

EXPLANATION OF ESTIMATES

Part I contains various tables and certain schedules in support of the budget, including explanatory statements of the work to be performed and the money needed, as well as the text of the language proposed for enactment by Congress on each item for which congressional action in an appropriation bill is required. It also contains the text of general provisions of appropriations acts, proposed for enactment by the Congress, that apply to entire agencies or groups of agencies.

ARRANGEMENT

The chapters of Part I reflect the branches of Government, and the cabinet departments, selected independent agencies, and activities of the executive branch. Most of the smaller agencies in the executive branch are grouped in one chapter—"Other independent agencies."

Each chapter is organized by major subordinate organizations within the agency (usually bureaus) or by major program area. For each bureau or major program area, *Federal funds*, covering the funds that are not set aside in "trust," precede *trust funds*, covering moneys that are held by the Government in accounts established by law or by trust agreement for specific purposes. Within each fund group, accounts with new budget authority in 1985 generally will precede those without such an entry.

The proposed language for *general provisions* of appropriations acts that are applicable to the agency in that chapter appear in a separate section at the end of the chapter. General provisions that apply to specified groups of agencies are placed in the chapter covering the first agency that appears in the respective appropriations act. The general provisions that are Government-wide in scope (identified "Departments, Agencies, and Corporations"), normally contained in the Treasury, Postal Service, and General Government Appropriations Act, are placed at the end of the Executive Office of the President chapter.

An explanation of the types of funds included in the budget may be found in Part 7 of—*The Budget of the United States Government, 1985*.

FORM OF DETAILED MATERIAL

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1985 appropriation acts is printed following the account title. The language of the 1984 appropriation acts, printed in roman type, is used as a base. Brackets enclose material that is proposed for deletion; italic type indicates proposed new language. At the end of the final language paragraph, and printed in italics within parentheses, are citations to any relevant authorizing legislation and to the appropriation act from which the basic text of the 1985 language is taken. An illustration of proposed appropriation language for 1985 follows:

1-2

OPERATING EXPENSES

For necessary expenses of the Office of Climate Information, **[\$29,440,000]** \$28,920,000 of which **[\$150,000]** \$400,000 shall remain available until expended. (34 U.S.C. 218 et seq.; Department of Government Appropriation Act, 1984.)

BASIS FOR SCHEDULES

The 1983 column of this budget generally presents the actual transactions and balances for that year, as recorded in agency accounts.

For 1984, the regular schedules include enacted appropriations and also identify the amounts for supplemental appropriations requested to meet the increased costs of statutory and wage-board pay raises. When the annual appropriation has not been enacted, the regular schedules will include the amounts provided under the authority of a continuing resolution. Requests for supplemental appropriations to meet increased 1984 program costs (where costs other than for statutory pay raises are involved), or to finance proposed program expansions in 1984, are included in Part II. Also included in Part II in addition to proposed appropriation language for both pay and program supplemental requests, are proposed rescissions.

The 1985 column of the regular schedules includes proposed appropriations for all existing programs, including those that require extension or renewal of expiring laws. Amounts for proposed new legislation, if any, are shown generally in separate schedules, following the regular schedules or in budget sequence in the respective bureau. These schedules are headed "Proposed for later transmittal under proposed legislation." Appropriation language is included with the regular schedules, but not with the separate schedules for proposed legislation. In some cases, when the amount requested in the budget is less than the amount required for the program level mandated in existing authorizing legislation (as in the case of entitlement programs), the reduced amount is reflected in the proposed appropriation language and the regular schedules. The proposed change in the authorizing legislation may be included in the appropriation language transmitted with the budget or in proposed legislation, to be transmitted separately.

Obligations refer to orders placed, contracts awarded, loan agreements made, and recurring services (such as rent, utilities, and personal services) received during the year, regardless of the time of payment. They are usually the basis of the schedules and total obligations are always shown.

PROGRAM AND FINANCING SCHEDULE

This schedule consists of three parts.

In the "Program by activities" section, obligations generally are shown for specific activities or projects. The activity structure is developed individually for each appropriation or fund account so as to provide a meaningful presentation of information for the program

being financed. That structure is tailored to the individual account and is not uniform across the Government. Obligations that are financed from collections credited to an account, are shown separately from direct obligations and aggregated in a single line with a stub entry that reads "Reimbursable program." The last entry "total obligations," indicates the amount of budgetary resources that must be available to the appropriation or fund account.

The "Financing" section shows the budgetary resources available or estimated to be available to finance the obligations. The amounts of any offsetting collections authorized to be credited to the account are shown as deductions from total obligations. For unobligated balances of appropriations of a prior year that have not expired, the start-of-year balances are subtracted from total obligations and the end-of-year balances are added. This shows that, on a net basis, unobligated balances are either used to finance total obligations or increased because part of the budget authority provided for that or a previous year will be carried forward and obligated in a future year. Other adjusting entries may be included. The residual is the new budget authority required to finance the program. Where more than one kind of budget authority is provided, that information is shown. In some cases, the availability of budgetary resources may be restrained by the imposition of legally binding limitations on direct loans or other obligation levels.

The "Relation of obligations to outlays" section shows the difference between obligations, which may not be liquidated in the same year in which they are incurred, and outlays. The entry "obligations incurred, net," shows the amount of new obligations incurred in the year, less offsetting collections credited to the account. The amount of obligations that were incurred in previous years but not liquidated, are entered as an obligated balance, start of year. Similarly, an end of year obligated balance is entered. Certain adjusting entries may be included. The residual is the net amount of outlays resulting from the liquidation of obligations incurred in that year and previous years.

The account identification code, found at the head of the program and financing schedule, facilitates computer processing of budgetary information. The last three digits of this code represent the functional category to which the account is classified. Functional classification permits presentation of budget authority and outlays in terms of their purpose, rather than the organization administering the program or the account under which these funds are made available. For example, the 452 at the top of the following schedule indicates that the purpose of the program financed by this appropriation is *Area and regional development*—a subfunction within major function 450, *Community and regional development*. When the outlays from an account are split between two or more subfunctions within a single major function, the code of the major function is used. In those few cases where the outlays from an account are split between two or more functions, a code of 999 is used. A detailed discussion of how Federal programs are addressed to each identified national need is included in Part 5 of the budget. The individual functional categories are identified with each appropriation or

fund account in the Budget Accounts Listing in Part 8 of the budget.

Program and Financing (in thousands of dollars)			
Identification code 17-0643-0-1-452	1983 actual	1984 est.	1985 est.
Program by activities:			
Direct program:			
1. Information services.....	22,866	22,700	21,500
2. Meteorological research.....	4,780	4,900	4,900
3. Longitudinal weather studies.....	2,500	2,490	2,120
4. Construction.....		150	400
Total direct program.....	30,146	30,240	28,920
Reimbursable program.....	250	350	380
10.00 Total obligations.....	30,396	30,590	29,300
Financing:			
11.00 Offsetting collections from: Federal funds.....	-250	-350	-380
21.40 Unobligated balance available, start of year.....		-50	
24.40 Unobligated balance available, end of year.....	50		
25.00 Unobligated balance lapsing.....	45		
39.00 Budget authority.....	30,241	30,190	28,920
Budget authority:			
40.00 Appropriation.....	30,241	29,440	28,920
44.20 Supplemental for civilian pay raises.....		750	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	30,146	30,240	28,920
72.40 Obligated balance, start of year.....	1,364	1,120	1,246
74.40 Obligated balance, end of year.....	-1,120	-1,246	-1,275
90.00 Outlays, excluding pay raise supplemental.....	30,390	29,434	28,821
91.20 Outlays from civilian pay raise supplemental.....		680	70

A schedule entitled "Summary of Budget Authority and Outlays" is shown immediately following the program and financing schedule, for each account that includes separate program and financing schedules for program supplemental requests, requests for later transmittal under proposed or existing legislation, or rescission proposals.

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

Narrative statements present briefly the objectives of the program and the work to be financed primarily for 1985. Measures of expected performance may be included, and the relationship to the financial estimates is described.

SCHEDULE OF OBJECT CLASSIFICATION AND PERSONNEL SUMMARY

There is shown for each account a schedule of obligations, according to the following uniform list of object classifications:

10 PERSONAL SERVICES AND BENEFITS	25 Other services
11 Personnel compensation	26 Supplies and materials
12 Personnel benefits	30 ACQUISITION OF CAPITAL ASSETS
13 Benefits for former personnel	31 Equipment
20 CONTRACTUAL SERVICES AND SUPPLIES	32 Lands and structures
21 Travel and transportation of persons	33 Investments and loans
22 Transportation of things	40 GRANTS AND FIXED CHARGES
23.1 Standard level user charges	41 Grants, subsidies, and contributions
23.2 Communications, utilities, and other rent	42 Insurance claims and indemnities
24 Printing and reproduction	43 Interest and dividends
	44 Refunds

These object classes reflect the nature of the things or services purchased, regardless of the purpose of the program for which they are used.

Except for revolving funds, reimbursable obligations are aggregated in a single line and not identified by object class. Data, classified by object, are illustrated in the following schedule:

Object Classification (in thousands of dollars)			
Identification code 17-0643-0-1-452	1983 actual	1984 est.	1985 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	19,653	19,540	19,200
11.3 Other than full-time permanent.....	792	800	570
11.5 Other personnel compensation.....	231	169	190
11.9 Total personnel compensation.....	20,676	20,509	19,960
12.1 Personnel benefits: Civilian.....	1,940	1,899	1,887
21.0 Travel and transportation of persons.....	91	85	80
22.0 Transportation of things.....	17	18	17
23.1 Standard level user charges.....	1,680	1,752	1,790
23.2 Communications, utilities, and other rent.....	1,759	1,580	1,675
24.0 Printing and reproduction.....	1,390	1,429	1,470
25.0 Other services.....	1,774	1,838	559
26.0 Supplies and materials.....	429	480	497
31.0 Equipment.....	390	500	585
32.0 Lands and structures.....		150	400
99.0 Subtotal, direct obligations.....	30,146	30,240	28,920
99.0 Reimbursable obligations.....	250	350	380
99.9 Total obligations.....	30,396	30,590	29,300

Several of the object classes are divided into sub-classes—personnel compensation, for example, is shown separately for full-time permanent employees, for other than full-time employees, and for certain other payments. Standard level user charges are rental payments assessed by the General Services Administration for space (leased and Government-owned) and building services.

When obligations for personnel compensation are shown in the object classification schedule, a personnel summary will follow the object classification schedule, as illustrated below:

Personnel Summary			
Direct:			
Total number of full-time permanent positions.....	813	785	741
Total compensable workyears:			
Full-time equivalent employment.....	774	748	706
Full-time equivalent of overtime and holiday hours.....	23	17	19
Reimbursable:			
Total number of full-time permanent positions.....	9	13	14
Total compensable workyears:			
Full-time equivalent employment.....	8	12	13

Control of Federal civilian employment generally is on a full-time equivalent (FTE) or workyear basis for the executive branch.

Business-Type Budget Statements

Business-type budget statements are presented for activities specifically required by the Government Corporation Control Act or similar legislation and generally for other revolving and trust revolving funds conducting business with the public. They are not usually presented for funds conducting business within the Government.

