |                | 1,131            | 24               |
| <b>Total .....</b>   | <b>544,936</b>   | <b>556,789</b>   | <b>544,578</b>   | <b>342,786</b> | <b>345,913</b>   | <b>342,127</b>   |
| <b>MEMORANDUM</b>  |                  |                  |                  |                |                  |                  |
| <b>Appropriations to liquidate con-<br/>tract authority: <sup>6</sup></b>        |                  |                  |                  |                |                  |                  |
| Agriculture .....  | 9,607            |                  |                  |                |                  |                  |
| Housing and Urban Development .....  | 10,495           | — 190            | — 1,446          |                |                  |                  |
| Interior .....   | 14               | 28               |                  |                |                  |                  |
| Transportation .....   | 12,838           | 14,069           | 15,042           |                |                  |                  |
| <b>Total .....</b>   | <b>32,955</b>    | <b>13,907</b>    | <b>13,596</b>    |                |                  |                  |

Table 8. BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS—Continued

(In millions of dollars)

| Department or other unit                                  | Budget authority |                  |                  | Outlays        |                  |                  |
|---|------------------|------------------|------------------|----------------|------------------|------------------|
|   | 1984<br>actual   | 1985<br>estimate | 1986<br>estimate | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
| <b>ADDENDUM</b>   |                  |                  |                  |                |                  |                  |
| Portion available through current action by Congress..... | 544,936          | 556,789          | 544,578          | 342,786        | 345,913          | 342,127          |
| Portion available without current action by Congress..... | 572,819          | 691,287          | 708,017          | 446,058        | 530,534          | 533,308          |
| Outlays from obligated balances <sup>7</sup> .....        |                  |                  |                  | 177,834        | 199,528          | 221,162          |
| Outlays from unobligated balances <sup>7</sup> .....      |                  |                  |                  | 53,109         | 66,317           | 69,740           |
| Deductions for offsetting receipts:                       |                  |                  |                  |                |                  |                  |
| Intragovernmental transactions.....                       | —131,256         | —145,725         | —149,167         | —131,256       | —145,725         | —149,167         |
| Proprietary receipts from the public ....                 | —36,749          | —37,482          | —43,445          | —36,749        | —37,482          | —43,445          |
| <b>Total budget authority and outlays.....</b>            | <b>949,751</b>   | <b>1,064,870</b> | <b>1,059,983</b> | <b>851,781</b> | <b>959,085</b>   | <b>973,725</b>   |

\* \$500 thousand or less.

<sup>1</sup> Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.<sup>2</sup> Includes allowances for military pay raises for Department of Defense.<sup>3</sup> An imputed charge for accruals for military retirement contributions is included in Defense-Military to adjust data for comparability with the military retirement presentation beginning in 1985. Offsetting receipts equal to the imputed charge for accruals are included as deductions for offsetting receipts.<sup>4</sup> For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.<sup>5</sup> Includes allowances for military pay raises for the Coast Guard and contingencies.<sup>6</sup> Excluded from budget authority above.<sup>7</sup> Outlays from appropriations to liquidate contract authority are included as outlays from balances.

Table 9. RELATION OF BUDGET AUTHORITY TO OUTLAYS

(In millions of dollars)

| Description  | 1984 actual    | 1985 estimate    | 1986 estimate    |
|--|----------------|------------------|------------------|
| <b>Budget authority available through current action by Congress:</b>                            |                |                  |                  |
| Enacted, pending, or recommended herein:   |                |                  |                  |
| Appropriations <sup>1 2</sup> .....  | 529,701        | 539,654          | 551,826          |
| Contract authority .....   | 10,183         | 10,729           | 1,599            |
| Authority to borrow .....  | 3,421          | 4,507            | 787              |
| Reappropriations and reauthorizations .....  | 1,632          | 109              | .....            |
| To be requested separately:  |                |                  |                  |
| Appropriations <sup>1</sup> .....  |                | 2,141            | -8,926           |
| Contract authority .....   |                |                  | -130             |
| Authority to borrow .....  |                | -350             | -579             |
| <b>Total budget authority available through current action by Congress (table 8) .....</b>       | <b>544,936</b> | <b>556,789</b>   | <b>544,578</b>   |
| <b>Budget authority available without current action by Congress (permanent authorizations):</b> |                |                  |                  |
| Appropriations <sup>1</sup> .....  | 518,770        | 610,925          | 658,579          |
| Contract authority .....   | 27,172         | 30,525           | 30,499           |
| Authority to borrow .....  | 26,878         | 49,838           | 18,939           |
| <b>Deductions for offsetting receipts (table 14):</b>  |                |                  |                  |
| Intragovernmental transactions .....   | -131,256       | -145,725         | -149,167         |
| Proprietary receipts from the public .....   | -36,749        | -37,482          | -43,445          |
| <b>Total budget authority for the year (table 5) .....</b>                                       | <b>949,751</b> | <b>1,064,870</b> | <b>1,059,983</b> |
| <b>Unobligated balances and adjustments:</b>   |                |                  |                  |
| Unobligated balances:  |                |                  |                  |
| Brought forward at start of year (table 10) .....  | 383,529        | 420,709          | 447,540          |
| Written off (rescinded, lapsed, etc.) <sup>3</sup> .....   | -20,680        | -20,206          | -12,076          |
| Carried forward at end of year (table 10) .....  | -420,709       | -447,540         | -494,234         |
| <b>Obligations incurred, net <sup>4</sup> .....</b>  | <b>891,891</b> | <b>1,017,833</b> | <b>1,001,213</b> |
| <b>Obligated balances:</b>   |                |                  |                  |
| Brought forward at start of year, funded (table 10) .....  | 521,775        | 553,343          | 581,893          |
| Adjustments in expired accounts .....  | -1,251         | -2,042           | -923             |
| Adjustments in unexpired accounts .....  | -7,291         | -28,156          | -6,722           |
| Deficiency appropriations .....  |                | *                | 279              |
| Carried forward at end of year (table 10) .....  | -553,343       | -581,893         | -602,014         |
| <b>Budget outlays (table 3) .....</b>  | <b>851,781</b> | <b>959,085</b>   | <b>973,725</b>   |
| <b>MEMORANDUM</b>  |                |                  |                  |
| <b>Federal funds included above:</b>   |                |                  |                  |
| Budget authority available through current action by Congress .....                              | 542,269        | 552,242          | 538,412          |
| Budget authority <sup>5</sup> .....  | 700,778        | 784,909          | 756,380          |
| Obligations incurred, net <sup>5</sup> .....   | 666,889        | 783,418          | 759,361          |
| Budget outlays <sup>5</sup> .....  | 636,324        | 731,630          | 734,931          |

\* 500 thousand or less.

<sup>1</sup> Excludes appropriations to liquidate contract authority.

|   | 1984 actual | 1985 estimate | 1986 estimate |
|---|-------------|---------------|---------------|
| Enacted, pending, or recommended herein ..... | 44,484      | 38,176        | 40,580        |
| For later transmittal .....                   |             | -455          | -1,446        |

<sup>2</sup> Includes an imputed charge (\$16,503 million) for accruals for military retirement contributions in 1984 to adjust data for comparability with the military retirement presentation beginning in 1985. Offsetting receipts equal to the imputed charge for accruals are included as deductions for offsetting receipts.

<sup>3</sup> Includes redemption of agency debt and capital transfers to the general fund, as well as proposed and enacted rescissions of unobligated balances.

<sup>4</sup> For additional information on obligations incurred, net, see the OMB report "Object Class Analysis", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.

<sup>5</sup> Amounts are net of intrafund transactions, and proprietary receipts from the public.



Table 10. BALANCES OF BUDGET AUTHORITY

(In millions of dollars)

| Department or other unit                           | Start 1984     |                | End 1984       |                | End 1985       |                | End 1986       |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | Obligated      | Unobligated    | Obligated      | Unobligated    | Obligated      | Unobligated    | Obligated      | Unobligated    |
| Legislative branch.....                            | 409            | 264            | 413            | 384            | 436            | 346            | 432            | 329            |
| The Judiciary.....                                 | 80             | 85             | 101            | 96             | 116            | 109            | 135            | 115            |
| Executive Office of the President.....             | 19             |                | 21             | *              | 19             |                | 20             |                |
| Funds appropriated to the President.....           | 38,917         | 26,305         | 40,848         | 31,006         | 42,442         | 32,173         | 43,947         | 31,917         |
| Agriculture.....                                   | 24,863         | 2,579          | 15,026         | 3,366          | 12,043         | 1,592          | 6,981          | 2,452          |
| Commerce <sup>1</sup> .....                        | 1,381          | 382            | 1,488          | 372            | 1,290          | 311            | 1,054          | 342            |
| Defense—Military <sup>2</sup> .....                | 128,634        | 43,386         | 153,459        | 51,620         | 191,915        | 51,516         | 223,951        | 55,667         |
| Defense—Civil <sup>3</sup> .....                   | 995            | 666            | 792            | 516            | 2,301          | 10,030         | 2,277          | 22,321         |
| Education.....                                     | 11,398         | 2,467          | 12,271         | 1,236          | 13,154         | 1,155          | 12,020         | 814            |
| Energy.....  | 9,107          | 2,044          | 8,342          | 2,119          | 8,968          | 1,522          | 8,932          | 974            |
| Health and Human Services.....                     | 19,426         | 40,366         | 20,451         | 46,546         | 22,086         | 57,563         | 22,573         | 75,678         |
| Housing and Urban Development.....                 | 213,302        | 60,515         | 214,641        | 58,013         | 195,120        | 50,736         | 190,328        | 39,529         |
| Interior.....                                      | 2,366          | 2,052          | 2,453          | 1,813          | 2,643          | 1,362          | 2,175          | 1,274          |
| Justice.....                                       | 467            | 282            | 566            | 429            | 750            | 210            | 788            | 127            |
| Labor.....   | 2,293          | 10,332         | 4,514          | 18,377         | 4,373          | 20,764         | 4,110          | 25,332         |
| State.....   | 494            | 1,794          | 598            | 2,214          | 1,123          | 2,497          | 1,151          | 2,835          |
| Transportation.....                                | 29,837         | 9,324          | 33,092         | 10,718         | 35,278         | 10,781         | 35,012         | 10,639         |
| Treasury <sup>1</sup> .....                        | 1,750          | 30,439         | 1,898          | 28,326         | 2,086          | 22,957         | 1,051          | 22,957         |
| Environmental Protection Agency.....               | 10,245         | 1,258          | 10,753         | 722            | 10,507         | 856            | 10,540         | 840            |
| General Services Administration.....               | 659            | 1,129          | 839            | 934            | 824            | 661            | 917            | 640            |
| National Aeronautics and Space Administration..... | 1,346          | 793            | 1,321          | 1,001          | 1,922          | 594            | 2,107          | 523            |
| Office of Personnel Management.....                | 2,107          | 113,895        | 2,161          | 128,942        | 2,321          | 145,918        | 2,482          | 163,706        |
| Small Business Administration <sup>1</sup> .....   | 56             | 1,218          | 180            | 1,417          | 215            | 1,381          |                |                |
| Veterans Administration.....                       | 3,628          | 11,929         | 3,905          | 12,454         | 4,124          | 12,626         | 4,559          | 12,568         |
| Other independent agencies:                        |                |                |                |                |                |                |                |                |
| Export-Import Bank.....                            | 6,421          | 399            | 4,956          |                | 5,802          |                | 2,937          | 450            |
| Federal Deposit Insurance Corporation.....         | 171            | 13,614         | 4,888          | 9,144          | 4,888          | 10,144         | 4,888          | 11,644         |
| Federal Home Loan Bank Board.....                  | 1,264          | 3,715          | 2,364          | 3,877          | 3,187          | 2,704          | 4,314          | 1,520          |
| Railroad Retirement Board.....                     | 459            | 7              | 496            | 2,587          | 503            | 4,097          | 527            | 6,056          |
| All other independent agencies <sup>4</sup> .....  | 9,678          | 2,290          | 10,507         | 2,480          | 11,080         | 2,936          | 11,806         | 2,985          |
| Allowances <sup>5</sup> .....                      |                |                |                |                | 375            |                |                |                |
| <b>Total.....</b>                                  | <b>521,775</b> | <b>383,529</b> | <b>553,343</b> | <b>420,709</b> | <b>581,893</b> | <b>447,540</b> | <b>602,014</b> | <b>494,234</b> |
| <b>MEMORANDUM</b>                                  |                |                |                |                |                |                |                |                |
| Federal funds.....                                 | 465,774        | 186,844        | 487,864        | 200,051        | 509,463        | 181,332        | 526,526        | 166,287        |
| Trust funds.....                                   | 56,001         | 196,686        | 65,479         | 220,658        | 72,430         | 266,208        | 75,488         | 327,947        |
| <b>Total.....</b>                                  | <b>521,775</b> | <b>383,529</b> | <b>553,343</b> | <b>420,709</b> | <b>581,893</b> | <b>447,540</b> | <b>602,014</b> | <b>494,234</b> |

<sup>\*</sup>500 thousand or less.<sup>1</sup> Reflects proposed abolishment of the Small Business Administration in 1986 and transfer of activities to the Departments of Commerce and Treasury.<sup>2</sup> Includes balances of allowances for military pay raises for Department of Defense.<sup>3</sup> Includes obligated balances of \$1,504 million and unobligated balances of \$9,802 million in 1985 and obligated balances of \$1,578 million and unobligated balances of \$21,418 million in 1986 due to the establishment of the military retirement trust fund.<sup>4</sup> For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.<sup>5</sup> Includes balances of allowances for contingencies.

Table 11. FULL-TIME EQUIVALENT OF FEDERAL CIVILIAN EMPLOYMENT <sup>1</sup>

|   | Fiscal year              |                          |                  |                  |                  |
|---|--------------------------|--------------------------|------------------|------------------|------------------|
|   | 1983 actual <sup>2</sup> | 1984 actual <sup>2</sup> | 1985 estimate    | 1986 estimate    | 1987 estimate    |
| Agriculture .....                                   | 109,773                  | 108,598                  | 108,986          | 98,800           | 91,745           |
| Commerce <sup>3</sup> .....                         | 32,715                   | 32,305                   | 33,633           | 33,704           | 34,168           |
| Defense—civil functions .....                       | 30,973                   | 28,681                   | 28,798           | 28,548           | 28,348           |
| Education .....                                     | 5,360                    | 5,025                    | 4,840            | 4,579            | 4,187            |
| Energy .....  | 16,984                   | 16,708                   | 16,500           | 15,979           | 15,779           |
| Health and Human Services .....                     | 141,715                  | 136,969                  | 132,717          | 128,844          | 123,083          |
| Housing and Urban Development .....                 | 13,779                   | 12,437                   | 12,174           | 11,438           | 11,234           |
| Interior .....                                      | 73,451                   | 73,245                   | 73,244           | 70,748           | 69,748           |
| Justice .....                                       | 55,686                   | 58,244                   | 61,668           | 63,650           | 63,919           |
| Labor .....   | 18,968                   | 18,577                   | 18,598           | 18,073           | 17,806           |
| State .....   | 23,786                   | 24,139                   | 25,134           | 25,908           | 25,882           |
| Transportation .....                                | 61,752                   | 61,130                   | 61,583           | 60,474           | 58,248           |
| Treasury <sup>3</sup> .....                         | 118,507                  | 123,155                  | 123,585          | 122,660          | 123,472          |
| Environmental Protection Agency .....               | 10,883                   | 11,412                   | 12,576           | 13,081           | 12,901           |
| National Aeronautics and Space Administration ..... | 22,246                   | 22,080                   | 22,000           | 21,800           | 21,800           |
| Veterans Administration .....                       | 216,848                  | 218,545                  | 221,304          | 218,216          | 216,089          |
| Other:  |                          |                          |                  |                  |                  |
| Agency for International Development .....          | 5,169                    | 5,115                    | 5,108            | 4,875            | 4,825            |
| General Services Administration <sup>4</sup> .....  | 28,391                   | 25,572                   | 25,865           | 25,335           | 24,467           |
| Nuclear Regulatory Commission .....                 | 3,403                    | 3,441                    | 3,491            | 3,491            | 3,491            |
| Office of Personnel Management .....                | 5,601                    | 5,710                    | 5,822            | 5,510            | 5,419            |
| Panama Canal Commission .....                       | 8,636                    | 8,137                    | 8,410            | 8,300            | 8,300            |
| Small Business Administration <sup>3</sup> .....    | 4,231                    | 4,238                    | 4,200            | 554              | .....            |
| Tennessee Valley Authority .....                    | 35,646                   | 31,952                   | 32,500           | 32,500           | 32,500           |
| United States Information Agency .....              | 7,906                    | 8,167                    | 8,751            | 9,100            | 9,240            |
| Miscellaneous <sup>4</sup> .....                    | 39,625                   | 41,414                   | 41,992           | 41,482           | 41,135           |
| Estimated nondefense lapse .....                    |                          |                          | -10,935          |                  |                  |
| Contingencies .....                                 |                          |                          |                  |                  |                  |
| <b>Civilian agency employment .....</b>             | <b>1,092,034</b>         | <b>1,084,996</b>         | <b>1,082,544</b> | <b>1,067,649</b> | <b>1,047,786</b> |
| Defense—military functions <sup>5</sup> .....       | 984,806                  | 1,011,532                | 1,010,217        | 1,020,321        | 1,024,000        |
| Subtotal .....                                      | 2,076,840                | 2,096,528                | 2,092,761        | 2,087,970        | 2,071,786        |
| Postal Service Employment <sup>6</sup> .....        | 646,094                  | 662,111                  | 682,774          | 696,945          | 710,426          |
| <b>Total, Executive Branch .....</b>                | <b>2,722,934</b>         | <b>2,758,639</b>         | <b>2,775,535</b> | <b>2,784,915</b> | <b>2,782,212</b> |

<sup>1</sup> Excludes developmental positions under the Worker-Trainee Opportunity Program (WTOP) as well as certain statutory exemptions. Data are estimated for portions of Defense-civil functions as well as for the Federal Reserve System, Board of Governors and the International Trade Commission.

<sup>2</sup> For 1986-87, reflects proposed abolition of the Small Business Administration in 1986 and transfer of activities to the Departments of Commerce and Treasury.

<sup>3</sup> For 1984-1987, reflects adjustments for the National Archives and Records Administration formerly included in the General Services Administration.

<sup>4</sup> Section 904 of the 1982 Defense Authorization Act (Public Law 97-86) exempts the Department of Defense from full-time equivalent employment controls. Data shown are estimated.

<sup>5</sup> Includes the Postal Rate Commission.

Table 12. BUDGET FINANCING AND DEBT

(In millions of dollars)

## BUDGET FINANCING

|  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| Budget surplus or deficit (—) .....                                  | —185,324       | —222,226         | —179,996         |
| (On-budget deficit under current law) .....                          | (—175,358)     | (—209,767)       | (—178,495)       |
| (Off-budget deficit under current law) <sup>1</sup> .....            | (—9,966)       | (—12,459)        | (—1,501)         |
| Means of financing other than borrowing from the public:             |                |                  |                  |
| Decrease or increase (—) in Treasury operating cash balance..        | 6,631          | 10,426           | .....            |
| Increase or decrease (—) in:   |                |                  |                  |
| Checks outstanding, etc. <sup>2</sup> .....                          | 5,447          | 9,410            | 9,406            |
| Deposit fund balances .....  | 1,930          | 453              | —2,503           |
| Seigniorage on coins .....   | 498            | 559              | 471              |
| Total, means of financing other than borrowing from the public ..... | 14,507         | 20,848           | 7,374            |
| Total requirements for borrowing from the public .....               | —170,817       | —201,378         | —172,622         |
| Change in debt held by the public .....                              | 170,817        | 201,378          | 172,622          |
| Nonbank investors .....  | 164,822        |                  |                  |
| Commercial banks .....   | 6,400          |                  |                  |
| Federal Reserve System .....   | —405           |                  |                  |

## DEBT, END OF YEAR

|                                     | 1983<br>actual |           |           |           |
|-------------------------------------|----------------|-----------|-----------|-----------|
| <b>Gross Federal debt:</b>          |                |           |           |           |
| Debt issued by Treasury .....       | 1,377,211      | 1,572,267 | 1,836,725 | 2,070,034 |
| Debt issued by other agencies ..... | 4,675          | 4,481     | 4,352     | 4,197     |
| Total gross Federal debt .....      | 1,381,886      | 1,576,748 | 1,841,077 | 2,074,231 |
| <b>Held by:</b>                     |                |           |           |           |
| Government agencies .....           | 240,114        | 264,159   | 327,110   | 387,642   |
| The public .....                    | 1,141,771      | 1,312,589 | 1,513,967 | 1,686,589 |
| Federal Reserve System .....        | 155,527        | 155,122   |           |           |
| Others .....                        | 986,244        | 1,157,467 |           |           |

## DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Debt issued by Treasury .....  | 1,377,211        | 1,572,267        | 1,836,725        | 2,070,034        |
| Treasury debt not subject to limitation .....                        | —605             | —603             | —603             | —603             |
| Agency debt subject to limitation .....                              | 1,347            | 1,312            | 1,292            | 1,283            |
| <b>Total debt subject to statutory limitation <sup>3</sup> .....</b> | <b>1,377,953</b> | <b>1,572,975</b> | <b>1,837,414</b> | <b>2,070,714</b> |

<sup>1</sup> Proposed to be included on-budget<sup>2</sup> Besides checks outstanding, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights, and, as an offset, cash and monetary assets other than the Treasury operating cash balance, miscellaneous asset accounts, and profit on sale of gold.<sup>3</sup> The statutory debt limit is established at \$1,823.8 billion (Public Law 98-475).

