INTRODUCTION

STRUCTURE, COVERAGE, AND CONCEPTS

Historical Tables provides a wide range of data on Federal Government finances. Many of the data series begin in 1940 and include estimates of the President's Budget for 2014–2019. Additionally, Table 1.1 provides data on receipts, outlays, and surpluses or deficits for 1901–1939 and for earlier multiyear periods.

Structure

This document is composed of 17 sections, each of which has one or more tables. Each section covers a common theme. Section 1, for example, provides an overview of the budget and off-budget totals; Section 2 provides tables on receipts by source; and Section 3 shows outlays by function. When a section contains several tables, the general rule is to start with tables showing the broadest overview data and then work down to more detailed tables. The purpose of these tables is to present a broad range of historical budgetary data in one convenient reference source and to provide relevant comparisons likely to be most useful. The most common comparisons are in terms of proportions (e.g., each major receipt category as a percentage of total receipts and of the gross domestic product).

Section notes explain the nature of the activities covered by the tables in each section. Additional descriptive information is also included where appropriate. Explanations are generally not repeated, but there are occasional cross-references to related materials.

Because of the numerous changes in the way budget data have been presented over time, there are inevitable difficulties in trying to produce comparable data to cover many years. The general rule is to provide data in as meaningful and comparable a fashion as possible. To the extent feasible, the data are presented on a basis consistent with current budget concepts. When a structural change is made, insofar as possible the data are adjusted for all years.

One significant change made in the early 1990s concerns the budgetary treatment of Federal credit programs, which was changed by the Federal Credit Reform Act of 1990. Previously the budget recorded the cost of direct and guaranteed loans on a cash basis. Under credit reform, the budget records budget authority and outlays for the subsidy cost of direct and guaranteed loans made in 1992 and subsequent years. The subsidy is defined as the net estimated cash flows to and from the Government over the life of the loan, discounted to the present. The remaining cash transactions of credit programs are recorded as a "means of financing" the deficit. Because it is impossible to convert the pre-1992 loans to a credit reform basis, the data are on a cash basis for pre-1992 loans and on a credit reform basis for loans made in 1992 and subsequent years.

Coverage

The Federal Government has used the unified or consolidated budget concept as the foundation for its budgetary analysis and presentation since the 1969 budget. The basic guidelines for the unified budget were presented in the *Report of the President's Commission on Budget Concepts* (October 1967). The Commission recommended the budget include all Federal fiscal activities unless there were exceptionally persuasive reasons for exclusion. Nevertheless, from the very beginning some programs were perceived as warranting special treatment. Indeed, the Commission itself recommended a bifurcated presentation: a "unified budget" composed of an "expenditure account" and a "loan account." The distinction between the expenditure account and the loan account proved to be confusing and caused considerable complication in the budget for little benefit. As a result, this distinction was eliminated starting with the 1974 Budget. However, even prior to the 1974 Budget, the Export-Import Bank had been excluded by law from the budget totals, and other exclusions followed. This exclusion resulted in two new budget terms, *on-budget* and *off-budget*, to distinguish between these excluded entities and the rest of the budget. Although there is a legal distinction between on-budget and off-budget entities, there is no conceptual difference between the two. The off-budget Federal entities engage in the same kinds of governmental activities as the on-budget entities, and the programs of off-budget entities result in the same kind of outlays and receipts as on-budget entities. Like on-budget entities, off-budget entities are owned and controlled by the Government. The "unified budget" reflects the conceptual similarity between on-budget and off-budget entities by showing combined totals of outlays and receipts for both types of entities.

The Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) repealed the off-budget status of all then existing off-budget entities, but it also included a provision moving the Federal old-age, survivors, and disability insurance funds (collectively known as Social Security) off-budget. To provide a consistent time series, the budget historical data show Social Security off-budget for all years since its inception, and show all formerly off-budget entities on-budget for all years. The Omnibus Budget Reconciliation Act of 1989 (OBRA 1989) moved the Postal Service fund off-budget, starting in 1989. Again to provide a consistent time series, transactions of the Postal Service fund are shown off-budget beginning with its inception in 1972. The transactions of its predecessor, the Post Office Department, remain on-budget.

Though Social Security and the Postal Service are now off-budget, they continue to be Federal programs. Indeed, Social Security currently accounts for about one-fourth of all Federal receipts and one-fifth of all Federal spending. Hence, the budget documents include these funds and focus on the Federal totals that combine the on-budget and off-budget amounts. Various budget tables and charts show total Federal receipts, outlays, and surpluses and deficits, and divide these totals between the portions that are on-budget and off-budget.

Changes in Historical Budget Authority, Outlays, Receipts, and Deficits

This year's annual consultations with the Congress regarding reclassification of accounts or activities as to function or subfunction resulted in the reclassification of two items: One small program, Infrastructure Security and Energy Restoration, in the Department of Energy's Electricity Delivery and Energy Reliability account was reclassified from subfunction 053 (Atomic energy defense activities) to subfunction 271 (Energy supply) to correct an erroneous initial assignment of subfunction (053) when it was created and placed in the Department's Other Defense Activities account. A small account, Office of the Assistant Secretary of the Army for Civil Works, in the Corps of Engineers—Civil Works, was reclassified from subfunction 054 (Defense-related activities) to subfunction 301 (Water resources) to better reflect the activities overseen by this office.