Statement of Revenue and Expense

For many revolving funds there is a statement of revenue and expense that shows the resulting net income or loss for the year. This statement usually includes accrued revenue (e.g., revenue earned) and accrued expenditures (e.g., including cost incurred but not yet paid), whether funded or unfunded.

Revenue and Expense (in thousands of dollars)			
	1983 actual	1984 est.	1985 est.
Operating income:			
Revenue.....	23,625	27,950	34,980
Expense.....	-2,830	-3,700	-4,000
Net operating income, total.....	20,795	24,250	30,980
Nonoperating income: Interest from U.S. securities.....	8,092	9,874	12,791
Net income for the year.....	28,887	34,124	43,771

Statement of Financial Condition

The statement of Financial Condition shows assets, liabilities, and Government equity for the fund at the close of each fiscal year. In addition to this information, which is similar to commercial balance sheet data, budget needs also require additional information, shown in the equity section. A disclosure is made of obligations incurred that have not yet accrued into liabilities (undelivered orders) and of budgetary resources for which no funding has been received (unfinanced budgetary resources). Unfinanced budgetary resources include orders from Federal customers that have not been filled (unfilled orders), and unfinanced budget authority in the form of authority to borrow for which borrowing has not taken place, and contract authority for which liquidating cash has not been received. Orders received from the public must be accompanied by advance payment.

The last section of the balance sheet is an "Analysis of Changes in Government Equity." This section sets forth for paid-in capital and retained income, as appropriate, the beginning balance, transactions (changes) during the year, and the balance at the end of the year.

Financial Condition (in thousands of dollars)

	1982 actual	1983 actual	1984 est.	1985 est.
Assets:				
Fund balance with Treasury.....	1,214	350	550	450
U.S. securities (par).....	98,174	129,969	170,769	218,169
Accounts receivable (net).....	5,546	5,737	7,365	9,106
Loans receivable (net).....	6,901	4,059	6,415	8,715
Total assets.....	111,835	140,115	185,909	236,440
Liabilities:				
Accounts payable and accrued liabilities.....	1,941	1,162	862	862
Advances received.....	21,656	21,828	32,988	40,558
Total liabilities.....	23,597	22,990	33,850	41,420
Government equity:				
Unexpended balances:				
Unobligated balance.....	81,051	112,491	144,486	186,702
Undelivered orders.....	280	569	348	603
Unfinanced budget authority:				
Unfilled customer orders.....	-1,340	-896	-1,205	-1,536
Invested capital.....	8,247	4,961	7,620	9,251
Total Government equity.....	88,238	117,125	151,249	195,020
Analysis of changes in Government equity:				
Retained income:				
Opening balance.....		88,238	117,125	151,249
Transactions:				
Net operating income.....		20,795	24,250	30,980
Net nonoperating income.....		8,092	9,874	12,791
Closing balance.....		117,125	151,249	195,020
Total Government equity (end of year).....		117,125	151,249	195,020

FEDERAL CREDIT SCHEDULES

As part of an effort to establish systematic control of the levels of Federal credit during any fiscal year, the budget appendix includes annual limitations on the amount of obligations for direct loans and commitments for loan guarantees in appropriations language for ap-

appropriations or funds with credit activity. Schedules for the status of direct loans and the status of guaranteed loans summarize activity for the years shown.

Status of Direct Loans

A direct loan is a disbursement of funds (not in exchange for goods or services) that is contracted to be repaid—with or without interest—or any of the following transactions:

- direct Federal participation in loans privately made or held;
- purchase of private loans through secondary market operations;
- acquisition of guaranteed private loans or collateral in satisfaction of default or other guarantee claims.

A direct loan is counted against the annual limitation when the principal amount is obligated. Gross obligations for direct loans means the amount obligated during a fiscal year, without reductions for such items as repayments, prepayments, sale of loan assets, defaults, or forgiveness.

For each appropriation or fund with direct loan activity, a schedule is displayed immediately following the program and financing schedule as follows:

Status of Direct Loans (in thousands of dollars)			
Identification code 17-4023-0-3-453	1983 actual	1984 est.	1985 est.
Position with respect to limitation on direct loans:			
1110 Limitation on obligations.....	19,700	14,000	14,800
1130 Obligations exempt from limitation.....	1,300	500	200
1151 Obligations incurred, gross: Direct loans to the public.....	20,000	14,500	15,000
1190 Unused balance of limitation, expiring.....	1,000		
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year.....	33,650	46,195	38,510
New loans:			
1231 Disbursements for direct loans.....	18,700	14,000	14,800
1232 Disbursements for guarantee claims.....	1,300	500	200
Recoveries:			
1251 Repayments and prepayments.....	-6,625	-20,075	-8,280
1254 Other capital recoveries.....	-400	-700	-1,100
1261 Adjustments: Write-offs for default.....	-430	-1,410	-809
1290 Outstanding, end of year.....	46,195	38,510	43,321
Addendum: Federal Financing Bank transactions:			
Direct loans made by the FFB and guaranteed by this account:			
1410 Outstanding, start of year.....		3,800	8,000
1430 New loan disbursements.....	3,800	4,400	5,400
1450 Repayments.....		-200	-400
1490 Outstanding, end of year.....	3,800	8,000	13,000

Status of Guaranteed Loans

A guaranteed loan is an agreement by which the Government pledges to pay part or all of the loan principal and interest to a lender or holder of a security, in the event of default by a third party borrower. For the purposes of credit control, the term includes agreements in the form of loan insurance; i.e., a program to pool risks, pledging the use of insurance premiums, and, under some circumstances, other resources to secure a lender against default by a borrower. The term

also includes direct Federal loans that the Government has sold under guarantee or repurchase agreements.

A guaranteed loan is counted against the annual limitation when a firm commitment is made, i.e., when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated pre-conditions. A commitment is reported for every guaranteed loan, even though the commitment and the actual guarantee may occur simultaneously. Amounts for limitations and in the schedules are the full principal amounts of loans guaranteed whether guaranteed in full or in part. The amount of the Government's contingent liability is shown as a memorandum entry in the schedule. Gross commitments for guaranteed loans means the amount committed during a fiscal year, without reductions for such items as repayments, prepayments, sale of guaranteed loans, or defaults.

For each appropriation or fund account with guaranteed loan activity, a schedule is displayed immediately following the program and financing schedule (or status of direct loans schedule, if there is one) as follows:

Status of Guaranteed Loans (in thousands of dollars)			
Identification code 17-4023-0-3-453	1983 actual	1984 est.	1985 est.
Position with respect to limitation on commitments:			
Limitation on commitments:			
2111 Loans by private lenders.....	20,000	15,310	13,700
2112 Loans by FFB.....	5,000	5,000	5,000
New commitments made, gross:			
2151 Loans by private lenders.....	16,130	15,310	13,700
2152 Loans by the FFB.....	5,000	5,000	5,000
2190 Unused balance of limitation, expiring.....	3,870		
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year.....	70,000	71,186	71,985
2231 Loans guaranteed: New loans.....	12,586	12,799	14,611
2250 Repayments and prepayments.....	-10,100	-10,300	-10,850
2261 Adjustments: Terminations for default.....	-1,300	-1,700	-1,900
2290 Outstanding, end of year.....	71,186	71,985	73,846
MEMORANDUM			
2299 U.S. contingent liability for guaranteed loans outstanding, end of year.....	71,186	71,985	73,486

BUDGETS NOT SUBJECT TO REVIEW

In accordance with law, the presentations for the Legislative Branch, the Judiciary, the Federal Deposit Insurance Corporation, the Milk Market Orders Assessment Fund of the Department of Agriculture, the Farm Credit Administration, the Board of Governors of the Federal Reserve System, and the International Trade Commission have been included, without review, in the amounts submitted by the agencies.

The budgets of the privately owned Government-sponsored enterprises, presented in Part V, are not subject to review; they are included for information purposes.

EXPLANATION OF ESTIMATES

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OPERATING EXPENSES

For necessary expenses of the Office of Climate Information, ~~[\$29,440,000]~~ *\$28,920,000* of which ~~[\$150,000]~~ *\$400,000* shall remain available until expended. (*34 U.S.C. 218 et seq.; Department of Government Appropriation Act, 1985.*)

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The 1986 column of the regular schedules includes proposed appropriations for all existing programs, including those that require extension or renewal of expiring laws. Amounts for proposed new legislation, if any, are shown generally in separate schedules, following the regular schedules or in budget sequence in the respective bureau. These schedules are headed "Proposed for later transmittal under proposed legislation." Appropriation language is included with the regular schedules, but not with the separate schedules for proposed legislation. In some cases, when the amount requested in the budget is less than the amount required for the program level mandated in existing authorizing legislation (as in the case of entitlement programs), the reduced amount is reflected in the proposed appropriation language and the regular schedules. The proposed change in the authorizing legislation may be included in the appropriation language transmitted with the budget or in proposed legislation, to be transmitted separately.

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In the "Program by activities" section, obligations generally are shown for specific activities or projects. The activity structure is developed individually for each appropriation or fund account to provide a meaningful presentation of information for the program being financed. That structure is tailored to the individual account and is not uniform across the Government. When the amounts of obligations that are financed from collections credited to an account (reimbursements) are significant, "Reimbursable program" obligations are

shown separately from "Direct program" obligations. When the amounts are significant, "Capital investments" are shown separately from "Operating expenses." The last entry "Total obligations," indicates the minimum amount of budgetary resources that must be available to the appropriation or fund account in that year.

The "Financing" section shows the budgetary resources available or estimated to be available to finance the total obligations. First are the amounts of offsetting collections credited to the account. Next are unobligated balances (that have not expired) brought forward from the end of the prior year. Finally, those amounts that were available for obligation during the year and were not used, but continue to be available, are shown as an unobligated balance available, end of year. That balance is carried forward and usually obligated in a subsequent year. Other adjusting entries may be included. The residual is the new budget authority required to finance the program. Where more than one kind of budget authority is provided, that information is shown. In some cases, the availability of budgetary resources may be restrained by legally binding limitations on obligations for direct loans or for other purposes.

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24 Printing and reproduction	43 Interest and dividends
	44 Refunds

These object classes reflect the nature of the things or services purchased, regardless of the purpose of the program for which they are used.

Except for revolving funds, reimbursable obligations are aggregated in a single line and not identified by object class. Data, classified by object, are illustrated in the following schedule:

Object Classification (in thousands of dollars)				
Identification code	17-0643-0-1-452	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	19,653	19,540	19,200
11.3	Other than full-time permanent	792	800	570
11.5	Other personnel compensation	231	169	190
11.9	Total personnel compensation	20,676	20,509	19,960
12.1	Personnel benefits: Civilian	1,940	1,899	1,887
21.0	Travel and transportation of persons	91	85	80
22.0	Transportation of things	17	18	17
23.1	Standard level user charges	1,680	1,752	1,790
23.2	Communications, utilities, and other rent	1,759	1,580	1,675
24.0	Printing and reproduction	1,390	1,429	1,470
25.0	Other services	1,774	1,838	559
26.0	Supplies and materials	429	480	497
31.0	Equipment	390	500	585
32.0	Lands and structures		150	400
99.0	Subtotal, direct obligations	30,146	30,240	28,920
99.0	Reimbursable obligations	250	350	380
99.9	Total obligations	30,396	30,590	29,300

Several of the object classes are divided into subclasses—personnel compensation, for example, is shown separately for full-time permanent employees, for other than full-time employees, and for certain other payments. Standard level user charges are rental payments assessed by the General Services Administration for space (leased and Government-owned) and building services.