Table 13. BUDGET RECEIPTS BY SOURCE

(In millions of dollars)

| Source   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>Individual income taxes:</b>                                |                |                  |                  |
| Withheld .....   | 279,345        | 302,859          | 331,741          |
| Other .....  | 81,632         | 92,904           | 100,568          |
| Proposed legislation .....                                     |                |                  | - 554            |
| Gross individual income taxes .....                            | 360,977        | 395,763          | 431,755          |
| Refunds .....  | - 64,771       | - 66,086         | - 72,866         |
| <b>Net individual income taxes .....</b>                       | <b>296,206</b> | <b>329,677</b>   | <b>358,889</b>   |
| <b>Corporation income taxes:</b>                               |                |                  |                  |
| Existing law .....   | 74,179         | 79,488           | 88,462           |
| Proposed legislation .....                                     |                |                  | - 750            |
| Refunds .....  | - 17,286       | - 13,085         | - 13,624         |
| <b>Net corporation income taxes .....</b>                      | <b>56,893</b>  | <b>66,403</b>    | <b>74,088</b>    |
| <b>Social insurance taxes and contributions (trust funds):</b> |                |                  |                  |
| Employment taxes and contributions:                            |                |                  |                  |
| Old-age and survivors insurance .....                          | 152,444        | 172,741          | 186,230          |
| Proposed legislation .....                                     |                |                  | 260              |
| Disability insurance .....                                     | 15,907         | 16,521           | 17,797           |
| Proposed legislation .....                                     |                |                  | 24               |
| Hospital insurance .....                                       | 40,262         | 45,069           | 51,104           |
| Proposed legislation .....                                     |                |                  | 76               |
| Railroad retirement:   |                |                  |                  |
| Social Security equivalent account .....                       |                | 1,496            | 1,504            |
| Railroad retirement <sup>1</sup> .....                         | 3,321          | 2,231            | 2,336            |
| <b>Total employment taxes and contributions .....</b>          | <b>211,933</b> | <b>238,058</b>   | <b>259,331</b>   |
| Unemployment insurance:  |                |                  |                  |
| State taxes deposited in Treasury <sup>2</sup> .....           | 19,036         | 19,407           | 17,991           |
| Proposed legislation .....                                     |                |                  | 81               |
| Federal unemployment tax receipts <sup>2</sup> .....           | 5,899          | 5,940            | 6,938            |
| Proposed legislation .....                                     |                |                  | 15               |
| Railroad unemployment tax receipts <sup>2</sup> .....          | 202            | 239              | 234              |
| Proposed legislation .....                                     |                |                  | 50               |
| <b>Total unemployment insurance .....</b>                      | <b>25,138</b>  | <b>25,586</b>    | <b>25,309</b>    |
| Other retirement contributions:                                |                |                  |                  |
| Federal employees' retirement—employee contributions .....     | 4,494          | 4,634            | 4,691            |
| Contributions for non-Federal employees <sup>3</sup> .....     | 86             | 89               | 93               |
| Proposed legislation .....                                     |                |                  | 12               |
| <b>Total other retirement contributions .....</b>              | <b>4,580</b>   | <b>4,723</b>     | <b>4,797</b>     |
| <b>Total social insurance taxes and contributions .....</b>    | <b>241,651</b> | <b>268,367</b>   | <b>289,436</b>   |
| <b>Excise taxes:</b>   |                |                  |                  |
| Federal funds:   |                |                  |                  |
| Alcohol taxes:   |                |                  |                  |
| Distilled spirits .....  | 3,566          | 4,138            | 4,204            |
| Beer .....   | 1,516          | 1,674            | 1,605            |
| Wines .....  | 320            | 274              | 276              |
| Special taxes in connection with liquor occupations .....      | 22             | 21               | 21               |
| Refunds .....  | - 87           | - 80             | - 80             |
| <b>Total alcohol taxes .....</b>                               | <b>5,315</b>   | <b>6,027</b>     | <b>6,026</b>     |
| Tobacco taxes:   |                |                  |                  |
| Cigarettes .....   | 4,623          | 4,678            | 2,586            |
| Cigars .....   | 30             | 32               | 32               |
| Cigarette papers and tubes .....                               | 2              | 2                | 2                |
| Other .....  | 8              | 6                | 6                |
| Refunds .....  | - 3            | - 5              | - 3              |

Table 13. BUDGET RECEIPTS BY SOURCE—Continued

(In millions of dollars)

| Source  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| Total tobacco taxes.....  | 4,660          | 4,713            | 2,623            |
| Manufacturers' excise taxes:                                      |                |                  |                  |
| Gasoline.....   | 38             |                  |                  |
| Firearms, shells, and cartridges.....                             | 64             | 76               | 81               |
| Fishing rods, creels, etc.....                                    | 38             |                  |                  |
| Pistols and revolvers.....  | 22             | 25               | 28               |
| Bows and arrows.....  | 8              | 7                | 8                |
| Gas guzzler tax.....  | 9              | 11               | 14               |
| Windfall profit tax.....  | 9,056          | 6,598            | 5,027            |
| Refunds.....  | -229           | -81              | -58              |
| Total manufacturers' excise taxes.....                            | 9,006          | 6,636            | 5,100            |
| Miscellaneous excise taxes:                                       |                |                  |                  |
| General and toll telephone and teletype service.....              | 2,035          | 2,170            | 2,386            |
| Wagering taxes, including occupational taxes.....                 | 7              | 7                | 7                |
| Employee pension plans.....                                       | 11             | 11               | 11               |
| Tax on foundations.....   | 152            | 135              | 123              |
| Foreign insurance policies.....                                   | 56             | 64               | 69               |
| Other.....  | 3              | 2                | 2                |
| Refunds.....  | -99            | -20              | -20              |
| Total miscellaneous excise taxes.....                             | 2,165          | 2,369            | 2,578            |
| Undistributed Federal tax deposits and unapplied collections..... | 1,134          | -41              | -38              |
| Total Federal fund excise taxes.....                              | 22,279         | 19,704           | 16,289           |
| Trust funds:  |                |                  |                  |
| Highway:  |                |                  |                  |
| Gasoline.....   | 8,910          | 9,211            | 9,401            |
| Trucks, buses, and trailers.....                                  | 865            | 1,248            | 1,241            |
| Tires, innertubes, and tread rubber.....                          | 332            | 201              | 218              |
| Diesel fuel used on highways.....                                 | 1,630          | 2,293            | 2,567            |
| Use-tax on certain vehicles.....                                  | 180            | 427              | 355              |
| Truck parts and accessories.....                                  | -28            |                  |                  |
| Lubricating oils.....   | -4             |                  |                  |
| Refunds.....  | -142           | -63              | -162             |
| Total highway trust fund.....                                     | 11,743         | 13,318           | 13,621           |
| Airport and airway:   |                |                  |                  |
| Transportation of persons.....                                    | 2,181          | 2,550            | 2,772            |
| Waybill tax.....  | 134            | 188              | 211              |
| Tax on fuels.....   | 106            | 116              | 122              |
| International departure tax.....                                  | 80             | 90               | 93               |
| Tires and innertubes.....   | *              |                  |                  |
| Refunds.....  | -2             | -2               | -2               |
| Total airport and airway trust fund.....                          | 2,499          | 2,942            | 3,196            |
| Aquatic resources trust fund.....                                 | 12             | 136              | 145              |
| Black lung disability insurance trust fund.....                   | 518            | 576              | 599              |
| Proposed legislation.....   |                |                  | 223              |
| Inland waterway trust fund.....                                   | 39             | 40               | 51               |
| Hazardous substances response trust fund.....                     | 261            | 272              | 15               |
| Proposed legislation.....   |                |                  | 859              |
| Post-closure liability trust fund.....                            | 9              | 7                |                  |
| Total trust fund excise taxes.....                                | 15,082         | 17,291           | 18,709           |
| Total excise taxes.....   | 37,361         | 36,995           | 34,998           |
| Estate and gift taxes.....  | 6,010          | 5,603            | 5,345            |
| Customs duties <sup>4</sup> .....                                 | 11,370         | 11,809           | 12,342           |

Table 13. BUDGET RECEIPTS BY SOURCE—Continued

(In millions of dollars)

| Source   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>Miscellaneous receipts: <sup>5</sup></b>                              |                |                  |                  |
| Miscellaneous taxes.....   | 108            | 118              | 121              |
| Deposit of earnings, Federal Reserve System .....                        | 15,684         | 16,419           | 16,932           |
| Alternative fuels production.....  | 12             | 14               | 12               |
| Fees for permits and regulatory and judicial services:                   |                |                  |                  |
| Immigration, passport, and consular fees.....                            | 247            | 259              | 265              |
| Patent and copyright fees.....   | *              |                  |                  |
| Registration and filing fees.....  | 241            | 259              | 262              |
| Coal mining reclamation fees.....  | 215            | 219              | 229              |
| Miscellaneous fees for permits, licenses, etc .....                      | 46             | 46               | 41               |
| Miscellaneous fees for regulatory and judicial services.....             | 64             | 117              | 122              |
| Proposed legislation.....  |                |                  | 40               |
| Fees for legal and judicial services.....                                | 4              |                  |                  |
| Proposed legislation.....  |                |                  | 13               |
| Total fees for permits and regulatory and judicial services .....        | 817            | 899              | 972              |
| Fines, penalties, and forfeitures.....                                   | 328            | 529              | 569              |
| Proposed legislation.....  |                |                  | 1                |
| Restitutions, reparations, and recoveries under military occupation..... | 2              | 1                | 1                |
| Gifts and contributions.....   | 35             | 42               | 41               |
| Refunds and recoveries.....  | -22            | -20              | -20              |
| <b>Total miscellaneous receipts.....</b>                                 | <b>16,965</b>  | <b>18,004</b>    | <b>18,630</b>    |
| <b>Total budget receipts.....</b>  | <b>666,457</b> | <b>736,859</b>   | <b>793,729</b>   |
| <b>MEMORANDUM</b>  |                |                  |                  |
| Federal funds.....   | 418,095        | 459,314          | 493,534          |
| Trust funds <sup>6</sup> .....   | 338,103        | 396,495          | 421,302          |
| Interfund transactions <sup>6</sup> .....                                | -89,740        | -118,950         | -121,107         |

\* \$500 thousand or less.

<sup>1</sup> In 1985 and 1986, rail pension fund.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> Includes both Federal and trust funds. Trust fund amounts in customs duties are: 1984, \$30 million; and 1985, \$30 million.<sup>5</sup> Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1984, \$126 million; 1985, \$144 million; and 1986, \$155 million.<sup>6</sup> Includes impact of the shift of off-budget Federal entities to on-budget status under proposed legislation.

Note.—Estimates for 1985 and 1986 include effects of proposed legislation.

Table 14. OFFSETTING RECEIPTS BY TYPE

(In millions of dollars)

| Type   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>INTRAGOVERNMENTAL TRANSACTIONS</b>  |                |                  |                  |
| <b>Federal intrafund transactions:</b>   |                |                  |                  |
| <b>Distributed by agency:</b>  |                |                  |                  |
| Under current law:   |                |                  |                  |
| Interest on Government capital in enterprises .....  | 5,204          | 4,676            | 5,045            |
| Other .....  | 49             | 39               | 101              |
| From entities that are off-budget under current law .....  | 15,378         | 17,912           | 19,339           |
| <b>Undistributed by agency:</b>  |                |                  |                  |
| Employer share, employee retirement:   |                |                  |                  |
| Military retirement fund (imputed) .....   | 16,503         |                  |                  |
| Total Federal intrafunds .....   | 37,134         | 22,626           | 24,484           |
| <b>Trust intrafund transactions:</b>   |                |                  |                  |
| <b>Distributed by agency:</b>  |                |                  |                  |
| Railroad retirement/social security <sup>1</sup> .....   | 2,426          | 2,401            | 2,434            |
| Other .....  | 1,957          | 1,748            | 1,142            |
| Total trust intrafunds distributed by agency .....   | 4,382          | 4,149            | 3,576            |
| Total intrafund transactions .....   | 41,516         | 26,775           | 28,060           |
| <b>Interfund transactions:</b>   |                |                  |                  |
| <b>Distributed by agency:</b>  |                |                  |                  |
| Federal fund payments to trust funds:  |                |                  |                  |
| Contributions to insurance programs:   |                |                  |                  |
| Old-age, survivors, and disability insurance .....   | 6,878          | 3,742            | 5,762            |
| Military retirement fund .....   |                | 9,551            | 10,054           |
| Supplementary medical insurance .....  | 16,811         | 17,898           | 18,266           |
| Hospital insurance .....   | 1,106          | 1,363            | 1,084            |
| Railroad social security equivalent benefits .....   |                | 1,903            | 1,984            |
| Railroad industry pension .....  | 2,530          | 992              | 1,116            |
| Civilian supplementary retirement contributions .....  | 15,736         | 15,974           | 15,933           |
| Unemployment insurance .....   | 3,973          | 1,517            | 327              |
| Other .....  | 348            | 403              | 191              |
| Miscellaneous contributions:   |                |                  |                  |
| State and local government fiscal assistance .....   | 4,567          | 4,567            |                  |
| Other .....  | 150            | 204              | 175              |
| Subtotal .....   | 52,099         | 58,114           | 54,892           |
| Trust fund payments to Federal funds:  |                |                  |                  |
| Repayment of loans or advances to trust funds .....  | 7,105          | 6,661            | 6,473            |
| Charges for services to trust funds .....  | 207            | 270              | 268              |
| Other .....  | 1,215          | 1,356            | 1,364            |
| Subtotal .....   | 8,527          | 8,287            | 8,105            |
| Total interfunds distributed by agency .....   | 60,626         | 66,401           | 62,997           |
| <b>Undistributed by agency:</b>  |                |                  |                  |
| Employer share, employee retirement:   |                |                  |                  |
| Under current law:   |                |                  |                  |
| Civil service retirement and disability insurance .....  | 3,542          | 3,661            | 3,571            |
| Old-age, survivors, disability, and hospital insurance (contribution as employer) <sup>2</sup> ..... | 3,182          | 3,723            | 4,023            |
| Military retirement fund .....   |                | 17,017           | 18,232           |
| Other Federal employees retirement .....   | 40             | 92               | 259              |
| From entities that are off-budget under current law:   |                |                  |                  |
| Civil service retirement and disability insurance .....  | 1,829          | 2,321            | 2,675            |
| Hospital insurance .....   | 168            | 180              | 201              |

Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

| Type  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| Total employer share, employee retirement interfunas undistributed by agency..... | 8,760          | 26,994           | 28,961           |
| Interest received by trust funds .....  | 20,354         | 25,554           | 29,149           |
| Total interfund transactions undistributed by agency .....                        | 29,114         | 52,548           | 58,110           |
| Total interfund transactions .....  | 89,740         | 118,950          | 121,107          |
| Total intragovernmental transactions.....   | 131,256        | 145,725          | 149,167          |
| <b>PROPRIETARY RECEIPTS FROM THE PUBLIC</b>                                       |                |                  |                  |
| <b>Distributed by agency:</b>   |                |                  |                  |
| <b>Interest:</b>  |                |                  |                  |
| Interest on loans, Foreign Assistance Act .....                                   | 361            | 301              | 310              |
| Other interest on foreign loans and deferred foreign collections .....            | 973            | 936              | 1,148            |
| Interest on deposits in tax and loan accounts .....                               | 1,206          | 1,055            | 875              |
| Other interest (domestic-civil) <sup>3</sup> .....                                | 749            | 804              | 820              |
| Total interest .....  | 3,289          | 3,096            | 3,152            |
| <b>Dividends and other earnings .....</b>   | 15             | 5                | 5                |
| <b>Rents:</b>   |                |                  |                  |
| Rent and bonuses from land leases, etc .....                                      | 72             | 83               | 129              |
| Rent of land and other real property .....  | 30             | 55               | 58               |
| Rent of equipment and other personal property .....                               | 26             | 29               | 29               |
| Total rents .....   | 128            | 167              | 216              |
| <b>Royalties .....</b>  | 974            | 996              | 997              |
| <b>Sale of products:</b>  |                |                  |                  |
| Sale of timber and other natural land products .....                              | 842            | 1,287            | 1,175            |
| Sale of minerals and mineral products .....                                       | 1,580          | 1,176            | 1,141            |
| Sale of power and other utilities .....   | 642            | 778              | 1,098            |
| Sale of other products .....  | *              | *                | *                |
| Recovery of mint manufacturing expense .....                                      | 82             | 154              | 54               |
| Total sale of products .....  | 3,147          | 3,394            | 3,468            |
| <b>Fees and other charges for services and special benefits:</b>                  |                |                  |                  |
| Medicare premiums and other charges (trust fund) .....                            | 4,942          | 5,547            | 6,121            |
| Revenues for enrichment of uranium .....  | 1,852          | 1,548            | .....            |
| Nuclear waste disposal revenues .....   | 330            | 1,120            | 401              |
| Veterans life insurance (trust funds) .....                                       | 441            | 393              | 413              |
| Tolls and other revenues, Panama Canal .....                                      | 406            | 432              | 448              |
| Other <sup>3</sup> .....  | 997            | 952              | 2,285            |
| Total fees and other charges .....  | 8,968          | 9,992            | 9,668            |
| <b>Sale of Government property:</b>   |                |                  |                  |
| Sale of land and other real property <sup>3</sup> .....                           | 180            | 221              | 199              |
| Sale of equipment and other personal property:                                    |                |                  |                  |
| Military assistance program sales (trust fund) .....                              | 11,237         | 12,100           | 12,400           |
| Sale of scrap and salvage material .....  | 79             | 83               | 87               |
| Total sale of property .....  | 11,496         | 12,404           | 12,686           |
| <b>Realization upon loans and investments:</b>                                    |                |                  |                  |
| Dollar repayments of loans, Agency for International Development .....            | 372            | 324              | 345              |
| Foreign military credit sales .....   | 86             | 93               | 99               |
| Dollar conversion of foreign currency .....                                       | 110            | 111              | 111              |
| Repayment of loans to United Kingdom .....  | 84             | 85               | 87               |
| Other .....   | 64             | 131              | 1,105            |
| Total realization upon loans and investments .....                                | 716            | 745              | 1,747            |



Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

| Type  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| Recoveries and refunds <sup>3</sup> .....   | 367            | 512              | 1,133            |
| Miscellaneous receipt accounts <sup>3</sup> .....                                   | 937            | 869              | 902              |
| Total proprietary receipts from the public distributed by agency .....              | 30,037         | 32,180           | 33,975           |
| Undistributed by agency:  |                |                  |                  |
| Other interest: Interest received from Outer Continental Shelf escrow account ..... | 18             |                  | 953              |
| Rents and royalties on the Outer Continental Shelf:                                 |                |                  |                  |
| Rents and bonuses .....   | 3,544          | 1,675            | 3,972            |
| Royalties .....   | 3,150          | 3,627            | 3,345            |
| Sale of Conrail .....   |                |                  | 1,200            |
| Total proprietary receipts from the public undistributed by agency .....            | 6,711          | 5,302            | 9,470            |
| Total proprietary receipts from the public <sup>4</sup> .....                       | 36,749         | 37,482           | 43,445           |
| Total offsetting receipts .....   | 168,005        | 183,206          | 192,612          |

\* \$500 thousand or less.

Note: Receipts are "under current law" unless otherwise stated.

<sup>1</sup> 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.<sup>2</sup> Includes provision for covered Federal civilian employees and military personnel.<sup>3</sup> Includes both Federal funds and trust funds.<sup>4</sup> Consists of:

|                     | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---------------------|----------------|------------------|------------------|
| Federal funds ..... | 19,105         | 18,418           | 23,109           |
| Trust funds .....   | 17,644         | 19,063           | 20,337           |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY

(in millions of dollars)

