

1. INTRODUCTION

Purpose of This Volume

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant budget data that place the budget in context. The volume presents crosscutting analyses of Government programs and activities from various perspectives.

Presidential budgets have included separate analytical presentations of this kind for many years. The *1947 Budget* and subsequent budgets included a separate section entitled “Special Analyses and Tables” that covered four or more topics. For the *1952 Budget*, this section was expanded to have ten analyses, including many subjects that are still covered today, such as receipts, investment, credit programs, and aid to State and local governments. With the *1967 Budget* this material became a separate volume entitled “Special Analyses,” and included 13 chapters. The material has generally remained a separate volume since then, with the exception of the budgets for 1991–1994, when the material was included in one large volume with other budget material. Beginning with the *1995 Budget*, the volume has been named *Analytical Perspectives*.

Changes from the 2004 *Analytical Perspectives* Volume

The volume this year reflects an interest in publishing more information on program performance, so that Executive agencies, the Congress, and the public will become increasingly informed about how well programs are performing. Better performance information can help managers improve program effectiveness, and can help Executive and Congressional policymakers improve the allocation of public resources. The performance assessment information is summarized in Chapter 2, “Performance and Management Assessments,” and discussed in many other chapters, especially those in the section, “Crosscutting Programs.”

In order to present a smaller document, this year many tables that have been included in prior years are no longer printed in this volume but are included as part of the budget on the enclosed *Analytical Perspectives* CD ROM. A list of the items on the CD ROM is in the Table of Contents of this volume.

The next section discusses briefly the material covered in each chapter, and technical changes in the chapter from last year’s volume.

Summary of the Chapters in This Volume

Introduction

1. Introduction. This chapter highlights the changes in this volume compared to last year, particularly the new emphasis on performance in a crosscutting context.

Performance and Management Assessments

2. Budget and Performance Integration and the Program Assessment Rating Tool. This chapter summarizes this year’s performance and management assessments, based primarily on the Program Assessment Rating Tool (PART). The enclosed *Analytical Perspectives* CD ROM includes one-page summaries of the program evaluations. This material is similar to the separate volume published last year, *FY 2004 Performance and Management Assessments*. Details of each of the assessments can be found on the OMB web page under “Budget Documents” at <http://www.whitehouse.gov/omb/>.

Crosscutting Programs

3. Homeland Security Funding Analysis. This chapter discusses homeland security funding and provides information on homeland security program requirements, performance, and priorities. Additional detailed information is available on the enclosed *Analytical Perspectives* CD ROM.

4. Strengthening Federal Statistics. This chapter discusses the development of standards that principal statistical programs can use to assess their performance and presents highlights of their *2005 Budget* proposals.

5. Research and Development. This chapter presents a crosscutting review of research and development funding in the budget, including discussions about priorities, performance, and coordination across agencies.

6. Federal Investment. This chapter discusses spending across Federal agencies that yields long-term benefits, and presents information on physical capital, research and development, and education and training. For the first time the chapter includes material on the PART assessments related to direct Federal investment spending. There is also a section on capital stocks. The sections from last year on capital budgeting and supple-

mental capital spending are not included this year because they vary little from year to year, and the reader may refer to last year's chapter for this material.

7. Credit and Insurance. This chapter provides crosscutting analyses of the roles and risks of Federal credit and insurance programs and government sponsored enterprises (GSEs), as well as criteria for evaluation. It covers the categories of Federal credit (housing, education, business including farm operations, and international) and insurance programs (deposit insurance, pension guarantees, disaster insurance, and insurance against security-related risks). Two detailed tables that were part of this chapter last year, "Table 9-9. Direct Loan Transactions of the Federal Government" and "Table 9-10. Guaranteed Loan Transactions of the Federal Government" appear this year on the enclosed *Analytical Perspectives* CD ROM as Tables 7-10 and 7-11.

8. Aid to State and Local Governments. This discussion presents crosscutting information on Federal grants to State and local governments, including Administration proposals. For the first time the chapter includes material on the PART assessments related to grants. An Appendix to this chapter includes State-by-State spending estimates of major grant programs.

9. Integrating Services with Information Technology. This chapter presents a crosscutting look at investments in information technology (IT). The chapter describes various aspects of the Administration's information technology agenda, with special emphasis on the performance, efficiency, and effectiveness of the Government's IT investments. Two detailed tables that were part of this chapter last year, "Table 22-1. Effectiveness of Agency's IT Management and E-Gov Processes" and Table 22-2, which reported on the status of E-Gov initiatives, appear this year on the enclosed *Analytical Perspectives* CD ROM as Table 9-1, "Effectiveness of Agency's IT Management & E-Gov Processes" and Table 9-2, "Status of Presidential E-Government Initiatives."