When obligations for personnel compensation are shown in the object classification schedule, a personnel summary generally will follow the object classification schedule, as illustrated below:

Personnel Summary			
Direct:			
Total number of full-time permanent positions	813	785	741
Total compensable workyears:			
Full-time equivalent employment	774	748	706
Full-time equivalent of overtime and holiday hours	23	17	19
Reimbursable:			
Total number of full-time permanent positions	9	13	14
Total compensable workyears: Full-time equivalent employment	8	12	13

Control of Federal civilian employment generally is on a full-time equivalent (FTE) or workyear basis for the executive branch.

BUSINESS-TYPE BUDGET STATEMENTS

Business-type budget statements are presented for activities specifically required by the Government Corporation Control Act or similar legislation and generally for other revolving and trust revolving funds conducting business with the public. They are not usually pre-

sented for funds conducting business within the Government.

Statement of Revenue and Expense

For many revolving funds there is a statement of revenue and expense that shows the resulting net income or loss for the year. This statement usually includes accrued revenue (e.g., revenue earned) and accrued expenditures (e.g., including cost incurred but not yet paid), whether funded or unfunded.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income:			
Revenue	23,625	27,950	34,980
Expense	-2,830	-3,700	-4,000
Net operating income, total	20,795	24,250	30,980
Nonoperating income: Interest from U.S. securities	8,092	9,874	12,791
Net income for the year	28,887	34,124	43,771

Statement of Financial Condition

The statement of financial condition shows assets, liabilities, and Government equity for the fund at the close of each fiscal year. In addition to this information, which is similar to commercial balance sheet data, budget needs also require additional information, shown in the equity section. A disclosure is made of obligations incurred that have not yet accrued into liabilities (undelivered orders) and of budgetary resources for which no funding has been received (unfinanced budgetary resources). Unfinanced budgetary resources include orders from Federal customers that have not been filled (unfilled orders), and unfinanced budget authority in the form of authority to borrow for which borrowing has not taken place, and contract authority for which liquidating cash has not been received. Orders received from the public must be accompanied by advance payment.

The last section of the balance sheet is an "Analysis of Changes in Government Equity." This section sets forth for paid-in capital and retained income, as appropriate, the beginning balance, transactions (changes) during the year, and the balance at the end of the year.

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Fund balance with Treasury	1,214	350	550	450
U.S. securities (par)	98,174	129,969	170,769	218,169
Accounts receivable (net)	5,546	5,737	7,365	9,106
Loans receivable (net)	6,901	4,059	6,415	8,715
Total assets	111,835	140,115	185,909	236,440
Liabilities:				
Accounts payable and accrued liabilities	1,941	1,162	862	862
Advances received	21,656	21,828	32,988	40,558
Total liabilities	23,597	22,990	33,850	41,420
Government equity:				
Unexpended balances:				
Unobligated balance	81,051	112,491	144,486	186,702
Undelivered orders	280	569	348	603
Unfinanced budget authority: Unfilled customer orders				
	-1,340	-896	-1,205	-1,536

EXPLANATION OF ESTIMATES

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Invested capital	8,247	4,961	7,620	9,251
Total Government equity.....	88,238	117,125	151,249	195,020
Analysis of changes in Government equity:				
Retained income:				
Opening balance.....	88,238	117,125	151,249	
Transactions:				
Net operating income.....	20,795	24,250	30,980	
Net nonoperating income.....	8,092	9,874	12,791	
Closing balance.....	117,125	151,249	195,020	
Total Government equity (end of year)	117,125	151,249	195,020	

FEDERAL CREDIT SCHEDULES

As part of an effort to establish systematic control of the levels of Federal credit during any fiscal year, the budget appendix includes annual limitations on the amount of obligations for direct loans and commitments for guaranteed loans in appropriations language for appropriations or funds with credit activity. For those accounts under which Federal credit is extended, schedules for the status of direct loans and the status of guaranteed loans summarize activity for the years shown.

Status of Direct Loans

A direct loan is a disbursement of funds (not in exchange for goods or services) that is contracted to be repaid—with or without interest—or any of the following transactions:

- purchase of private loans through secondary market operations;
- acquisition of guaranteed private loans in satisfaction of default or other guarantee claims.

A direct loan is counted against the annual limitation when the principal amount is obligated. Gross obligations for direct loans means the amount obligated during a fiscal year, without reductions for such items as repayments, prepayments, sale of loan assets, defaults, or forgiveness.

For each appropriation or fund with direct loan activity, a schedule is displayed immediately following the program and financing schedule as follows:

Status of Direct Loans (in thousands of dollars)

Identification code	17-4023-0-3-453	1984 actual	1985 est.	1986 est.
Position with respect to limitation on direct loans:				
1110	Limitation on obligations	19,700	14,000	14,800
1130	Obligations exempt from limitation.....	1,300	500	200
	Obligations incurred, gross:			
1151	Direct loans to the public.....	18,700	14,000	14,800
1152	Obligations for guarantee claims.....	1,300	500	200
1190	Unused balance of limitation, expiring.....	1,000		
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	33,650	46,195	38,510
New loans:				
1231	Disbursements for direct loans	18,700	14,000	14,800
1232	Disbursements for guarantee claims.....	1,300	500	200
Recoveries:				
1251	Repayments and prepayments.....	-6,625	-20,075	-8,280
1254	Other capital recoveries.....	-400	-700	-1,100
1261	Adjustments: Write-offs for default.....	-430	-1,410	-809
1290	Outstanding, end of year	46,195	38,510	43,321

Addendum: Federal Financing Bank transactions:

Direct loans made by the FFB and guaranteed by this account:				
1410	Outstanding, start of year		3,800	8,000
1430	New loan disbursements.....	3,800	4,400	5,400
1450	Repayments		-200	-400
1490	Outstanding, end of year	3,800	8,000	13,000

Status of Guaranteed Loans

A guaranteed loan commitment is an agreement by which the Government pledges to pay part or all of the loan principal and interest to a lender or holder of a security, in the event of default by a third party borrower. For the purposes of credit control, the term includes agreements in the form of loan insurance; i.e., a program to pool risks, pledging the use of insurance premiums, and, under some circumstances, other resources to secure a lender against default by a borrower. The term also includes direct Federal loans that the Government has sold under guarantee or repurchase agreements.

A guaranteed loan is counted against the annual limitation when a firm commitment is made, i.e., when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated pre-conditions. A commitment is reported for every guaranteed loan, even though the commitment and the actual loan guarantee may occur simultaneously. Amounts for limitations and in the schedules are the full principal amounts of loans guaranteed whether guaranteed in full or in part. The amount of the Government's contingent liability is shown as a memorandum entry in the schedule. Gross commitments for guaranteed loans means the amount committed during a fiscal year, without reductions for such items as repayments, prepayments, sale of guaranteed loans, or defaults.

For each appropriation or fund account with guaranteed loan activity, a schedule is displayed immediately following the program and financing schedule (or status of direct loans schedule, if there is one) as follows:

Status of Guaranteed Loans (in thousands of dollars)

Identification code	17-4023-0-3-453	1984 actual	1985 est.	1986 est.
Position with respect to limitation on commitments:				
Limitation on commitments:				
2111	Loans by private lenders.....	20,000	15,310	13,700
2112	Loans by FFB.....	5,000	5,000	5,000
New commitments made, gross:				
2151	Loans by private lenders.....	16,130	15,310	13,700
2152	Loans by the FFB	5,000	5,000	5,000
2190	Unused balance of limitation, expiring.....	3,870		
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	70,000	71,186	71,985
2231	Loans guaranteed: New loans.....	12,586	12,799	14,611
2250	Repayments and prepayments.....	-10,100	-11,500	-12,550
2261	Adjustments: Terminations for default.....	-1,300	-500	-200
2290	Outstanding, end of year	71,186	71,985	73,846
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding, end of year	71,186	71,985	73,846

BUDGETS NOT SUBJECT TO REVIEW

In accordance with law, the presentations for the Legislative Branch, the Judiciary, the Federal Deposit Insurance Corporation, the Milk Market Orders Assessment Fund of the Department of Agriculture, the Farm Credit Administration, and the International Trade

Commission have been included, without review, in the amounts submitted by the agencies.

The budgets of the privately owned Government-sponsored enterprises and the Board of Governors of the Federal Reserve System, presented in Part V, are not subject to review; they are included for information purposes only.

EXPLANATION OF ESTIMATES

Part I contains various tables and certain schedules in support of the budget, including explanatory statements of the work to be performed and the money needed, as well as the text of the language proposed for enactment by Congress on each item for which congressional action in an appropriation bill is required. It also contains the text of general provisions of appropriations acts, proposed for enactment by the Congress, that apply to entire agencies or groups of agencies.

ARRANGEMENT

The chapters of Part I reflect the branches of Government, and the cabinet departments, selected independent agencies, and other activities of the executive branch. Most of the smaller agencies in the executive branch are grouped in one chapter—"Other independent agencies."

Each chapter is organized by major subordinate organizations within the agency (usually bureaus) or by major program area. For each bureau or major program area, *Federal funds*, covering the funds that are not set aside in "trust," precede *trust funds*, covering moneys that are held by the Government in accounts established by law or by trust agreement for specific purposes. Within each fund group, accounts with new budget authority in 1987 generally will precede those without such an entry. Legislation has been enacted that places the Old-Age and Survivors Insurance and Disability Insurance trust funds outside the budget totals. In this volume, these accounts are presented in a separate chapter, Health and Human Services, Social Security.

The proposed language for *general provisions* of appropriations acts that are applicable to the agency in that chapter appear in a separate section at the end of the chapter. General provisions that apply to specified groups of agencies are placed in the chapter covering the first agency that appears in the respective appropriations act. The general provisions that are Government-wide in scope (identified "Departments, Agencies, and Corporations"), normally contained in the Treasury, Postal Service, and General Government Appropriations Act, are placed at the end of the Executive Office of the President chapter.

An explanation of the types of funds included in the budget may be found in Part 6b of *The Budget of the United States Government, 1987*.

FORM OF DETAILED MATERIAL

APPROPRIATIONS LANGUAGE

The language proposed for inclusion in the 1987 appropriations acts is printed following the account title. The language of the 1986 appropriations acts, printed in roman type, is used as a base. Brackets enclose material that is proposed for deletion; italic type indicates proposed new language. At the end of the final language paragraph, and printed in italics within parentheses,

are citations to any relevant authorizing legislation and to the appropriations act from which the basic text of the 1986 language is taken. An illustration of proposed appropriations language for 1987 follows:

OPERATING EXPENSES

For necessary expenses of the Office of Climate Information, ~~[\$29,440,000]~~ \$28,920,000 of which ~~[\$150,000]~~ \$400,000 shall remain available until expended. (34 U.S.C. 218 et seq.; Department of Government Appropriation Act, 1986.)

