THE BUDGET OF THE UNITED STATES GOVERNMENT

FISCAL YEAR 1981

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THE BUDGET DOCUMENTS

Data and analyses relating to the budget for 1981 are published in four documents:

The Budget of the United States Government, 1981 contains the Budget Message of the President and presents an overview of the President's budget proposals. It includes explanations of spending programs in terms of national needs, agency missions, and basic programs, and an analysis of estimated receipts including a discussion of the President's tax program. This document also contains a description of the budget system and various summary tables on the budget as a whole.

The United States Budget in Brief, 1981 is designed for use by the general public. It provides a more concise, less technical overview of the 1981 budget than the above volume. Summary and historical tables on the Federal budget and debt are also provided, together with graphic displays.

The Budget of the United States Government, 1981—Appendix contains detailed information on the various appropriations and funds that comprise the budget. The *Appendix* contains more detailed information than any of the other budget documents. It includes for each agency: the proposed text of appropriation language, budget schedules for each account, new legislative proposals, explanations of the work to be performed and the funds needed, proposed general provisions applicable to the appropriations of entire agencies or groups of agencies, and schedules of permanent positions. Supplementals and rescission proposals for the current year are presented separately. Information is also provided on certain activities whose outlays are not part of the budget totals.

Special Analyses, Budget of the United States Government, 1981 contains analyses that are designed to highlight specified program areas or provide other significant presentations of Federal budget data. This document includes information about: alternative views of the budget, i.e., current services and national income accounts; economic and financial analyses of the budget covering Government finances and operations as a whole, and Government-wide program and financial information for Federal civil rights and research and development programs; and some major accomplishments.

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

GENERAL NOTES

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

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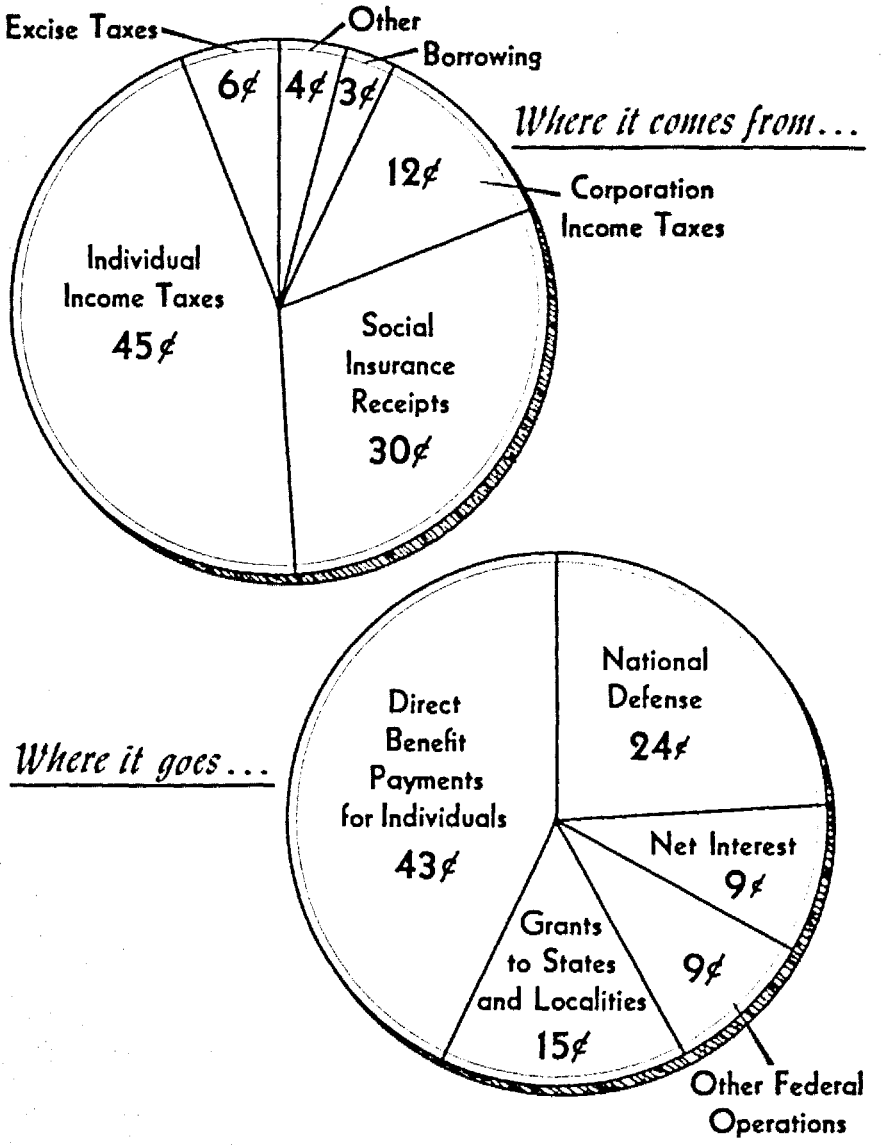
PART 1

THE BUDGET MESSAGE OF THE PRESIDENT

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THE BUDGET DOLLAR

Fiscal Year 1981 Estimate



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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

This budget for 1981 is prudent and responsible. It continues the strategy of restraint that I proposed, and the Congress accepted, for the 1980 budget. At the same time it proposes selected, essential increases in areas of high priority and great national concern. In this way it seeks a balance between our needs for budgetary restraint and our needs for specific expenditures. I expect the Congress to support it.

Total outlays for 1981 proposed by this budget are $615.8 billion, an increase of 9%. After allowing for inflation, this budget is virtually level with 1980 spending. Total receipts for 1981 are estimated to be $600 billion. In view of current economic conditions, the only major revenue proposal included in the budget is my windfall profit tax now before the Congress.

THE BUDGET TOTALS

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Budget receipts	466	524	600	691	799
Budget outlays	494	564	616	686	774
Surplus or deficit (−)	−28	−40	−16	+5	+25
Budget authority	557	654	696	775	868

Thus, I am proposing a deficit of $15.8 billion, the lowest deficit in 7 years. This reduces the deficit by 60% in comparison to 1980. More significantly, it is $50 billion less than when I first ran for the Presidency. As a percentage of the budget, and of the gross national product, the 1981 deficit is the second lowest of the last decade.

Economic projections deeply affect this budget. It appears today that the long economic recovery occurring throughout my first term may falter this year. I have therefore assumed that there will be some decline in GNP during the course of 1980, followed by renewed but moderate growth in 1981. As a result, budget receipts will be reduced and certain expenditures will increase automatically. This is why the 1981 budget is in deficit. If, contrary to our assumptions, the economy were to perform strongly enough to keep the unemployment rate at its current level, the 1981 budget would be in surplus.

We must monitor the economic outlook carefully. If the economy begins to deteriorate significantly, I will consider tax reductions and temporary spending programs for job creation targeted toward

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particular sectors of economic stress. But I believe current economic conditions argue for restraint.

I believe that this judgment and this budget recognize that equitable budget restraint is essential in our efforts to control inflation; that the unemployed should not bear the costs of our anti-inflation efforts; and most importantly, that we continue to pursue the goals of full employment, price stability, and balanced growth. The fiscal and program policies in this budget are essential, I believe, if we are to move rapidly toward these goals in the 1980's.