Adjustments have also been made to reflect corrections in agency reporting provided to the Treasury Department.

Note on the Fiscal Year

The Federal fiscal year begins on October 1 and ends on the subsequent September 30. It is designated by the year in which it ends; for example, fiscal year 2013 began on October 1, 2012, and ended on September 30, 2013. Prior to fiscal year 1977 the Federal fiscal years began on July 1 and ended on June 30. In calendar year 1976 the July-September period was a separate accounting period (known as the transition quarter or TQ) to bridge the period required to shift to the new fiscal year.

Note on Proposed Reclassification of Certain Programs

The Budget includes a proposal to change the financing of certain ground transportation programs, which would result in the reclassification of certain activities as to Budget Enforcement Act (BEA) categories. The proposed reclassification would ot take effect until 2015, but, for purposes of comparability, the Budget estimates show the category reclassifications starting in 2013. Tables in this document that display Budget Enforcement Act (BEA) categories reflect these reclassifications as starting in 2014 in order to show the actual categorization for 2013. As a result, discretionary and mandatory category totals for 2014 and beyond are not fully comparable with corresponding totals for 2013 and prior years.

Note on Revisions to Historical GDP

The Bureau of Economic Analysis in the Department of Commerce completed its Comprehensive Benchmark Revisions of the National Income and Product Accounts (NIPA) data in July 2013. Such revisions generally occur every 4 or 5 years as a result of more complete data sources becoming available and from changes in concepts and definitions. As a result of these changes, the figures for Gross Domestic Product (GDP) were revised back to calendar year 1929. These revisions, in turn, change the fiscal year GDP figures shown in this publication back to FY 1930. In addition, the base year for calculating various deflators was updated from calendar year 2005 to calendar year 2009. In this publication the base year was updated from FY 2005 to FY 2009.

Concepts Relevant to the Historical Tables

Budget receipts constitute the income side of the budget; they are composed almost entirely of taxes or other compulsory payments to the Government. In contrast, any income from business-type activities (e.g., interest income or the sale of electric power), and any income by Government accounts arising from payments by other Government accounts, is offset against outlays, so that total *budget outlays* are reported net of offsetting collections. This method of accounting permits users to easily identify the size and trends in Federal taxes and other compulsory income, and in Federal spending financed from taxes, other compulsory income, or borrowing. The budget surplus refers to any excess of budget receipts over budget outlays, while the budget deficit refers to any excess of budget outlays over budget receipts.

The terms *off-budget receipts, off-budget outlays, off-budget surpluses, and off-budget deficits* refer to similar categories for off-budget activities. The sum of the on-budget and off-budget transactions is referred to as the consolidated, unified, or total Federal Government transactions.

The budget is divided between two fund groups, Federal funds and trust funds. The Federal funds group includes all receipts and outlays not specified by law as being trust funds. All Federal funds are on-budget except for the Postal Service fund, which is shown as off-budget starting in 1972. All trust funds are on-budget, except the two Social Security retirement and disability trust funds, which are shown off-budget for all years.

The *term trust* fund as used in Federal budget accounting is frequently misunderstood. In the private sector, "trust" refers to funds of one party held by a second party (the trustee) in a fiduciary capacity. In the Federal budget, the term "trust fund" means only that the law requires the funds be accounted for separately and used only for specified purposes and that the account in which the funds are deposited is designated as a "trust fund." A change in law may change the future receipts and the terms under which the fund's resources are spent. The determining factor as to whether a particular fund is designated as a "Federal" fund or "trust" fund is the designation specified in the law governing the fund.

The largest trust funds are for retirement and social insurance (e.g., civil service and military retirement, Social Security, Medicare, and unemployment benefits). They are financed largely by social insurance taxes and contributions and payments from the general fund (the main component of Federal funds). However, there are also major trust funds for transportation (highway and airport and airways) and for other programs financed in whole or in part by beneficiary-based, dedicated taxes.

Sometimes there is confusion between budget receipts and offsetting receipts and offsetting collections. Receipts are income that results from the Government's exercise of its sovereign power to tax, or otherwise compel payment, as previously noted. They are also called governmental receipts or budget receipts. Offsetting collections and offsetting receipts result from either of two kinds of transactions: business-like or market-oriented activities with the public and intragovernmental transactions, the receipt by one Government account of a payment from another account.

For example, the budget records the proceeds from the sale of postage stamps, the fees charged for admittance to recreation areas, and the proceeds from the sale of Government-owned land as offsetting collections or offsetting receipts. These are *proprietary* offsetting collections or offsetting receipts coming from the public to the Government. Sometimes, however, payments are made from one Government agency to another, creating *intragovernmental* offsetting receipts or collections. For example, the General Services Administration receives payments from other Government agencies for the rent of office space. These are credited as offsetting collections in the Federal Buildings Fund. Offsetting collections and offsetting receipts are deducted from gross budget authority and outlays, rather than added to receipts. This treatment produces budget totals for governmental receipts, net budget authority, and net outlays that represent governmental transactions with the public that are net of transactions with other Government agencies and transactions that are business-like or market-oriented activities.

When funds are dedicated, it means the receipts or collections are separately identified and used for a specified purpose—they are not commingled (in an accounting sense) with any other money. This does not mean the money is actually kept in a separate bank account. All money in the Treasury is merged for efficient cash management. However, any dedicated funds are accounted for in such a way that the balances are always identifiable and available for the stipulated purposes.