10. Federal Drug Control Funding. This section presents estimated drug control funding for Federal departments and agencies.

Economic Assumptions and Analyses

11. Economic Assumptions. This discussion reviews recent economic developments; presents the Administration's assessment of the economic outlook, including the expected effects of macroeconomic policies; and compares the economic assumptions on which the budget is based with the assumptions for last year's budget and those of other forecasters.

12. Stewardship. This chapter assesses the Government's financial condition in an integrated framework that includes Federal assets and liabilities; 75-year projections of the Federal budget under alternative discre-

tionary spending, health cost, productivity, and demographic assumptions; actuarial estimates for the shortfalls in Social Security and Medicare; a national balance sheet that shows the Federal contribution to national wealth; and a table of economic and social indicators. Together these elements serve similar analytical functions to a business's accounting statements.

13. National Income and Product Accounts. This chapter discusses how Federal receipts and outlays fit into the framework of the National Income and Product Accounts (NIPAs) prepared by the Department of Commerce. The NIPAs measures are the basis for reporting Federal transactions in the gross domestic product (GDP) and for analyzing the effect of the budget on aggregate economic activity.

Budget Reform Proposals

14. Budget Reform Proposals. This chapter is a brief description of the Administration's budget reform agenda for addressing the need for responsible budgeting and other reforms.

Federal Borrowing and Debt

15. Federal Borrowing and Debt. This chapter analyzes Federal borrowing and debt and explains the budget estimates. It includes sections on special topics such as the trends in debt, agency debt, investment by Government accounts, and the debt limit.

Federal Receipts and Collections

16. Federal Receipts. This discussion presents information on receipts estimates, enacted tax legislation, and the receipts proposals in the budget.

17. User Charges and Other Collections. This chapter presents information on receipts from regulatory fees and on collections from market-oriented activities, such as the sale of stamps by the Postal Service, which are recorded as offsets to outlays rather than as Federal receipts.

18. Tax Expenditures. This discussion describes and estimates tax expenditures, which are defined as revenue losses from special exemptions, credits, or other preferences in the tax code. This section is prepared by the Department of the Treasury.

Dimensions of the Budget

19. Comparison of Actual to Estimated Totals. This chapter compares the actual receipts, outlays, and deficit for 2003 with the estimates for that year published two years ago in the *2003 Budget*. It also includes a historical comparison of the differences between receipts, outlays, and the deficit as originally proposed with final outcomes.

20. Outlays to the Public, Net and Gross. This section provides information on outlays net and gross of offsetting collections. Offsetting collections that are netted against outlays result primarily from the Government's business-like activities, such as the sale of stamps by the Postal Service.

21. Trust Funds and Federal Funds. This chapter provides summary information on Federal funds and trust funds, which comprise the entire budget. For trust funds the information includes income, outgo, and balances. Two detailed tables that were part of this chapter last year, "Table 16-4. Income, Outgo, and Balances of Major Trust Funds" and "Table 16-5. Income, Outgo, and Balances of Selected Federal Funds" appear this year on the enclosed *Analytical Perspectives* CD ROM as Tables 21-4 and 21-5.

22. Off-Budget Federal Entities and Non-Budgetary Activities. This chapter provides summary information on the off-budget Federal entities (Social Security and Postal Service) and non-budgetary activities (such as cash flows for credit programs, deposit funds, and regulation).

23. Federal Employment and Compensation. This chapter provides summary data on the level and recent trends in civilian and military employment, and personnel compensation and benefits.

Current Services Estimates

24. Current Services Estimates. This chapter presents estimates, based on rules contained in the Budget Enforcement Act, of what receipts, outlays, and the deficit would be if no changes were made to laws already

enacted. It discusses the conceptual framework for these estimates and provides an alternative formulation of a baseline, which is used in the main budget document. Two detailed tables that appeared in this chapter last year, "Table 15-11. Current Services Budget Authority by Function, Category, and Program" and "Table 15-12. Current Services Outlays by Function, Category, and Program" appear this year on the enclosed *Analytical Perspectives* CD ROM as Tables 24-12 and 24-13.

Budget System and Concepts and Glossary

25. The Budget System and Concepts. This is a basic reference to the budget process, concepts, laws, and terminology. The chapter includes information on the relationship of budget authority to outlays, which was formerly a separate chapter in this volume.