Indeed, the restraint proposed in this budget is essential to achieve these goals. The unacceptably high inflation now prevailing is clearly due to many, deeply imbedded, long-term forces. Countering this inflation involves sustained action across a wide spectrum.

- We must reduce our dependence upon foreign oil.
- We must enhance our economy's productivity.
- We must continue our efforts to foster competition and innovation through further deregulation.
- We must sustain compliance with the administration's wage and price guidelines.

But none of these efforts can succeed unless Federal spending is controlled. By continuing a clear and consistent policy of restraint, the 1981 budget insures that the Federal budget will not be an inflationary force in the economy.

Although I have kept spending in this budget from rising in real terms, I have found it necessary to increase funds in a few critical areas. The most important of these are defense, energy, basic research, and the training and employment of our Nation's young people.

Defense.—The long decline in real spending for defense that began in 1969 has been reversed. The uncertain and sometimes hostile world we live in requires that we continue to rebuild our defense forces. The United States will continue to seek peaceful means to settle international disputes. But I cannot ignore the major increases in Soviet military spending that have taken place inexorably over the past 20 years. I cannot ignore our commitment to our NATO allies for mutual real increases in our investment in national defense. I cannot ignore the implications of terrorism in Iran, or Soviet aggression in Afghanistan.

Therefore, my budget proposes a defense program in 1981 of $158.2 billion in budget authority, an increase of over 5% in real terms. Outlays for defense will be $142.7 billion, a real increase of over 3%.

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Moreover, I am committed as a matter of fundamental policy to continued real increases in defense; and I plan increases in my defense budgets through 1985. Over the period 1981–85, I am proposing that the defense program level of the United States increase by $90 billion.

Energy.—This budget reflects the important progress made by my administration toward a broad and practical program dealing with the energy problems the Nation will face in the next decade. I am confident, and the 1981 budget assumes, that early in the 1980 session the Congress will pass the crucial measures I proposed last year: the windfall profit tax, the Energy Security Corporation, the conservation measures, and the Energy Mobilization Board.

With this budget we will have put into place an energy program composed of the following elements:

(1) *Realistic pricing and fair taxes.*—My decontrol decision of last April is now in effect. It is painful, and no one can pretend otherwise. But we cannot have an energy program that maintains illusions. Energy is not cheap, and we must accept that fact.

My windfall profit tax, to be passed early this year, retains a portion of the profits from energy price increases for the public. This will insure that increased energy prices will lead to new public investment in energy production. It will insure also that the burdens of higher energy costs are fairly shared.

(2) *Conservation.*—The 1981 budget allocates resources for tax incentives, low-interest subsidized loans, and other measures to stimulate more conservation. Conservation is the quickest and cheapest step we can take to confront our energy problem.

(3) *Production.*—This budget anticipates the creation of the Energy Security Corporation to facilitate the development of synthetic fuels and a major new gasohol program. It also supports continued new investments in those energy initiatives begun in the last two budgets. We are significantly increasing our expenditures on fossil fuels, on solar energy, and on nuclear fusion. Nuclear fission research, on the other hand, declines, while greater emphasis is placed on solving the current problems of nuclear power.

(4) *Protection.*—As we adjust to the new energy realities, we must continue to protect those who are most vulnerable. The 1981 budget continues to provide funds for the poor to weatherize their homes; funds to enable the most disadvantaged Americans to cope with the rising cost of energy; and funds for energy crisis assistance.

My energy program is, of necessity, a long-term one. But if it is sustained through the new decade, we will reduce consumption,

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increase production from domestic sources, and promote alternate forms of energy. We will significantly reduce our dangerous reliance upon foreign oil. We will remove a major source of inflation. Our economy and our Nation will emerge from the 1980's stronger than they are now.

Basic research.—In the long run, economic growth depends critically on technological development. For many years, this country has led the world in producing new technology. We are in danger of losing this leadership. The 1981 budget continues my long-standing commitment to reverse the trends of the past two decades and provide for major and sustained increases—above the rate of inflation—for research and development programs. Obligations for research and development will increase by 13%; for basic research by 12%. Since 1978, obligations for basic research will have increased by 40%. I believe that these are among the most important expenditures we can make. The payoff, particularly for basic research, is long-term, but immense. We benefit today—in new industries, in millions of jobs, in lives saved, and in lives protected—from the investments in science made decades ago. We must continue such investments today to reap similar returns tomorrow.

Human resources.—My budget, restrained as it is, provides needed support to those Americans who are most in need. Most of the increase in the 1981 budget over 1980 is due to the automatic cost-of-living increases in entitlement programs that provide income to the poor and the elderly. I have continued and improved these programs. In addition, I have proposed discretionary increases in a wide range of programs affecting those in our society who are the most disadvantaged.

The budget includes $687 million for proposals to expand health services to the poor and the underserved, including $403 million to provide medicaid eligibility for 2 million additional low-income children and approximately 100,000 pregnant women. The budget also includes a 24% increase in subsidized housing programs and a 24% increase in elementary and secondary education programs for the disadvantaged. Overall, I am proposing an increase of $7 billion in aid to the poor to protect them against the effects of inflation.

At the same time, I am proposing a major initiative that will enable our Nation's disadvantaged youth to receive a strong basic education, to find and keep a job. This is a critically important time for this initiative. In the 1980's, the number of youths entering the labor market will fall. If the young people of the 1980's are prepared, they will be able to find good jobs and build productive

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lives. My initiative will make this preparation possible. It will couple a strong emphasis on basic education with significant employment opportunity. For those young people who participate, the programs will be tough and challenging. But they will be extremely worthwhile. Those who complete them will have a major advantage where it counts—in the permanent job market. I consider this investment in human resources for the 1980's to be as important as the investments I am proposing for basic research. It is an investment in our most precious resource—the energies and talents of America's young people.

Agriculture.—Because of the aggression by the Soviet Union against Afghanistan, I concluded that we could not now permit that country to benefit from our productive agriculture. On January 4, I announced the suspension of shipments of grain, soybeans, and their byproducts to the Soviet Union. This budget reflects the steps necessary to avoid the devastating effects such action could have had on our farmers and grain shippers. Specifically, the Secretary of Agriculture will:

- purchase contracts entered into with the Soviet Union at prices at or above those prevailing on January 4;
- if necessary, take title to the grain intended for export to the Soviet Union and isolate it from the market;
- purchase up to 4 million metric tons of wheat for an international food aid reserve;
- increase the loan level for feed grains and wheat by 10 and 15 cents per bushel, respectively; and
- modify the farmer-owned grain reserve to encourage farmers to place additional grain in the reserve.

On January 19, I announced, as additional steps to avoid the impact of suspension of shipments, that the Government would:

- increase the 1980 and 1981 Public Law 480 programs in order to increase grain shipments abroad; and
- purchase corn directly at local levels to stabilize cash markets and alleviate transportation backups.

I stand ready to take further steps if these actions prove insufficient.

Other commitments.—In other important areas, the 1981 budget reflects the reorganization accomplishments of the administration; continues the significant progress already experienced in urban and community development; expresses my commitments to welfare reform and a national health plan, programs that will begin in future budget years; and reaffirms my dedication to improved Federal budgeting and management.