BASIS FOR SCHEDULES

The 1985 column of this budget generally presents the actual transactions and balances for that year, as recorded in agency accounts.

For 1986, the regular schedules include enacted appropriations. In addition, indefinite appropriations are included on the basis of amounts likely to be required. When the annual appropriation has not been enacted, the regular schedules will include the amounts provided under the authority of a continuing resolution. Reductions pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) are presented in separate schedules immediately following the regular schedules and associated information in Part I. Requests for supplemental appropriations, if any, to meet increased 1986 costs are included in Part II. Also included in Part II, in addition to proposed appropriation language and schedules for supplemental requests, are separate schedules for proposed rescissions, the language for which will be transmitted to the Congress in special messages.

The 1987 column of the regular schedules includes proposed appropriations for all programs under existing legislation, including those that require extension or renewal of expiring laws. Amounts for proposed new legislation are shown generally in separate schedules, following the regular schedules or in budget sequence in the respective bureau. These schedules are headed "Proposed for later transmittal under proposed legislation." Appropriation language is included with the regular schedules, but not with the separate schedules for proposed legislation. Necessary appropriations language will be transmitted later upon enactment of the proposed legislation. In some cases, when the amount requested in the budget is less than the amount required for the program level mandated in existing authorizing legislation (as in the case of certain entitlement programs), the reduced amount is reflected in the proposed appropriation language and the regular schedules. The proposed change in the authorizing legislation may be included in the appropriation language transmitted with the budget or in proposed legislation, to be transmitted separately. In these cases, the words, "Legislative Action Required" appear at the end of the language.

PROGRAM AND FINANCING SCHEDULE

This schedule consists of three parts.

In the "Program by activities" section, obligations generally are shown for specific activities or projects. The activity structure is developed individually for each appropriation or fund account to provide a meaningful presentation of information for the program being financed. That structure is tailored to the individual account and is not uniform across the Government. When the amounts of obligations that are financed from collections credited to an account (reimbursements) are significant, "Reimbursable program" obligations are shown separately from "Direct program" obligations. When the amounts are significant, "Capital investments" are shown separately from "Operating expenses." The last entry "Total obligations," indicates the minimum amount of budgetary resources that must be available to the appropriation or fund account in that year.

The "Financing" section shows the budgetary resources available or estimated to be available to finance the total obligations. First are the amounts of offsetting collections credited to the account. Next are unobligated balances of budgetary resources (that have not expired) brought forward from the end of the prior year. Finally, those amounts that were available for obligation during the year and were not used, but continue to be available, are shown as an unobligated balance available, end of year. That balance is carried forward and usually obligated in a subsequent year. Other adjusting entries may be included. The residual is the new budget authority required to finance the program. Where more than one kind of budget authority is provided, that information is shown. In some cases, the availability of budgetary resources may be restrained by legally binding limitations on obligations for direct loans or for other purposes. Such limitations are usually included in appropriations language.

The "Relation of obligations to outlays" section shows the difference between obligations, which may not be liquidated in the same year in which they are incurred, and outlays. The entry "obligations incurred, net," shows the amount of new obligations incurred in the year, less offsetting collections credited to the account. The amount of obligations that were incurred in previous years but not liquidated, are entered as an obligated balance, start of year. Similarly, an end of year obligated balance is entered. Certain adjusting entries may be included. The residual is the net amount of outlays resulting from the liquidation of obligations incurred in that year and previous years.

The account identification code, found at the head of the program and financing schedule, facilitates computer processing of budgetary information. The last three digits of this code represent the functional category to which the account is classified. Functional classification permits presentation of budget authority and outlays in terms of their purpose, rather than the organization administering the program or the account under which these funds are made available. For example, the 452 at the top of the following schedule indicates that the purpose of the program financed by this appropriation is *Area and regional development*—a subfunction within

major function 450, *Community and regional development*. When the outlays from an account are split between two or more subfunctions within a single major function, the code of the major function is used. In those few cases where the outlays from an account are split between two or more functions, a code of 999 is used. A detailed discussion of how Federal programs are addressed to each identified national need is included in Part 5 of the budget. The individual functional categories are identified with each appropriation or fund account in the Budget by Agency and Account in Part 6d of the budget.

Program and Financing (in thousands of dollars)

Identification code	17-0643-0-1-452	1985 actual	1986 est.	1987 est.
Program by activities:				
Direct program:				
00.01	Information services.....	22,866	22,700	21,500
00.02	Meteorological research.....	4,780	4,900	4,900
00.03	Longitudinal weather studies.....	2,500	2,490	2,120
00.04	Construction.....		150	400
00.91	Total direct program.....	30,146	30,240	28,920
01.01	Reimbursable program.....	250	350	380
10.00	Total obligations.....	30,396	30,590	29,300
Financing:				
11.00	Offsetting collections from: Federal funds...	-250	-350	-380
21.40	Unobligated balance available, start of year.....			-50
24.40	Unobligated balance available, end of year..		50	
25.00	Unobligated balance lapsing.....	45		
40.00	Budget authority (appropriation) ..	30,191	30,290	28,870
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	30,146	30,240	28,920
72.40	Obligated balance, start of year.....	1,364	1,120	1,246
74.40	Obligated balance, end of year.....	-1,120	-1,246	-1,275
90.00	Outlays, excluding pay raise supplemental.....	30,390	30,114	28,891

A schedule entitled "Summary of Budget Authority and Outlays" is shown immediately following the program and financing schedule and any associated notes for each account that includes separate program and financing schedules for program supplemental requests, requests for later transmittal under proposed or existing legislation, or rescission proposals.

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

Narrative statements present briefly the objectives of the program and the work to be financed primarily for 1987. Measures of expected performance may be included, and the relationship to the financial estimates is described.

SCHEDULE OF OBJECT CLASSIFICATION AND PERSONNEL SUMMARY

There is shown for each account a schedule of obligations, according to the following uniform list of object classifications:

10 PERSONAL SERVICES AND BENEFITS	20 CONTRACTUAL SERVICES AND SUPPLIES
11 Personnel compensation	21 Travel and transportation of persons
12 Personnel benefits	22 Transportation of things
13 Benefits for former personnel	

23.1 Standard level user charges	31 Equipment
23.2 Rental payments to others	32 Lands and structures
23.3 Communications, utilities, and miscellaneous charges	33 Investments and loans
24 Printing and reproduction	40 GRANTS AND FIXED CHARGES
25 Other services	41 Grants, subsidies, and contributions
26 Supplies and materials	42 Insurance claims and indemnities
30 ACQUISITION OF CAPITAL ASSETS	43 Interest and dividends
	44 Refunds

These object classes reflect the nature of the things or services purchased, regardless of the purpose of the program for which they are used.

Except for revolving funds, reimbursable obligations are aggregated in a single line and not identified by object class. Data, classified by object, are illustrated in the following schedule:

Object Classification (in thousands of dollars)

Identification code	17-0643-0-1-452	1985 actual	1986 est.	1987 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	19,653	19,540	19,200
11.3	Other than full-time permanent.....	792	800	570
11.5	Other personnel compensation.....	231	169	190
11.9	Total personnel compensation.....	20,676	20,509	19,960
12.1	Personnel benefits: Civilian.....	1,940	1,899	1,887
21.0	Travel and transportation of persons.....	91	85	80
22.0	Transportation of things.....	17	18	17
23.1	Standard level user charges.....	1,680	1,752	1,790
23.3	Communications, utilities, and miscellaneous charges.....	1,759	1,580	1,675
24.0	Printing and reproduction.....	1,390	1,429	1,470
25.0	Other services.....	1,774	1,838	559
26.0	Supplies and materials.....	429	480	497
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99.0	Reimbursable obligations.....	250	350	380
99.9	Total obligations.....	30,396	30,590	29,300

Several of the object classes are divided into subclasses—personnel compensation, for example, is shown separately for full-time permanent employees, for other than full-time employees, and for certain other payments. Standard level user charges are rental payments assessed by the General Services Administration for space (leased and Government-owned) and building services.

When obligations for personnel compensation are shown in the object classification schedule, a personnel summary generally will follow the object classification schedule, as illustrated below:

Personnel Summary

	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions.....	813	785	741
Total compensable workyears:			
Full-time equivalent employment.....	774	748	706
Full-time equivalent of overtime and holiday hours.....	23	17	19
Reimbursable:			
Total number of full-time permanent positions.....	9	13	14
Total compensable workyears: Full-time equivalent employment.....	8	12	13

Control of Federal civilian employment generally is on a full-time equivalent (FTE) or workyear basis for the executive branch.

BUSINESS-TYPE BUDGET STATEMENTS

Business-type budget statements are presented for activities specifically required by the Government Corporation Control Act or similar legislation and generally for other revolving and trust revolving funds conducting business with the public. They are not usually presented for funds conducting business within the Government.

Statement of Revenue and Expense

For many revolving funds there is a statement of revenue and expense that shows the resulting net income or loss for the year. This statement usually includes accrued revenue (e.g., revenue earned) and accrued expenditures (e.g., including cost incurred but not yet paid), whether funded or unfunded.

Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Operating income:			
Revenue.....	23,625	27,950	34,980
Expense.....	-2,830	-3,700	-4,000
Net operating income, total.....	20,795	24,250	30,980
Nonoperating income: Interest from U.S. securities.....	8,092	9,874	12,791
Net income for the year.....	28,887	34,124	43,771

Statement of Financial Condition

The statement of financial condition shows assets, liabilities, and Government equity for the fund at the close of each fiscal year. In addition to this information, which is similar to commercial balance sheet data, budget needs also require additional information, shown in the equity section. A disclosure is made of obligations incurred that have not yet accrued into liabilities (undelivered orders) and of budgetary resources for which no funding has been received (unfinanced budgetary resources). Unfinanced budgetary resources include orders from Federal customers that have not been filled (unfilled orders), and unfinanced budget authority in the form of authority to borrow for which borrowing has not taken place, and contract authority for which liquidating cash has not been received. Orders received from the public must be accompanied by advance payment.

The last section of the balance sheet is an "Analysis of Changes in Government Equity." This section sets forth for paid-in capital and retained income, as appropriate, the beginning balance, transactions (changes) during the year, and the balance at the end of the year.