Other

The following tables appeared as separate sections last year in this volume and appear this year on the enclosed *Analytical Perspectives* CD ROM:

- **Detailed Functional Tables.** Two detailed tables, which last year appeared as, "Table 25-1. Budget Authority by Function, Category, and Program" and "Table 25-2. Outlays by Function, Category, and Program", this year are combined on the enclosed *Analytical Perspectives* CD ROM as Table 26-1.
- **Federal Programs by Agency and Account.** This detailed table "Federal Programs by Agency and Account," appears this year on the enclosed *Analytical Perspectives* CD ROM as Table 27-1.

1. INTRODUCTION

Purpose of This Volume

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant data that place the budget in context. The volume presents crosscutting analyses of Government programs and activities from several perspectives.

Presidential budgets have included separate analytical presentations of this kind for many years. The *1947 Budget* and subsequent budgets included a separate section entitled “Special Analyses and Tables” that covered four or more topics. For the *1952 Budget*, this section was expanded to ten analyses, including many subjects still covered today, such as receipts, investment, credit programs, and aid to State and local governments. With the *1967 Budget* this material became a separate volume entitled “Special Analyses,” and included 13 chapters. The material has remained a separate volume since then, with the exception of the budgets for 1991–1994, when all of the budget material was included in one large volume. Beginning with the *1995 Budget*, the volume has been named *Analytical Perspectives*.

The volume this year continues to reflect an interest in publishing more information on program performance, so that Executive agencies, the Congress, and the public will become increasingly informed about how well programs are performing. Better performance information can help managers improve program effectiveness, and can help Executive and Congressional policymakers improve the allocation of public resources. The performance assessment information is summarized in Chapter 2, “Performance and Management Assessments,” and is discussed in many other chapters, especially those in the section, “Crosscutting Programs.” One-page summaries of each program are on the *Analytical Perspectives* CD ROM (inside back cover).

The volume includes a new chapter this year on the California Bay-Delta restoration program (Chapter 11).

Again this year, several large tables are included as part of the *Budget* on the enclosed *Analytical Perspectives* CD ROM, along with evaluations and analyses of programs and management at Federal departments and agencies. A list of the items on the CD ROM is in the Table of Contents of this volume.

Overview of the Chapters

Introduction

1. Introduction. This chapter discusses each chapter briefly and highlights the emphasis on performance in a crosscutting context.

Performance and Management Assessments

2. Budget and Performance Integration. This chapter summarizes this year’s performance and management assessments, based primarily on the Program Assessment Rating Tool (PART). The enclosed *Analytical Perspectives* CD ROM includes one-page summaries of the program evaluations. Additional details of each of the assessments can be found on the OMB web page under “Budget Documents” at <http://www.budget.gov/budget/>.

Crosscutting Programs

3. Homeland Security Analysis. This chapter discusses homeland security funding and provides information on homeland security program requirements, performance, and priorities. Additional detailed information is available on the enclosed *Analytical Perspectives* CD ROM.

4. Strengthening Federal Statistics. This chapter discusses the development of standards that principal statistical programs can use to assess their performance and presents highlights of their *2006 Budget* proposals.

5. Research and Development. This chapter presents a crosscutting review of research and development funding in the budget, including discussions about priorities, performance, and coordination across agencies.

6. Federal Investment. This chapter discusses spending across Federal agencies that yields long-term benefits, and presents information on physical capital, research and development, and education and training. The chapter includes material on the PART assessments related to direct Federal investment spending. There is also a section on capital stocks.

7. Credit and Insurance. This chapter provides crosscutting analyses of the roles and risks of Federal credit and insurance programs and Government-sponsored enterprises (GSEs), as well as criteria for evaluation. It covers the categories of Federal credit (housing, education, business including farm operations, and international) and insurance programs (deposit insurance, pension guarantees, disaster insurance, and insurance against security-related risks). Two detailed tables, “Table 7–10. Direct Loan Transactions of the Federal Government” and “Table 7–11. Guaranteed Loan Transactions of the Federal Government”, are on the enclosed *Analytical Perspectives* CD ROM.

8. Aid to State and Local Governments. This discussion presents crosscutting information on Federal grants to State and local governments, including highlights of Administration proposals. The chapter also includes material on the PART assessments related to grants. An Appendix to this chapter includes State-by-State spending estimates of major grant programs.