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The budget anticipates that my welfare reform proposals will take full effect in 1982, and my national health plan proposal in 1983. Taken together, these programs provide income support and assured health care to all Americans in need. My national health plan—which will be phased into operation prudently, consistent with the state of our economy—minimizes direct governmental control over health care, restrains the growth of Government, and provides maximum individual choice. I am continuing to seek enactment of my hospital cost containment proposal, which I believe is an essential part of any national health plan. When fully enacted, these two proposals—welfare reform and the national health plan—will significantly and permanently improve the lives and prospects of all Americans.

The 1981 budget includes a $15.5 billion allocation for the new Department of Education, which the Congress has approved. The establishment of this Department will require a great deal of effort in the short run, but it will give our system of education the consistent attention and high priority it deserves.

This budget also continues the improvement in the budget process I promised 4 years ago. In the 1979 budget we introduced zero-base budgeting, a system we have now used in three budgets to assure the allocation of scarce public resources to the most critical areas. Last year, in the 1980 budget, we moved to multiyear budgeting. My budget again this year shows not only decisions for 1981, but the effect of those decisions—in detail—for 1982 and 1983. To the extent feasible, the multiyear budget projects also the future costs of programs such as the national health plan, welfare reform, defense, energy, and research and development.

This year I have installed a central system to control the use of Federal credit. In the past, too much has escaped the normal discipline of the budget. This system, which is now in place, recommends specific credit limitations for most credit programs.

THE CREDIT BUDGET TOTALS

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate
New direct loan obligations	51.4	59.7	60.7
New loan guarantee commitments	74.7	75.2	81.4
Total	126.1	134.9	142.1

The new system of credit control will permit both the administration and the Congress to improve their understanding of the credit programs, to measure their important effects, and to determine appropriate levels of credit activity.

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This budget reflects continued efforts to improve financial management in Government and to stop illegal or improper use of taxpayers' money. We are achieving major savings from better cash management and stronger internal auditing in Federal agencies.

Conclusions.—Proposing a responsible Federal budget is a fundamental task of public leadership. The budget must reconcile a broad range of legitimate claims for resources with the needs of the economy and the burdens on the taxpayer. Simultaneously, it must:

- respect past commitments in its allocations to social security, to veterans, and to the elderly;
- meet the needs of the present for defense, unemployment benefits, and health services; and
- invest in the future through research and development, energy programs, and education.

The budget must do all of these things specifically and in detail. A budget rests on specific proposals related to specific costs, not on rhetoric.

A budget also rests on policy. And this budget contains important policy decisions—major departures, new initiatives, larger and longer-term commitments. Each stands on its own merit. Yet taken together all of the proposals in this budget can also be characterized in a more general way. They reflect the maturing of the administration's basic, consistent underlying policy themes: restraint in budgeting the taxpayers' dollars; the strengthening of our defense; providing energy for the future; improving opportunities for the Nation's youth; and making Government work better.

Ours is a great and complex nation. The existing arrangements in our society are the result of complex, not always consistent decisions of the past, emerging from a democratic people. Change is sometimes slow because it rests on consent. But intelligent, consistent leadership, persistently applied, can bring about change in policies and further the well-being of our society and of its people. I believe that this budget, and those I have submitted in the past, support the fundamental policies that will prepare America for the new decade.

JIMMY CARTER.

JANUARY 28, 1980.

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PART 2

BUDGET SUMMARY

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BUDGET SUMMARY

This part of the budget summarizes the President's major budget proposals and discusses significant changes in the way the Government conducts its business.

OVERVIEW OF THE BUDGET

Inflation is the most serious economic problem facing the Nation today. Accordingly, this budget proposes continued restraint on the growth of Federal spending, which was also the hallmark of the administration's budget last year. Overall, this budget, adjusted for inflation, limits spending in 1981 to about the same level as in 1980.

Restraint has been applied carefully. For the third consecutive year, zero-base budgeting has been used to establish priorities that put taxpayers' dollars to best use. Desirable new programs have been deferred. Increases in existing programs have been limited. Past efforts to achieve program efficiencies and improve management are beginning to pay off; further efforts in this direction are undertaken in this budget. Reductions in lower priority programs have been proposed; specific outlay reductions of $9.7 billion from current service levels are proposed.

Total outlays increase by $52 billion between 1980 and 1981. Virtually all of this increase derives from three sources: the uncontrollable programs in the budget, such as interest on the debt and benefit payments for individuals, and increased spending for energy and defense.

Benefit payments under retirement, disability, health care, and similar programs rise because of automatic cost-of-living adjustments and because of the normal annual increases in the number of eligible beneficiaries. Interest on the public debt increases because of the effect of high interest rates and because of increases in debt outstanding.

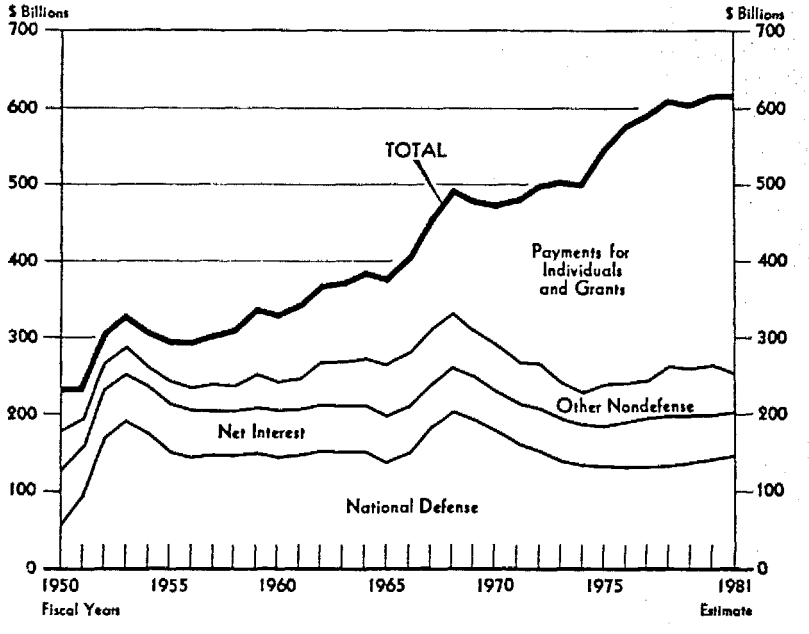
Expenditures for essential defense modernization—primarily to strengthen NATO-related and strategic capabilities and to increase our flexibility to meet crises in other areas—are proposed to increase in real terms.

Necessary increases are provided for programs that will increase energy production and conservation and reduce our reliance on foreign oil.

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The remainder of the budget shows selective increases for critical areas, such as for the President's youth initiative and for low income housing, but, overall, is reduced in real terms.

Budget Outlays—Constant 1981 Dollars



This budget moves back toward balance in 1981, following a rise in the deficit in 1980. This pattern of budget deficits reflects the effects of the economic activity expected during the next two years, with an expected economic downturn during the first half of calendar year 1980 and a recovery thereafter. If, contrary to our assumptions, the economy were to perform strongly enough to keep the unemployment rate at its current level, the budget deficit would be much smaller in 1980, and by 1981 the budget would be in surplus.