Financial Condition (in thousands of dollars)

	1984 actual	1985 actual	1986 est.	1987 est.
Assets:				
Fund balance with Treasury.....	1,214	350	550	450
U.S. securities (par).....	98,174	129,969	170,769	218,169
Accounts receivable (net).....	5,546	5,737	7,365	9,106
Loans receivable (net).....	6,901	4,059	6,415	8,715
Total assets.....	111,835	140,115	185,909	236,440

EXPLANATION OF ESTIMATES

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Liabilities:				
Accounts payable and accrued liabilities.....	1,941	1,162	862	862
Advances received.....	21,656	21,828	32,988	40,558
Total liabilities.....	23,597	22,990	33,850	41,420
Government equity:				
Unexpended balances:				
Unobligated balance.....	81,051	112,491	144,486	186,702
Undelivered orders.....	280	569	348	603
Unfinanced budget authority: Unfilled customer orders.....	-1,340	-896	-1,205	-1,536
Invested capital.....	8,247	4,961	7,620	9,251
Total Government equity.....	88,238	117,125	151,249	195,020
Analysis of changes in Government equity:				
Retained income:				
Opening balance.....		88,238	117,125	151,249
Transactions:				
Net operating income.....		20,795	24,250	30,980
Net nonoperating income.....		8,092	9,874	12,791
Closing balance.....		117,125	151,249	195,020
Total Government equity (end of year).....		117,125	151,249	195,020

FEDERAL CREDIT SCHEDULES

As part of an effort to establish systematic control of the levels of Federal credit during any fiscal year, the budget appendix includes annual limitations on the amount of obligations for direct loans and commitments for guaranteed loans in appropriations language for appropriations or funds with credit activity. For those accounts under which Federal credit is extended, schedules for the status of direct loans and the status of guaranteed loans summarize activity for the years shown.

Status of Direct Loans

A direct loan obligation is a legal or binding agreement that results in: (1) a disbursement of funds to a non-Federal entity by a Federal agency (including the Federal Financing Bank (FFB) on behalf of a Federal agency) that is contracted to be repaid, with or without interest; (2) a purchase of non-Federal loans by a Federal agency through secondary market operations; (3) an acquisition of guaranteed non-Federal loans by a Federal agency in satisfaction of default or other guarantee claims; or (4) a sale of Federal agency assets to a non-Federal entity on credit terms of more than 90 days duration.

A direct loan is counted against the annual limitation when the principal amount is obligated. Gross obligations for direct loans means the amount obligated during a fiscal year, without reductions for such items as repayments, prepayments, sale of loan assets, defaults, or forgiveness.

For each appropriation or fund with direct loan activity, a schedule is displayed immediately following the program and financing schedule as follows:

Status of Direct Loans (in thousands of dollars)

Identification code	17-4023-0-3-453	1985 actual	1986 est.	1987 est.
Position with respect to appropriation act limitation on obligations:				
1111	Limitation on direct loans to the public.....	19,700	14,000	14,000
1112	Unused balance of limitation, expiring.....	-1,000		
1132	Obligations exempt from limitation: Defaulted guaranteed loan claims.....	5,000	3,000	2,000
1150	Total direct loan obligations.....	23,700	17,000	16,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	58,430	66,239	65,789
Disbursements:				
1231	Direct loan disbursements.....	18,700	14,000	14,000
1232	Disbursements for guarantee claims.....	5,000	3,000	2,000
Repayments:				
1251	Repayments and prepayments.....	-15,475	-16,500	-15,000
1252	Repayments of defaulted guaranteed loans.....	-150	-150	-150
Adjustments:				
1262	Write-offs for default.....	-1,000	-800	-600
1264	Other adjustments, net.....	734		
1290	Outstanding, end of year.....	66,239	65,789	66,039

Status of Guaranteed Loans

A guaranteed loan commitment is a legal or binding agreement that results in: (1) a non-Federal debt instrument on which the agency pledges to pay part or all of the amount due to a lender or holder in the event of default by the borrower; and (2) a direct Federal loan that an agency has sold to the public under a guarantee, agreement to repurchase, or other form of recourse. Agency guarantees that result in loans by the FFB are counted as direct loans of the FFB and, therefore, will not be counted as guaranteed loans. However, the amount of direct loans made in this manner is subject to limitations on loan guarantee commitments of the originating agency. Loan guarantees include agreements in the form of loan insurance, defined as a type of guarantee in which an agency pledges the use of accumulated insurance premiums to secure lenders against default on the part of borrowers.

A guaranteed loan is counted against the annual limitation when a firm commitment is made, i.e., when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated pre-conditions. A commitment is reported for every guaranteed loan, even though the commitment and the actual loan guarantee may occur simultaneously. Amounts for limitations and in the schedules are the full principal amounts of loans guaranteed whether guaranteed in full or in part. The amount of the Government's contingent liability is shown as a memorandum entry in the schedule. Gross commitments for guaranteed loans means the amount committed during a fiscal year, without reductions for such items as repayments, prepayments, sale of guaranteed loans, or defaults.

For each appropriation or fund account with guaranteed loan activity, a schedule is displayed following the program and financing schedule (or status of direct loans schedule, if there is one) as follows:

Status of Guaranteed Loans (in thousands of dollars)				
Identification code 17-4023-0-3-453	1985 actual	1986 est.	1987 est.	
Position with respect to appropriation act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders.....	300,000	200,000	200,000
2112	Unused balance on limitation, expiring.....	-120,000
2150	Total guaranteed loan commitments.....	180,000	200,000	200,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year.....	965,752	920,736	933,336
2231	Disbursements: Disbursements of new guaranteed loans.....	158,600	170,000	170,000
2251	Repayments: Repayments and prepayments. Adjustments:	-208,616	-200,000	-200,000
2261	Terminations for default that result in direct loans.....	5,000	-3,000	-2,000
2264	Other adjustments, net.....	45,600
2290	Outstanding, end of year.....	920,736	933,336	901,336
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding end of year.....	920,736	933,336	901,336

Agency Federal Financing Bank Accounts

For agencies that are authorized to make direct loans to the public and sell them to the FFB with a guarantee, or that are authorized to guarantee loans made by

the FFB to the public, a separate program and financing schedule is shown for these transactions following the information in the regular agency schedule. This separate schedule, which, among other details, shows direct loan obligations, offsetting collections for repayments and prepayments of principal, and borrowing authority used by the FFB on behalf of the regular agency account. Interest collections, interest on borrowing from the Treasury, and administrative expenses are included in the FFB account in the Treasury Department.

BUDGETS NOT SUBJECT TO REVIEW

In accordance with law, the presentations for the Legislative Branch, the Judiciary, the Federal Deposit Insurance Corporation, the Milk Market Orders Assessment Fund of the Department of Agriculture, the Farm Credit Administration, and the International Trade Commission have been included, without review, in the amounts submitted by the agencies.

The budgets of the privately owned Government-sponsored enterprises and the Board of Governors of the Federal Reserve System, presented in Part IV, are not subject to review; they are included for information purposes only.

EXPLANATION OF ESTIMATES

Part I contains various tables and certain schedules in support of the budget, including explanatory statements of the work to be performed and the money needed, as well as the text of the language proposed for enactment by Congress on each item for which congressional action in an appropriation bill is required. It also contains the text of general provisions of appropriations acts, proposed for enactment by the Congress, that apply to entire agencies or groups of agencies.

ARRANGEMENT

The chapters of Part I reflect the branches of Government, and the cabinet departments, selected independent agencies, and other activities of the executive branch. Most of the smaller agencies in the executive branch are grouped in one chapter—"Other independent agencies."

Each chapter is organized by major subordinate organizations within the agency (usually bureaus) or by major program area. For each bureau or major program area, *Federal funds*, covering the funds that are not set aside in "trust," precede *trust funds*, covering moneys that are held by the Government in accounts established by law or by trust agreement for specific purposes. Within each fund group, accounts with new budget authority in 1988 generally will precede those without such an entry. By law, the Old-Age and Survivors Insurance and Disability Insurance trust funds are outside the budget totals. In this volume, these accounts are presented in a separate chapter, Health and Human Services, Social Security.

The proposed language for *general provisions* of appropriations acts that are applicable to the agency in that chapter appear in a separate section at the end of the chapter. General provisions that apply to specified groups of agencies are placed in the chapter covering the first agency that appears in the respective appropriations act. The general provisions that are Government-wide in scope (identified "Departments, Agencies, and Corporations"), normally contained in the Treasury, Postal Service, and General Government Appropriations Act, are placed at the end of the Executive Office of the President chapter.

An explanation of the types of funds included in the budget may be found in Part 6b of *The Budget of the United States Government, 1988—Supplement*.

FORM OF DETAILED MATERIAL

APPROPRIATIONS LANGUAGE

The language proposed for inclusion in the 1988 appropriations acts is printed following the account title. Language for 1987 appropriations, printed in roman type, is used as a base. All language for accounts receiving appropriations in 1987 is based on language, included in or enacted by reference in the continuing resolution for 1987 (Public Laws 99-500 and 99-591). Brackets enclose material that is proposed for deletion; italic

type indicates proposed new language. At the end of the final language paragraph, and printed in italics within parentheses, are citations to any relevant authorizing legislation and to the appropriations act from which the basic text of the 1987 language is taken. An illustration of proposed appropriations language for 1988 follows:

OPERATING EXPENSES

For necessary expenses of the Office of Climate Information, **[\$29,440,000]** \$28,920,000 of which **[\$150,000]** \$400,000 shall remain available until expended. (34 U.S.C. 218 et seq.; Department of Government Appropriation Act, 1987.)

BASIS FOR SCHEDULES

The 1986 column of this budget generally presents the actual transactions and balances for that year, as recorded in agency accounts.

For 1987, the regular schedules include enacted appropriations. In addition, indefinite appropriations are included on the basis of amounts likely to be required. Requests for supplemental appropriations, if any, to meet increased 1987 costs are included in Part II. Also included in Part II, in addition to proposed appropriation language and schedules for supplemental requests, are separate schedules for proposed rescissions, the language for which will be transmitted to the Congress in special messages.

The 1988 column of the regular schedules includes proposed appropriations for all programs under existing legislation, including those that require extension or renewal of expiring laws. The fourth column of schedules for accounts in the National Defense function (coded 050) and accounts with multiple functions (coded 999) with a National Defense component includes proposed appropriations for 1989. Appropriations for these accounts by law are requested on a biennial basis. Appropriations for 1989 and beyond may be requested for other accounts (see the "Budget by Agency and Account" in the Budget); however, a fourth column is not included in the Appendix for them in this budget.

Amounts for proposed new legislation are shown generally in separate schedules, following the regular schedules or in budget sequence in the respective bureau. These schedules are headed "Proposed for later transmittal under proposed legislation." Appropriation language is included with the regular schedules, but not with the separate schedules for proposed legislation. Necessary appropriations language will be transmitted later upon enactment of the proposed legislation. In some cases, when the amount requested in the budget is less than the amount required for the program level mandated in existing authorizing legislation (as in the case of certain entitlement programs), the reduced amount is reflected in the proposed appropriation language and the regular schedules. The proposed change in the authorizing legislation may be included in the appropriation language transmitted with the budget or in proposed legislation, to be transmitted separately. In

these cases, the words, "Legislative Action Required" appear at the end of the language.

PROGRAM AND FINANCING SCHEDULE

This schedule consists of three parts.

In the "Program by activities" section, obligations generally are shown for specific activities or projects. The activity structure is developed individually for each appropriation or fund account to provide a meaningful presentation of information for the program being financed. That structure is tailored to the individual account and is not uniform across the Government. When the amounts of obligations that are financed from collections credited to an account (reimbursements) are significant, "Reimbursable program" obligations are shown separately from "Direct program" obligations. When the amounts are significant, "Capital investments" are shown separately from "Operating expenses." The last entry "Total obligations," indicates the minimum amount of budgetary resources that must be available to the appropriation or fund account in that year.