| Function and department or other unit                                  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>050 NATIONAL DEFENSE</b>  |                |                  |                  |
| <b>051 Department of Defense—Military:</b>                             |                |                  |                  |
| Military personnel <sup>1</sup> .....                                  | 64,158         | 67,546           | 72,798           |
| Operation and maintenance .....  | 67,369         | 74,569           | 79,648           |
| Procurement .....  | 61,879         | 69,706           | 83,045           |
| Research, development, test, and evaluation .....                      | 23,117         | 27,786           | 33,988           |
| Military construction .....  | 3,706          | 4,209            | 5,296            |
| Other <sup>2</sup> .....   | 1,306          | 2,760            | 3,336            |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> ..... | 2              | 5                | 5                |
| Allowances .....   |                | 446              | 77               |
| Deductions for offsetting receipts .....                               | —696           | —723             | —687             |
| Total 051 .....  | 220,840        | 246,305          | 277,505          |
| <b>053 Atomic energy defense activities:</b>                           |                |                  |                  |
| Department of Energy .....   | 6,120          | 6,991            | 7,700            |
| <b>054 Defense-related activities:</b>                                 |                |                  |                  |
| Department of Defense—Civil .....                                      |                | 9,551            | 10,054           |
| General Services Administration .....                                  | 88             | 83               | 29               |
| Other independent agencies:  |                |                  |                  |
| Central Intelligence Agency .....                                      | 86             | 99               | 101              |
| Federal Emergency Management Agency .....                              | 240            | 307              | 289              |
| Intelligence Community Staff .....                                     | 16             | 16               | 17               |
| Selective Service System .....   | 22             | 28               | 27               |
| Deductions for offsetting receipts .....                               |                | —9,551           | —10,054          |
| Total 054 .....  | 453            | 533              | 464              |
| Total national defense .....   | 227,413        | 253,830          | 285,669          |
| <b>150 INTERNATIONAL AFFAIRS</b>                                       |                |                  |                  |
| <b>151 Foreign economic and financial assistance:</b>                  |                |                  |                  |
| Funds appropriated to the President <sup>2</sup> .....                 | 3,515          | 3,789            | 3,758            |
| Department of Agriculture .....  | 1,085          | 1,791            | 1,307            |
| Department of State .....  | 369            | 398              | 688              |
| Department of Transportation (trust funds) .....                       | 7              | 9                | 9                |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> ..... | —5             | —5               | —5               |
| Deductions for offsetting receipts .....                               | —493           | —459             | —479             |
| Total 151 .....  | 4,478          | 5,523            | 5,278            |
| <b>152 International security assistance:</b>                          |                |                  |                  |
| Funds appropriated to the President .....                              | 5,192          | 7,926            | 9,026            |
| Department of State .....  | *              | 4                | 4                |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> ..... | 2,818          | 2,340            | 282              |
| Deductions for offsetting receipts .....                               | —86            | —93              | —99              |
| Total 152 .....  | 7,924          | 10,177           | 9,213            |
| <b>153 Conduct of foreign affairs:</b>                                 |                |                  |                  |
| Funds appropriated to the President .....                              | 41             | 42               | 36               |
| Department of Justice .....  | 1              | 1                | 1                |
| Department of State <sup>2</sup> .....                                 | 2,181          | 2,453            | 2,654            |
| Other independent agencies:  |                |                  |                  |
| Arms Control and Disarmament Agency .....                              | 17             | 19               | 19               |
| International Trade Commission .....                                   | 23             | 24               | 29               |
| Other Temporary Commissions .....                                      |                | *                | *                |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit                                       | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| United States Institute of Peace.....                                       |                | 1                | 3                |
| <b>Deductions for offsetting receipts</b> .....                             | -380           | -388             | -288             |
| <b>Total 153</b> .....  | <b>1,882</b>   | <b>2,152</b>     | <b>2,454</b>     |
| <b>154 Foreign information and exchange activities:</b>                     |                |                  |                  |
| Other independent agencies:   |                |                  |                  |
| Board for International Broadcasting.....                                   | 105            | 111              | 121              |
| Japan-United States Friendship Commission (trust funds).....                | 2              | 2                | 2                |
| United States Information Agency <sup>2</sup> .....                         | 574            | 828              | 918              |
| <b>Deductions for offsetting receipts</b> .....                             | -*             | -*               | -*               |
| <b>Total 154</b> .....  | <b>682</b>     | <b>941</b>       | <b>1,041</b>     |
| <b>155 International financial programs:</b>                                |                |                  |                  |
| Funds appropriated to the President <sup>2</sup> .....                      | 11,408         | 11,897           | 12,536           |
| Department of the Treasury.....   | -246           | -280             | -289             |
| Other independent agencies: Export-Import Bank of the United States.....    | 1,068          | 1,359            | 603              |
| <b>Deductions for offsetting receipts</b> .....                             | -11,320        | -12,185          | -12,487          |
| <b>Total 155</b> .....  | <b>910</b>     | <b>790</b>       | <b>364</b>       |
| <b>Total international affairs</b> .....                                    | <b>15,876</b>  | <b>19,583</b>    | <b>18,349</b>    |
| <b>250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY</b>                           |                |                  |                  |
| <b>251 General science and basic research:</b>                              |                |                  |                  |
| Department of Energy.....   | 650            | 687              | 697              |
| Other independent agencies:   |                |                  |                  |
| National Science Foundation <sup>2</sup> .....                              | 1,198          | 1,429            | 1,540            |
| <b>Total 251</b> .....  | <b>1,849</b>   | <b>2,116</b>     | <b>2,237</b>     |
| <b>253 Space flight:</b>  |                |                  |                  |
| National Aeronautics and Space Administration.....                          | 4,028          | 3,914            | 4,004            |
| <b>254 Space, science, applications, and technology:</b>                    |                |                  |                  |
| National Aeronautics and Space Administration.....                          | 1,687          | 1,890            | 2,144            |
| <b>255 Supporting space activities:</b>                                     |                |                  |                  |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....      | 7              | -67              | -107             |
| National Aeronautics and Space Administration <sup>2</sup> .....            | 746            | 886              | 1,007            |
| <b>Total 255</b> .....  | <b>754</b>     | <b>819</b>       | <b>900</b>       |
| <b>Total general science, space, and technology</b> .....                   | <b>8,317</b>   | <b>8,740</b>     | <b>9,285</b>     |
| <b>270 ENERGY</b>   |                |                  |                  |
| <b>271 Energy supply:</b>   |                |                  |                  |
| Funds appropriated to the President.....                                    |                | *                |                  |
| Department of Agriculture.....  | 226            | 31               | 28               |
| Department of Agriculture (off-budget under current law) <sup>3</sup> ..... | -1             |                  |                  |
| Department of Energy <sup>2</sup> .....                                     | 4,854          | 5,144            | 2,797            |
| Department of the Interior.....   | 41             | 9                | 1                |
| Department of the Treasury.....   | 18             | 160              | 322              |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....      | 2,200          | 3,575            | 2,576            |
| Environmental Protection Agency.....  | 40             | 43               | 53               |
| Other independent agencies:   |                |                  |                  |
| Other Temporary Commissions.....  |                | *                |                  |
| Tennessee Valley Authority.....   | 185            | 535              | 165              |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>Deductions for offsetting receipts.....</b>   | <b>-4,331</b>  | <b>-4,548</b>    | <b>-2,773</b>    |
| Total 271 .....  | 3,252          | 4,949            | 3,170            |
| <b>272 Energy conservation:</b>  |                |                  |                  |
| Department of Energy .....   | 519            | 518              | 346              |
| Department of Housing and Urban Development .....  | 8              | 26               | 35               |
| Total 272 .....  | 527            | 545              | 381              |
| <b>274 Emergency energy preparedness:</b>  |                |                  |                  |
| Department of Energy .....   | 189            | 276              | 237              |
| Department of Energy (off-budget under current law) <sup>s</sup> .....                   | 2,329          | 1,630            | 148              |
| Total 274 .....  | 2,518          | 1,906            | 385              |
| <b>276 Energy information, policy, and regulation:</b>                                   |                |                  |                  |
| Department of Energy .....   | 541            | 572              | 297              |
| Other independent agencies:  |                |                  |                  |
| Nuclear Regulatory Commission .....  | 462            | 451              | 438              |
| Office of the Federal Inspector for the Alaska Natural Gas Transportation System .....   | 3              | 2                | 1                |
| <b>Deductions for offsetting receipts.....</b>   | <b>-217</b>    | <b>-261</b>      |                  |
| Total 276 .....  | 790            | 764              | 736              |
| Total energy .....   | 7,086          | 8,164            | 4,671            |
| <b>300 NATURAL RESOURCES AND ENVIRONMENT</b>   |                |                  |                  |
| <b>301 Water resources:</b>  |                |                  |                  |
| Department of Agriculture <sup>2</sup> .....   | 243            | 304              | 198              |
| Department of Defense—Civil <sup>2</sup> .....   | 3,096          | 3,118            | 2,994            |
| Department of the Interior <sup>2</sup> .....  | 872            | 1,020            | 980              |
| Department of State .....  | 14             | 17               | 16               |
| Other independent agencies:  |                |                  |                  |
| Delaware River Basin Commissions .....   | *              | *                | *                |
| Susquehanna River Basin Commission .....   | *              | *                | *                |
| Water Resources Council <sup>2</sup> .....   | 1              |                  |                  |
| <b>Deductions for offsetting receipts.....</b>   | <b>-158</b>    | <b>-167</b>      | <b>-623</b>      |
| Total 301 .....  | 4,068          | 4,293            | 3,566            |
| <b>302 Conservation and land management:</b>   |                |                  |                  |
| Department of Agriculture <sup>2</sup> .....   | 2,392          | 2,505            | 2,274            |
| Department of Commerce .....   | 35             | 18               |                  |
| Department of Defense—Civil .....  |                | *                |                  |
| Department of the Interior <sup>2</sup> .....  | 993            | 1,045            | 977              |
| Department of State .....  | 9              | 9                | 10               |
| Other independent agencies: Marine Mammal Commission .....                               | 1              | 1                | 1                |
| <b>Deductions for offsetting receipts.....</b>   | <b>-2,127</b>  | <b>-2,599</b>    | <b>-2,543</b>    |
| Total 302 .....  | 1,302          | 979              | 719              |
| <b>303 Recreational resources:</b>   |                |                  |                  |
| Department of Agriculture .....  | 38             | 42               | 41               |
| Department of Defense—Civil .....  | 7              | 18               | 14               |
| Department of the Interior <sup>2</sup> .....  | 1,595          | 1,645            | 1,443            |
| Other independent agencies: Advisory Council on Historic Preservation <sup>2</sup> ..... | 2              | 2                | 1                |
| <b>Deductions for offsetting receipts.....</b>   | <b>-61</b>     | <b>-84</b>       | <b>-139</b>      |
| Total 303 .....  | 1,581          | 1,622            | 1,361            |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit                                  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>304 Pollution control and abatement:</b>                            |                |                  |                  |
| Department of Agriculture.....   | 5              | 9                | 11               |
| Department of Transportation.....                                      | 3              | 9                | 9                |
| Environmental Protection Agency <sup>2</sup> .....                     | 4,083          | 4,447            | 4,597            |
| Other independent agencies:  |                |                  |                  |
| Interstate Commission on the Potomac River Basin.....                  | *              | *                |                  |
| Other temporary commissions.....                                       | *              |                  |                  |
| Deductions for offsetting receipts.....                                | -47            | -78              | -38              |
| Total 304.....   | 4,044          | 4,387            | 4,579            |
| <b>306 Other natural resources:</b>                                    |                |                  |                  |
| Department of Commerce <sup>2</sup> .....                              | 963            | 1,089            | 1,083            |
| Department of the Interior <sup>2</sup> .....                          | 639            | 658              | 592              |
| Deductions for offsetting receipts.....                                | -7             | -4               | -15              |
| Total 306.....   | 1,595          | 1,744            | 1,660            |
| Total natural resources and environment.....                           | 12,591         | 13,024           | 11,884           |
| <b>350 AGRICULTURE</b>   |                |                  |                  |
| <b>351 Farm income stabilization:</b>                                  |                |                  |                  |
| Department of Agriculture <sup>2</sup> .....                           | 10,467         | 17,169           | 12,021           |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> ..... | 1,410          | 1,175            | -1,084           |
| Other independent agencies: Farm Credit Administration.....            | -2             | *                |                  |
| Total 351.....   | 11,877         | 18,344           | 10,937           |
| <b>352 Agricultural research and services:</b>                         |                |                  |                  |
| Department of Agriculture <sup>2</sup> .....                           | 1,816          | 1,912            | 1,781            |
| Deductions for offsetting receipts.....                                | -80            | -91              | -90              |
| Total 352.....   | 1,736          | 1,821            | 1,691            |
| Total agriculture.....   | 13,613         | 20,165           | 12,629           |
| <b>370 COMMERCE AND HOUSING CREDIT</b>                                 |                |                  |                  |
| <b>371 Mortgage credit and deposit insurance:</b>                      |                |                  |                  |
| Department of Agriculture.....   | 2,340          | 2,229            | 2,492            |
| Department of Housing and Urban Development.....                       | 951            | -913             | -1,486           |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> ..... | 1,090          | 2,335            | -180             |
| Other independent agencies:  |                |                  |                  |
| Federal Deposit Insurance Corporation (trust funds).....               | -248           | -1,000           | -1,500           |
| Federal Home Loan Bank Board.....                                      | -561           | 350              | 57               |
| National Credit Union Administration.....                              | 193            | -822             | -96              |
| Total 371.....   | 3,766          | 2,179            | -713             |
| <b>372 Postal Service:</b>   |                |                  |                  |
| Other independent agencies:  |                |                  |                  |
| Postal Service.....  | 879            | 1,041            | 39               |
| Postal Service (off budget under current law) <sup>3</sup> .....       | 360            | 320              | 1,178            |
| Total 372.....   | 1,239          | 1,361            | 1,217            |
| <b>376 Other advancement of commerce:</b>                              |                |                  |                  |
| Legislative branch.....  | 59             | 88               | 96               |
| Department of Commerce <sup>2 4</sup> .....                            | 733            | 816              | 800              |
| Department of Housing and Urban Development.....                       | -15            | -4               | -5               |
| Department of State.....   |                | *                |                  |
| Department of the Treasury <sup>2 4</sup> .....                        | 1              | -3               | 2,865            |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....              | 254            | 500              | -1,735           |
| General Services Administration .....   | 674            | 813              | 150              |
| Small Business Administration <sup>4</sup> .....                                    | 25             | 27               | 27               |
| Other independent agencies:   |                |                  |                  |
| Commodity Futures Trading Commission .....  | 87             | 96               | 92               |
| Federal Communications Commission .....   | 66             | 70               | 65               |
| Federal Trade Commission .....  |                | *                | *                |
| Other Historical and Memorial Agencies .....  | 5              | *                | *                |
| National Institute of Building Sciences .....                                       |                |                  |                  |
| Securities and Exchange Commission .....  | 92             | 104              | 105              |
| United States Metric Board <sup>2</sup> .....                                       | *              | *                |                  |
| <b>Deductions for offsetting receipts</b> .....                                     | -70            | -63              | -760             |
| <b>Total 376</b> .....  | <b>1,913</b>   | <b>2,447</b>     | <b>1,702</b>     |
| <b>Total commerce and housing credit</b> .....                                      | <b>6,917</b>   | <b>5,987</b>     | <b>2,206</b>     |
| <b>400 TRANSPORTATION</b>   |                |                  |                  |
| <b>401 Ground transportation:</b>   |                |                  |                  |
| Department of Agriculture (trust funds) .....                                       |                | *                |                  |
| Department of the Interior (trust funds) .....                                      | 1              | 43               | *                |
| Department of Transportation <sup>2</sup> .....                                     | 16,983         | 18,586           | 17,672           |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....              | -904           | -5               | -9               |
| Other independent agencies:   |                |                  |                  |
| Washington Metropolitan Area Transit Authority .....                                | 33             | 52               | 52               |
| Interstate Commerce Commission .....  | 56             | 55               | 52               |
| Other temporary commissions .....   | 1              |                  |                  |
| United States Railway Association .....   | 2              | 3                |                  |
| United States Railway Association (off-budget under current law) <sup>3</sup> ..... | -14            | -4               |                  |
| <b>Deductions for offsetting receipts</b> .....                                     | -1             | -1               | -1               |
| <b>Total 401</b> .....  | <b>16,158</b>  | <b>18,729</b>    | <b>17,766</b>    |
| <b>402 Air transportation:</b>  |                |                  |                  |
| Department of Transportation <sup>2</sup> .....                                     | 3,859          | 4,385            | 4,617            |
| National Aeronautics and Space Administration .....                                 | 586            | 627              | 616              |
| Other independent agencies: Civil Aeronautics Board .....                           | 21             | 7                |                  |
| <b>Deductions for offsetting receipts</b> .....                                     | -52            | -53              | -58              |
| <b>Total 402</b> .....  | <b>4,415</b>   | <b>4,966</b>     | <b>5,175</b>     |
| <b>403 Water transportation:</b>  |                |                  |                  |
| Department of Transportation <sup>2</sup> .....                                     | 3,030          | 3,184            | 3,031            |
| Other independent agencies:   |                |                  |                  |
| Federal Maritime Commission .....   | 11             | 12               | 12               |
| Panama Canal Commission .....   | 381            | 426              | 446              |
| <b>Deductions for offsetting receipts</b> .....                                     | -412           | -445             | -697             |
| <b>Total 403</b> .....  | <b>3,010</b>   | <b>3,176</b>     | <b>2,792</b>     |
| <b>407 Other transportation:</b>  |                |                  |                  |
| Department of Transportation .....  | 64             | 101              | 105              |
| Other independent agencies:   |                |                  |                  |
| National Transportation Safety Board .....  | 21             | 22               | 22               |
| <b>Total 407</b> .....  | <b>85</b>      | <b>123</b>       | <b>127</b>       |
| <b>Total transportation</b> .....   | <b>23,669</b>  | <b>26,994</b>    | <b>25,860</b>    |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit                                       | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| <b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>                               |                |                  |                  |
| <b>451 Community development:</b>   |                |                  |                  |
| Department of Housing and Urban Development.....                            | 4,443          | 4,774            | 4,544            |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....      | 31             | 42               | 24               |
| Other independent agencies:   |                |                  |                  |
| Commission of Fine Arts.....  | *              | *                | *                |
| Federal Emergency Management Agency <sup>2</sup> .....                      | 14             | 11               | 17               |
| National Capital Planning Commission.....                                   | 2              | 3                | 3                |
| Neighborhood Reinvestment Corporation.....                                  | 16             | 16               | 15               |
| Pennsylvania Avenue Development Corporation <sup>2</sup> .....              | 13             | 15               | 13               |
| Total 451.....  | 4,520          | 4,861            | 4,616            |
| <b>452 Area and regional development:</b>                                   |                |                  |                  |
| Funds appropriated to the President.....                                    | 213            | 184              | 152              |
| Department of Agriculture.....  | 1,253          | 1,260            | 1,154            |
| Department of Agriculture (off-budget under current law) <sup>3</sup> ..... | 15             | 70               | 98               |
| Department of Commerce <sup>2</sup> .....                                   | 218            | 241              | 156              |
| Department of Health and Human Services.....                                | 7              | 1                | -2               |
| Department of the Interior <sup>2</sup> .....                               | 1,108          | 1,154            | 1,114            |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....      | 320            | 589              | 360              |
| Other independent agencies:   |                |                  |                  |
| Appalachian Regional Commission <sup>2</sup> .....                          | 7              | 7                | 3                |
| Tennessee Valley Authority.....   | 166            | 143              | 40               |
| Deductions for offsetting receipts.....                                     | -273           | -283             | -282             |
| Total 452.....  | 3,034          | 3,366            | 2,792            |
| <b>453 Disaster relief and insurance:</b>                                   |                |                  |                  |
| Funds appropriated to the President <sup>2</sup> .....                      | 243            | 200              | 194              |
| Department of Agriculture.....  | 15             | 11               | 12               |
| Department of Commerce.....   | -*             | *                |                  |
| Department of the Treasury <sup>4</sup> .....                               |                |                  | 482              |
| Small Business Administration <sup>4</sup> .....                            | -419           | -87              |                  |
| Other independent agencies: Federal Emergency Management<br>Agency.....     | 279            | 201              | 175              |
| Deductions for offsetting receipts.....                                     |                |                  | -948             |
| Total 453.....  | 119            | 326              | -84              |
| Total community and regional development.....                               | 7,673          | 8,553            | 7,323            |
| <b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL<br/>SERVICES</b>         |                |                  |                  |
| <b>501 Elementary, secondary, and vocational education:</b>                 |                |                  |                  |
| Department of Education <sup>2</sup> .....                                  | 6,262          | 7,392            | 7,422            |
| Department of the Interior.....   | 258            | 269              | 248              |
| Total 501.....  | 6,520          | 7,661            | 7,670            |
| <b>502 Higher education:</b>  |                |                  |                  |
| Department of Education.....  | 7,404          | 8,552            | 8,015            |
| Department of Housing and Urban Development.....                            | -1             | -18              | -27              |
| Other independent agencies:   |                |                  |                  |
| Harry S Truman Scholarship Foundation (trust funds) .....                   | 2              | 2                | 3                |
| National Commission on Student Financial Assistance <sup>2</sup> .....      | *              | *                |                  |
| Deductions for offsetting receipts.....                                     | -23            | -31              | -33              |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(in millions of dollars)

| Function and department or other unit                                       | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| Total 502.....  | 7,383          | 8,506            | 7,959            |
| <b>503 Research and general education aids:</b>                             |                |                  |                  |
| Legislative branch <sup>2</sup> .....                                       | 171            | 191              | 197              |
| Department of Commerce.....   | 17             | 19               | 13               |
| Department of Education <sup>2</sup> .....                                  | 375            | 286              | 256              |
| Other independent agencies:   |                |                  |                  |
| Corporation for Public Broadcasting.....                                    | 138            | 150              | 160              |
| National Commission on Libraries and Information Science <sup>2</sup> ..... | 1              | 1                | *                |
| National Endowment for the Arts <sup>2</sup> .....                          | 145            | 163              | 161              |
| National Endowment for the Humanities <sup>2</sup> .....                    | 140            | 155              | 132              |
| Institute of Museum Services.....   | 17             | 25               | 16               |
| Smithsonian Institution.....  | 211            | 240              | 256              |
| Deductions for offsetting receipts.....                                     | -5             | -5               | -5               |
| Total 503.....  | 1,210          | 1,225            | 1,187            |
| <b>504 Training and employment:</b>   |                |                  |                  |
| Department of Commerce.....   | 1              | 2                |                  |
| Department of Health and Human Services.....                                | 265            | 267              | 60               |
| Department of Labor <sup>2</sup> .....                                      | 4,378          | 5,030            | 4,871            |
| Total 504.....  | 4,644          | 5,298            | 4,931            |
| <b>505 Other labor services:</b>  |                |                  |                  |
| Department of Labor.....  | 481            | 544              | 518              |
| Other independent agencies:   |                |                  |                  |
| Committee for Purchase from the Blind and other Severely Handicapped.....   | 1              | 1                | 1                |
| Federal Mediation and Conciliation Service.....                             | 22             | 24               | 23               |
| National Labor Relations Board.....   | 130            | 136              | 132              |
| National Mediation Board.....   | 5              | 6                | 6                |
| Total 505.....  | 639            | 711              | 679              |
| <b>506 Social services:</b>   |                |                  |                  |
| Department of Education.....  | 1,435          | 1,127            | 1,154            |
| Department of Health and Human Services.....                                | 5,625          | 5,753            | 5,556            |
| Department of Housing and Urban Development.....                            | 3              | 4                | 4                |
| General Services Administration.....  | *              | *                | *                |
| Other independent agencies:   |                |                  |                  |
| ACTION.....   | 133            | 144              | 148              |
| Community Services Administration.....                                      | -12            | 4                |                  |
| National Council on the Handicapped.....                                    | *              | 1                | 1                |
| Total 506.....  | 7,185          | 7,032            | 6,863            |
| Total education, training, employment, and social services.....             | 27,579         | 30,434           | 29,288           |
| <b>550 HEALTH</b>   |                |                  |                  |
| <b>551 Health care services:</b>  |                |                  |                  |
| Legislative Branch.....   | -3             | 3                | 3                |
| Department of Health and Human Services <sup>2</sup> .....                  | 23,215         | 26,109           | 26,756           |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....      | -14            | -4               | -10              |
| Office of Personnel Management <sup>2</sup> .....                           | 1,342          | 1,143            | 1,460            |
| Other independent agencies: Other temporary commissions.....                | *              |                  |                  |
| Deductions for offsetting receipts.....                                     | -18            | -7               | -7               |
| Total 551.....  | 24,522         | 27,244           | 28,202           |



Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit   | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|---|----------------|------------------|------------------|
| <b>552 Health research:</b>   |                |                  |                  |
| Department of Health and Human Services.....  | 4,380          | 4,962            | 5,205            |
| Department of Housing and Urban Development.....                                    | -1             | -1               | -1               |
| Total 552.....  | 4,379          | 4,961            | 5,204            |
| <b>553 Education and training of health care work force:</b>                        |                |                  |                  |
| Department of Health and Human Services.....  | 388            | 478              | 455              |
| <b>554 Consumer and occupational health and safety:</b>                             |                |                  |                  |
| Executive Office of the President.....  | - *            | *                | .....            |
| Department of Agriculture.....  | 338            | 361              | 346              |
| Department of Health and Human Services.....  | 390            | 416              | 426              |
| Department of Labor.....  | 357            | 371              | 359              |
| Other independent agencies:   |                |                  |                  |
| Consumer Product Safety Commission.....   | 34             | 37               | 34               |
| Federal Mine Safety and Health Review Commission.....                               | 4              | 4                | 4                |
| Occupational Safety and Health Review Commission.....                               | 6              | 6                | 6                |
| Deductions for offsetting receipts.....   |                |                  | -115             |
| Total 554.....  | 1,129          | 1,196            | 1,059            |
| Total health.....   | 30,417         | 33,879           | 34,920           |
| <b>570 SOCIAL SECURITY AND MEDICARE</b>   |                |                  |                  |
| <b>571 Social security:</b>   |                |                  |                  |
| Department of Health and Human Services <sup>2</sup> .....                          | 187,744        | 197,348          | 209,940          |
| Deductions for offsetting receipts.....   | -9,521         | -6,242           | -7,695           |
| Total 571.....  | 178,223        | 191,107          | 202,245          |
| <b>572 Medicare:</b>  |                |                  |                  |
| Department of Health and Human Services <sup>2</sup> .....                          | 80,586         | 91,064           | 92,629           |
| Deductions for offsetting receipts.....   | -23,046        | -24,808          | -25,471          |
| Total 572.....  | 57,540         | 66,256           | 67,158           |
| Total social security and medicare.....   | 235,764        | 257,363          | 269,404          |
| <b>600 INCOME SECURITY</b>  |                |                  |                  |
| <b>601 General retirement and disability insurance (excluding Social Security):</b> |                |                  |                  |
| Department of Health and Human Services.....  | 1,057          | 1,039            | 991              |
| Department of Labor <sup>2</sup> .....  | 1,250          | 1,209            | 1,015            |
| Department of the Treasury.....   | 525            |                  |                  |
| Other independent agencies:   |                |                  |                  |
| Railroad Retirement Board <sup>2</sup> .....  | 8,672          | 11,216           | 11,582           |
| Deductions for offsetting receipts.....   | -6,062         | -7,959           | -8,007           |
| Total 601.....  | 5,441          | 5,504            | 5,580            |
| <b>602 Federal employee retirement and disability:</b>                              |                |                  |                  |
| Legislative branch (trust funds).....   | *              | *                | *                |
| The Judiciary (trust funds).....  | 3              | 4                | 4                |
| Department of Defense—Civil (trust funds).....                                      | 16,471         | 15,860           | 17,800           |
| Department of Labor.....  | 219            | 207              | 233              |
| Department of State (trust funds).....  | 212            | 212              | 244              |
| Office of Personnel Management (trust funds).....                                   | 21,187         | 22,396           | 23,278           |
| Deductions for offsetting receipts.....   | -36            | -39              | -42              |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit                                    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| Total 602 .....  | 38,054         | 38,641           | 41,518           |
| <b>603 Unemployment compensation:</b>                                    |                |                  |                  |
| Department of Labor <sup>2</sup> .....                                   | 29,060         | 23,215           | 21,322           |
| Department of Transportation .....                                       | 58             | 46               | 18               |
| Other independent agencies: Railroad Retirement Board .....              | -72            | *                |                  |
| Deductions for offsetting receipts .....                                 | -10,625        | -6,481           | -5,047           |
| Total 603 .....  | 18,421         | 16,780           | 16,294           |
| <b>604 Housing assistance:</b>   |                |                  |                  |
| Department of Agriculture .....  | 32             | 49               | 42               |
| Department of Housing and Urban Development .....                        | 11,126         | 25,038           | 12,297           |
| Department of the Treasury .....   |                | 300              |                  |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....   | 112            | -32              | -35              |
| Total 604 .....  | 11,270         | 25,355           | 12,304           |
| <b>605 Food and nutrition assistance:</b>                                |                |                  |                  |
| Department of Agriculture .....  | 17,997         | 18,594           | 18,268           |
| Other independent agencies: Federal Emergency Management<br>Agency ..... | 58             | 70               |                  |
| Total 605 .....  | 18,055         | 18,664           | 18,268           |
| <b>609 Other income security:</b>  |                |                  |                  |
| Department of Health and Human Services .....                            | 20,234         | 21,242           | 20,551           |
| Department of State .....  | *              |                  |                  |
| Department of the Treasury .....   | 1,193          | 1,054            | 1,255            |
| Total 609 .....  | 21,427         | 22,296           | 21,806           |
| Total income security .....  | 112,668        | 127,240          | 115,769          |
| <b>700 VETERANS BENEFITS AND SERVICES</b>                                |                |                  |                  |
| <b>701 Income security for veterans:</b>                                 |                |                  |                  |
| Veterans Administration <sup>2</sup> .....                               | 14,843         | 15,149           | 15,551           |
| Deductions for offsetting receipts .....                                 | -443           | -395             | -435             |
| Total 701 .....  | 14,400         | 14,754           | 15,135           |
| <b>702 Veterans education, training, and rehabilitation:</b>             |                |                  |                  |
| Department of Defense—Civil (trust funds) .....                          |                | *                | 8                |
| Veterans Administration <sup>2</sup> .....                               | 1,575          | 1,512            | 1,273            |
| Deductions for offsetting receipts .....                                 | -216           | -218             | -171             |
| Total 702 .....  | 1,359          | 1,295            | 1,110            |
| <b>703 Hospital and medical care for veterans:</b>                       |                |                  |                  |
| Veterans Administration .....  | 8,861          | 9,621            | 10,059           |
| Deductions for offsetting receipts .....                                 |                |                  | -65              |
| Total 703 .....  | 8,861          | 9,621            | 9,994            |
| <b>704 Veterans housing:</b>   |                |                  |                  |
| Department of Housing and Urban Development .....                        | -22            | -19              | -21              |
| Veterans Administration .....  | 325            | 376              | -267             |
| Deductions for offsetting receipts .....                                 | -59            |                  |                  |
| Total 704 .....  | 244            | 358              | -288             |
| <b>705 Other veterans benefits and services:</b>                         |                |                  |                  |
| Department of Defense—Civil <sup>2</sup> .....                           | 37             | 51               | 46               |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit  | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| Department of the Treasury (trust funds).....  |                | *                |                  |
| Veterans Administration <sup>2</sup> .....   | 707            | 766              | 765              |
| Other independent agencies: American Battle Monuments Commis-<br>sion <sup>2</sup> ..... | 11             | 11               | 11               |
| Deductions for offsetting receipts.....  | -4             | -4               | -5               |
| Total 705.....   | 751            | 823              | 871              |
| Total veterans benefits and services.....  | 25,614         | 26,850           | 26,769           |
| <b>750 ADMINISTRATION OF JUSTICE</b>   |                |                  |                  |
| <b>751 Federal law enforcement activities:</b>   |                |                  |                  |
| Department of Education.....   | 58             | 64               | 55               |
| Department of Health and Human Services.....   | 18             | 17               | 16               |
| Department of Housing and Urban Development.....   | 28             | 34               | 39               |
| Department of Justice.....   | 1,878          | 2,193            | 2,164            |
| Department of the Treasury.....  | 1,057          | 1,190            | 1,161            |
| Other independent agencies:  |                |                  |                  |
| Administrative Conference of the United States.....                                      | 1              | 1                | 1                |
| Architectural and Transportation Barriers Compliance Board.....                          | 2              | 2                | 2                |
| Commission on Civil Rights.....  | 12             | 13               | 12               |
| Equal Employment Opportunity Commission.....   | 152            | 165              | 159              |
| Other temporary commissions.....   | *              |                  |                  |
| Total 751.....   | 3,205          | 3,681            | 3,610            |
| <b>752 Federal litigative and judicial activities:</b>                                   |                |                  |                  |
| Legislative branch.....  | 15             | 23               | 24               |
| The Judiciary.....   | 863            | 1,020            | 1,126            |
| Department of Justice.....   | 676            | 847              | 879              |
| Other independent agencies:  |                |                  |                  |
| Legal Services Corporation.....  | 271            | 302              | 37               |
| Other temporary commissions.....   | *              |                  |                  |
| Total 752.....   | 1,825          | 2,192            | 2,066            |
| <b>753 Federal correctional activities:</b>  |                |                  |                  |
| Department of Justice <sup>2</sup> .....   | 494            | 580              | 632              |
| <b>754 Criminal justice assistance:</b>  |                |                  |                  |
| Department of Justice.....   | 136            | 233              | 280              |
| Total administration of justice.....   | 5,660          | 6,686            | 6,587            |
| <b>800 GENERAL GOVERNMENT</b>  |                |                  |                  |
| <b>801 Legislative functions:</b>  |                |                  |                  |
| Legislative branch <sup>2</sup> .....  | 1,319          | 1,464            | 1,588            |
| Allowance.....   |                |                  | -171             |
| Total 801.....   | 1,319          | 1,464            | 1,417            |
| <b>802 Executive direction and management:</b>   |                |                  |                  |
| Executive Office of the President.....   | 95             | 117              | 110              |
| Funds appropriated to the President.....   | *              | 1                | 1                |
| General Services Administration.....   | 1              | 1                | 1                |
| Total 802.....   | 97             | 119              | 112              |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit                                    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| <b>803 Central fiscal operations:</b>                                    |                |                  |                  |
| Department of the Treasury <sup>2 4</sup> .....                          | 3,773          | 4,159            | 4,106            |
| Department of the Treasury (Federal Financing Bank) <sup>3 5</sup> ..... | — 60           |                  |                  |
| Deductions for offsetting receipts .....                                 | — 459          | — 626            | — 1,001          |
| Total 803 .....  | 3,254          | 3,533            | 3,105            |
| <b>804 General property and records management:</b>                      |                |                  |                  |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....   | — 4            | — 4              | — 5              |
| General Services Administration <sup>2</sup> .....                       | 239            | 510              | 281              |
| Other Independent Agencies:  |                |                  |                  |
| National Archives and Records Administration .....                       | 86             | 95               | 104              |
| Deductions for offsetting receipts .....                                 | — 120          | — 224            | — 199            |
| Total 804 .....  | 201            | 376              | 182              |
| <b>805 Central personnel management:</b>                                 |                |                  |                  |
| Office of Personnel Management .....                                     | 15,454         | 15,700           | 15,747           |
| Other independent agencies:  |                |                  |                  |
| Advisory Committee on Federal Pay .....                                  | *              | *                | *                |
| Federal Labor Relations Authority .....                                  | 17             | 17               | 17               |
| Merit Systems Protection Board .....                                     | 26             | 25               | 25               |
| Other temporary commissions .....  |                | *                |                  |
| Deductions for offsetting receipts .....                                 | — 15,358       | — 15,590         | — 15,646         |
| Total 805 .....  | 139            | 153              | 143              |
| <b>806 Other general government:</b>                                     |                |                  |                  |
| Legislative branch .....   | 27             | 22               | 32               |
| The Judiciary .....  | *              | *                | *                |
| Department of the Interior <sup>2</sup> .....                            | 177            | 209              | 95               |
| Department of the Treasury <sup>2</sup> .....                            | 354            | 391              | 302              |
| Department of the Treasury (Federal Financing Bank) <sup>3</sup> .....   | — *            | — *              | — 1              |
| Office of Personnel Management .....                                     | — *            |                  |                  |
| Other independent agencies:  |                |                  |                  |
| Federal Election Commission .....  | 10             | 13               | 12               |
| Other historical and memorial agencies .....                             | *              | *                | *                |
| Advisory Commission on Intergovernmental Relations <sup>2</sup> .....    | 2              | 2                | 2                |
| Native Hawaiians Study Commission .....                                  | *              | *                |                  |
| Other temporary commissions .....  | 16             | 20               | 21               |
| United States Holocaust Memorial Council <sup>2</sup> .....              | 1              | 2                | 2                |
| Deductions for offsetting receipts .....                                 | — 32           | — 75             | — 75             |
| Total 806 .....  | 557            | 586              | 390              |
| <b>809 Deductions for offsetting receipts .....</b>                      | <b>— 513</b>   | <b>— 448</b>     | <b>— 504</b>     |
| Total general government .....   | 5,053          | 5,782            | 4,845            |
| <b>850 GENERAL PURPOSE FISCAL ASSISTANCE</b>                             |                |                  |                  |
| <b>851 General revenue sharing:</b>                                      |                |                  |                  |
| Department of the Treasury <sup>2</sup> .....                            | 9,140          | 9,184            | 1,168            |
| Deductions for offsetting receipts .....                                 | — 4,567        | — 4,567          |                  |
| Total 851 .....  | 4,573          | 4,617            | 1,168            |
| <b>852 Other general purpose fiscal assistance:</b>                      |                |                  |                  |
| Department of Agriculture .....  | 203            | 239              | 67               |
| Department of Defense—Civil .....  | 6              | 7                | 6                |

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

| Function and department or other unit                    | 1984<br>actual | 1985<br>estimate | 1986<br>estimate |
|--|----------------|------------------|------------------|
| Department of Energy .....                               | *              | 1                | 1                |
| Department of the Interior .....                         | 976            | 772              | 708              |
| Department of the Treasury .....                         | 442            | 417              | 350              |
| Other independent agencies: District of Columbia .....   | 601            | 533              | 532              |
| Deductions for offsetting receipts .....                 | -31            | -34              | -34              |
| Total 852 .....  | 2,197          | 1,934            | 1,629            |
| Total general purpose fiscal assistance .....            | 6,770          | 6,552            | 2,797            |
| <b>900 NET INTEREST</b>                                  |                |                  |                  |
| <b>901 Interest on the public debt:</b>                  |                |                  |                  |
| Department of the Treasury .....                         | 153,838        | 180,300          | 198,810          |
| Deductions for offsetting receipts .....                 | -15            | -5               | -5               |
| Total 901 .....  | 153,822        | 180,295          | 198,805          |
| <b>902 Interest received by trust funds:</b>             |                |                  |                  |
| Deductions for offsetting receipts .....                 | -20,354        | -25,554          | -29,149          |
| <b>908 Other interest:</b>                               |                |                  |                  |
| Department of the Treasury .....                         | 1,319          | 1,205            | 1,278            |
| Deductions for offsetting receipts .....                 | -23,729        | -25,520          | -28,384          |
| Total 908 .....  | -22,410        | -24,315          | -27,106          |
| Total net interest .....                                 | 111,058        | 130,426          | 142,550          |
| <b>Allowances for:</b>                                   |                |                  |                  |
| Civilian agency pay raises <sup>6</sup> .....            |                | 6                | 24               |
| Contingencies for other requirements .....               |                | 1,125            | 375              |
| <b>Undistributed offsetting receipts:</b>                |                |                  |                  |
| <b>Employer share, employee retirement:</b>              |                |                  |                  |
| Interfund transactions .....                             | -8,760         | -26,994          | -28,961          |
| Federal intrafund transactions <sup>7</sup> .....        | -16,503        |                  |                  |
| Total employer share, employee retirement .....          | -25,263        | -26,994          | -28,961          |
| Rents and royalties on the Outer Continental Shelf ..... | -6,694         | -5,302           | -7,317           |
| Sale of Conrail .....                                    |                |                  | -1,200           |
| Total outlays .....                                      | 851,781        | 959,085          | 973,725          |
| <b>MEMORANDUM</b>  |                |                  |                  |
| Federal funds <sup>8</sup> .....                         | 636,324        | 731,630          | 734,931          |
| Trust funds <sup>8</sup> .....                           | 305,198        | 346,405          | 359,901          |
| Interfund transactions <sup>8</sup> .....                | -89,740        | -118,950         | -121,107         |
| Total .....  | 851,781        | 959,085          | 973,725          |

\*\$500 thousand or less.

<sup>1</sup> Includes an imputed charge (\$16,503 million) for accruals for military retirement contributions in 1984.<sup>2</sup> Includes both Federal and trust funds.<sup>3</sup> Off-budget under current law, proposed to be included on-budget.<sup>4</sup> Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.<sup>5</sup> Miscellaneous outlays not attributed to any single program.<sup>6</sup> Allowance for military pay raises for the Coast Guard.<sup>7</sup> Offsetting receipts (-\$16,503) equal to the imputed accruals for military retirement contributions in 1984.<sup>8</sup> Adjusted for inclusion of transactions from entities that are off-budget under current law and proposed to be included on-budget.

Note: In order to reflect the transactions of the Federal Financing Bank (FFB) on behalf of other agencies, budget authority and outlays of the FFB account are shown in Part 8 of this volume under the Department of the Treasury and are identified by the agency, account title, and subfunction of the account being serviced.

Table 16.—LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1986 BUDGET, PROJECTIONS OF COSTS\*

(In millions of dollars)

|   |         | Estimates |      |       |       |       |       | Explanation  |
|---|---------|-----------|------|-------|-------|-------|-------|--|
|   |         | 1985      | 1986 | 1987  | 1988  | 1989  | 1990  |  |
| Environmental Protection Agency:<br>Hazardous substance response fund (super-fund). | BA..... | 620       | 900  | 1,125 | 1,200 | 1,150 | 1,175 | This proposal would reauthorize and greatly expand the on-going national effort to clean up abandoned hazardous waste sites. Taxes on industry would be increased in order to finance the program at the expanded level. |
|   | 0.....  | 450       | 670  | 925   | 1,115 | 1,150 | 1,160 |  |
| State:<br>Compact of Free Association.....  | BA..... |           | 299  | 146   | 148   | 150   | 151   | This proposal would provide funds necessary to implement the proposed Compact of Free Association between the United States and the Federated States of Micronesia and the Marshall Islands.                             |
|   | 0.....  |           | 299  | 146   | 148   | 150   | 151   |  |

\*This table is supplied to meet the requirements of section 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510). The economic assumptions used to prepare these estimates are shown in Part 3, "Economic Assumptions and the Budget". These estimates do not reflect the effects of experience gained in operating the programs or reductions in the costs of other programs that might come about if the proposals were adopted. Since the assumptions upon which these estimates are based may change, they do not represent a commitment of specific funding levels in future years.

Table 17. CREDIT BUDGET: NEW DIRECT LOAN OBLIGATIONS AND GUARANTEED LOAN COMMITMENTS BY AGENCY

(In millions of dollars)

| Department or other unit  | Direct Loan Obligations |                  |                  | Guaranteed Loan Commitments |                  |                  |
|---|-------------------------|------------------|------------------|-----------------------------|------------------|------------------|
|   | 1984<br>actual          | 1985<br>estimate | 1986<br>estimate | 1984<br>actual              | 1985<br>estimate | 1986<br>estimate |
| Funds Appropriated to the President .....                             | 2,672                   | 6,268            | 7,224            | 242                         | 310              | 195              |
| FFB direct loans .....  | 4,401                   |                  |                  |                             |                  |                  |
| Agriculture .....   | 14,681                  | 19,263           | 10,853           | 4,777                       | 5,881            | 8,020            |
| FFB direct loans .....  | 1,002                   | 1,325            | 300              |                             |                  |                  |
| Commerce <sup>1</sup> .....   | 39                      | 24               | 12               | 79                          | 47               |                  |
| Education .....   | 979                     | 1,129            | 877              | 7,597                       | 7,941            | 7,547            |
| Energy .....  | 1                       | 36               | 20               | 6                           | 85               | 80               |
| Health and Human Services .....                                       | 21                      | 14               | 17               | 250                         | 250              | 100              |
| Housing and Urban Development <sup>2</sup> .....                      | 2,636                   | 15,425           | 2,199            | 30,794                      | 30,342           | 32,737           |
| FFB direct loans .....  | 87                      | 225              |                  |                             |                  |                  |
| Interior .....  | 67                      | 90               | 60               | 19                          | 45               | 20               |
| Labor .....   | 1                       | 2                | 2                |                             |                  |                  |
| State .....   | 1                       | 1                | 1                |                             |                  |                  |
| Transportation .....  | 1,184                   | 294              | 165              | 189                         | 309              | 310              |
| FFB direct loans .....  | 6                       | 2                |                  |                             |                  |                  |
| Treasury <sup>1</sup> .....   |                         |                  | 684              |                             |                  |                  |
| Environmental Protection Agency .....                                 |                         | 6                | 11               |                             |                  |                  |
| National Aeronautics and Space Administration: FFB direct loans ..... | 142                     |                  |                  |                             |                  |                  |
| Small Business Administration <sup>1</sup> .....                      | 1,065                   | 1,326            |                  | 2,998                       | 3,310            |                  |
| FFB direct loans .....  | 478                     | 680              |                  |                             |                  |                  |
| Veterans Administration .....   | 1,077                   | 1,009            | 800              | 16,465                      | 15,174           | 15,429           |
| Other independent agencies:   |                         |                  |                  |                             |                  |                  |
| District of Columbia .....  | 115                     |                  |                  |                             |                  |                  |
| Export-Import Bank .....  | 1,467                   | 3,865            |                  | 7,149                       | 10,000           | 12,000           |
| Federal Deposit Insurance Corporation .....                           | 5,658                   | 180              | 150              |                             |                  |                  |
| Federal Home Loan Bank Board (FSLIC) .....                            | 656                     | 90               | 148              | 223                         | 246              | 351              |
| National Credit Union Administration .....                            | 462                     | 503              | 563              | 9                           | 1                |                  |
| Tennessee Valley Authority .....                                      | 60                      | 58               | 66               |                             |                  |                  |
| FFB direct loans .....  | 137                     | 90               | 87               |                             |                  |                  |
| United States Synthetic Fuels Corporation .....                       |                         |                  |                  |                             | 78               | 419              |
| <b>Total .....</b>  | <b>39,093</b>           | <b>51,904</b>    | <b>24,240</b>    | <b>70,798</b>               | <b>74,018</b>    | <b>77,208</b>    |
| <b>ADDENDUM</b>   |                         |                  |                  |                             |                  |                  |
| Secondary guaranteed loans <sup>2</sup> .....                         |                         |                  |                  | 39,665                      | 53,460           | 51,110           |

<sup>1</sup> Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and the transfer of activities to the Departments of Commerce and Treasury.

<sup>2</sup> Commitments by GNMA to guarantee securities that are backed by loans previously insured or guaranteed by the Federal Housing Administration, Veterans Administration, or Farmers Home Administration (secondary guarantees) are excluded from the totals and shown as a memorandum entry.

Note: Loans guaranteed by Federal agencies and disbursed by the Federal Financing Bank (FFB) are identified in this table as FFB direct loans.