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

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EFFECTS OF BUDGET PROPOSALS

(In billions of dollars)

	1979 actual	Estimates 1980	Estimates 1981
Receipts:			
Current services	465.9	517.4	579.0
Proposed reductions (−)		−.1	−.3
Proposed increases		6.6	21.3
Budget receipts	**465.9**	**523.8**	**600.0**
Outlays:			
Current services	493.7	560.6	612.0
Proposed reductions (−)		−.2	−9.7
Proposed increases		3.1	13.5
Budget outlays	**493.7**	**563.6**	**615.8**
Surplus or deficit (−):			
Current services basis	−27.7	−43.2	−33.1
Budget surplus or deficit (−)	**−27.7**	**−39.8**	**−15.8**

Current services estimates provide a basis for identifying the effects of policy changes recommended in the budget. Policy changes include both proposed legislation and appropriations requested for discretionary increases or decreases in program levels. Special Analysis A, which accompanies this budget, contains a detailed comparison between the 1981 budget estimates and the current services estimates.

The budget recommendations would result in 1981 outlays of $615.8 billion—$3.7 billion above the current services level. Areas where major increases over current services occur are: defense spending excluding pay, which is $5.4 billion over current services levels in 1981; energy-related programs, which are $2.4 billion higher; and countercyclical fiscal assistance, which would add $1.0 billion to current services spending levels. The principal reductions from current services include: −$2.7 billion for the administration's pay reform proposals, which make Federal compensation more comparable with other sectors; −$0.8 billion for hospital cost containment; −$0.8 billion for higher education, primarily for student loan reforms; −$0.8 billion for agriculture export credit sales which are converted to a guaranty program; and −$0.5 billion for reform of the school lunch and child nutrition programs, primarily to focus them on the needy. The following table identifies major program increases and reductions, relative to current services levels, in the 1981 program. Major legislative reduction proposals are discussed in a separate section, below.

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BUDGET AUTHORITY AND OUTLAY INCREASES AND DECREASES RELATIVE TO CURRENT SERVICES

(In billions of dollars)

Program	Budget authority		Outlays	
	1980	1981	1980	1981
Decreases:				
Defense—Military, pay reform	.....	−1.7	.....	−1.7
Civilian agencies, pay reform	.....	−1.1	.....	−1.0
Medicare and medicaid—hospital cost containment	.....	−.1	.....	−.8
Other medicare and medicaid reforms	−*	−.1	−*	−.6
Net interest	−.2	−1.2	−.2	−1.2
Higher education programs	.....	−.5	.....	−.8
School lunch and other child nutrition programs	.....	−.5	.....	−.5
Federal impact aid to education	.....	−.4	.....	−.3
Agricultural export credit sales	.....	.....	.....	−.8
Public assistance program reform	−.1	−.2	−.1	−.2
Rail subsidies	*	−.2	*	−.3
Highway construction	.....	−*	.....	−.2
Social security and railroad retirement	.....	.5	−*	−.2
Other	−*	−1.6	.1	−1.1
Subtotal, decreases	**−.3**	**−7.2**	**−.2**	**−9.7**
Increases:				
Defense—Military, program increases	.9	9.1	.9	5.4
Allowance for contingencies and welfare reform	.2	2.0	.1	1.5
Countercyclical fiscal assistance	.4	1.0	.2	1.0
Transportation energy conservation program	1.3	1.5	.1	.6
Heating bill assistance for low income families	.....	.8	.....	.8
Strategic petroleum reserve	.....	2.3	.....	−*
Synthetic fuels promotion	17.8	.....	*	*
Other energy programs	1.0	1.0	.4	1.0
Social services	.5	.5	.5	.5
Economic development initiative	.6	.7	.1	.3
Atomic energy defense activities	*	.2	*	.2
Environmental programs	*	.3	*	.1
Housing assistance	.1	2.9	.1	.1
International programs	.3	.7	.3	*
Science and space programs	.3	.1	.2	.1
Crop insurance and food security reserve	.....	.1	.....	.5
Child health assurance program (medicaid)	.....	.4	.....	.4
Youth initiative:				
Education	.....	.9	.....	*
Training and employment	.....	.3	.....	.1
Other	.4	.9	.3	.7
Subtotal, increases	**23.7**	**25.7**	**3.1**	**13.5**
Total, changes from current services, net	**23.4**	**18.4**	**3.0**	**3.7**

*$50 million or less

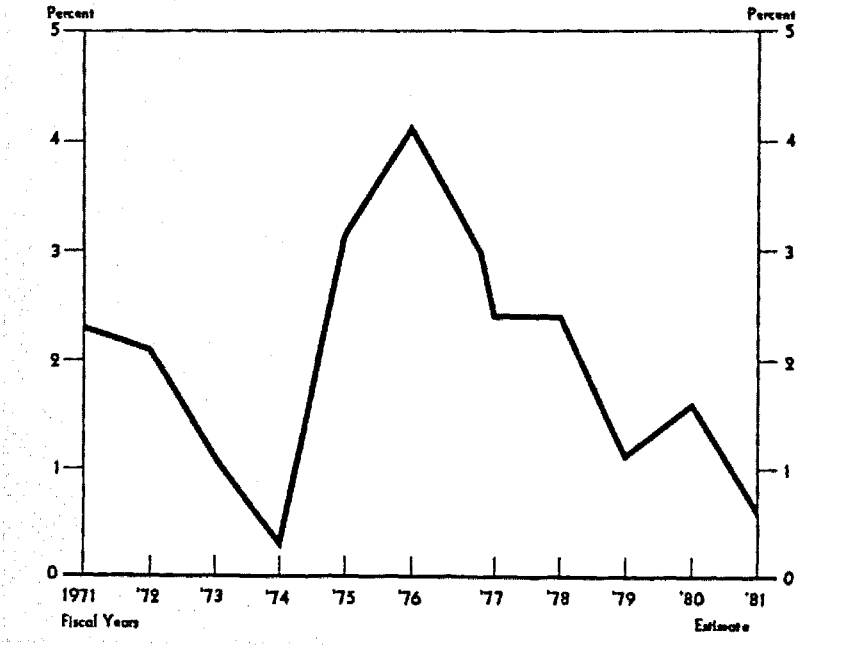
Receipts under the tax proposals in this budget are expected to be $600 billion in 1981, $21 billion higher than the current services level. The major increases over current services result from the administration's windfall profit tax proposal and cash management proposals to require tax payments closer to the time that liabilities are incurred.

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Tax receipts tend to grow more rapidly than the economy as a whole, raising tax burdens and restraining growth. Because it is the long-term policy of this administration to limit tax burdens, periodic tax reductions will carefully be considered between now and 1985. Such tax reductions will permit taxpayers to share the benefits of spending restraint. The appropriate timing, magnitude, and composition of tax cuts in the 1982–85 period, however, depend upon future economic conditions and therefore must be determined at a later time.

The 1981 budget proposals are directed toward reducing inflation. Restrained monetary and fiscal policy together are designed to help create an environment in which inflationary pressures will ease. The budget supports this effort by reducing the budget deficit to $16 billion, the lowest level since 1974. In relation to the size of the economy, this deficit is 0.6% of GNP, well below the 2.0% average of the 1970's.