The "Financing" section shows the budgetary resources available or estimated to be available to finance the total obligations. First are the amounts of offsetting collections credited to the account. Next are unobligated balances of budgetary resources (that have not expired) brought forward from the end of the prior year. Finally, those amounts that were available for obligation during the year and were not used, but continue to be available, are shown as an unobligated balance available, end of year. That balance is carried forward and usually obligated in a subsequent year. Other adjusting entries may be included. The residual is the new budget authority required to finance the program. Where more than one kind of budget authority is provided, that information is shown. In some cases, the availability of budgetary resources may be restrained by legally binding limitations on obligations for direct loans or for other purposes. Such limitations are usually included in appropriations language.

The "Relation of obligations to outlays" section shows the difference between obligations, which may not be liquidated in the same year in which they are incurred, and outlays. The entry "obligations incurred, net," shows the amount of new obligations incurred in the year, less offsetting collections credited to the account. The amount of obligations that were incurred in previous years but not liquidated, are entered as an obligated balance, start of year. Similarly, an end of year obligated balance is entered. Certain adjusting entries may be included. The residual is the net amount of outlays resulting from the liquidation of obligations incurred in that year and previous years.

The account identification code, found at the head of the program and financing schedule, facilitates computer processing of budgetary information. The last three digits of this code represent the functional category to which the account is classified. Functional classification permits presentation of budget authority and outlays in terms of their purpose, rather than the organization administering the program or the account under which these funds are made available. For example, the 452 at

the top of the following schedule indicates that the purpose of the program financed by this appropriation is *Area and regional development*—a subfunction within major function 450, *Community and regional development*. When the outlays from an account are split between two or more subfunctions within a single major function, the code of the major function is used. In those few cases where the outlays from an account are split between two or more functions, a code of 999 is used. A detailed discussion of how Federal programs are addressed to each identified national need is included in Part 5 of the 1988 Budget Supplement. The individual functional categories are identified with each appropriation or fund account in the "Budget by Agency and Account" in Part 4 of the Budget.

Program and Financing (in thousands of dollars)

Identification code 17-0643-0-1-452	1986 actual	1987 est.	1988 est.
Program by activities:			
Direct program:			
00.01 Information services.....	22,866	22,700	21,500
00.02 Meteorological research.....	4,780	4,900	4,900
00.03 Longitudinal weather studies.....	2,500	2,490	2,120
00.04 Construction.....		150	400
00.91 Total direct program.....	30,146	30,240	28,920
01.01 Reimbursable program.....	250	350	380
10.00 Total obligations.....	30,396	30,590	29,300
Financing:			
11.00 Offsetting collections from: Federal funds.....	-250	-350	-380
21.40 Unobligated balance available, start of year.....			-50
24.40 Unobligated balance available, end of year.....		50	
25.00 Unobligated balance lapsing.....	45		
40.00 Budget authority (appropriation).....	30,191	30,290	28,870
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	30,146	30,240	28,920
72.40 Obligated balance, start of year.....	1,364	1,120	1,246
74.40 Obligated balance, end of year.....	-1,120	-1,246	-1,275
90.00 Outlays.....	30,390	30,114	28,891

A schedule entitled "Summary of Budget Authority and Outlays" is shown immediately following the program and financing schedule and any associated notes for each account that includes separate program and financing schedules for program supplemental requests, requests for later transmittal under proposed or existing legislation, or rescission proposals.

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

Narrative statements present briefly the objectives of the program and the work to be financed primarily for 1988. Measures of expected performance may be included, and the relationship to the financial estimates is described.

SCHEDULE OF OBJECT CLASSIFICATION AND PERSONNEL SUMMARY

There is shown for each account a schedule of obligations, according to the following uniform list of object classifications:

10 PERSONAL SERVICES AND BENEFITS	13 Benefits for former personnel
11 Personnel compensation	20 CONTRACTUAL SERVICES AND SUPPLIES
12 Personnel benefits	

21 Travel and transportation of persons	ASSETS	31 Equipment
22 Transportation of things	32 Lands and structures	
23.1 Rental payment to GSA	33 Investments and loans	
23.2 Rental payments to others	40 GRANTS AND FIXED CHARGES	
23.3 Communications, utilities, and miscellaneous charges	41 Grants, subsidies, and contributions	
24 Printing and reproduction	42 Insurance claims and indemnities	
25 Other services	43 Interest and dividends	
26 Supplies and materials	44 Refunds	
30 ACQUISITION OF CAPITAL		

These object classes reflect the nature of the things or services purchased, regardless of the purpose of the program for which they are used.

Except for revolving funds, reimbursable obligations are aggregated in a single line and not identified by object class. Data, classified by object, are illustrated in the following schedule:

Object Classification (in thousands of dollars)			
Identification code 17-0643-0-1-452	1986 actual	1987 est.	1988 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	19,653	19,540	19,200
11.3 Other than full-time permanent	792	800	570
11.5 Other personnel compensation	231	169	190
11.9 Total personnel compensation	20,676	20,509	19,960
12.1 Personnel benefits: Civilian	1,940	1,899	1,887
21.0 Travel and transportation of persons	91	85	80
22.0 Transportation of things	17	18	17
23.1 Standard level user charges	1,680	1,752	1,790
23.3 Communications, utilities, and miscellaneous charges	1,759	1,580	1,675
24.0 Printing and reproduction	1,390	1,429	1,470
25.0 Other services	1,774	1,838	559
26.0 Supplies and materials	429	480	497
31.0 Equipment	390	500	585
32.0 Lands and structures		150	400
99.0 Subtotal, direct obligations	30,146	30,240	28,920
99.0 Reimbursable obligations	250	350	380
99.9 Total obligations	30,396	30,590	29,300

Several of the object classes are divided into subclasses—personnel compensation, for example, is shown separately for full-time permanent employees, for other than full-time employees, and for certain other payments. Standard level user charges are rental payments assessed by the General Services Administration for space (leased and Government-owned) and building services.

When obligations for personnel compensation are shown in the object classification schedule, a personnel summary generally will follow the object classification schedule, as illustrated below:

Personnel Summary			
Direct:			
Total number of full-time permanent positions	813	785	741
Total compensable workyears:			
Full-time equivalent employment	774	748	706
Full-time equivalent of overtime and holiday hours	23	17	19
Reimbursable:			
Total number of full-time permanent positions	9	13	14
Total compensable workyears: Full-time equivalent employment	8	12	13

Control of Federal civilian employment generally is on a full-time equivalent (FTE) or workyear basis for the executive branch.

BUSINESS-TYPE BUDGET STATEMENTS

Business-type budget statements are presented for activities specifically required by the Government Corporation Control Act or similar legislation and generally for other revolving and trust revolving funds conducting business with the public. They are not usually presented for funds conducting business within the Government.

Statement of Revenue and Expense

For many revolving funds there is a statement of revenue and expense that shows the resulting net income or loss for the year. This statement usually includes accrued revenue (e.g., revenue earned) and accrued expenditures (e.g., including cost incurred but not yet paid), whether funded or unfunded.

Revenue and Expense (in thousands of dollars)

	1986 actual	1987 est.	1988 est.
Operating income:			
Revenue	23,625	27,950	34,980
Expense	-2,830	-3,700	-4,000
Net operating income, total	20,795	24,250	30,980
Nonoperating income: Interest from U.S. securities	8,092	9,874	12,791
Net income for the year	28,887	34,124	43,771

Statement of Financial Condition

The statement of financial condition shows assets, liabilities, and Government equity for the fund at the close of each fiscal year. In addition to this information, which is similar to commercial balance sheet data, budget needs also require additional information, shown in the equity section. A disclosure is made of obligations incurred that have not yet accrued into liabilities (undelivered orders) and of budgetary resources for which no funding has been received (unfinanced budgetary resources). Unfinanced budgetary resources include orders from Federal customers that have not been filled (unfilled orders), and unfinanced budget authority in the form of authority to borrow for which borrowing has not taken place, and contract authority for which liquidating cash has not been received. Orders received from the public must be accompanied by advance payment.

The last section of the balance sheet is an "Analysis of Changes in Government Equity." This section sets forth for paid-in capital and retained income, as appropriate, the beginning balance, transactions (changes) during the year, and the balance at the end of the year.

Financial Condition (in thousands of dollars)

	1985 actual	1986 actual	1987 est.	1988 est.
Assets:				
Fund balance with Treasury	1,214	350	550	450
U.S. securities (par)	98,174	129,969	170,769	218,169
Accounts receivable (net)	5,546	5,737	7,365	9,106
Loans receivable (net)	6,901	4,059	6,415	8,715
Total assets	111,835	140,115	185,909	236,440
Liabilities:				
Accounts payable and accrued liabilities	1,941	1,162	862	862
Advances received	21,656	21,828	32,988	40,558
Total liabilities	23,597	22,990	33,850	41,420

EXPLANATION OF ESTIMATES

I-5

Government equity:				
Unexpended balances:				
Unobligated balance.....	81,051	112,491	144,486	186,702
Undelivered orders.....	280	569	348	603
Unfinanced budget authority: Unfilled customer orders.....				
	-1,340	-896	-1,205	-1,536
Invested capital.....	8,247	4,961	7,620	9,251
Total Government equity.....	88,238	117,125	151,249	195,020
Analysis of changes in Government equity:				
Retained income:				
Opening balance.....		88,238	117,125	151,249
Transactions:				
Net operating income.....		20,795	24,250	30,980
Net nonoperating income.....		8,092	9,874	12,791
Closing balance.....		117,125	151,249	195,020
Total Government equity (end of year).....	117,125	151,249	195,020	195,020

FEDERAL CREDIT SCHEDULES

As part of an effort to establish systematic control of the levels of Federal credit during any fiscal year, the budget appendix includes annual limitations on the amount of obligations for direct loans and commitments for guaranteed loans in appropriations language for appropriations or funds with credit activity. For those accounts under which Federal credit is extended, schedules for the status of direct loans and the status of guaranteed loans summarize activity for the years shown.

Status of Direct Loans

A direct loan obligation is a legal or binding agreement that results in: (1) a disbursement of funds to a non-Federal entity by a Federal agency (including the Federal Financing Bank on behalf of a Federal agency) that is contracted to be repaid, with or without interest; (2) a purchase of non-Federal loans by a Federal agency through secondary market operations; (3) an acquisition of guaranteed non-Federal loans by a Federal agency in satisfaction of default or other guarantee claims; or (4) a sale of Federal agency assets to a non-Federal entity on credit terms of more than 90 days duration.

A direct loan obligation is counted against the annual limitation when the principal amount is obligated. Limitations apply to the gross obligations for direct loans, which means the amount obligated during a fiscal year, without reductions for such items as repayments, prepayments, sale of loan assets, defaults, or forgiveness.