Table 18. CONTROLLABILITY OF BUDGET OUTLAYS, 1976-86

(in billions of dollars)

|   | Actual       |             |              |              |              |              |              |              |              |              | Estimate     |              |
|---|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 1976         | TQ          | 1977         | 1978         | 1979         | 1980         | 1981         | 1982         | 1983         | 1984         | 1985         | 1986         |
| <b>Relatively uncontrollable under present law:</b>               |              |             |              |              |              |              |              |              |              |              |              |              |
| Open-ended programs and fixed costs:                              |              |             |              |              |              |              |              |              |              |              |              |              |
| Payments for individuals:   |              |             |              |              |              |              |              |              |              |              |              |              |
| Social security and railroad retirement.....                      | 74.7         | 20.4        | 86.0         | 94.5         | 105.0        | 120.0        | 141.2        | 157.4        | 171.8        | 179.3        | 192.0        | 203.4        |
| Federal employees' retirement and insurance.....                  | 21.2         | 5.7         | 24.0         | 26.7         | 29.9         | 34.7         | 40.5         | 44.4         | 47.3         | 49.0         | 49.9         | 54.1         |
| Unemployment assistance.....                                      | 18.5         | 3.3         | 14.2         | 10.8         | 9.7          | 16.8         | 18.2         | 22.1         | 29.7         | 16.9         | 15.4         | 14.8         |
| Medical care.....   | 25.1         | 6.7         | 30.1         | 34.3         | 39.9         | 47.2         | 57.2         | 65.6         | 73.5         | 79.9         | 91.9         | 96.8         |
| Assistance to students.....                                       | 5.7          | .8          | 3.8          | 3.9          | 3.7          | 3.9          | 4.7          | 5.1          | 4.4          | 4.8          | 4.9          | 4.6          |
| Food and nutrition assistance.....                                | 1.9          | .4          | 2.8          | 2.7          | 3.0          | 3.5          | 3.5          | 3.0          | 3.3          | 3.6          | 3.9          | 4.1          |
| Public assistance and related programs.....                       | 14.0         | 3.5         | 15.0         | 15.8         | 15.5         | 17.5         | 19.3         | 19.5         | 20.9         | 21.0         | 21.9         | 22.4         |
| All other relatively uncontrollable payments for individuals..... | 1.9          | .4          | 1.9          | 1.9          | 2.6          | 3.0          | 3.0          | 2.9          | 2.9          | 2.9          | 2.9          | 2.9          |
| Subtotal, payments for individuals.....                           | 162.9        | 41.2        | 177.9        | 190.6        | 209.5        | 246.6        | 287.6        | 320.1        | 353.8        | 357.4        | 382.7        | 403.1        |
| Net interest.....   | 26.7         | 6.9         | 29.9         | 35.4         | 42.6         | 52.5         | 68.7         | 85.0         | 89.8         | 111.1        | 130.4        | 142.9        |
| General revenue sharing.....                                      | 6.2          | 1.6         | 6.8          | 6.8          | 6.8          | 6.8          | 5.1          | 4.6          | 4.6          | 4.6          | 4.6          | 4.6          |
| Farm price supports (CCC).....                                    | 1.1          | .5          | 3.8          | 5.7          | 3.6          | 2.8          | 4.0          | 11.7         | 18.9         | 7.3          | 15.0         | 12.3         |
| Other open-ended programs and fixed costs.....                    | -.3          | -.2         | -2.0         | -.5          | -2.6         | 2.0          | 2.3          | -1.4         | -2.3         | -1.6         | -3.6         | -4.0         |
| Total, open-ended programs and fixed costs.....                   | 196.6        | 50.0        | 216.4        | 238.1        | 259.9        | 310.7        | 367.8        | 419.9        | 464.8        | 478.8        | 529.1        | 558.9        |
| Outlays from prior-year contracts and obligations: <sup>1</sup>   |              |             |              |              |              |              |              |              |              |              |              |              |
| National defense.....   | 17.9         | 7.7         | 18.5         | 28.2         | 30.9         | 36.5         | 41.4         | 56.9         | 68.3         | 79.5         | 91.3         | 109.2        |
| Civilian programs.....  | 35.8         | 13.4        | 40.3         | 48.7         | 54.4         | 66.7         | 67.2         | 64.5         | 60.4         | 65.8         | 75.7         | 78.0         |
| Total, outlays from prior-year contracts and obligations.....     | 53.7         | 21.1        | 58.8         | 76.9         | 85.3         | 103.2        | 108.6        | 121.5        | 128.7        | 145.3        | 167.0        | 187.1        |
| <b>Total, relatively uncontrollable outlays.....</b>              | <b>250.3</b> | <b>71.1</b> | <b>275.2</b> | <b>314.9</b> | <b>345.3</b> | <b>413.8</b> | <b>476.4</b> | <b>541.4</b> | <b>593.5</b> | <b>624.1</b> | <b>696.1</b> | <b>746.1</b> |
| <b>Relatively controllable outlays:</b>                           |              |             |              |              |              |              |              |              |              |              |              |              |
| National defense.....   | 53.8         | 8.9         | 56.9         | 55.9         | 61.9         | 67.6         | 90.5         | 120.8        | 149.6        | 147.8        | 162.4        | 176.3        |



|  |              |              |              |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Civilian programs.....   | 72.1         | 17.1         | 80.9         | 91.0         | 98.0         | 111.0        | 108.2        | 86.0         | 76.4         | 95.2         | 115.1        | 78.8         |
| (Administrative expenses of relatively uncontrollable payments for individuals)..... | (3.9)        | (1.0)        | (4.3)        | (4.6)        | (4.9)        | (5.2)        | (6.0)        | (6.6)        | (7.2)        | (7.3)        | (7.9)        | (8.1)        |
| (Other).....   | (68.2)       | (16.1)       | (76.7)       | (86.4)       | (93.2)       | (105.8)      | (102.2)      | (79.4)       | (69.2)       | (87.9)       | (107.2)      | (70.7)       |
| <b>Total, relatively controllable outlays <sup>2</sup> ..</b>                        | <b>125.9</b> | <b>26.0</b>  | <b>137.8</b> | <b>146.9</b> | <b>159.9</b> | <b>178.7</b> | <b>198.7</b> | <b>206.8</b> | <b>226.0</b> | <b>243.0</b> | <b>277.5</b> | <b>255.1</b> |
| <b>Off-budget under current law <sup>3</sup> ..</b>                                  | <b>7.3</b>   | <b>1.8</b>   | <b>8.7</b>   | <b>10.4</b>  | <b>12.5</b>  | <b>14.2</b>  | <b>21.0</b>  | <b>17.3</b>  | <b>12.4</b>  | <b>10.0</b>  | <b>12.5</b>  | <b>1.5</b>   |
| <b>Undistributed employer share, employee retirement <sup>4</sup> ..</b>             | <b>-11.7</b> | <b>-2.9</b>  | <b>-12.5</b> | <b>-13.5</b> | <b>-14.2</b> | <b>-15.8</b> | <b>-17.9</b> | <b>-19.9</b> | <b>-23.5</b> | <b>-25.3</b> | <b>-27.0</b> | <b>-29.0</b> |
| <b>Total budget outlays ..</b>   | <b>371.8</b> | <b>96.0</b>  | <b>401.2</b> | <b>458.7</b> | <b>503.5</b> | <b>490.9</b> | <b>678.2</b> | <b>745.7</b> | <b>808.3</b> | <b>851.8</b> | <b>959.1</b> | <b>973.7</b> |
| <b>MEMORANDUM—Percent of total outlays</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Relatively uncontrollable under present law:</b>                                  |              |              |              |              |              |              |              |              |              |              |              |              |
| Open-ended programs and fixed costs:   |              |              |              |              |              |              |              |              |              |              |              |              |
| Payments for individuals ..  | 43.8         | 43.0         | 43.5         | 41.6         | 41.6         | 41.7         | 42.4         | 42.9         | 43.8         | 42.0         | 39.9         | 41.4         |
| Other ..   | 9.1          | 9.1          | 9.4          | 10.3         | 10.0         | 10.8         | 11.8         | 13.4         | 13.7         | 14.2         | 15.3         | 16.0         |
| <b>Total open-ended programs and fixed costs ..</b>                                  | <b>52.9</b>  | <b>52.1</b>  | <b>52.9</b>  | <b>51.9</b>  | <b>51.6</b>  | <b>52.6</b>  | <b>54.2</b>  | <b>56.3</b>  | <b>57.5</b>  | <b>56.2</b>  | <b>55.2</b>  | <b>57.4</b>  |
| <b>Outlays from prior-year contracts and obligations ..</b>                          | <b>14.4</b>  | <b>21.9</b>  | <b>14.4</b>  | <b>16.8</b>  | <b>17.0</b>  | <b>17.5</b>  | <b>16.0</b>  | <b>16.3</b>  | <b>15.9</b>  | <b>17.1</b>  | <b>17.4</b>  | <b>19.2</b>  |
| <b>Total relatively uncontrollable outlays ..</b>                                    | <b>67.3</b>  | <b>74.0</b>  | <b>67.2</b>  | <b>68.7</b>  | <b>68.6</b>  | <b>70.0</b>  | <b>70.2</b>  | <b>72.6</b>  | <b>73.4</b>  | <b>73.3</b>  | <b>72.6</b>  | <b>76.6</b>  |
| <b>Relatively controllable outlays ..</b>  | <b>33.9</b>  | <b>27.1</b>  | <b>33.7</b>  | <b>32.0</b>  | <b>31.8</b>  | <b>30.2</b>  | <b>29.3</b>  | <b>27.7</b>  | <b>28.0</b>  | <b>28.5</b>  | <b>28.9</b>  | <b>26.2</b>  |
| <b>Off-budget under current law <sup>3</sup> ..</b>                                  | <b>2.0</b>   | <b>1.9</b>   | <b>2.1</b>   | <b>2.3</b>   | <b>2.5</b>   | <b>2.4</b>   | <b>3.1</b>   | <b>2.3</b>   | <b>1.5</b>   | <b>1.2</b>   | <b>1.3</b>   | <b>0.2</b>   |
| <b>Undistributed employer share, employee retirement <sup>4</sup> ..</b>             | <b>-3.2</b>  | <b>-3.0</b>  | <b>-3.1</b>  | <b>-2.9</b>  | <b>-2.8</b>  | <b>-2.7</b>  | <b>-2.6</b>  | <b>-2.7</b>  | <b>-2.9</b>  | <b>-3.0</b>  | <b>-2.8</b>  | <b>-3.0</b>  |
| <b>Total budget outlays ..</b>   | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

<sup>1</sup> Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."

<sup>2</sup> In addition to amounts provided under current law, includes the effect of proposed legislation as follows: for open-ended programs and fixed costs, —\$0.2 billion in 1985 and —\$12.2 billion in 1986 (all of which is for civilian programs); and for other relatively controllable programs, \$1.0 billion in 1985 and —\$1.3 billion in 1986 (of which \$0.6 billion in 1985 and \$0.2 billion in 1986 is for national defense and \$0.4 billion in 1985 and —\$1.5 billion in 1986 is for civilian programs).

<sup>3</sup> Proposed to be included on-budget. These amounts are not identified by the controllability classification.

<sup>4</sup> Includes —\$0.7 billion in 1986 from proposed legislation.

Table 19. BUDGET RECEIPTS BY SOURCE, 1976-86

(In millions of dollars)

| Source   | Actual  |         |         |         |         |         |         |         |         | Estimate |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
|  | 1976    | 1977    | 1978    | 1979    | 1980    | 1981    | 1982    | 1983    | 1984    | 1985     | 1986    |
| Individual income taxes .....                              | 131,603 | 157,626 | 180,988 | 217,841 | 244,069 | 285,917 | 297,744 | 288,938 | 296,206 | 329,677  | 358,889 |
| Corporation income taxes .....                             | 41,409  | 54,892  | 59,952  | 65,677  | 64,600  | 61,137  | 49,207  | 37,022  | 56,893  | 66,403   | 74,088  |
| Social insurance taxes and contributions (trust funds):    |         |         |         |         |         |         |         |         |         |          |         |
| Employment taxes and contributions:                        |         |         |         |         |         |         |         |         |         |          |         |
| Old-age and survivors insurance .....                      | 58,703  | 68,032  | 73,141  | 83,410  | 96,581  | 117,757 | 122,840 | 128,972 | 152,444 | 172,741  | 186,490 |
| Disability insurance .....                                 | 7,686   | 8,786   | 12,250  | 14,584  | 16,639  | 12,418  | 20,626  | 18,348  | 15,907  | 16,521   | 17,821  |
| Hospital insurance .....                                   | 11,987  | 13,474  | 16,668  | 19,874  | 23,217  | 30,340  | 34,301  | 35,641  | 40,262  | 45,069   | 51,180  |
| Railroad retirement .....                                  | 1,525   | 1,908   | 1,822   | 2,190   | 2,312   | 2,457   | 2,917   | 2,805   | 3,321   | 3,727    | 3,840   |
| Total employment taxes and contributions .....             | 79,901  | 92,199  | 103,881 | 120,058 | 138,748 | 162,973 | 180,686 | 185,766 | 211,933 | 238,058  | 259,331 |
| Unemployment insurance .....                               | 8,054   | 11,312  | 13,850  | 15,387  | 15,336  | 15,763  | 16,600  | 18,799  | 25,138  | 25,586   | 25,309  |
| Other retirement contributions:                            |         |         |         |         |         |         |         |         |         |          |         |
| Federal employees' retirement—employee contributions ..... | 2,760   | 2,915   | 3,174   | 3,428   | 3,660   | 3,908   | 4,140   | 4,351   | 4,494   | 4,634    | 4,691   |
| Contributions for non-Federal employees .....              | 54      | 59      | 62      | 66      | 59      | 76      | 72      | 78      | 86      | 89       | 105     |
| Total other retirement contributions .....                 | 2,814   | 2,974   | 3,237   | 3,494   | 3,719   | 3,984   | 4,212   | 4,429   | 4,580   | 4,723    | 4,797   |
| Total social insurance taxes and contributions .....       | 90,769  | 106,485 | 120,967 | 138,939 | 157,803 | 182,720 | 201,498 | 208,994 | 241,651 | 268,367  | 289,436 |
| Excise taxes:  |         |         |         |         |         |         |         |         |         |          |         |
| Federal funds:   |         |         |         |         |         |         |         |         |         |          |         |
| Alcohol .....  | 5,318   | 5,295   | 5,492   | 5,531   | 5,601   | 5,606   | 5,382   | 5,557   | 5,315   | 6,027    | 6,026   |
| Tobacco .....  | 2,484   | 2,393   | 2,444   | 2,492   | 2,443   | 2,581   | 2,537   | 4,136   | 4,660   | 4,713    | 2,623   |
| Windfall profit tax <sup>1</sup> .....                     |         |         |         |         | 6,934   | 23,252  | 18,407  | 12,135  | 8,906   | 6,543    | 4,995   |
| Other .....  | 2,810   | 1,960   | 2,118   | 1,785   | 585     | 2,689   | 2,344   | 2,258   | 3,398   | 2,421    | 2,644   |
| Total Federal fund excise taxes .....                      | 10,612  | 9,648   | 10,054  | 9,808   | 15,563  | 34,128  | 28,670  | 24,086  | 22,279  | 19,704   | 16,289  |

|   |         |         |         |         |         |         |         |          |         |          |          |
|---|---------|---------|---------|---------|---------|---------|---------|----------|---------|----------|----------|
| Trust funds:  |         |         |         |         |         |         |         |          |         |          |          |
| Highway .....                                       | 5,413   | 6,709   | 6,904   | 7,189   | 6,620   | 6,305   | 6,744   | 8,297    | 11,743  | 13,318   | 13,621   |
| Airport and airway .....                            | 938     | 1,191   | 1,326   | 1,526   | 1,874   | 21      | 133     | 2,165    | 2,499   | 2,942    | 3,196    |
| Aquatic resources .....                             |         |         |         |         |         |         |         |          | 12      | 136      | 145      |
| Black lung disability insurance .....               |         |         | 92      | 222     | 272     | 237     | 491     | 494      | 518     | 576      | 822      |
| Inland waterway .....                               |         |         |         |         |         | 20      | 30      | 29       | 39      | 40       | 51       |
| Hazardous substances response .....                 |         |         |         |         |         | 128     | 244     | 230      | 261     | 272      | 874      |
| Post-closure liability trust fund .....             |         |         |         |         |         |         |         |          | 9       | 7        |          |
| Total trust fund excise taxes .....                 | 6,351   | 7,900   | 8,323   | 8,937   | 8,766   | 6,711   | 7,642   | 11,214   | 15,082  | 17,291   | 18,709   |
| Total excise taxes .....                            | 16,963  | 17,548  | 18,376  | 18,745  | 24,329  | 40,839  | 36,311  | 35,300   | 37,361  | 36,995   | 34,998   |
| Estate and gift taxes .....                         | 5,216   | 7,327   | 5,285   | 5,411   | 6,389   | 6,787   | 7,991   | 6,053    | 6,010   | 5,603    | 5,345    |
| Custom duties .....                                 | 4,074   | 5,150   | 6,753   | 7,439   | 7,174   | 8,083   | 8,854   | 8,655    | 11,370  | 11,809   | 12,342   |
| Miscellaneous receipts:                             |         |         |         |         |         |         |         |          |         |          |          |
| Deposit of earnings by Federal Reserve System ..... | 5,451   | 5,908   | 6,641   | 8,327   | 11,767  | 12,834  | 15,186  | 14,492   | 15,684  | 16,419   | 16,932   |
| Other miscellaneous receipts .....                  | 2,576   | 623     | 778     | 925     | 981     | 956     | 975     | 1,109    | 1,281   | 1,586    | 1,698    |
| Total miscellaneous receipts <sup>2</sup> .....     | 8,027   | 6,531   | 7,419   | 9,251   | 12,748  | 13,790  | 16,161  | 15,601   | 16,965  | 18,004   | 18,630   |
| Total budget receipts .....                         | 298,060 | 355,559 | 399,740 | 463,302 | 517,112 | 599,272 | 617,766 | 600,562  | 666,457 | 736,859  | 793,729  |
| <b>MEMORANDUM</b>                                   |         |         |         |         |         |         |         |          |         |          |          |
| Federal funds .....                                 | 201,099 | 241,312 | 270,670 | 316,366 | 350,856 | 410,422 | 409,253 | 382,432  | 418,095 | 459,314  | 493,534  |
| Trust funds <sup>3</sup> .....                      | 132,509 | 151,503 | 166,467 | 188,072 | 212,106 | 240,601 | 270,138 | 319,363  | 338,103 | 396,495  | 421,302  |
| Interfund transactions <sup>3</sup> .....           | -35,548 | -37,256 | -37,397 | -41,136 | -45,850 | -51,751 | -61,625 | -101,233 | -89,740 | -118,950 | -121,107 |

<sup>1</sup> Net of refunds.<sup>2</sup> Includes both Federal and trust funds.<sup>3</sup> Adjusted for the inclusion of transactions from entities that are off-budget under current law and proposed to be included on-budget.

Note: Excludes the transition quarter.

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 <sup>1</sup>

(In millions of dollars)

| Function   | Actual        |               |                |                |                |                |                |                |                | Estimate       |                |
|--|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 1976          | 1977          | 1978           | 1979           | 1980           | 1981           | 1982           | 1983           | 1984           | 1985           | 1986           |
| <b>050 NATIONAL DEFENSE:</b>                           |               |               |                |                |                |                |                |                |                |                |                |
| 051 Department of Defense—Military:                    |               |               |                |                |                |                |                |                |                |                |                |
| Military personnel.....                                | 32,546        | 33,672        | 35,553         | 37,345         | 40,897         | 47,941         | 55,170         | 60,886         | 64,158         | 67,546         | 72,798         |
| Operation and maintenance.....                         | 27,837        | 30,587        | 33,578         | 36,424         | 44,770         | 51,864         | 59,674         | 64,915         | 67,369         | 74,569         | 79,648         |
| Procurement.....                                       | 15,964        | 18,178        | 19,976         | 25,404         | 29,021         | 35,191         | 43,271         | 53,624         | 61,879         | 69,706         | 83,045         |
| Research, development, test, and<br>evaluation.....    | 8,923         | 9,795         | 10,508         | 11,152         | 13,127         | 15,278         | 17,729         | 20,554         | 23,117         | 27,786         | 33,988         |
| Military construction.....                             | 2,019         | 1,914         | 1,932          | 2,080          | 2,450          | 2,458          | 2,922          | 3,524          | 3,706          | 4,209          | 5,296          |
| Family housing.....                                    | 1,192         | 1,358         | 1,405          | 1,468          | 1,680          | 1,721          | 1,993          | 2,126          | 2,413          | 2,658          | 2,805          |
| Other <sup>2</sup> .....                               | -402          | -206          | -602           | -201           | -969           | -614           | -18            | -1,198         | -1,801         | -169           | -74            |
| (on-budget under current law)....                      | (-402)        | (-206)        | (-602)         | (-201)         | (-969)         | (-614)         | (-18)          | (-1,199)       | (-1,803)       | (-174)         | (-79)          |
| (off-budget under current law)....                     |               |               |                |                |                |                |                | (1)            | (2)            | (5)            | (5)            |
| 051 Subtotal, Department of De-<br>fense—Military..... | 88,078        | 95,298        | 102,348        | 113,672        | 130,976        | 153,838        | 180,741        | 204,430        | 220,840        | 246,305        | 277,505        |
| (on-budget under current law)....                      | (88,078)      | (95,298)      | (102,348)      | (113,672)      | (130,976)      | (153,838)      | (180,741)      | (204,429)      | (220,838)      | (246,300)      | (277,500)      |
| (off-budget under current law)....                     |               |               |                |                |                |                |                | (1)            | (2)            | (5)            | (5)            |
| 053 Atomic energy defense activities....               | 1,565         | 1,936         | 2,070          | 2,541          | 2,878          | 3,398          | 4,309          | 5,171          | 6,120          | 6,991          | 7,700          |
| 054 Defense-related activities.....                    | -23           | 7             | 76             | 129            | 142            | 277            | 259            | 301            | 453            | 533            | 464            |
| <b>TOTAL, 050 NATIONAL DEFENSE.....</b>                | <b>89,619</b> | <b>97,241</b> | <b>104,495</b> | <b>116,342</b> | <b>133,995</b> | <b>157,513</b> | <b>185,309</b> | <b>209,903</b> | <b>227,413</b> | <b>253,830</b> | <b>285,669</b> |
| (on-budget under current law)....                      | (89,619)      | (97,241)      | (104,495)      | (116,342)      | (133,995)      | (157,513)      | (185,309)      | (209,902)      | (227,411)      | (253,825)      | (285,664)      |
| (off-budget under current law)....                     |               |               |                |                |                |                |                | (1)            | (2)            | (5)            | (5)            |
| <b>150 INTERNATIONAL AFFAIRS:</b>                      |               |               |                |                |                |                |                |                |                |                |                |
| 151 Foreign economic and financial<br>assistance.....  | 2,636         | 2,823         | 2,647          | 2,910          | 3,626          | 4,131          | 3,772          | 3,955          | 4,478          | 5,523          | 5,278          |
| (on-budget under current law)....                      | (2,636)       | (2,784)       | (2,651)        | (2,914)        | (3,630)        | (4,136)        | (3,778)        | (3,960)        | (4,484)        | (5,528)        | (5,283)        |
| (off-budget under current law)....                     |               | (39)          | (-4)           | (-4)           | (-4)           | (-5)           | (-5)           | (-5)           | (-5)           | (-5)           | (-5)           |
| 152 International security assistance.....             | 2,683         | 3,075         | 3,926          | 3,655          | 4,763          | 5,095          | 5,416          | 6,613          | 7,924          | 10,177         | 9,213          |