Budget Deficits as a Percent of GNP



MAJOR BUDGET PROPOSALS

Tax proposals.—The budget reflects the administration's windfall profit tax proposal, which is designed to capture a part of the windfall profits of domestic oil producers that result from decontrol of domestic oil prices and rapid increases in world oil prices. This

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tax is an essential component of the administration's energy initiatives and is estimated to increase excise tax receipts by $20.9 billion in 1981. These receipts will provide resources that will make it possible to finance specific energy-related programs. In part because the proposed tax is an excise tax, and thus deductible for income tax purposes, it reduces income tax receipts and produces a net increase in receipts of $13.9 billion in 1981.

The receipts estimates also reflect administrative actions and legislative proposals to require that tax payments be made closer to the time that liabilities occur. Under current law, some taxpayers, particularly large corporations, can defer tax payments well beyond the time when liabilities accrue or when they withhold taxes from employees' paychecks. Such deferrals amount to interest-free loans from the Federal Government. These cash management initiatives will increase receipts by $4.5 billion in 1981 and by $5.6 billion in 1982. (See Part 4 for a more detailed description of these and other tax proposals).

Defense and international.—Since taking office, this administration has deliberately and steadily achieved increases in defense resources. The U.S. and its allies recognize that our military capabilities must be strengthened to play a more constructive and stabilizing role in the international arena. Therefore, the budget proposes significant increases in the resources necessary to assure our national security. Defense outlays will be $142.7 billion in 1981, an increase of $15.3 billion from 1980. Both strategic and conventional forces will be strengthened. In the strategic area, substantial funding increases are provided for development of the MX, a new land-based missile system. Funding of the new Trident missile, a replacement for the Polaris and Poseidon submarine-launched missiles, continues. Air launched cruise missiles are being developed and procured.

In conjunction with our NATO allies, continued emphasis will be given to modernizing our NATO-oriented forces and improving our ability to reinforce units in Western Europe. Our ability to deploy forces rapidly elsewhere in the world will also be improved. Overall, defense program increases in excess of 5% in real terms will result in a corresponding increase in defense spending of over 3% in 1981. Additional increases in real terms in both program levels and spending levels are projected for the next several years.

The budget proposals for international affairs are designed to help meet the near-term challenges to stability in many areas of the world, as well as supporting our longer term interests worldwide. In 1980, supplemental appropriations are proposed for foreign economic and military assistance in response to the Soviet invasion of Afghanistan. Other adjustments in spending for international

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programs may be necessary as further requirements become clearer.

Energy.—Outlays for energy programs in 1981 are estimated to be $8.1 billion, $0.4 billion more than in 1980 and $1.3 billion more than in 1979. The Nation's energy problems became even more apparent last year with rapid escalation of OPEC prices and the accompanying drain of dollars to pay for OPEC oil. The 1981 budget reflects the administration's initiatives to reduce oil imports and to expand programs in domestic energy supply and conservation.

The administration's energy strategy continues to concentrate upon reducing the Nation's dependence on foreign oil in order to increase our energy security. A basic element of that strategy is the decontrol of oil and natural gas prices. In addition, the proposed windfall profit tax will ensure that the costs of more expensive energy are equitably shared, and will finance programs to help offset rising energy costs for low income families, reduce petroleum imports, promote domestic energy supply, and encourage energy conservation. Many of these programs were proposed to the Congress last year, some were enacted, and several, including the windfall profit tax, the Energy Security Corporation, and the Energy Mobilization Board, were near final congressional action at the end of the last session of Congress. The goal of these programs is to reduce oil imports from the current level of 8.1 million barrels per day to 4.5 million barrels per day by 1990.

To help reduce oil imports, the administration's energy program seeks to develop a broad range of alternative energy sources, including additional incentives for domestic oil and natural gas production, opening up the National Petroleum Reserve in Alaska to private exploration and development, the production of synthetic fuels, and advanced research on renewable energy forms such as solar power. Energy conservation will be encouraged both by the higher prices that result from decontrol and by new programs to foster more efficient energy use by individuals, businesses, and government agencies. All existing sources of energy, including nuclear power, must play a part in restoring our national energy security. Nuclear power programs in the 1981 budget continue a shift away from support of advanced reactor types such as the breeder reactor, with greater resources devoted to increased efficiency and safety in existing nuclear plants. Staffing and funding for the Nuclear Regulatory Commission have been significantly increased to correct deficiencies uncovered following the accident at Three Mile Island.

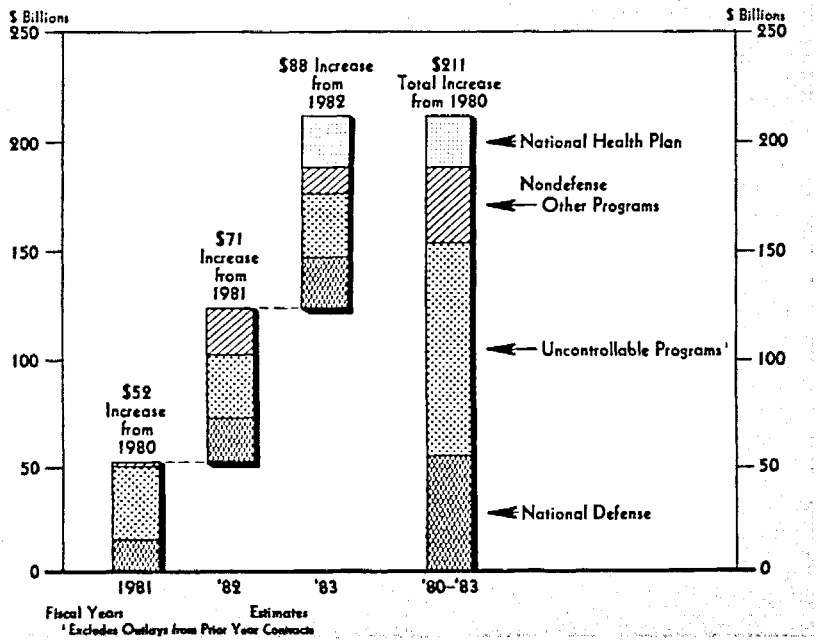
The administration has proposed programs that increase support for mass transit, encourage car pooling, and improve the efficiency

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of automobile engines. The budget includes $1.5 billion in budget authority and $0.6 billion in outlays for these programs in 1981, with significant increases in outlays expected in 1982 and beyond.

The administration also proposed a program to assist those low-income families least able to pay higher energy prices. For 1980, the Congress enacted a program of special energy allowances and energy crisis assistance for such families, providing the $1.6 billion requested by the administration. The administration proposes that outlays be expanded to a total of $2.4 billion in 1981, and that this level be maintained through 1990.

Increases in Budget Outlays from 1980



Education, training, and employment.—The budget requests substantial increases in spending for education, training, and employment programs, especially those aiding our Nation's disadvantaged youth. Continued high levels of youth unemployment, especially among minorities, creates a serious and long-term national problem. The most compelling reason for increasing efforts to improve employment opportunities for youth is the evidence that poor initial job experience, especially for those just leaving school, can adversely affect employment and earnings for a lifetime.