9. *Integrating Services with Information Technology.* This chapter presents a crosscutting look at investments in information technology (IT). The chapter describes various aspects of the Administration's information technology agenda, with special emphasis on the performance, efficiency, and effectiveness of the Government's IT investments. Three detailed tables, "Table 9-1. Effectiveness of Agency's IT Management and E-Gov Processes," "Table 9-2. Management Guidance," and "Table 9-3. Status of Presidential E-Government Initiatives," are on the enclosed *Analytical Perspectives* CD ROM.

10. *Federal Drug Control Funding by Agency.* This section presents estimated drug control funding for Federal departments and agencies.

11. *California-Federal Bay-Delta Program Budget Crosscut (CALFED).* This chapter presents information on Federal funding for the California Bay-Delta restoration program, in partial fulfillment of the reporting requirements for this program. A detailed table, "CALFED-Related Federal Funding" is on the enclosed *Analytical Perspectives* CD ROM.

Economic Assumptions and Analyses

12. *Economic Assumptions.* This discussion reviews recent economic developments; presents the Administration's assessment of the economic outlook, including the expected effects of macroeconomic policies; and compares the economic assumptions on which the budget is based with the assumptions for last year's budget and those of other forecasters. This chapter also covers topics related to the effects on the budget of changes in economic conditions and assumptions.

13. *Stewardship.* This chapter assesses the Government's financial condition and sustainability in an integrated framework that includes Federal assets and liabilities; 75-year projections of the Federal budget under alternative assumptions for discretionary spending, health cost, productivity, and demographics; actuarial estimates for the shortfalls in Social Security and Medicare; a national balance sheet that shows the Federal contribution to national wealth; and a table of economic and social indicators. Together these elements serve similar analytical functions to a business's accounting statements.

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Budget Reform Proposals

15. *Budget Reform Proposals.* This chapter is a brief description of the Administration's budget reform agenda for addressing the need for responsible budgeting and other reforms.

Federal Borrowing and Debt

16. *Federal Borrowing and Debt.* This chapter analyzes Federal borrowing and debt and explains the budget estimates. It includes sections on special topics such as the trends in debt, agency debt, investment by Government accounts, and the debt limit.

Federal Receipts and Collections

17. *Federal Receipts.* This discussion presents information on receipts estimates, enacted tax legislation, and the receipts proposals in the budget.

18. *User Charges and Other Collections.* This chapter presents information on receipts from regulatory fees and on collections from market-oriented activities, such as the sale of stamps by the Postal Service, which are recorded as offsets to outlays rather than as Federal receipts.

19. *Tax Expenditures.* This discussion describes and presents estimates of tax expenditures, which are defined as revenue losses from special exemptions, credits, or other preferences in the tax code. An appendix discusses possible alternatives to the current tax expenditure baselines. This section is prepared by the Department of the Treasury.

Dimensions of the Budget

20. *Comparison of Actual to Estimated Totals.* This chapter compares the actual receipts, outlays, and deficit for 2004 with the estimates for that year published two years ago in the 2004 Budget. It also includes a historical comparison of the differences between receipts, outlays, and the deficit as originally proposed with final outcomes.

21. *Outlays to the Public, Net and Gross.* This section provides information on outlays net and gross of offsetting collections and offsetting receipts by agency. Offsetting collections and offsetting receipts are netted against outlays and result primarily from the Government's business-like activities, such as the sale of stamps by the Postal Service.

22. *Trust Funds and Federal Funds.* This chapter provides summary information on Federal funds and trust funds, which comprise the entire budget. For trust funds the information includes income, outgo, and balances. Two detailed tables, "Table 22-4. Income, Outgo, and Balances of Major Trust Funds" and "Table 22-5. Income, Outgo, and Balances of Selected Federal Funds" are on the enclosed *Analytical Perspectives* CD ROM.

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24. *Federal Employment and Compensation.* This chapter provides summary data on the level and recent trends in civilian and military employment, and personnel compensation and benefits.

Current Services Estimates

25. *Current Services Estimates*. This chapter presents estimates, based on rules similar to those contained in the Budget Enforcement Act (BEA), of what receipts, outlays, and the deficit would be if no changes were made to laws already enacted. It discusses the conceptual framework for these estimates and describes differences with the BEA requirements. Two detailed tables, “Table 25–12. Current Services Budget Authority by Function, Category, and Program” and “Table 25–13. Current Services Outlays by Function, Category, and Program” are on the enclosed *Analytical Perspectives* CD ROM.

Budget System and Concepts

26. *The Budget System and Concepts*. This is a basic reference to the budget process, concepts, laws, and terminology, and includes a glossary of budget terms.