For each appropriation or fund with direct loan activity, a schedule is displayed immediately following the program and financing schedule as follows:

Status of Direct Loans (in thousands of dollars)

Identification code	17-4023-0-3-453	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans to the public.....	19,700	14,000	14,000
1112	Unused expiring balance of limitation.....	-1,000		
1132	Obligations exempt from limitation: Defaulted guaranteed loan claims.....	5,000	3,000	2,000
1150	Total direct loan obligations.....	23,700	17,000	16,000

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	58,430	66,239	65,789
Disbursements:				
1231	Direct loan disbursements.....	18,700	14,000	14,000
1232	Disbursements for guarantee claims.....	5,000	3,000	2,000
Repayments:				
1251	Repayments and prepayments.....	-15,475	-16,500	-15,000
1252	Repayments of defaulted guaranteed loans.....	-150	-150	-150
Adjustments:				
1262	Write-offs for default.....	-1,000	-800	-600
1264	Other adjustments, net ¹	734		
1290	Outstanding, end of year.....	66,239	65,789	66,039

¹ Represents an adjustment to the prior year balance of direct loans outstanding.

Status of Guaranteed Loans

A guaranteed loan commitment is a legal or binding agreement that results in: (1) a non-Federal debt instrument on which the agency pledges to pay part or all of the amount due to a lender or holder in the event of default by the borrower; and (2) a direct Federal loan that an agency has sold to the public under a guarantee, agreement to repurchase, or other form of recourse. Beginning in 1987, direct loan assets that are sold with recourse are treated as agency borrowing. Agency guarantees that result in loans that are disbursed by the FFB are counted as *direct loans* of the agency and, therefore, will not be counted as guaranteed loans. However, the amount of direct loans made in this manner is subject to limitations on loan guarantee commitments of the originating agency. Loan guarantees include agreements in the form of loan insurance, defined as a type of guarantee in which an agency pledges the use of accumulated insurance premiums to secure lenders against default on the part of borrowers.

A guaranteed loan is counted against the annual limitation when a firm commitment is made, i.e., when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated pre-conditions. A commitment is reported for every guaranteed loan, even though the commitment and the actual loan guarantee may occur simultaneously. Amounts for limitations and in the schedules are the full principal amounts of loans guaranteed whether guaranteed in full or in part. The amount of the Government's contingent liability is shown as a memorandum entry in the schedule. Limitations apply to the gross commitments for guaranteed loans, which means the amount committed during a fiscal year, without reductions for such items as repayments, prepayments, sale of guaranteed loans, or defaults.

For each appropriation or fund account with guaranteed loan activity, a schedule is displayed following the program and financing schedule (or status of direct loans schedule, if there is one) as follows:

Status of Guaranteed Loans (in thousands of dollars)

Identification code	17-4023-0-3-453	1986 actual	1987 est.	1988 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders...	300,000	200,000	200,000
2112	Unused expiring balance on limitation.....	-120,000		
2150	Total, guaranteed loan commitments.....	180,000	200,000	200,000

Status of Guaranteed Loans (in thousands of dollars)—Continued

Identification code	17-4023-0-3-453	1986 actual	1987 est.	1988 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	965,752	920,736	933,336
2231	Disbursements of new guaranteed loans	158,600	170,000	170,000
2251	Repayments and prepayments	-208,616	-200,000	-200,000
Adjustments:				
2261	Terminations for default that result in direct loans	5,000	-3,000	-2,000
2264	Other adjustments, net		45,600	
2290	Outstanding, end of year	920,736	933,336	901,336
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding end of year	920,736	933,336	901,336

BUDGETS NOT SUBJECT TO REVIEW

In accordance with law or established practice, the presentations for the Legislative Branch, the Judiciary, the Federal Deposit Insurance Corporation, the Milk Market Orders Assessment Fund of the Department of Agriculture, the Farm Credit Administration, and the International Trade Commission have been included, without review, in the amounts submitted by the agencies.

The budgets of the privately owned Government-sponsored enterprises and the Board of Governors of the Federal Reserve System, presented in Part IV, are not subject to review; they are included for information purposes only.

EXPLANATION OF ESTIMATES

Part I contains various tables and certain schedules in support of the budget, including explanatory statements of the work to be performed and the money needed, as well as the text of the language proposed for enactment by Congress on each item for which congressional action in an appropriation bill is required. It also contains the text of general provisions of appropriations acts, proposed for enactment by the Congress, that apply to entire agencies or groups of agencies.

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The chapters of Part I reflect the branches of Government, and the cabinet departments, selected independent agencies, and other activities of the executive branch. Most of the smaller agencies in the executive branch are grouped in one chapter—"Other independent agencies."

Each chapter is organized by major subordinate organizations within the agency (usually bureaus) or by major program area. For each bureau or major program area, *Federal funds*, covering the funds that are not set aside in "trust," precede *trust funds*, covering moneys that are held by the Government in accounts established by law or by trust agreement for specific purposes and designated by law as being trust funds. Within each fund group, accounts with new budget authority in 1989 generally will precede those without such an entry. By law, the Old-Age and Survivors Insurance and Disability Insurance trust funds are outside the budget totals. In this volume, these accounts are presented in a separate chapter, Health and Human Services, Social Security.

The proposed language for *general provisions* of appropriations acts that are applicable to the agency in that chapter appear in a separate section at the end of the chapter. General provisions that apply to specified groups of agencies are placed in the chapter covering the first agency that appears in the respective appropriations act. The general provisions that are Government-wide in scope (identified "Departments, Agencies, and Corporations"), normally contained in the Treasury, Postal Service, and General Government Appropriations Act, are placed at the end of the Executive Office of the President chapter.

An explanation of the types of funds included in the budget may be found in Part 6e, "The Budget System and Concepts," in *The Budget of the United States Government, 1989*.

FORM OF DETAILED MATERIAL

APPROPRIATIONS LANGUAGE

The language proposed for inclusion in the 1989 appropriations acts is printed following the account title. Language for 1988 appropriations, printed in roman type, is used as a base. All language for accounts receiving appropriations in 1988 is based on language included in a continuing resolution for 1988 (Public Law 100-

202). Brackets enclose material that is proposed for deletion; italic type indicates proposed new language. At the end of the final language paragraph, and printed in italics within parentheses, are citations to any relevant authorizing legislation and to the specific appropriations act (as included in the continuing resolution) from which the basic text of the 1988 language is taken. Where appropriate, a note follows the language indicating that the budget authority proposed is for continuing activities for which additional appropriations authorization is or has been proposed. An illustration of proposed appropriations language for 1989 follows:

OPERATING EXPENSES

For necessary expenses of the Office of Climate Information, **[\$29,440,000]** *\$28,920,000* of which **[\$150,000]** *\$400,000* shall remain available until expended. (*34 U.S.C. 218 et seq.; Department of Government Appropriation Act, 1988.*)

BASIS FOR SCHEDULES

The 1987 column of this budget generally presents the actual transactions and balances for that year, as recorded in agency accounts.

For 1988, the regular schedules include enacted appropriations. In addition, indefinite appropriations are included on the basis of amounts likely to be required.

The 1989 column of the regular schedules includes proposed appropriations for all programs under existing legislation, including those that require extension or renewal of expiring laws.

Amounts for proposed new legislation are shown generally in separate schedules, following the regular schedules or in budget sequence in the respective bureau. These schedules are headed "Proposed for later transmittal under proposed legislation." Appropriation language is included with the regular schedules, but not with the separate schedules for proposed legislation. Necessary appropriations language will be transmitted later upon enactment of the proposed legislation. In some cases, when the amount requested in the budget is less than the amount required for the program level mandated in existing authorizing legislation (as in the case of certain entitlement programs), the reduced amount is reflected in the proposed appropriation language and the regular schedules. The proposed change in the authorizing legislation may be included in the appropriation language transmitted with the budget or in proposed legislation, to be transmitted separately. In these cases, the words, "Legislative Action Required" appear at the end of the language.

PROGRAM AND FINANCING SCHEDULE

This schedule consists of three parts.

In the "Program by activities" section, obligations generally are shown for specific activities or projects. The activity structure is developed individually for each appropriation or fund account to provide a meaningful

presentation of information for the program being financed. That structure is tailored to the individual account and is not uniform across the Government. When the amounts of obligations that are financed from collections credited to an account (reimbursements) are significant, "Reimbursable program" obligations are shown separately from "Direct program" obligations. When the amounts are significant, "Capital investments" are shown separately from "Operating expenses." The last entry "Total obligations," indicates the minimum amount of budgetary resources that must be available to the appropriation or fund account in that year.

The "Financing" section shows the budgetary resources available or estimated to be available to finance the total obligations. First are the amounts of offsetting collections credited to the account. Next are unobligated balances of budgetary resources (that have not expired) brought forward from the end of the prior year. Finally, those amounts that were available for obligation during the year and were not used, but continue to be available, are shown as an unobligated balance available, end of year. That balance is carried forward and usually obligated in a subsequent year. Other adjusting entries may be included. The residual is the new budget authority required to finance the program. Where more than one kind of budget authority is provided, that information is shown. In some cases, the availability of budgetary resources may be restrained by legally binding limitations on obligations for direct loans or for other purposes. Such limitations are usually included in appropriations language.

The "Relation of obligations to outlays" section shows the difference between obligations, which may not be liquidated in the same year in which they are incurred, and outlays. The entry "obligations incurred, net," shows the amount of new obligations incurred in the year, less offsetting collections credited to the account. The amount of obligations that were incurred in previous years but not liquidated, are entered as an obligated balance, start of year. Similarly, an end of year obligated balance is entered. Certain adjusting entries may be included. The residual is the net amount of outlays resulting from the liquidation of obligations incurred in that year and previous years.

The account identification code, found at the head of the program and financing schedule, facilitates computer processing of budgetary information. The last three digits of this code represent the functional category to which the account is classified. Functional classification permits presentation of budget authority and outlays in terms of their purpose, rather than the organization administering the program or the account under which these funds are made available. For example, the 452 at the top of the following schedule indicates that the purpose of the program financed by this appropriation is *Area and regional development*—a subfunction within major function 450, *Community and regional development*. When the outlays from an account are split between two or more subfunctions within a single major function, the code of the major function is used. In those few cases where the outlays from an account are split between two or more functions, a code of 999 is used. A detailed discussion of how Federal programs

are addressed to each identified national need is included in Part 5 of the 1989 Budget. The individual functional categories are identified with each appropriation or fund account in the "Federal Program by Agency and Account" in Part 6f of the Budget.

Program and Financing (in thousands of dollars)

Identification code 17-0643-0-1-452	1987 actual	1988 est.	1989 est.
Program by activities:			
Direct program:			
00.01	22,866	22,700	21,500
00.02	4,780	4,900	4,900
00.03	2,500	2,490	2,120
00.04	150	150	400
00.91	30,146	30,240	28,920
01.01	250	350	380
10.00	30,396	30,590	29,300
Financing:			
11.00	-250	-350	-380
21.40	-	-	-50
24.40	-	50	-
25.00	45	-	-
40.00	30,191	30,290	28,870
Relation of obligations to outlays:			
71.00	30,146	30,240	28,920
72.40	1,364	1,120	1,246
74.40	-1,120	-1,246	-1,275
90.00	30,390	30,114	28,891

A schedule entitled "Summary of Budget Authority and Outlays" is shown immediately following the program and financing schedule and any associated notes for each account that includes separate program and financing schedules for program supplemental requests, requests for later transmittal under proposed or existing legislation, or rescission proposals.

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

Narrative statements present briefly the objectives of the program and the work to be financed primarily for 1989. Measures of expected performance may be included, and the relationship to the financial estimates is described.