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In 1977 this administration proposed and the Congress enacted new training and employment programs for youth. Since 1977, outlays for special programs for youth training and employment have risen threefold, from $777 million that year to an expected $2.3 billion in 1980. During this same period the administration proposed and the Congress enacted a program directed at improving the capacity of educational systems to teach basic skills. The program has grown to a proposed $40 million in 1981.

The problems of unemployment are greatest among minority and disadvantaged youth, who are disproportionately concentrated in central cities and rural poverty areas. Some of these difficulties are due to discrimination, some to lack of contacts in the job market, and some to poor preparation in basic literacy and arithmetic skills. In this budget, the President is recommending a major new initiative and $2.0 billion in budget authority ($1.2 billion above current services) to help solve the problems of youth unemployment. The initiative is proposed to grow to $2.8 billion in 1982.

The budget proposals would provide grants to help secondary schools in areas with high concentrations of poor and educationally disadvantaged youth. Needy students in these schools would be assisted through programs that provide the basic academic and employment skills required to get and hold jobs that can lead to advancement. For this part of the program, $900 million in budget authority is proposed for 1981.

The budget proposes to consolidate and enhance three of the experimental programs started in 1977. Needy youth in school would be provided developmental work experience, in the private sector as much as possible, that would reinforce the skills being learned in the education program. Those out of school would be provided a mix of training and work experience designed to give each participant an opportunity to acquire the basic skills required by potential employers. For this portion of the program, $1,125 million of budget authority would be provided for 1981, $300 million above the current services level for existing programs. Administration of the summer youth employment program would be integrated with the new program, eliminating administrative problems now hampering local programs. In 1981, the summer program will finance 1 million part-time jobs, the same level financed in 1979 and proposed for 1980. Continued expansion of the Job Corps training program to 44,000 training opportunities for youth, double the 1977 level, is also proposed. Other training and employment programs will continue to be funded at high levels during 1981. Outlays for public service jobs are estimated to be $4.4 billion in 1981, providing for 450,000 jobs.

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The budget also includes the administration's welfare reform initiative, which will integrate the delivery of cash assistance with an overall employment and training strategy. This proposal would insure that individuals receiving public assistance have strong incentives to seek permanent employment, and would provide work and training for principal earners in eligible families. The budget estimates for start up costs during 1981 and for operational costs for 1982-85 are included in the allowance for contingencies.

The budget requests $5.6 billion for assistance to higher education under the higher education reauthorization proposal that the administration has submitted to the Congress. Included in that proposal is the creation of a major new student assistance direct loan program under which the Federal Government would provide postsecondary 1.25 million loans averaging $720 in 1981. A 10% increase in G.I. bill benefits to assist veterans education and training under the post-Korean readjustment program is also proposed.

Health.—Federal programs for health care have significantly increased access to medical care for the poor and the aged. Despite this progress, serious problems of financing, coordinating, and providing access to health care persist. The 1981 budget proposes several initiatives to address these problems.

Hospital cost containment and other cost-saving proposals in this budget reflect the administration's continued commitment to restrain inflation in health care costs. These proposals would save the Federal Government approximately $1.7 billion in 1981, including $0.8 billion from hospital cost containment. Additional savings would be realized by State and local governments and by individuals.

The administration has proposed a national health plan which will provide comprehensive coverage for an additional 15 million poor, limit out-of-pocket expenditures for the elderly, and provide protection against catastrophic health expenses for all Americans. The plan would provide comprehensive coverage of prenatal and infant care services. Program expansions included in this plan are timed to occur *after* proposals to control inflation in health care costs are in place. The national health plan is estimated to cost $24.1 billion in 1983, its first year of operation.

The budget includes major health planning and grant consolidation proposals. These administrative reforms aim at integrating the current system of 11 State health plan requirements and 30 separate grant programs. The grant reforms would initiate comprehensive performance agreements with State and local governments for delivery of primary health services to the poor and underserved,

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and would improve the coordination of planning and decision-making.

Basic research.—Basic research is essential to maintaining the Nation's long-term prospects for industrial growth, agricultural productivity, a safe environment, medical advances, energy sufficiency, and national security. This budget continues the administration's commitment to increasing support for basic scientific inquiry and for advancing the frontiers of technological developments. It calls for total spending of $5.1 billion in 1981 for basic research, an increase of nearly 3% in real terms over 1980. This sustained commitment will lay the foundation for American scientific and technical preeminence in the future.

Agriculture.—The role of the Federal Government in protecting American farmers against the vagaries of weather and excessive fluctuations in prices is long established and widely accepted. Recent events have highlighted the importance of this role. Following the Soviet aggression against Afghanistan, the administration has significantly limited Soviet grain purchases from the United States while at the same time taking actions to assure that any adverse effects of the export limitation do not fall disproportionately on farmers. The budget estimates include $2.0 billion in 1980 and $0.8 billion in 1981 for an export control mitigation program. These outlays will cover the costs of stabilizing the market for grain, soybeans, and their products at prices equal to or above those existing at the time of the suspension of shipments to the Soviet Union. These actions will avoid sharp drops in agricultural commodity prices that would adversely affect the American farmer.

General purpose fiscal assistance.—General revenue sharing, the largest general-purpose fiscal assistance program, is currently scheduled to expire at the end of 1980. This program provides funds to almost every general-purpose unit of government in the United States, many of which have no other direct contact with the Federal Government. The administration is proposing a 5-year extension of a modified version of general revenue sharing at the 1980 level of $6.9 billion per year.

This proposal will introduce a new and more cooperative approach to intergovernmental relations in the 1980's, and forge a closer partnership among Federal, State, and local governments. Revenue-sharing payments to State governments will be continued contingent upon those governments cooperation in a participatory process designed to strengthen the fiscal condition of both States and localities. At the same time, the proposed formula for allocating funds to local governments is being revised to increase the

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share of payments to communities less able to finance essential services from their own resources.

In addition, this budget provides funds in 1980 for a 1-year targeted fiscal assistance program that would provide general purpose fiscal assistance to localities with high unemployment and low economic growth. It also provides funds, beginning in 1980, for a countercyclical fiscal assistance program to aid State and local governments during periods of high unemployment. Immediate action on these proposals is needed to assist State and local governments in meeting their commitments during 1980 and 1981. Combined outlays under these two proposals would be $250 million in 1980 and $1.0 billion in 1981.

PROPOSED LEGISLATION THAT WOULD REDUCE FEDERAL SPENDING

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

This budget includes a number of legislative proposals that would reduce Federal spending. Savings would be achieved through several health-related proposals, modification of entitlement programs to relate benefits more closely to need or to earned rights, increased administrative efficiencies, and reduction of waste, fraud, and abuse. In addition, this budget contains proposals to reform Federal compensation practices and procedures, place the railroad retirement system on a solid financial footing, and dispose of excess materials in the national stockpile of strategic materials. Together, the legislative proposals will reduce Federal spending by $5.6 billion in 1981 and by significantly larger amounts in subsequent years.

Savings under legislative proposals do not represent all of the savings proposed in this budget. Some are planned under existing administrative authorities or take the form of lower appropriation requests. Discussion of these kinds of reductions is included in Special Analysis A, which compares current services estimates with the President's budget.