Other

The following material appears only on the enclosed *Analytical Perspectives* CD ROM:

- *Detailed Functional Tables*. Table 27–1. “Budget Authority and Outlays by Function, Category, and Program”.
- *Federal Programs by Agency and Account*. Table 28–1. “Federal Programs by Agency and Account”.
- PART Summaries. This section provides one-page summaries of the program assessments and a summary list of all of the assessments with funding, scores, and ratings.

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Again this year, several large tables are included as part of the *Budget* on the enclosed *Analytical Perspectives* CD ROM. A list of the items on the CD ROM is in the Table of Contents of this volume.

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1. Introduction. This chapter discusses each chapter briefly and highlights the emphasis on performance in a crosscutting context.

Performance and Management Assessments

2. Budget and Performance Integration. This chapter summarizes the performance and management assessments that have been completed to date using the Program Assessment Rating Tool (PART). One-page summaries of the program evaluations, as well as detail

on each of the assessments can be found at <http://www.ExpectMore.gov>.

Crosscutting Programs

3. Homeland Security Funding Analysis. This chapter discusses homeland security funding and provides information on homeland security program requirements, performance, and priorities. Additional detailed information is available on the enclosed *Analytical Perspectives* CD ROM.

4. Strengthening Federal Statistics. This chapter discusses the development of standards that principal statistical programs can use to assess their performance and presents highlights of their 2007 Budget proposals.

5. Research and Development. This chapter presents a crosscutting review of research and development funding in the Budget, including discussions about priorities, performance, and coordination across agencies.

6. Federal Investment. This chapter discusses spending across Federal agencies that yields long-term benefits, and presents information on physical capital, research and development, and education and training. The chapter includes material on the PART assessments related to direct Federal investment spending. There is also a section on capital stocks.

7. Credit and Insurance. This chapter provides crosscutting analyses of the roles and risks of Federal credit and insurance programs and Government-sponsored enterprises (GSEs), as well as criteria for evaluation. It covers the categories of Federal credit (housing, education, business including farm operations, and international) and insurance programs (deposit insurance, pension guarantees, disaster insurance, and insurance against security-related risks). The chapter also includes material on the new President’s Management Agenda initiative to improve credit program management. Two detailed tables, “Table 7–10. Direct Loan Transactions of the Federal Government” and “Table 7–11. Guaranteed Loan Transactions of the Federal Government”, are on the enclosed *Analytical Perspectives* CD ROM.

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ment's IT investments. Three detailed tables: "Table 9-1. Effectiveness of Agency's IT Management and E-Gov Processes," "Table 9-2. Management Guidance," and "Table 9-3. Status of Presidential E-Government Initiatives," are on the enclosed *Analytical Perspectives* CD ROM.

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Budget System and Concepts

26. *The Budget System and Concepts*. This is a basic reference to the budget process, concepts, laws, and terminology, and includes a glossary of budget terms.

Other

The following material appears only on the enclosed *Analytical Perspectives* CD ROM:

- *Detailed Functional Tables*. Table 27–1. “Budget Authority and Outlays by Function, Category, and Program”.
- *Federal Programs by Agency and Account*. Table 28–1. “Federal Programs by Agency and Account”.

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Again this year, several large tables are included as part of the Budget on the enclosed *Analytical Perspectives* CD-ROM. A list of the items on the CD-ROM is in the Table of Contents of this volume.

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2. *Budget and Performance Integration*. This chapter summarizes the performance and management assessments that have been completed to date using the Program Assessment Rating Tool (PART). One-page summaries of the program evaluations, as well as detail

on each of the assessments can be found at www.ExpectMore.gov.

Crosscutting Programs

3. *Homeland Security Funding Analysis*. This chapter discusses homeland security funding and provides information on homeland security program requirements, performance, and priorities. Additional detailed information is available on the enclosed *Analytical Perspectives* CD-ROM.

4. *Strengthening Federal Statistics*. This chapter discusses the development of standards that principal statistical programs can use to assess their performance and presents highlights of the related 2008 Budget proposals.

5. *Research and Development*. This chapter presents a crosscutting review of research and development funding in the Budget, including discussions about priorities, performance, and coordination across agencies.

6. *Federal Investment*. This chapter discusses spending across Federal agencies that yields long-term benefits, and presents information on physical capital, research and development, and education and training. Also included in this chapter is material on the PART assessments related to direct Federal investment spending. There is also a section on capital stocks.