SCHEDULE OF OBJECT CLASSIFICATION AND PERSONNEL SUMMARY

There is shown for each account a schedule of obligations, according to the following uniform list of object classifications:

10 PERSONAL SERVICES AND BENEFITS	24 Printing and reproduction
11 Personnel compensation	25 Other services
12 Personnel benefits	26 Supplies and materials
13 Benefits for former personnel	30 ACQUISITION OF CAPITAL ASSETS
20 CONTRACTUAL SERVICES AND SUPPLIES	31 Equipment
21 Travel and transportation of persons	32 Lands and structures
22 Transportation of things	33 Investments and loans
23.1 Rental payment to GSA	40 GRANTS AND FIXED CHARGES
23.2 Rental payments to others	41 Grants, subsidies, and contributions
23.3 Communications, utilities, and miscellaneous charges	42 Insurance claims and indemnities
	43 Interest and dividends
	44 Refunds

These object classes reflect the nature of the things or services purchased, regardless of the purpose of the program for which they are used.

Several of the object classes are divided into subclasses—personnel compensation, for example, is shown separately for full-time permanent employees, for other than full-time employees, and for certain other payments.

Except for revolving funds, reimbursable obligations are aggregated in a single line and not identified by object class. Data, classified by object, are illustrated in the following schedule:

Object Classification (in thousands of dollars)			
Identification code 17-0643-0-1-452	1987 actual	1988 est.	1989 est.
Direct obligations:			
Personnel compensation:			
11.1			
Full-time permanent	19,653	19,540	19,200
11.3			
Other than full-time permanent	792	800	570
11.5			
Other personnel compensation	231	169	190
11.9			
Total personnel compensation	20,676	20,509	19,960
12.1			
Civilian personnel benefits	1,940	1,899	1,887
21.0			
Travel and transportation of persons	91	85	80
22.0			
Transportation of things	17	18	17
23.1			
Rental payments to GSA	1,680	1,752	1,790
23.3			
Communications, utilities, and miscellaneous charges	1,759	1,580	1,675
24.0			
Printing and reproduction	1,390	1,429	1,470
25.0			
Other services	1,774	1,838	559
26.0			
Supplies and materials	429	480	497
31.0			
Equipment	390	500	585
32.0			
Land and structures		150	400
99.0			
Subtotal, direct obligations	30,146	30,240	28,920
99.0			
Reimbursable obligations	250	350	380
99.9			
Total obligations	30,396	30,590	29,300

When obligations for personnel compensation are shown in the object classification schedule, a personnel summary generally will follow the object classification schedule, as illustrated below:

Personnel Summary			
Direct:			
Total number of full-time permanent positions	813	785	741
Total compensable workyears:			
Full-time equivalent employment	774	748	706
Full-time equivalent of overtime and holiday hours	23	17	19
Reimbursable:			
Total number of full-time permanent positions	9	13	14
Total compensable workyears: Full-time equivalent employment	8	12	13

Control of Federal civilian employment generally is on a full-time equivalent (FTE) or workyear basis for the executive branch.

BUSINESS-TYPE BUDGET STATEMENTS

Business-type budget statements are presented for activities specifically required by the Government Corporation Control Act or similar legislation and generally for other revolving and trust revolving funds conducting business with the public. They are not usually presented for funds conducting business within the Government.

Statement of Revenue and Expense

For many revolving funds there is a statement of revenue and expense that shows the resulting net income or loss for the year. This statement usually includes accrued revenue (e.g., revenue earned) and ac-

crued expenditures (e.g., including cost incurred but not yet paid), whether funded or unfunded.

Revenue and Expense (in thousands of dollars)			
	1987 actual	1988 est.	1989 est.
Operating income:			
Revenue	23,625	27,950	34,980
Expense	-2,830	-3,700	-4,000
Net operating income, total	20,795	24,250	30,980
Nonoperating income: Interest from U.S. securities	8,092	9,874	12,791
Net income for the year	28,887	34,124	43,771

Statement of Financial Condition

The statement of financial condition shows assets, liabilities, and Government equity for the fund at the close of each fiscal year. In addition to this information, which is similar to commercial balance sheet data, budget needs also require additional information, shown in the equity section. A disclosure is made of obligations incurred that have not yet accrued into liabilities (undelivered orders) and of budgetary resources for which no funding has been received (unfinanced budgetary resources). Unfinanced budgetary resources include orders from Federal customers that have not been filled (unfilled orders), and unfinanced budget authority in the form of authority to borrow for which borrowing has not taken place, and contract authority for which liquidating cash has not been received. Orders received from the public must be accompanied by advance payment.

Financial Condition (in thousands of dollars)

	1986 actual	1987 actual	1988 est.	1989 est.
Assets:				
Fund balance with Treasury	1,214	350	550	450
U.S. securities (par)	98,174	129,969	170,769	218,169
Accounts receivable (net)	5,546	5,737	7,365	9,106
Loans receivable (net)	6,901	4,059	6,415	8,715
Total assets	111,835	140,115	185,909	236,440
Liabilities:				
Accounts payable and accrued liabilities	1,941	1,162	862	862
Advances received	21,656	21,828	32,988	40,558
Total liabilities	23,597	22,990	33,850	41,420
Government equity:				
Unexpended balances:				
Unobligated balance	81,051	112,491	144,486	186,702
Undelivered orders	280	569	348	603
Unfinanced budget authority: Unfilled customer orders	-1,340	-896	-1,205	-1,536
Invested capital	8,247	4,961	7,620	9,251
Total Government equity	88,238	117,125	151,249	195,020

FEDERAL CREDIT SCHEDULES

As part of an effort to establish systematic control of the levels of Federal credit during any fiscal year, the budget appendix includes annual limitations on the amount of obligations for direct loans and commitments for guaranteed loans in appropriations language for appropriations or funds with credit activity. For those accounts under which Federal credit is extended, schedules for the status of direct loans and the status of guaranteed loans summarize activity for the years shown.

Status of Direct Loans

A direct loan obligation is a legal or binding agreement that results in: (1) a disbursement of funds to a non-Federal entity by a Federal agency (including the Federal Financing Bank on behalf of a Federal agency) that is contracted to be repaid, with or without interest; (2) a purchase of non-Federal loans by a Federal agency through secondary market operations; or (3) a sale of Federal agency assets to a non-Federal entity on credit terms of more than 90 days duration.

Acquisitions of guaranteed non-Federal loans by a Federal agency in satisfaction of default or other guarantee claims are not recorded as new direct loan obligations. However, they are disbursements for guaranteed loan claims (line 1232) in the cumulative balance of loans outstanding section of the schedule on the status of direct loans.

A direct loan obligation is counted against the annual limitation when the principal amount is obligated. Limitations apply to the gross obligations for direct loans, which means the amount obligated during a fiscal year, without reductions for such items as repayments, prepayments, sale of loan assets, defaults, or forgiveness.

For each appropriation or fund with direct loan activity, a schedule is displayed immediately following the program and financing schedule as follows:

Status of Direct Loans (in thousands of dollars)

Identification code 17-4023-0-3-453	1987 actual	1988 est.	1989 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans.....	19,700	14,000	14,000
1112 Unobligated direct loan limitation.....	-1,000		
1150 Total direct loan obligations.....	18,700	14,700	14,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year.....	58,430	66,239	65,789
Disbursements:			
1231 Direct loan disbursements.....	18,700	14,000	14,000
1232 Disbursements for guarantee claims.....	5,000	3,000	2,000
Repayments:			
1251 Repayments and prepayments.....	-15,475	-16,500	-15,000
1252 Repayments of defaulted guaranteed loans.....	-150	-150	-150
Adjustments:			
1262 Write-offs for default.....	-1,000	-800	-600
1264 Other adjustments, net ¹	734		
1290 Outstanding, end of year.....	66,239	65,789	66,039
Estimate of direct loan subsidy:			
1320 Subsidy amount (in percent).....	8.73	7.62	7.83
1330 Subsidy amount (in dollars).....	1,633	1,120	1,096

¹ Represents an adjustment to the prior year balance of direct loans outstanding.

The subsidy amounts presented in these schedules are the estimated present value of the difference in cost to the borrower between the Federal direct loan or guaranteed loan and alternative private financing available to the same or a similar borrower for the same or a similar purpose.

Status of Guaranteed Loans

A guaranteed loan commitment is a legal or binding agreement that results in a non-Federal debt instrument on which the agency pledges to pay part or all of the amount due to a lender or holder in the event of default by the borrower. Agency guarantees that result in loans that are disbursed by the FFB are counted as *direct loans* of the agency and, therefore, will not be

counted as guaranteed loans. However, the amount of direct loans made in this manner is subject to limitations on loan guarantee commitments of the originating agency. Loan guarantees include agreements in the form of loan insurance, defined as a type of guarantee in which an agency pledges the use of accumulated insurance premiums to secure lenders against default on the part of borrowers.

A guaranteed loan is counted against the annual limitation when a firm commitment is made, i.e., when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated pre-conditions. A commitment is reported for every guaranteed loan, even though the commitment and the actual loan guarantee may occur simultaneously. Amounts for limitations and in the schedules are the full principal amounts of loans guaranteed whether guaranteed in full or in part. The amount of the Government's contingent liability is shown as a memorandum entry in the schedule. Limitations apply to the gross commitments for guaranteed loans, which means the amount committed during a fiscal year, without reductions for such items as repayments, prepayments, sale of guaranteed loans, or defaults.

For each appropriation or fund account with guaranteed loan activity, a schedule is displayed following the program and financing schedule (or status of direct loans schedule, if there is one) as follows:

Status of Guaranteed Loans (in thousands of dollars)

Identification code 17-4023-0-3-453	1987 actual	1988 est.	1989 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders...	300,000	200,000	200,000
2112 Uncommitted limitation.....	-120,000		
2150 Total, guaranteed loan commitments.....	180,000	200,000	200,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year.....	965,752	910,736	923,336
2231 Disbursements of new guaranteed loans.....	158,600	170,000	170,000
2251 Repayments and prepayments.....	-208,616	-200,000	-200,000
Adjustments:			
2261 Terminations for default that result in direct loans.....	-5,000	-3,000	-2,000
2264 Other adjustments, net.....		45,600	
2290 Outstanding, end of year.....	910,736	923,336	891,336
MEMORANDUM			
2299 U.S. contingent liability for guaranteed loans outstanding end of year.....	910,736	923,336	891,336
Estimate of guaranteed loan subsidy:			
2320 Subsidy amount (in percent).....	1.2	1.2	1.2
2330 Subsidy amount (in dollars).....	2,160	2,520	2,400

BUDGETS NOT SUBJECT TO REVIEW

In accordance with law or established practice, the presentations for the Legislative Branch, the Judiciary, the Federal Deposit Insurance Corporation, the Milk Market Orders Assessment Fund of the Department of Agriculture, the Farm Credit Administration, and the International Trade Commission have been included, without review, in the amounts submitted by the agencies.

The budgets of the privately owned Government-sponsored enterprises and the Board of Governors of the Federal Reserve System, presented in Part IV, are not subject to review; they are included for information purposes only.