|  |              |              |              |              |               |               |               |               |               |               |               |
|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| (on-budget under current law) ....                             | (1,896)      | (1,666)      | (2,464)      | (2,362)      | (2,831)       | (3,150)       | (3,128)       | (3,755)       | (5,106)       | (7,837)       | (8,931)       |
| (off-budget under current law) ....                            | (787)        | (1,409)      | (1,462)      | (1,293)      | (1,932)       | (1,945)       | (2,288)       | (2,858)       | (2,818)       | (2,340)       | (282)         |
| 153 Conduct of foreign affairs .....                           | 727          | 982          | 1,128        | 1,310        | 1,366         | 1,346         | 1,630         | 1,766         | 1,882         | 2,152         | 2,454         |
| 154 Foreign information and exchange activities .....          | 382          | 386          | 423          | 465          | 534           | 525           | 571           | 602           | 682           | 941           | 1,041         |
| 155 International financial programs .....                     | 4            | -913         | -642         | -881         | 2,425         | 2,007         | 911           | -1,089        | 910           | 790           | 364           |
| <b>TOTAL, 150 INTERNATIONAL AFFAIRS</b> .....                  | <b>6,433</b> | <b>6,353</b> | <b>7,482</b> | <b>7,459</b> | <b>12,714</b> | <b>13,104</b> | <b>12,300</b> | <b>11,848</b> | <b>15,876</b> | <b>19,583</b> | <b>18,349</b> |
| (on-budget under current law) ....                             | (5,645)      | (4,905)      | (6,025)      | (6,171)      | (10,786)      | (11,164)      | (10,016)      | (8,995)       | (13,063)      | (17,248)      | (18,073)      |
| (off-budget under current law) ....                            | (787)        | (1,448)      | (1,458)      | (1,289)      | (1,928)       | (1,940)       | (2,283)       | (2,852)       | (2,812)       | (2,335)       | (277)         |
| <b>250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY:</b>             |              |              |              |              |               |               |               |               |               |               |               |
| 251 General science and basic research .....                   | 1,034        | 1,078        | 1,160        | 1,298        | 1,381         | 1,477         | 1,607         | 1,644         | 1,849         | 2,116         | 2,237         |
| 253 Space flight .....   | 2,000        | 2,252        | 2,260        | 2,217        | 2,594         | 3,053         | 3,543         | 4,053         | 4,028         | 3,914         | 4,004         |
| 254 Space, science, applications, and technology .....         | 980          | 1,006        | 972          | 1,153        | 1,346         | 1,384         | 1,457         | 1,486         | 1,687         | 1,890         | 2,144         |
| 255 Supporting space activities .....                          | 358          | 400          | 534          | 567          | 512           | 555           | 593           | 751           | 754           | 819           | 900           |
| (on-budget under current law) ....                             | (358)        | (343)        | (354)        | (383)        | (405)         | (444)         | (473)         | (562)         | (746)         | (886)         | (1,007)       |
| (off-budget under current law) ....                            |              | (57)         | (180)        | (184)        | (107)         | (111)         | (120)         | (189)         | (7)           | (-67)         | (-107)        |
| <b>TOTAL, 250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY</b> ..... | <b>4,373</b> | <b>4,736</b> | <b>4,926</b> | <b>5,235</b> | <b>5,832</b>  | <b>6,469</b>  | <b>7,200</b>  | <b>7,935</b>  | <b>8,317</b>  | <b>8,740</b>  | <b>9,285</b>  |
| (on-budget under current law) ....                             | (4,373)      | (4,679)      | (4,746)      | (5,051)      | (5,725)       | (6,358)       | (7,080)       | (7,745)       | (8,310)       | (8,807)       | (9,392)       |
| (off-budget under current law) ....                            |              | (57)         | (180)        | (184)        | (107)         | (111)         | (120)         | (189)         | (7)           | (-67)         | (-107)        |
| <b>270 ENERGY:</b>   |              |              |              |              |               |               |               |               |               |               |               |
| 271 Energy supply .....  | 3,530        | 4,841        | 6,075        | 7,165        | 8,363         | 10,186        | 8,247         | 6,135         | 3,252         | 4,949         | 3,170         |
| (on-budget under current law) ....                             | (2,457)      | (3,225)      | (3,920)      | (4,848)      | (4,520)       | (5,297)       | (3,084)       | (2,421)       | (1,032)       | (1,374)       | (593)         |
| (off-budget under current law) ....                            | (1,072)      | (1,616)      | (2,155)      | (2,317)      | (3,843)       | (4,889)       | (5,162)       | (3,714)       | (2,219)       | (3,575)       | (2,576)       |
| 272 Energy conservation .....                                  | 51           | 143          | 221          | 252          | 569           | 730           | 516           | 477           | 527           | 545           | 381           |
| (on-budget under current law) ....                             | (51)         | (143)        | (221)        | (252)        | (568)         | (729)         | (518)         | (477)         | (527)         | (545)         | (381)         |
| (off-budget under current law) ....                            |              |              |              |              | (1)           | (1)           | (-2)          |               |               |               |               |
| 274 Emergency energy preparedness .....                        | 65           | 123          | 897          | 1,021        | 342           | 3,280         | 3,877         | 1,855         | 2,518         | 1,906         | 385           |
| (on-budget under current law) ....                             | (65)         | (123)        | (897)        | (1,021)      | (342)         | (3,280)       | (191)         | (215)         | (189)         | (276)         | (236)         |

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 <sup>1</sup>—Continued

(In millions of dollars)

| Function  | Actual         |                |                |                |                |                 |                 |                 |                 | Estimate        |                 |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 1976           | 1977           | 1978           | 1979           | 1980           | 1981            | 1982            | 1983            | 1984            | 1985            | 1986            |
| <i>(off-budget under current law) .....</i>               |                |                |                |                |                |                 | (3,687)         | (1,641)         | (2,329)         | (1,630)         | (148)           |
| 276 Energy information, policy, and regulation .....      | 558            | 664            | 798            | 742            | 882            | 971             | 887             | 886             | 790             | 764             | 736             |
| <b>TOTAL, 270 ENERGY .....</b>                            | <b>4,204</b>   | <b>5,770</b>   | <b>7,992</b>   | <b>9,180</b>   | <b>10,156</b>  | <b>15,166</b>   | <b>13,527</b>   | <b>9,353</b>    | <b>7,086</b>    | <b>8,164</b>    | <b>4,671</b>    |
| <i>(on-budget under current law) ....</i>                 | <i>(3,131)</i> | <i>(4,154)</i> | <i>(5,837)</i> | <i>(6,863)</i> | <i>(6,312)</i> | <i>(10,277)</i> | <i>(4,680)</i>  | <i>(3,999)</i>  | <i>(2,538)</i>  | <i>(2,959)</i>  | <i>(1,946)</i>  |
| <i>(off-budget under current law) ....</i>                | <i>(1,072)</i> | <i>(1,616)</i> | <i>(2,155)</i> | <i>(2,317)</i> | <i>(3,844)</i> | <i>(4,890)</i>  | <i>(8,847)</i>  | <i>(5,354)</i>  | <i>(4,548)</i>  | <i>(5,205)</i>  | <i>(2,725)</i>  |
| <b>300 NATURAL RESOURCES AND ENVIRONMENT:</b>             |                |                |                |                |                |                 |                 |                 |                 |                 |                 |
| 301 Water resources .....                                 | 2,742          | 3,213          | 3,431          | 3,853          | 4,223          | 4,132           | 3,948           | 3,904           | 4,068           | 4,293           | 3,566           |
| 302 Conservation and land management .....                | 615            | 589            | 1,029          | 821            | 1,043          | 1,191           | 1,084           | 1,503           | 1,302           | 979             | 719             |
| 303 Recreational resources .....                          | 868            | 985            | 1,408          | 1,487          | 1,677          | 1,597           | 1,435           | 1,454           | 1,581           | 1,622           | 1,361           |
| 304 Pollution control and abatement .....                 | 3,067          | 4,279          | 3,965          | 4,707          | 5,510          | 5,170           | 5,012           | 4,263           | 4,044           | 4,387           | 4,579           |
| 306 Other natural resources .....                         | 891            | 966            | 1,151          | 1,266          | 1,405          | 1,478           | 1,519           | 1,548           | 1,595           | 1,744           | 1,660           |
| <b>TOTAL, 300 NATURAL RESOURCES AND ENVIRONMENT .....</b> | <b>8,184</b>   | <b>10,032</b>  | <b>10,983</b>  | <b>12,135</b>  | <b>13,858</b>  | <b>13,568</b>   | <b>12,998</b>   | <b>12,672</b>   | <b>12,591</b>   | <b>13,024</b>   | <b>11,884</b>   |
| <b>350 AGRICULTURE:</b>                                   |                |                |                |                |                |                 |                 |                 |                 |                 |                 |
| 351 Farm income stabilization .....                       | 2,249          | 5,735          | 10,228         | 9,895          | 7,441          | 9,783           | 14,344          | 21,323          | 11,877          | 18,344          | 10,937          |
| <i>(on-budget under current law) ....</i>                 | <i>(1,574)</i> | <i>(4,485)</i> | <i>(6,588)</i> | <i>(4,850)</i> | <i>(3,459)</i> | <i>(3,993)</i>  | <i>(13,289)</i> | <i>(20,628)</i> | <i>(10,467)</i> | <i>(17,169)</i> | <i>(12,021)</i> |
| <i>(off-budget under current law) ....</i>                | <i>(675)</i>   | <i>(1,250)</i> | <i>(3,640)</i> | <i>(5,045)</i> | <i>(3,982)</i> | <i>(5,790)</i>  | <i>(1,055)</i>  | <i>(695)</i>    | <i>(1,410)</i>  | <i>(1,175)</i>  | <i>(-1,084)</i> |
| 352 Agricultural research and services .....              | 921            | 1,052          | 1,129          | 1,340          | 1,398          | 1,540           | 1,599           | 1,578           | 1,736           | 1,821           | 1,691           |
| <b>TOTAL, 350 AGRICULTURE .....</b>                       | <b>3,170</b>   | <b>6,787</b>   | <b>11,357</b>  | <b>11,236</b>  | <b>8,839</b>   | <b>11,323</b>   | <b>15,944</b>   | <b>22,901</b>   | <b>13,613</b>   | <b>20,165</b>   | <b>12,629</b>   |
| <i>(on-budget under current law) ....</i>                 | <i>(2,495)</i> | <i>(5,537)</i> | <i>(7,717)</i> | <i>(6,191)</i> | <i>(4,857)</i> | <i>(5,533)</i>  | <i>(14,889)</i> | <i>(22,206)</i> | <i>(12,203)</i> | <i>(18,990)</i> | <i>(13,713)</i> |
| <i>(off-budget under current law) ....</i>                | <i>(675)</i>   | <i>(1,250)</i> | <i>(3,640)</i> | <i>(5,045)</i> | <i>(3,982)</i> | <i>(5,790)</i>  | <i>(1,055)</i>  | <i>(695)</i>    | <i>(1,410)</i>  | <i>(1,175)</i>  | <i>(-1,084)</i> |

|  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>370 COMMERCE AND HOUSING CREDIT:</b>            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| 371 Mortgage credit and deposit insurance.....     | 3,759           | —175            | 3,570           | 2,253           | 5,602           | 4,696           | 4,016           | 3,880           | 3,766           | 2,179           | —713            |
| <i>(on-budget under current law) ....</i>          | <i>(1,209)</i>  | <i>(—3,280)</i> | <i>(210)</i>    | <i>(—677)</i>   | <i>(3,696)</i>  | <i>(651)</i>    | <i>(1,216)</i>  | <i>(2,125)</i>  | <i>(2,676)</i>  | <i>(—156)</i>   | <i>(—533)</i>   |
| <i>(off-budget under current law) ....</i>         | <i>(2,550)</i>  | <i>(3,105)</i>  | <i>(3,360)</i>  | <i>(2,930)</i>  | <i>(1,906)</i>  | <i>(4,045)</i>  | <i>(2,800)</i>  | <i>(1,755)</i>  | <i>(1,090)</i>  | <i>(2,335)</i>  | <i>(—180)</i>   |
| 372 Postal Service.....                            | 2,805           | 2,094           | 1,282           | 896             | 1,246           | 1,432           | 154             | 1,111           | 1,239           | 1,361           | 1,217           |
| <i>(on-budget under current law) ....</i>          | <i>(1,720)</i>  | <i>(2,267)</i>  | <i>(1,778)</i>  | <i>(1,787)</i>  | <i>(1,677)</i>  | <i>(1,343)</i>  | <i>(707)</i>    | <i>(789)</i>    | <i>(879)</i>    | <i>(1,041)</i>  | <i>(39)</i>     |
| <i>(off-budget under current law) ....</i>         | <i>(1,085)</i>  | <i>(—173)</i>   | <i>(—496)</i>   | <i>(—891)</i>   | <i>(—431)</i>   | <i>(89)</i>     | <i>(—553)</i>   | <i>(322)</i>    | <i>(360)</i>    | <i>(320)</i>    | <i>(1,178)</i>  |
| 376 Other advancement of commerce.....             | 1,056           | 1,174           | 1,402           | 1,537           | 2,542           | 2,078           | 2,085           | 1,690           | 1,913           | 2,447           | 1,702           |
| <i>(on-budget under current law) ....</i>          | <i>(868)</i>    | <i>(1,115)</i>  | <i>(1,348)</i>  | <i>(1,469)</i>  | <i>(2,415)</i>  | <i>(1,959)</i>  | <i>(1,943)</i>  | <i>(1,508)</i>  | <i>(1,659)</i>  | <i>(1,947)</i>  | <i>(3,437)</i>  |
| <i>(off-budget under current law) ....</i>         | <i>(188)</i>    | <i>(58)</i>     | <i>(54)</i>     | <i>(68)</i>     | <i>(127)</i>    | <i>(119)</i>    | <i>(142)</i>    | <i>(182)</i>    | <i>(254)</i>    | <i>(500)</i>    | <i>(—1,735)</i> |
| <b>TOTAL, 370 COMMERCE AND HOUSING CREDIT.....</b> | <b>7,619</b>    | <b>3,093</b>    | <b>6,254</b>    | <b>4,686</b>    | <b>9,390</b>    | <b>8,206</b>    | <b>6,256</b>    | <b>6,681</b>    | <b>6,917</b>    | <b>5,987</b>    | <b>2,206</b>    |
| <i>(on-budget under current law) ....</i>          | <i>(3,796)</i>  | <i>(102)</i>    | <i>(3,337)</i>  | <i>(2,579)</i>  | <i>(7,788)</i>  | <i>(3,953)</i>  | <i>(3,867)</i>  | <i>(4,422)</i>  | <i>(5,213)</i>  | <i>(2,831)</i>  | <i>(2,943)</i>  |
| <i>(off-budget under current law) ....</i>         | <i>(3,823)</i>  | <i>(2,990)</i>  | <i>(2,917)</i>  | <i>(2,107)</i>  | <i>(1,601)</i>  | <i>(4,253)</i>  | <i>(2,389)</i>  | <i>(2,259)</i>  | <i>(1,705)</i>  | <i>(3,155)</i>  | <i>(—737)</i>   |
| <b>400 TRANSPORTATION:</b>                         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| 401 Ground transportation.....                     | 9,602           | 10,226          | 10,431          | 12,115          | 15,274          | 17,074          | 14,321          | 14,265          | 16,158          | 18,729          | 17,766          |
| <i>(on-budget under current law) ....</i>          | <i>(9,300)</i>  | <i>(10,037)</i> | <i>(10,355)</i> | <i>(12,051)</i> | <i>(15,077)</i> | <i>(17,090)</i> | <i>(14,266)</i> | <i>(14,316)</i> | <i>(17,076)</i> | <i>(18,738)</i> | <i>(17,775)</i> |
| <i>(off-budget under current law) ....</i>         | <i>(302)</i>    | <i>(189)</i>    | <i>(76)</i>     | <i>(64)</i>     | <i>(197)</i>    | <i>(—16)</i>    | <i>(55)</i>     | <i>(—52)</i>    | <i>(—918)</i>   | <i>(—9)</i>     | <i>(—9)</i>     |
| 402 Air transportation.....                        | 2,531           | 2,786           | 3,243           | 3,355           | 3,723           | 3,814           | 3,526           | 4,000           | 4,415           | 4,966           | 5,175           |
| 403 Water transportation.....                      | 1,542           | 1,741           | 1,787           | 1,969           | 2,229           | 2,381           | 2,687           | 2,969           | 3,010           | 3,176           | 2,792           |
| 407 Other transportation.....                      | 65              | 76              | 61              | 93              | 104             | 110             | 90              | 99              | 85              | 123             | 127             |
| <b>TOTAL, 400 TRANSPORTATION.....</b>              | <b>13,739</b>   | <b>14,829</b>   | <b>15,521</b>   | <b>17,532</b>   | <b>21,329</b>   | <b>23,379</b>   | <b>20,625</b>   | <b>21,334</b>   | <b>23,669</b>   | <b>26,994</b>   | <b>25,860</b>   |
| <i>(on-budget under current law) ....</i>          | <i>(13,438)</i> | <i>(14,640)</i> | <i>(15,445)</i> | <i>(17,468)</i> | <i>(21,132)</i> | <i>(23,395)</i> | <i>(20,570)</i> | <i>(21,385)</i> | <i>(24,587)</i> | <i>(27,003)</i> | <i>(25,869)</i> |
| <i>(off-budget under current law) ....</i>         | <i>(302)</i>    | <i>(189)</i>    | <i>(76)</i>     | <i>(64)</i>     | <i>(197)</i>    | <i>(—16)</i>    | <i>(55)</i>     | <i>(—52)</i>    | <i>(—918)</i>   | <i>(—9)</i>     | <i>(—9)</i>     |
| <b>450 COMMUNITY AND REGIONAL DEVELOPMENT:</b>     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| 451 Community development.....                     | 2,772           | 3,411           | 3,298           | 4,000           | 4,907           | 5,070           | 4,608           | 4,353           | 4,520           | 4,861           | 4,616           |
| <i>(on-budget under current law) ....</i>          | <i>(2,765)</i>  | <i>(3,406)</i>  | <i>(3,302)</i>  | <i>(3,995)</i>  | <i>(4,878)</i>  | <i>(5,036)</i>  | <i>(4,565)</i>  | <i>(4,293)</i>  | <i>(4,489)</i>  | <i>(4,819)</i>  | <i>(4,592)</i>  |
| <i>(off-budget under current law) ....</i>         | <i>(6)</i>      | <i>(5)</i>      | <i>(—4)</i>     | <i>(5)</i>      | <i>(29)</i>     | <i>(34)</i>     | <i>(43)</i>     | <i>(60)</i>     | <i>(31)</i>     | <i>(42)</i>     | <i>(24)</i>     |
| 452 Area and regional development.....             | 2,149           | 2,961           | 5,672           | 4,868           | 4,303           | 3,818           | 3,841           | 3,208           | 3,034           | 3,366           | 2,792           |
| <i>(on-budget under current law) ....</i>          | <i>(1,481)</i>  | <i>(2,292)</i>  | <i>(4,900)</i>  | <i>(3,938)</i>  | <i>(3,152)</i>  | <i>(2,679)</i>  | <i>(2,702)</i>  | <i>(2,644)</i>  | <i>(2,699)</i>  | <i>(2,707)</i>  | <i>(2,334)</i>  |

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 <sup>1</sup>—Continued

(In millions of dollars)

| Function  | Actual          |                 |                 |                 |                 |                 |                 |                 |                 | Estimate        |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 1976            | 1977            | 1978            | 1979            | 1980            | 1981            | 1982            | 1983            | 1984            | 1985            | 1986            |
| <i>(off-budget under current law)....</i>                                   | <i>(668)</i>    | <i>(669)</i>    | <i>(773)</i>    | <i>(931)</i>    | <i>(1,151)</i>  | <i>(1,139)</i>  | <i>(1,139)</i>  | <i>(564)</i>    | <i>(335)</i>    | <i>(659)</i>    | <i>(458)</i>    |
| 453 Disaster relief and insurance.....                                      | 522             | 649             | 2,871           | 1,611           | 2,043           | 1,680           | -102            | -1              | 119             | 326             | -84             |
| <b>TOTAL, 450 COMMUNITY AND REGIONAL DEVELOPMENT.....</b>                   | <b>5,442</b>    | <b>7,021</b>    | <b>11,841</b>   | <b>10,480</b>   | <b>11,252</b>   | <b>10,568</b>   | <b>8,347</b>    | <b>7,560</b>    | <b>7,673</b>    | <b>8,553</b>    | <b>7,323</b>    |
| <i>(on-budget under current law)....</i>                                    | <i>(4,767)</i>  | <i>(6,348)</i>  | <i>(11,072)</i> | <i>(9,544)</i>  | <i>(10,072)</i> | <i>(9,395)</i>  | <i>(7,166)</i>  | <i>(6,936)</i>  | <i>(7,307)</i>  | <i>(7,852)</i>  | <i>(6,841)</i>  |
| <i>(off-budget under current law)....</i>                                   | <i>(675)</i>    | <i>(674)</i>    | <i>(769)</i>    | <i>(936)</i>    | <i>(1,180)</i>  | <i>(1,173)</i>  | <i>(1,181)</i>  | <i>(624)</i>    | <i>(366)</i>    | <i>(701)</i>    | <i>(482)</i>    |
| <b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES:</b>            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| 501 Elementary, secondary, and vocational education.....                    | 4,200           | 4,638           | 5,186           | 6,123           | 6,908           | 7,157           | 6,780           | 6,294           | 6,520           | 7,661           | 7,670           |
| 502 Higher education.....   | 2,823           | 3,209           | 3,721           | 5,058           | 6,726           | 8,866           | 7,206           | 7,231           | 7,383           | 8,506           | 7,959           |
| <i>(on-budget under current law)....</i>                                    | <i>(2,663)</i>  | <i>(3,104)</i>  | <i>(3,486)</i>  | <i>(4,528)</i>  | <i>(5,656)</i>  | <i>(6,911)</i>  | <i>(6,506)</i>  | <i>(7,231)</i>  | <i>(7,383)</i>  | <i>(8,506)</i>  | <i>(7,959)</i>  |
| <i>(off-budget under current law)....</i>                                   | <i>(160)</i>    | <i>(105)</i>    | <i>(235)</i>    | <i>(530)</i>    | <i>(1,070)</i>  | <i>(1,955)</i>  | <i>(700)</i>    |                 |                 |                 |                 |
| 503 Research and general education aids.....                                | 772             | 885             | 1,022           | 1,131           | 1,197           | 997             | 1,041           | 1,055           | 1,210           | 1,225           | 1,187           |
| 504 Training and employment.....  | 6,288           | 6,877           | 10,784          | 10,833          | 10,345          | 9,241           | 5,464           | 5,295           | 4,644           | 5,298           | 4,931           |
| 505 Other labor services.....   | 301             | 374             | 410             | 488             | 551             | 587             | 589             | 599             | 639             | 711             | 679             |
| 506 Social services.....  | 4,526           | 5,122           | 5,588           | 6,592           | 6,116           | 6,861           | 5,950           | 6,133           | 7,185           | 7,032           | 6,863           |
| <b>TOTAL, 500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES.....</b> | <b>18,910</b>   | <b>21,104</b>   | <b>26,710</b>   | <b>30,223</b>   | <b>31,843</b>   | <b>33,709</b>   | <b>27,029</b>   | <b>26,606</b>   | <b>27,579</b>   | <b>30,434</b>   | <b>29,288</b>   |
| <i>(on-budget under current law)....</i>                                    | <i>(18,750)</i> | <i>(20,999)</i> | <i>(26,475)</i> | <i>(29,693)</i> | <i>(30,773)</i> | <i>(31,754)</i> | <i>(26,329)</i> | <i>(26,606)</i> | <i>(27,579)</i> | <i>(30,434)</i> | <i>(29,288)</i> |
| <i>(off-budget under current law)....</i>                                   | <i>(160)</i>    | <i>(105)</i>    | <i>(235)</i>    | <i>(530)</i>    | <i>(1,070)</i>  | <i>(1,955)</i>  | <i>(700)</i>    |                 |                 |                 |                 |
| <b>550 HEALTH:</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| 551 Health care services.....   | 11,725          | 13,031          | 13,928          | 15,988          | 18,003          | 21,205          | 21,786          | 23,008          | 24,522          | 27,244          | 28,202          |