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esses,” “Table 9–2. Management Guidance,” “Table 9–3. Agencies with IT Investments on the Management Watch List,” “Table 9–4. Status of Presidential E-Government Initiatives,” and “Table 9–5. Lines of Business (LoB) Update” are on the enclosed *Analytical Perspectives* CD-ROM.

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26. *The Budget System and Concepts*. This chapter includes a basic reference to the budget process, concepts, laws, and terminology, and includes a glossary of budget terms.

Other

The following material appears only on the enclosed *Analytical Perspectives* CD-ROM:

- *Detailed Functional Tables*. Table 27-1. “Budget Authority and Outlays by Function, Category, and Program”.
- *Federal Programs by Agency and Account*. Table 28-1. “Federal Programs by Agency and Account”.

1. INTRODUCTION

Purpose of This Volume

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant data that place the budget in context. This volume presents crosscutting analyses of Government programs and activities from several perspectives.

Presidential budgets have included separate analytical presentations of this kind for many years. The 1947 Budget and subsequent budgets included a separate section entitled “Special Analyses and Tables” that covered four or more topics. For the 1952 Budget, the section was expanded to ten analyses, including many subjects still covered today, such as receipts, investment, credit programs, and aid to State and local governments. With the 1967 Budget this material became a separate volume entitled “Special Analyses,” and included 13 chapters. The material has remained a separate volume since then, with the exception of the Budgets for 1991–1994, when all of the budget material was included in one large volume. Beginning with the 1995 Budget, the volume has been named *Analytical Perspectives*.

The *Analytical Perspectives* volume this year continues to reflect an interest in publishing more information on program performance, so that Executive agencies, the Congress, and the public will become increasingly informed about how well programs are performing. Increased performance information can help managers improve program effectiveness, and can help Executive and Congressional policymakers improve the allocation of public resources. On November 13, 2007, President Bush issued an Executive Order that formalizes the commitment of the U.S. government to spend the taxpayers’ money wisely and more effectively every year. The performance assessment information is summarized in Chapter 2, “Performance Improvement Initiative,” and is discussed in many other chapters, especially those in the section, “Crosscutting Programs.” One-page summaries of each program assessment are available at www.ExpectMore.gov and further information on the PART process is available at www.omb.gov/part.

Again this year, several large tables are included at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume. A list of these items is in the Table of Contents.

Overview of the Chapters

Introduction

1. *Introduction*. This chapter discusses each of the subsequent chapters briefly and highlights the emphasis on performance in a crosscutting context.

Performance and Management Assessments

2. *Performance Improvement Initiative*. This chapter summarizes the performance and management assessments that have been completed to date using the Program Assessment Rating Tool (PART). One-page summaries of the program evaluations, as well as detail on each of the assessments can be found at www.ExpectMore.gov.

Crosscutting Programs

3. *Homeland Security Funding Analysis*. This chapter discusses homeland security funding and provides information on homeland security program requirements, performance, and priorities. Additional detailed information is available at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

4. *Strengthening Federal Statistics*. This chapter discusses the development of standards that principal statistical programs can use to assess their performance and presents highlights of their 2009 Budget proposals.

5. *Research and Development*. This chapter presents a crosscutting review of research and development funding in the Budget, including discussions about priorities, performance, and coordination across agencies.

6. *Federal Investment*. This chapter discusses federally-financed spending that yields long-term benefits. It presents information on annual spending on physical capital, research and development, and education and training, and on the cumulative capital stocks resulting from that spending. Also included in this chapter is material on the PART assessments related to direct Federal investment spending.

7. *Credit and Insurance*. This chapter provides crosscutting analyses of the roles, risks, and performance of Federal credit and insurance programs and Government-sponsored enterprises (GSEs). It covers the categories of Federal credit (housing, education, business including farm operations, and international) and insurance programs (deposit insurance, pension guarantees, disaster insurance, and insurance against security-related risks). Two detailed tables, “Table 7–10. Direct Loan Transactions of the Federal Government” and “Table 7–11. Guaranteed Loan Transactions of the Federal Government,” are available at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for

the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

8. *Aid to State and Local Governments.* This chapter presents crosscutting information on Federal grants to State and local governments, including highlights of Administration proposals. This chapter also includes material on the PART assessments related to grants. An Appendix to this chapter includes State-by-State spending estimates of major grant programs.

9. *Integrating Services with Information Technology.* This chapter presents a crosscutting look at investments in information technology (IT). It describes various aspects of the Administration's information technology agenda, with special emphasis on the performance, efficiency, and effectiveness of the Government's IT investments. Several detailed tables are available at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

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