Hospital cost containment is the most urgent anti-inflation measure proposed in the budget. Enactment of this proposal would serve four objectives. It would reduce Federal outlays significantly, hold down the costs to State and local governments of providing health care services, slow the growing direct burden imposed on consumers, and contribute importantly to reducing inflation. The proposal consists of a national voluntary limit on hospital expenditure in-

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OUTLAY SAVINGS FROM LEGISLATIVE PROPOSALS

(In millions of dollars)

	1980	1981	1982	1983
Health programs:				
Hospital cost containment	.....	−780	−1,620	−2,390
Revision to make medicare benefits for the working aged supplementary to private insurance	.....	−170	−260	−295
Elimination of bonus to hospitals for provision of routine nursing services to medicare beneficiaries	.....	−191	−245	−305
Limitation on payments to hospitals to the nursing home rate for long-term case services	.....	−20	−30	−35
Implementation of joint audit for medicare and medicaid	.....	−32	−32	−32
Establishment of financial penalties to deter abuse of medicare and medicaid programs	.....	−23	−23	−23
Competitive bid purchasing for equipment and services	.....	−12	−18	−24
Other health care cost control proposals	.....	−69	−90	−97
Total, health programs	.....	−1,297	−2,318	−3,201
Federal compensation reform:				
Department of Defense-Military	.....	−1,712	−2,015	−2,177
Civilian agencies and programs	.....	−1,016	−1,184	−1,302
Total, Federal compensation reform	.....	−2,728	−3,199	−3,479
Income security programs:				
Disability insurance reforms, including revision of benefit computations, increased work incentives, improved administration, and other changes	−16	−69	−217	−430
State financial liability for errors in food stamp program administration	.....	−186	−206	−214
Targeting of child nutrition and special milk program subsidies to the most needy	.....	−432	−478	−513
Changes to the aid to families with dependent children (AFDC) program and related programs to simplify eligibility and administration, reduce fraud and abuse; and improve the child support enforcement program	−79	−249	−181	−164
Reform of the railroad retirement program to restore the solvency of the railroad industry pension fund	.....	−70	−102	−136
Total, income security programs	−95	−1,006	−1,184	−1,457
Veterans benefits and services:				
Elimination of GI bill benefits for correspondence courses and general flight training	.....	−56	−48	−41
Elimination of certain dental benefits	.....	−32	−30	−28
Reimbursement by health insurers for certain medical care given insured veterans	−45	−321	−365	−362
Total, veterans benefits and services	−45	−409	−442	−431
Increase in sales from the Federal strategic and critical materials stockpile to adjust the inventory to current requirements	−178	−203	−203	−203
Total	**−318**	**−5,643**	**−7,346**	**−8,771**

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creases, and standby mandatory controls on inpatient revenues if the voluntary limit is not met. These limitations would force hospital managers to curb excessive spending for unnecessary equipment, expansion of unnecessary facilities and wasteful operating practices.

Enactment of hospital cost containment legislation would yield national savings of $11.9 billion over the 1981 to 1983 period, including $4.8 billion in Federal outlay savings. The failure of the Congress to enact such legislation in calender year 1979 will cost the Federal Government an estimated $1.3 billion. Other legislative proposals in the health care area would result in Federal savings of $0.5 billion in 1981 and $2.0 billion in the period 1981 to 1983.

The administration has also proposed comprehensive legislation to reform and improve Federal compensation systems and procedures. The proposal would broaden the principle of comparability and bring Federal compensation more closely into line with the non-Federal sector.

Fraud and error will be reduced in the food stamp program by creating financial incentives for States to improve administration. Legislation has been proposed requiring States with excessive error rates in administering the program to share in the cost of such errors. Legislation has also been proposed to reduce meal subsidies for students from higher income families so that Federal child nutrition aid may be better targeted to those who are most in need.

Major cost-saving proposals are discussed in more detail in Part 5 of the *Budget*. The table on page 14 summarizes the legislative cost-saving proposals included in the budget. Many of the proposals relate to health and income security programs. Since an overwhelming percentage of spending in these programs is for entitlements, reductions can be made only through the enactment of changes to authorizing legislation. In contrast, reductions in most other Federal programs may be accomplished through the appropriations process without modification of substantive legislation.

BUDGET AUTHORITY

All budget outlays depend on the legal authority to spend money provided by the Congress. Such "budget authority"—usually in the form of appropriations—results in outlays, some of which occur during the fiscal year for which the budget authority is granted and the rest of which occur in subsequent years. For 1981, the President is requesting new budget authority of $696.1 billion, $18.4 billion above the current services level of $677.6 billion.

In 1980, outlays are estimated at 86.2% of budget authority for that year. This percentage is somewhat below recent experience for two reasons. First, budget authority in 1980 is increased by $15 billion for borrowing authority for TVA powerplant construction.

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This authority, last replenished in 1976, is needed once every few years. It results in outlays over a period of years that are largely offset by proceeds from the sale of power. Second, the administration has proposed increases in budget authority of almost $18 billion for establishing the Energy Security Corporation. In 1981, outlays are expected to be 88.5% of budget authority, which is more in line with recent historical experience.

BUDGET AUTHORITY

(in billions of dollars)

	1979 actual	Estimates	
		1980	1981
Available through current action by the Congress	360.1	416.0	432.9
Available without current action by the Congress	264.6	318.3	351.8
Deductions for offsetting receipts	−68.0	−80.2	−88.6
Total, budget authority	**556.7**	**654.0**	**696.1**
MEMORANDUM			
Budget authority, current services basis	556.7	630.6	677.6

FEDERAL CIVILIAN EMPLOYMENT AND PAY

The 1981 budget meets the President's objective of holding Federal civilian employment to the minimum necessary for the efficient and effective operation of the Government. Full-time permanent employment in the executive branch (excluding the Postal Service) is estimated to be 1,909,000 by the end of 1981, a small reduction from 1980, and below the level that existed when the administration took office. Employment at the end of 1981 is in keeping with the statutory employment limitation contained in the Civil Service Reform Act of 1978.

As noted earlier, the administration has proposed comprehensive legislation to reform and improve Federal pay-setting systems and procedures. The legislative proposal would broaden the principle of comparability to (1) take into account both pay and benefits instead of just pay; and (2) include data from State and local governments as well as data from private industry. The Federal wage system for the blue collar work force would be modified to repeal those provisions of law that undermine the prevailing rate principle. These proposals will improve the comparability system.

FEDERAL DEBT

During 1981, Federal debt held by the public is expected to increase from $689 billion to $722 billion, a rise of $33 billion. The corresponding growth during 1980 is expected to be $44 billion.

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About half of the 1981 debt increase is due to the anticipated budget deficit and half is due to the activities of the off-budget Federal entities (discussed in Part 6 of this document). Other factors, such as changes in cash balances held by the Treasury, also affect the debt. Gross Federal debt, which includes debt held in Federal Government accounts (primarily trust funds), is projected to rise by $59 billion in 1980 and $47 billion in 1981.