|   |               |                |                |                |                |                |                |                |                |                |                |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>(on-budget under current law) ...</i>  | (11,669)      | (12,975)       | (13,889)       | (15,971)       | (17,981)       | (21,197)       | (21,776)       | (23,023)       | (24,536)       | (27,248)       | (28,212)       |
| <i>(off-budget under current law) ...</i>   | (56)          | (56)           | (39)           | (17)           | (22)           | (8)            | (10)           | (-14)          | (-14)          | (-4)           | (-10)          |
| 552 Health research .....   | 2,341         | 2,543          | 2,822          | 3,023          | 3,442          | 3,836          | 3,948          | 3,973          | 4,379          | 4,961          | 5,204          |
| 553 Education and training of health<br>care work force .....                             | 982           | 981            | 930            | 583            | 719            | 779            | 670            | 578            | 388            | 478            | 455            |
| 554 Consumer and occupational<br>health and safety .....                                  | 686           | 747            | 844            | 899            | 1,006          | 1,047          | 1,041          | 1,081          | 1,129          | 1,196          | 1,059          |
| <b>TOTAL, 550 HEALTH .....</b>  | <b>15,734</b> | <b>17,302</b>  | <b>18,524</b>  | <b>20,494</b>  | <b>23,169</b>  | <b>26,866</b>  | <b>27,445</b>  | <b>28,641</b>  | <b>30,417</b>  | <b>33,879</b>  | <b>34,920</b>  |
| <i>(on-budget under current law) ...</i>  | (15,677)      | (17,246)       | (18,485)       | (20,477)       | (23,148)       | (26,858)       | (27,435)       | (28,655)       | (30,432)       | (33,883)       | (34,930)       |
| <i>(off-budget under current law) ...</i>   | (56)          | (56)           | (39)           | (17)           | (22)           | (8)            | (10)           | (-14)          | (-14)          | (-4)           | (-10)          |
| <b>570 SOCIAL SECURITY AND MEDI-<br/>CARE:</b>  |               |                |                |                |                |                |                |                |                |                |                |
| 571 Social security .....   | 73,90.3       | 85,068         | 93,861         | 104,073        | 118,548        | 139,585        | 155,964        | 170,724        | 178,223        | 191,107        | 202,245        |
| 572 Medicare .....  | 15,834        | 19,345         | 22,768         | 26,495         | 32,090         | 39,149         | 46,567         | 52,588         | 57,540         | 66,256         | 67,158         |
| <b>TOTAL, 570 SOCIAL SECURITY AND<br/>MEDICARE .....</b>                                  | <b>89,736</b> | <b>104,414</b> | <b>116,629</b> | <b>130,567</b> | <b>150,638</b> | <b>178,733</b> | <b>202,532</b> | <b>223,311</b> | <b>235,764</b> | <b>257,363</b> | <b>269,404</b> |
| <b>600 INCOME SECURITY:</b>   |               |                |                |                |                |                |                |                |                |                |                |
| 601 General retirement and disability<br>insurance (excluding social securi-<br>ty) ..... | 3,248         | 3,558          | 3,365          | 4,373          | 5,082          | 5,439          | 5,571          | 5,581          | 5,441          | 5,504          | 5,580          |
| 602 Federal employee retirement and<br>disability .....                                   | 15,469        | 17,719         | 19,836         | 22,658         | 26,594         | 31,277         | 34,325         | 36,507         | 38,054         | 38,641         | 41,518         |
| 603 Unemployment compensation .....   | 19,452        | 15,255         | 11,767         | 10,741         | 18,023         | 19,656         | 23,728         | 31,464         | 18,421         | 16,780         | 16,294         |
| 604 Housing assistance .....  | 2,499         | 2,968          | 3,677          | 4,367          | 5,632          | 7,752          | 8,738          | 9,998          | 11,270         | 25,355         | 12,304         |
| <i>(on-budget under current law) ...</i>  | (2,499)       | (2,968)        | (3,677)        | (4,367)        | (5,514)        | (6,942)        | (8,043)        | (9,556)        | (11,158)       | (25,387)       | (12,339)       |
| <i>(off-budget under current law) ...</i>   |               |                |                |                | (119)          | (810)          | (696)          | (443)          | (112)          | (-32)          | (-35)          |
| 605 Food and nutrition assistance .....   | 7,959         | 8,527          | 8,926          | 10,787         | 14,016         | 16,205         | 15,581         | 17,952         | 18,055         | 18,664         | 18,268         |
| 609 Other income security .....   | 12,157        | 13,017         | 13,917         | 13,433         | 17,191         | 19,394         | 19,774         | 21,096         | 21,427         | 22,296         | 21,806         |
| <b>TOTAL, 600 INCOME SECURITY .....</b>   | <b>60,784</b> | <b>61,044</b>  | <b>61,488</b>  | <b>66,359</b>  | <b>86,539</b>  | <b>99,723</b>  | <b>107,717</b> | <b>122,598</b> | <b>112,668</b> | <b>127,240</b> | <b>115,769</b> |
| <i>(on-budget under current law) ...</i>  | (60,784)      | (61,044)       | (61,488)       | (66,359)       | (86,420)       | (98,913)       | (107,022)      | (122,156)      | (112,556)      | (127,272)      | (115,804)      |
| <i>(off-budget under current law) ...</i>   |               |                |                |                | (119)          | (810)          | (696)          | (443)          | (112)          | (-32)          | (-35)          |

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 <sup>1</sup>—Continued

(In millions of dollars)

| Function   | Actual        |               |               |               |               |               |               |               |               | Estimate      |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 1976          | 1977          | 1978          | 1979          | 1980          | 1981          | 1982          | 1983          | 1984          | 1985          | 1986          |
| <b>700 VETERANS BENEFITS AND SERVICES:</b>               |               |               |               |               |               |               |               |               |               |               |               |
| 701 Income security for veterans.....                    | 8,350         | 9,216         | 9,745         | 10,780        | 11,688        | 12,909        | 13,710        | 14,250        | 14,400        | 14,754        | 15,135        |
| 702 Veterans education, training and rehabilitation..... | 5,531         | 3,710         | 3,365         | 2,760         | 2,342         | 2,254         | 1,974         | 1,625         | 1,359         | 1,295         | 1,110         |
| 703 Hospital and medical care for veterans.....          | 4,046         | 4,708         | 5,254         | 5,611         | 6,515         | 6,965         | 7,517         | 8,272         | 8,861         | 9,621         | 9,994         |
| 704 Veterans housing.....                                | -72           | -145          | 28            | 154           | -23           | 201           | 102           | 3             | 244           | 358           | -288          |
| 705 Other veterans benefits and services.....            | 578           | 549           | 585           | 627           | 665           | 662           | 682           | 696           | 751           | 823           | 817           |
| <b>TOTAL, 700 VETERANS BENEFITS AND SERVICES.....</b>    | <b>18,433</b> | <b>18,038</b> | <b>18,978</b> | <b>19,931</b> | <b>21,185</b> | <b>22,991</b> | <b>23,958</b> | <b>24,846</b> | <b>25,614</b> | <b>26,850</b> | <b>26,769</b> |
| <b>750 ADMINISTRATION OF JUSTICE:</b>                    |               |               |               |               |               |               |               |               |               |               |               |
| 751 Federal law enforcement activities.....              | 1,498         | 1,673         | 1,831         | 1,992         | 2,237         | 2,437         | 2,529         | 2,887         | 3,205         | 3,681         | 3,610         |
| 752 Federal litigative and judicial activities.....      | 697           | 842           | 943           | 1,130         | 1,347         | 1,491         | 1,517         | 1,627         | 1,825         | 2,192         | 2,066         |
| 753 Federal correctional activities.....                 | 208           | 240           | 307           | 337           | 342           | 361           | 364           | 418           | 494           | 580           | 632           |
| 754 Criminal justice assistance.....                     | 921           | 847           | 729           | 710           | 656           | 473           | 294           | 167           | 136           | 233           | 280           |
| <b>TOTAL, 750 ADMINISTRATION OF JUSTICE.....</b>         | <b>3,324</b>  | <b>3,602</b>  | <b>3,810</b>  | <b>4,169</b>  | <b>4,582</b>  | <b>4,762</b>  | <b>4,703</b>  | <b>5,099</b>  | <b>5,660</b>  | <b>6,686</b>  | <b>6,587</b>  |
| <b>800 GENERAL GOVERNMENT:</b>                           |               |               |               |               |               |               |               |               |               |               |               |
| 801 Legislative functions.....                           | 678           | 849           | 909           | 921           | 1,038         | 1,041         | 1,181         | 1,196         | 1,319         | 1,464         | 1,417         |
| 802 Executive direction and management.....              | 68            | 76            | 73            | 81            | 97            | 100           | 96            | 96            | 97            | 119           | 112           |
| 803 Central fiscal operations.....                       | 1,511         | 1,875         | 2,001         | 2,174         | 2,614         | 2,616         | 2,593         | 3,053         | 3,254         | 3,533         | 3,105         |
| (on-budget under current law) ....                       | (1,778)       | (1,761)       | (2,082)       | (2,284)       | (2,465)       | (2,537)       | (2,606)       | (3,045)       | (3,313)       | (3,533)       | (3,105)       |

|   |               |               |               |               |               |               |               |               |                |                |                |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| <i>(off-budget under current law)</i> .....               | (-268)        | (114)         | (-81)         | (-110)        | (148)         | (79)          | (-12)         | (9)           | (-60)          | .....          | .....          |
| 804 General property and records management.....          | 84            | 175           | 304           | 299           | 327           | 144           | 238           | 196           | 201            | 376            | 182            |
| <i>(on-budget under current law)</i> .....                | (61)          | (108)         | (176)         | (210)         | (287)         | (131)         | (230)         | (200)         | (205)          | (381)          | (186)          |
| <i>(off-budget under current law)</i> .....               | (24)          | (67)          | (128)         | (90)          | (40)          | (13)          | (8)           | (-3)          | (-4)           | (-4)           | (-5)           |
| 805 Central personnel management.....                     | 107           | 100           | 129           | 127           | 154           | 159           | 136           | 115           | 139            | 153            | 143            |
| 806 Other general government.....                         | 393           | 448           | 448           | 523           | 569           | 745           | 504           | 768           | 557            | 586            | 390            |
| <i>(on-budget under current law)</i> .....                | (393)         | (390)         | (448)         | (524)         | (560)         | (746)         | (504)         | (768)         | (557)          | (586)          | (390)          |
| <i>(off-budget under current law)</i> .....               | .....         | (58)          | (-*)          | (-*)          | (9)           | (-*)          | (-*)          | (-*)          | (-*)           | (-*)           | (-1)           |
| 809 Deductions for offsetting receipts.....               | -322          | -256          | -289          | -198          | -351          | -222          | -216          | -636          | -513           | -448           | -504           |
| <b>TOTAL, 800 GENERAL GOVERNMENT</b> .....                | <b>2,519</b>  | <b>3,267</b>  | <b>3,576</b>  | <b>3,928</b>  | <b>4,448</b>  | <b>4,582</b>  | <b>4,532</b>  | <b>4,789</b>  | <b>5,053</b>   | <b>5,782</b>   | <b>4,845</b>   |
| <i>(on-budget under current law)</i> .....                | (2,762)       | (3,028)       | (3,529)       | (3,948)       | (4,251)       | (4,490)       | (4,536)       | (4,784)       | (5,117)        | (5,787)        | (4,850)        |
| <i>(off-budget under current law)</i> .....               | (-244)        | (239)         | (47)          | (-21)         | (197)         | (92)          | (-5)          | (5)           | (-64)          | (-5)           | (-5)           |
| <b>850 GENERAL PURPOSE FISCAL ASSISTANCE:</b>             |               |               |               |               |               |               |               |               |                |                |                |
| 851 General revenue sharing.....                          | 6,240         | 6,762         | 6,830         | 6,854         | 6,835         | 5,140         | 4,575         | 4,620         | 4,573          | 4,617          | 1,168          |
| 852 Other general purpose fiscal assistance.....          | 992           | 2,807         | 1,612         | 1,515         | 1,747         | 1,713         | 1,816         | 1,831         | 2,197          | 1,934          | 1,629          |
| <i>(on-budget under current law)</i> .....                | (992)         | (2,732)       | (2,769)       | (1,515)       | (1,747)       | (1,713)       | (1,816)       | (1,831)       | (2,197)        | (1,934)        | (1,629)        |
| <i>(off-budget under current law)</i> .....               | .....         | (75)          | (-1,157)      | .....         | .....         | .....         | .....         | .....         | .....          | .....          | .....          |
| <b>TOTAL, 850 GENERAL PURPOSE FISCAL ASSISTANCE</b> ..... | <b>7,232</b>  | <b>9,569</b>  | <b>8,442</b>  | <b>8,369</b>  | <b>8,582</b>  | <b>6,854</b>  | <b>6,390</b>  | <b>6,452</b>  | <b>6,770</b>   | <b>6,552</b>   | <b>2,797</b>   |
| <i>(on-budget under current law)</i> .....                | (7,232)       | (9,494)       | (9,599)       | (8,369)       | (8,582)       | (6,854)       | (6,390)       | (6,452)       | (6,770)        | (6,552)        | (2,797)        |
| <i>(off-budget under current law)</i> .....               | .....         | (75)          | (-1,157)      | .....         | .....         | .....         | .....         | .....         | .....          | .....          | .....          |
| <b>900 NET INTEREST:</b>                                  |               |               |               |               |               |               |               |               |                |                |                |
| 901 Interest on the public debt.....                      | 37,063        | 41,900        | 48,695        | 59,837        | 74,781        | 95,503        | 117,190       | 128,619       | 153,822        | 180,295        | 198,805        |
| 902 Interest received by trust funds.....                 | -7,800        | -8,139        | -8,530        | -9,951        | -12,045       | -13,811       | -16,066       | -17,102       | -20,354        | -25,554        | -29,149        |
| 908 Other interest.....                                   | -2,552        | -3,883        | -4,724        | -7,271        | -10,224       | -12,958       | -16,130       | -21,743       | -22,410        | -24,315        | -27,106        |
| <b>TOTAL, 900 NET INTEREST</b> .....                      | <b>26,711</b> | <b>29,878</b> | <b>35,441</b> | <b>42,615</b> | <b>52,512</b> | <b>68,734</b> | <b>84,995</b> | <b>89,774</b> | <b>111,058</b> | <b>130,426</b> | <b>142,550</b> |
| <b>920 ALLOWANCES:</b>                                    |               |               |               |               |               |               |               |               |                |                |                |
| 921 Civilian agency pay raises <sup>3</sup> .....         | .....         | .....         | .....         | .....         | .....         | .....         | .....         | .....         | .....          | 6              | 24             |

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 <sup>1</sup>—Continued

(In millions of dollars)

| Function   | Actual         |                |                |                |                |                |                |                |                | Estimate       |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 1976           | 1977           | 1978           | 1979           | 1980           | 1981           | 1982           | 1983           | 1984           | 1985           | 1986           |
| 928 Contingencies for:<br>Relatively uncontrollable programs ..... |                |                |                |                |                |                |                |                |                |                |                |
| Other requirements .....   |                |                |                |                |                |                |                |                |                | 1,125          | 375            |
| <b>TOTAL, 920 ALLOWANCES .....</b>                                 |                |                |                |                |                |                |                |                |                | <b>1,131</b>   | <b>399</b>     |
| <b>950 UNDISTRIBUTED OFFSETTING RECEIPTS:</b>                      |                |                |                |                |                |                |                |                |                |                |                |
| 951 Employer share, employee retirement .....                      | -11,724        | -12,505        | -13,461        | -14,209        | -15,842        | -17,903        | -19,849        | -23,484        | -25,263        | -26,994        | -28,961        |
| 953 Rents and royalties on the Outer Continental Shelf .....       | -2,662         | -2,374         | -2,259         | -3,267         | -4,101         | -10,138        | -6,250         | -10,491        | -6,694         | -5,302         | -7,317         |
| 954 Sale of Conrail .....  |                |                |                |                |                |                |                |                |                |                | -1,200         |
| <b>TOTAL, 950 UNDISTRIBUTED OFF-SETTING RECEIPTS .....</b>         | <b>-14,386</b> | <b>-14,879</b> | <b>-15,720</b> | <b>-17,476</b> | <b>-19,942</b> | <b>-28,041</b> | <b>-26,099</b> | <b>-33,976</b> | <b>-31,957</b> | <b>-32,296</b> | <b>-37,478</b> |
| <b>TOTAL BUDGET OUTLAYS .....</b>                                  | <b>371,779</b> | <b>409,203</b> | <b>458,729</b> | <b>503,464</b> | <b>590,920</b> | <b>678,209</b> | <b>745,706</b> | <b>808,327</b> | <b>851,781</b> | <b>959,085</b> | <b>973,725</b> |
| (On-budget current law) .....                                      | (364,473)      | (400,504)      | (448,370)      | (490,997)      | (576,675)      | (657,204)      | (728,375)      | (795,969)      | (841,815)      | (946,626)      | (972,224)      |
| (Off-budget current law) .....                                     | (7,307)        | (8,700)        | (10,359)       | (12,467)       | (14,245)       | (21,005)       | (17,331)       | (12,357)       | (9,966)        | (12,459)       | (1,501)        |
| <b>MEMORANDUM</b>  |                |                |                |                |                |                |                |                |                |                |                |
| Federal Funds .....  | 277,228        | 304,459        | 342,355        | 374,867        | 433,468        | 496,182        | 543,437        | 613,277        | 636,324        | 731,630        | 734,931        |
| Trust Funds .....  | 130,099        | 142,000        | 153,771        | 169,733        | 203,302        | 233,778        | 263,894        | 296,282        | 305,198        | 346,405        | 359,901        |
| Interfund transactions .....                                       | -35,548        | -37,256        | -37,397        | -41,136        | -45,850        | -51,751        | -61,625        | -101,233       | -89,740        | -118,950       | -121,107       |

\*\$500 thousand or less.

<sup>1</sup> Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for previous years are shown on a comparable basis.<sup>2</sup> Includes allowances for military pay raises for Department of Defense.<sup>3</sup> Allowance for military pay raise for the Coast Guard.

Note.—All entries labeled "off-budget under current law" are proposed to be included on budget. Excludes the transition quarter.

Table 21. FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1975-86

(in billions of dollars)

| Description   | Actual       |              |              |              |              |              |              |               |               |               | Estimate      |               |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|   | 1975         | 1976         | 1977         | 1978         | 1979         | 1980         | 1981         | 1982          | 1983          | 1984          | 1985          | 1986          |
| <b>RECEIPTS, NATIONAL INCOME BASIS</b>  |              |              |              |              |              |              |              |               |               |               |               |               |
| Personal tax and nontax receipts.....   | 127.5        | 137.2        | 166.3        | 186.5        | 222.6        | 250.4        | 289.4        | 311.4         | 294.1         | 303.2         | 340.6         | 368.8         |
| Corporate profits tax accruals.....   | 41.8         | 52.5         | 58.9         | 67.3         | 76.1         | 69.9         | 69.3         | 50.9          | 53.8          | 70.1          | 75.7          | 93.1          |
| Indirect business tax and nontax accruals.....                                | 22.2         | 24.3         | 24.5         | 27.2         | 29.1         | 35.5         | 53.5         | 50.3          | 51.0          | 55.2          | 56.1          | 57.1          |
| Contributions for social insurance.....                                       | 91.9         | 101.0        | 116.2        | 133.3        | 153.1        | 170.0        | 197.0        | 213.9         | 228.3         | 259.1         | 286.1         | 307.6         |
| <b>Total receipts, national income basis....</b>                              | <b>283.4</b> | <b>314.9</b> | <b>365.9</b> | <b>414.3</b> | <b>480.8</b> | <b>525.9</b> | <b>609.2</b> | <b>626.4</b>  | <b>627.1</b>  | <b>687.6</b>  | <b>758.5</b>  | <b>826.6</b>  |
| <b>EXPENDITURES, NATIONAL INCOME BASIS</b>                                    |              |              |              |              |              |              |              |               |               |               |               |               |
| Purchases of goods and services.....  | 117.9        | 125.1        | 139.8        | 150.4        | 164.1        | 189.3        | 218.4        | 250.6         | 273.2         | 285.2         | 326.8         | 354.9         |
| Defense.....  | (80.2)       | (84.4)       | (91.3)       | (97.8)       | (108.2)      | (126.0)      | (147.0)      | (173.0)       | (196.7)       | (215.4)       | (241.5)       | (271.7)       |
| Nondefense.....   | (37.7)       | (40.7)       | (48.4)       | (52.6)       | (55.9)       | (63.3)       | (71.4)       | (77.6)        | (76.5)        | (69.8)        | (85.3)        | (83.2)        |
| Transfer payments.....  | 134.5        | 156.8        | 169.8        | 182.2        | 201.8        | 239.4        | 279.5        | 310.6         | 344.6         | 348.4         | 371.2         | 387.5         |
| Domestic ("to persons").....  | (131.4)      | (153.8)      | (166.6)      | (178.7)      | (197.8)      | (234.6)      | (273.7)      | (304.5)       | (338.3)       | (340.7)       | (361.0)       | (377.6)       |
| Foreign.....  | (3.1)        | (3.0)        | (3.2)        | (3.5)        | (4.1)        | (4.8)        | (5.7)        | (6.1)         | (6.3)         | (7.7)         | (10.2)        | (9.9)         |
| Grants-in-aid to State and local governments.....                             | 48.4         | 57.5         | 66.3         | 74.7         | 79.1         | 86.7         | 90.1         | 83.4          | 85.7          | 90.8          | 100.0         | 96.1          |
| Net interest paid.....  | 21.7         | 25.2         | 28.4         | 33.5         | 40.6         | 50.7         | 67.7         | 82.3          | 90.3          | 109.7         | 129.6         | 142.8         |
| Subsidies less current surplus of Government enterprises.....                 | 6.0          | 6.2          | 6.9          | 9.7          | 9.9          | 10.4         | 12.5         | 13.0          | 22.2          | 23.9          | 20.8          | 11.4          |
| Wage disbursements less accruals.....   | .4           |              |              | —*           | *            |              | —1           | *             | .4            | —1            | .1            |               |
| <b>Total expenditures, national income basis.....</b>                         | <b>328.8</b> | <b>370.7</b> | <b>411.2</b> | <b>450.4</b> | <b>495.6</b> | <b>576.5</b> | <b>668.2</b> | <b>740.0</b>  | <b>816.4</b>  | <b>857.9</b>  | <b>948.5</b>  | <b>992.7</b>  |
| <b>Excess of receipts (+) or expenditures (—), national income basis.....</b> | <b>—45.4</b> | <b>—55.8</b> | <b>—45.2</b> | <b>—36.1</b> | <b>—14.8</b> | <b>—50.7</b> | <b>—58.9</b> | <b>—113.6</b> | <b>—189.3</b> | <b>—170.3</b> | <b>—190.0</b> | <b>—166.1</b> |

\*\$50 million or less. Note.—Excludes the transition quarter.

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Table 22. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1967-88

(Dollar amounts in billions)

| Fiscal year        | Gross national product | Budget receipts |                | Outlays |                |                             |                |   |                | Surplus or deficit (—) |                |  |                | Federal debt, end of year |                |                    |                |
|--------------------|------------------------|-----------------|----------------|---------|----------------|-----------------------------|----------------|---|----------------|------------------------|----------------|--|----------------|---------------------------|----------------|--------------------|----------------|
|                    |                        | Amount          | Percent of GNP | Total   |                | On-budget under current law |                | Off-budget under current law <sup>1</sup> |                | Total                  |                | On-budget under current law <sup>2</sup> |                | 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 |
|                    |                        |                 |                |         |                |                             |                |   |                |                        |                |  |                |                           |                |                    |                |
| 1967.....          | 777.3                  | 148.8           | 19.1           | 157.5   | 20.3           | 157.5                       | 20.3           | .....                                     | .....          | —8.6                   | 1.1            | —8.6                                     | 1.1            | 341.3                     | 43.9           | 267.5              | 34.4           |
| 1968.....          | 831.3                  | 153.0           | 18.4           | 178.1   | 21.4           | 178.1                       | 21.4           | .....                                     | .....          | —25.2                  | 3.0            | —25.2                                    | 3.0            | 369.8                     | 44.5           | 290.6              | 35.0           |
| 1969.....          | 910.6                  | 186.9           | 20.5           | 183.6   | 20.2           | 183.6                       | 20.2           | .....                                     | .....          | 3.2                    | .4             | 3.2                                      | .4             | 367.1                     | 40.3           | 279.5              | 30.7           |
| 1970.....          | 968.8                  | 192.8           | 19.9           | 195.6   | 20.2           | 195.6                       | 20.2           | .....                                     | .....          | —2.8                   | .3             | —2.8                                     | .3             | 382.6                     | 39.5           | 284.9              | 29.4           |
| 1971.....          | 1,031.5                | 187.1           | 18.1           | 210.2   | 20.4           | 210.2                       | 20.4           | .....                                     | .....          | —23.0                  | 2.2            | —23.0                                    | 2.2            | 409.5                     | 39.7           | 304.3              | 29.5           |
| 1972.....          | 1,128.8                | 207.3           | 18.4           | 230.7   | 20.4           | 230.7                       | 20.4           | .....                                     | .....          | —23.4                  | 2.1            | —23.4                                    | 2.1            | 437.3                     | 38.7           | 323.8              | 28.7           |
| 1973.....          | 1,252.0                | 230.8           | 18.4           | 245.7   | 19.6           | 245.6                       | 19.6           | .1  | *              | —14.9                  | 1.2            | —14.8                                    | 1.2            | 468.4                     | 37.4           | 343.0              | 27.0           |
| 1974.....          | 1,379.4                | 263.2           | 19.1           | 269.4   | 19.5           | 267.9                       | 19.4           | 1.4                                       | .1             | —6.1                   | .4             | —4.7                                     | .3             | 486.2                     | 35.3           | 346.1              | 25.1           |
| 1975.....          | 1,479.9                | 279.1           | 18.9           | 332.3   | 22.5           | 324.2                       | 21.9           | 8.1                                       | .5             | —53.2                  | 3.6            | —45.2                                    | 3.1            | 544.1                     | 36.8           | 396.9              | 26.8           |
| 1976.....          | 1,640.1                | 298.1           | 18.2           | 371.8   | 22.7           | 364.5                       | 22.2           | 7.3                                       | .4             | —73.7                  | 4.5            | —66.4                                    | 4.0            | 631.9                     | 38.5           | 480.3              | 29.3           |
| 1977.....          | 1,862.8                | 355.6           | 19.1           | 409.2   | 22.0           | 400.5                       | 21.5           | 8.7                                       | .5             | —53.6                  | 2.9            | —44.9                                    | 2.4            | 709.1                     | 38.1           | 551.8              | 29.6           |
| 1978.....          | 2,091.3                | 399.7           | 19.1           | 458.7   | 21.9           | 448.4                       | 21.4           | 10.4                                      | .5             | —59.0                  | 2.8            | —48.6                                    | 2.3            | 780.4                     | 37.3           | 610.9              | 29.2           |
| 1979.....          | 2,357.7                | 463.3           | 19.7           | 503.5   | 21.4           | 491.0                       | 20.8           | 12.5                                      | .5             | —40.2                  | 1.7            | —27.7                                    | 1.2            | 833.8                     | 35.4           | 644.6              | 27.3           |
| 1980.....          | 2,575.8                | 517.1           | 20.1           | 590.9   | 22.9           | 576.7                       | 22.4           | 14.2                                      | .6             | —73.8                  | 2.9            | —59.6                                    | 2.3            | 914.3                     | 35.5           | 715.1              | 27.8           |
| 1981.....          | 2,885.9                | 599.3           | 20.8           | 678.2   | 23.5           | 657.2                       | 22.8           | 21.0                                      | .7             | —78.9                  | 2.7            | —57.9                                    | 2.0            | 1,003.9                   | 34.8           | 794.4              | 27.5           |
| 1982.....          | 3,046.0                | 617.8           | 20.3           | 745.7   | 24.5           | 728.4                       | 23.9           | 17.3                                      | .6             | —127.9                 | 4.2            | —110.7                                   | 3.6            | 1,147.0                   | 37.7           | 929.4              | 30.5           |
| 1983.....          | 3,221.4                | 600.6           | 18.6           | 808.3   | 25.1           | 796.0                       | 24.7           | 12.4                                      | .4             | —207.8                 | 6.4            | —195.4                                   | 6.1            | 1,381.9                   | 42.9           | 1,141.8            | 35.4           |
| 1984.....          | 3,581.0                | 666.5           | 18.6           | 851.8   | 23.8           | 841.8                       | 23.5           | 10.0                                      | .3             | —185.3                 | 5.2            | —175.4                                   | 4.9            | 1,576.7                   | 44.0           | 1,312.6            | 36.7           |
| 1985 estimate..... | 3,868.5                | 736.9           | 19.0           | 959.1   | 24.8           | 946.6                       | 24.5           | 12.5                                      | .3             | —222.2                 | 5.7            | —209.8                                   | 5.4            | 1,841.1                   | 47.6           | 1,514.0            | 39.1           |
| 1986 estimate..... | 4,198.5                | 793.7           | 18.9           | 973.7   | 23.2           | 972.2                       | 23.2           | 1.5                                       | *              | —180.0                 | 4.3            | —178.5                                   | 4.3            | 2,074.2                   | 49.4           | 1,686.6            | 40.2           |
| 1987 estimate..... | 4,550.9                | 861.7           | 18.9           | 1,026.6 | 22.6           | 1,029.9                     | 22.6           | —3.2                                      | —1             | —164.9                 | 3.6            | —168.2                                   | 3.7            | 2,308.3                   | 50.7           | 1,850.8            | 40.7           |
| 1988 estimate..... | 4,921.7                | 950.4           | 19.3           | 1,094.8 | 22.2           | 1,099.1                     | 22.3           | —4.3                                      | —1             | —144.4                 | 2.9            | —148.7                                   | 3.0            | 2,546.4                   | 51.7           | 1,994.4            | 40.5           |

<sup>0</sup>0.05% or less.<sup>1</sup>Proposed to be included on-budget.<sup>2</sup>The off-budget deficits under current law are equal to the off-budget outlays under current law but with the opposite sign.

Table 23. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1966-88 <sup>1</sup>

(In billions of dollars)

| Fiscal year        | Current prices       |                  |                   |                          |                               |              |       |                                   | Constant (fiscal year 1972) prices |                  |                   |                          |                               |              |       |                                   |
|--------------------|----------------------|------------------|-------------------|--------------------------|-------------------------------|--------------|-------|-----------------------------------|------------------------------------|------------------|-------------------|--------------------------|-------------------------------|--------------|-------|-----------------------------------|
|                    | Total budget outlays | National defense | Nondefense        |                          |                               |              |       |                                   | Total budget outlays               | National defense | Nondefense        |                          |                               |              |       |                                   |
|                    |                      |                  | Total non-defense | Payments for individuals | All other grants <sup>2</sup> | Net interest | Other | Undistributed offsetting receipts |                                    |                  | Total non-defense | Payments for individuals | All other grants <sup>2</sup> | Net interest | Other | Undistributed offsetting receipts |
| 1966.....          | 134.5                | 58.1             | 76.4              | 36.8                     | 8.6                           | 9.4          | 28.2  | -6.5                              | 183.0                              | 81.3             | 101.7             | 46.3                     | 12.4                          | 12.2         | 40.3  | -9.5                              |
| 1967.....          | 157.5                | 71.4             | 86.0              | 42.9                     | 10.4                          | 10.3         | 29.7  | -7.3                              | 207.6                              | 96.8             | 110.8             | 52.5                     | 14.4                          | 12.9         | 41.3  | -10.3                             |
| 1968.....          | 178.1                | 81.9             | 96.2              | 49.5                     | 12.5                          | 11.1         | 31.1  | -8.0                              | 224.7                              | 105.7            | 119.0             | 58.7                     | 16.4                          | 13.5         | 41.2  | -10.8                             |
| 1969.....          | 183.6                | 82.5             | 101.1             | 57.1                     | 13.0                          | 12.7         | 26.3  | -8.0                              | 220.3                              | 101.6            | 118.7             | 65.0                     | 16.0                          | 14.7         | 33.1  | -10.1                             |
| 1970.....          | 195.6                | 81.7             | 114.0             | 64.6                     | 15.4                          | 14.4         | 28.1  | -8.6                              | 220.3                              | 94.0             | 126.3             | 70.2                     | 17.7                          | 15.8         | 32.8  | -10.1                             |
| 1971.....          | 210.2                | 78.9             | 131.3             | 80.4                     | 17.7                          | 14.8         | 28.5  | -10.1                             | 222.7                              | 84.9             | 137.8             | 83.5                     | 18.8                          | 15.5         | 30.9  | -11.0                             |
| 1972.....          | 230.7                | 79.2             | 151.5             | 92.9                     | 20.6                          | 15.5         | 32.2  | -9.6                              | 230.7                              | 79.2             | 151.5             | 92.9                     | 20.6                          | 15.5         | 32.2  | -9.6                              |
| 1973.....          | 245.7                | 76.7             | 169.0             | 104.5                    | 28.1                          | 17.3         | 32.5  | -13.4                             | 233.3                              | 71.8             | 161.4             | 100.3                    | 26.5                          | 16.6         | 30.4  | -12.5                             |
| 1974.....          | 269.4                | 79.3             | 190.0             | 120.1                    | 28.7                          | 21.4         | 36.5  | -16.7                             | 238.0                              | 69.6             | 168.5             | 106.7                    | 24.9                          | 19.1         | 32.6  | -14.8                             |
| 1975.....          | 332.3                | 86.5             | 245.8             | 153.5                    | 33.3                          | 23.2         | 49.4  | -13.6                             | 266.4                              | 69.2             | 197.2             | 124.3                    | 25.8                          | 18.9         | 38.9  | -10.7                             |
| 1976.....          | 371.8                | 89.6             | 282.2             | 180.1                    | 39.4                          | 26.7         | 50.4  | -14.4                             | 279.5                              | 67.0             | 212.5             | 137.5                    | 28.4                          | 20.3         | 36.9  | -10.6                             |
| 1977.....          | 409.2                | 97.2             | 312.0             | 196.3                    | 46.1                          | 29.9         | 54.5  | -14.9                             | 286.3                              | 67.3             | 219.0             | 140.4                    | 30.8                          | 21.2         | 36.6  | -10.0                             |
| 1978.....          | 458.7                | 104.5            | 354.2             | 210.9                    | 53.7                          | 35.4         | 69.9  | -15.7                             | 300.2                              | 67.2             | 233.0             | 141.7                    | 33.1                          | 23.6         | 44.6  | -10.0                             |
| 1979.....          | 503.5                | 116.3            | 387.1             | 232.8                    | 55.9                          | 42.6         | 73.2  | -17.5                             | 304.4                              | 69.5             | 234.9             | 144.0                    | 31.4                          | 26.1         | 43.9  | -10.5                             |
| 1980.....          | 590.9                | 134.0            | 456.9             | 277.4                    | 59.4                          | 52.5         | 87.5  | -19.9                             | 324.4                              | 71.3             | 253.1             | 156.1                    | 30.2                          | 29.6         | 48.5  | -11.1                             |
| 1981.....          | 678.2                | 157.5            | 520.7             | 323.4                    | 57.8                          | 68.7         | 98.9  | -28.0                             | 337.1                              | 74.6             | 262.5             | 166.4                    | 27.0                          | 35.2         | 47.4  | -13.5                             |
| 1982.....          | 745.7                | 185.3            | 560.4             | 356.7                    | 50.3                          | 85.0         | 94.6  | -26.1                             | 346.1                              | 80.2             | 266.0             | 172.2                    | 22.1                          | 40.6         | 43.1  | -11.9                             |
| 1983.....          | 808.3                | 209.9            | 598.4             | 395.3                    | 50.8                          | 89.8         | 96.5  | -34.0                             | 360.1                              | 86.5             | 273.6             | 183.2                    | 21.3                          | 41.3         | 42.9  | -15.1                             |
| 1984.....          | 851.8                | 227.4            | 624.4             | 399.8                    | 53.2                          | 111.1        | 92.2  | -32.0                             | 366.3                              | 90.0             | 276.2             | 179.6                    | 21.3                          | 49.2         | 40.0  | -13.9                             |
| 1985 estimate..... | 959.1                | 253.8            | 705.3             | 427.3                    | 59.0                          | 130.4        | 120.7 | -32.3                             | 397.0                              | 96.8             | 300.2             | 185.5                    | 22.6                          | 55.7         | 49.6  | -13.2                             |
| 1986 estimate..... | 973.7                | 285.7            | 688.1             | 442.7                    | 53.6                          | 142.6        | 85.4  | -36.3                             | 386.5                              | 104.7            | 281.9             | 184.2                    | 19.7                          | 58.4         | 34.1  | -14.5                             |
| 1987 estimate..... | 1,026.6              | 321.2            | 705.5             | 467.4                    | 50.2                          | 152.9        | 73.6  | -38.7                             | 390.3                              | 112.7            | 277.6             | 186.5                    | 17.6                          | 60.0         | 28.2  | -14.8                             |
| 1988 estimate..... | 1,094.8              | 358.4            | 736.4             | 497.4                    | 49.5                          | 159.2        | 69.3  | -39.0                             | 399.1                              | 120.3            | 278.8             | 190.9                    | 16.7                          | 60.1         | 25.3  | -14.3                             |

Note: Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for previous years are shown on a comparable basis.

<sup>1</sup> Includes outlays that are off-budget under current law and proposed to be included on-budget.<sup>2</sup> Grants to State and local governments excluding those for payments for individuals.

Table 24. BUDGET RECEIPTS AND OUTLAYS, 1789-1990 <sup>1</sup> (in millions of dollars)

| Fiscal year   | Budget receipts | Budget outlays | Budget surplus or deficit (—) | Fiscal year                                 | Budget receipts | Budget outlays | Budget surplus or deficit (—) |
|---------------|-----------------|----------------|-------------------------------|---|-----------------|----------------|-------------------------------|
| 1789-1849 ... | 1,160           | 1,090          | + 70                          | 1968.....                                   | 152,973         | 178,134        | - 25,161                      |
| 1850-1900 ... | 14,462          | 15,453         | - 991                         | 1969.....                                   | 186,882         | 183,640        | + 3,242                       |
| 1901-1905 ... | 2,797           | 2,678          | + 119                         | 1970.....                                   | 192,812         | 195,649        | - 2,837                       |
| 1906-1910 ... | 3,143           | 3,196          | - 52                          | 1971.....                                   | 187,139         | 210,172        | - 23,033                      |
| 1911-1915 ... | 3,517           | 3,568          | - 49                          | 1972.....                                   | 207,309         | 230,681        | - 23,373                      |
| 1916-1920 ... | 17,286          | 40,195         | - 22,909                      | 1973.....                                   | 230,799         | 245,707        | - 14,908                      |
| 1921-1925 ... | 20,962          | 17,323         | + 3,639                       | 1974.....                                   | 263,224         | 269,359        | - 6,135                       |
| 1926.....     | 3,795           | 2,930          | + 865                         | 1975.....                                   | 279,090         | 332,332        | - 53,242                      |
| 1927.....     | 4,013           | 2,857          | + 1,155                       | 1976.....                                   | 298,060         | 371,779        | - 73,719                      |
| 1928.....     | 3,900           | 2,961          | + 939                         | TQ.....                                     | 81,232          | 95,973         | - 14,741                      |
| 1929.....     | 3,862           | 3,127          | + 734                         | 1977.....                                   | 355,559         | 409,203        | - 53,644                      |
| 1930.....     | 4,058           | 3,320          | + 738                         | 1978.....                                   | 399,740         | 458,729        | - 58,989                      |
| 1931.....     | 3,116           | 3,577          | - 462                         | 1979.....                                   | 463,302         | 503,464        | - 40,161                      |
| 1932.....     | 1,924           | 4,659          | - 2,735                       | 1980.....                                   | 517,112         | 590,920        | - 73,808                      |
| 1933.....     | 1,997           | 4,598          | - 2,602                       | 1981.....                                   | 599,272         | 678,209        | - 78,936                      |
| 1934.....     | 3,015           | 6,645          | - 3,630                       | 1982.....                                   | 617,766         | 745,706        | - 127,940                     |
| 1935.....     | 3,706           | 6,497          | - 2,791                       | 1983.....                                   | 600,562         | 808,327        | - 207,764                     |
| 1936.....     | 3,997           | 8,422          | - 4,425                       | 1984.....                                   | 666,457         | 851,781        | - 185,324                     |
| 1937.....     | 4,956           | 7,733          | - 2,777                       | 1985 est.....                               | 736,859         | 959,085        | - 222,226                     |
| 1938.....     | 5,588           | 6,765          | - 1,177                       | 1986 est.....                               | 793,729         | 973,725        | - 179,996                     |
| 1939.....     | 4,979           | 8,841          | - 3,862                       | 1987 est.....                               | 861,676         | 1,026,625      | - 164,949                     |
| 1940.....     | 6,548           | 9,468          | - 2,920                       | 1988 est.....                               | 950,376         | 1,094,761      | - 144,385                     |
| 1941.....     | 8,712           | 13,653         | - 4,941                       | 1989 est.....                               | 1,029,934       | 1,137,390      | - 107,456                     |
| 1942.....     | 14,634          | 35,137         | - 20,503                      | 1990 est.....                               | 1,107,673       | 1,190,030      | - 82,357                      |
| 1943.....     | 24,001          | 78,555         | - 54,554                      | <i>Memorandum: Components of the Budget</i> |                 |                |                               |
| 1944.....     | 43,747          | 91,304         | - 47,557                      |   |                 |                |                               |
| 1945.....     | 45,159          | 92,712         | - 47,553                      |   |                 |                |                               |
| 1946.....     | 39,296          | 55,232         | - 15,936                      |   |                 |                |                               |
| 1947.....     | 38,514          | 34,496         | + 4,018                       |   |                 |                |                               |
| 1948.....     | 41,560          | 29,764         | + 11,796                      |   |                 |                |                               |
| 1949.....     | 39,415          | 38,835         | + 580                         |   |                 |                |                               |
| 1950.....     | 39,443          | 42,562         | - 3,119                       |   |                 |                |                               |
| 1951.....     | 51,616          | 45,514         | + 6,102                       |   |                 |                |                               |
| 1952.....     | 66,167          | 67,686         | - 1,519                       |   |                 |                |                               |
| 1953.....     | 69,608          | 76,101         | - 6,493                       |   |                 |                |                               |
| 1954.....     | 69,701          | 70,855         | - 1,154                       |   |                 |                |                               |
| 1955.....     | 65,451          | 68,444         | - 2,993                       |   |                 |                |                               |
| 1956.....     | 74,587          | 70,640         | + 3,947                       |   |                 |                |                               |
| 1957.....     | 79,990          | 76,578         | + 3,412                       |   |                 |                |                               |
| 1958.....     | 79,636          | 82,405         | - 2,769                       |   |                 |                |                               |
| 1959.....     | 79,249          | 92,098         | - 12,849                      |   |                 |                |                               |
| 1960.....     | 92,492          | 92,245         | + 247                         |   |                 |                |                               |
| 1961.....     | 94,388          | 97,723         | - 3,335                       |   |                 |                |                               |
| 1962.....     | 99,676          | 106,821        | - 7,146                       |   |                 |                |                               |
| 1963.....     | 106,560         | 111,316        | - 4,756                       |   |                 |                |                               |
| 1964.....     | 112,613         | 118,528        | - 5,915                       |   |                 |                |                               |
| 1965.....     | 116,817         | 118,228        | - 1,411                       |   |                 |                |                               |
| 1966.....     | 130,835         | 134,532        | - 3,698                       |   |                 |                |                               |
| 1967.....     | 148,822         | 157,464        | - 8,643                       |   |                 |                |                               |
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