FEDERAL DEBT

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate
Debt outstanding, end of fiscal year:			
Gross Federal debt	833.8	892.8	939.4
Debt held by the public	644.6	688.9	722.0

CONTROL OF FEDERAL CREDIT ACTIVITIES

A year ago, in the 1980 *Budget,* the administration announced its intention to establish a system to control Federal credit activities. This budget carries out that commitment.

Federal credit programs have been controlled to some extent through the normal budget process. Budget authority and outlays for most direct loans of the Federal Government are, under the normal budget rules, included in the budget, and limitations of various kinds have been placed on some guarantee programs in the past. However, there is increasing concern about control over Federal guarantees of private loans, which do not generally result in budget oulays except in cases of default. Guarantees are large and growing, and can often substitute for on-budget direct lending or other outlays in order to escape budget controls. In fact, many federally guaranteed loans are converted to off-budget direct loans when they are financed through the Federal Financing Bank (FFB), the activities of which are excluded by law from the budget.

The table below shows the totals of the credit budget, which is measured by new obligations for direct loans and new commitments for loan guarantees.[1] In 1981, direct loan obligations increase by 1.7% over 1980 compared with a 16.1% increase in the previous year. Loan guarantee commitments, on the other hand, increase 8.3% in 1981 after increasing only a small amount in 1980. The total increase for direct loans and loan guarantees together is 5.3% in 1981.

[1] Direct loan obligations and loan guarantee commitments by agency are presented in tables 15 and 16 of Part 9 of this document.

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THE CREDIT BUDGET TOTALS

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate
New direct loan obligations:			
On-budget	33.9	36.4	35.4
Off-budget	17.5	23.3	25.3
Total, new direct loan obligations	51.4	59.7	60.7
New loan guarantee commitments[1]	74.7	75.2	81.4
Total	126.1	134.9	142.1

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

As shown by amounts outstanding, the total size of Federal credit is large. On-budget direct loans outstanding are expected to decline very slightly in 1981 after a moderate increase in 1980. Off-budget direct loans outstanding increase significantly in 1981, to $90.8 billion, due to large increases in the holdings of loans by the FFB. The FFB serves as a financial intermediary for the efficient financing of obligations issued, sold, or guaranteed by Federal agencies. Loan guarantees outstanding increase sharply in this period—by $24.7 billion in 1980 and $30.9 billion in 1981—and reach $253.2 billion. The average annual increase in direct loans and loan guarantees outstanding is 13.1% from the end of 1979 to the end of 1981.

LOANS AND LOAN GUARANTEES OUTSTANDING END OF YEAR

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate
Direct loans:			
On-budget	79.9	85.4	84.8
Off-budget	57.5	74.2	90.8
Loan guarantees[1]	197.7	222.3	253.2
Total	335.1	381.9	428.8

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

Net direct loan outlays are equal to the change in direct loans outstanding; net loan guarantees are equal to the change in loan guarantees outstanding. Net loan outlays and net loan guarantees also measure the net addition to credit advanced by the Federal Government. Conceptually, they are analogous to budget outlays. On-budget net loan outlays increase only slightly between 1979 and 1980, and then fall by $6.2 billion, to −$0.6 billion, in 1981. The sharp decline is the result of reduced loans for farm support, disaster assistance, and transportation; higher repayments of existing loans; and an increase in sales of loans. Off-budget net loan outlays are unchanged at $16.6 billion in 1981, after an increase of $3.0 billion in 1980. Net loan guarantees increase sharply through-

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out this period, reaching $30.9 billion in 1981, $11.9 billion higher than in 1979. The growth is primarily the result of increased guarantees for economic development, the energy initiative, and housing.

NET LOAN OUTLAYS AND LOAN GUARANTEES

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate
Net loan outlays:			
On-budget	5.0	5.5	−0.6
Off-budget	13.6	16.6	16.6
Net loan guarantees [1]	19.0	24.7	30.9
Total	37.7	46.8	46.9

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

The credit control system works in tandem with the conventional budget system. Wherever appropriate, the administration is requesting annual appropriation bill limitations on credit programs, whether they are direct loans or guarantees, and whether they are included in the budget or are off-budget. The limitations are on new obligations for direct loans and new commitments for loan guarantees. These requests were developed as part of the normal budget review process.[1] The new system has three long-range goals.

- First, at the program level, the system should ensure that credit programs meet the purposes for which they were intended, that they do so effectively, and that the level of resources is justified.
- Second, the system should result in closer examination of the allocation of credit and real resources across broad sectors of the economy.
- Third, the system should encourage more careful consideration of the impact of total Federal credit activity on the economy as a whole—on the borrowing needs of the private sector, and on economic growth, inflation, and employment.

At this stage in the development of the credit control system, the administration is proposing that certain credit programs be subject only to the control provided by authorizing legislation. Appropriation bill limitations have not been proposed for these programs, which include insurance programs, such as the Federal Deposit Insurance Corporation, and entitlement programs, under which qualified recipients have a legal right to direct loans or loan guarantees. These are analogous to relatively uncontrollable outlays in the regular budget and comprise a large portion of Federal credit activity. In addition for the 1981 budget, some credit activities in the housing sector have been exempted from annual limitations due to current uncertainty in the housing markets.

[1] The new system is discussed more fully in the Introduction to Part 5 of the budget.

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For purposes of this new credit control system, coverage has been restricted to direct Federal activities. Therefore, for example, lending activities by the privately owned Government-sponsored enterprises have been excluded from the credit control system because of their private ownership, although their activities are considered in analyzing the impacts of Federal credit programs.

The limitations set for this first year of the credit control system are summarized in the following table.

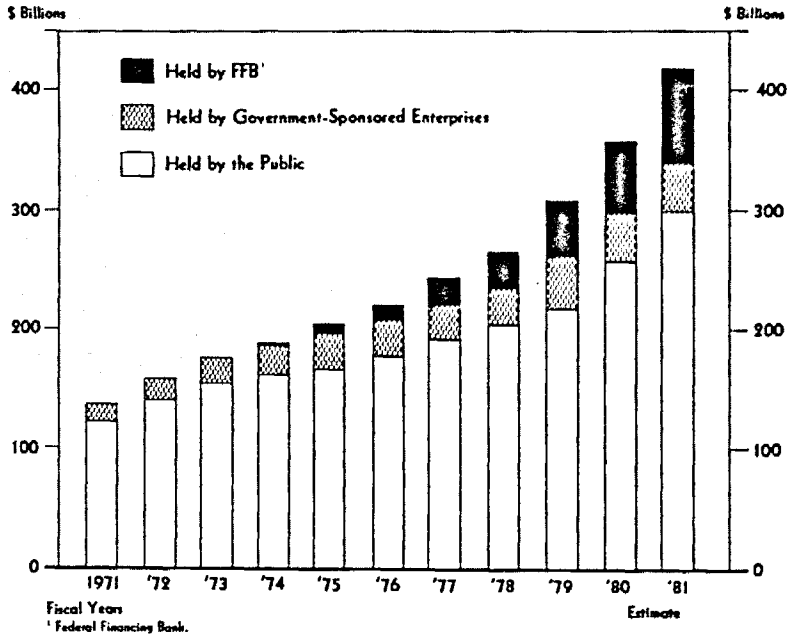
FEDERAL CREDIT LIMITATIONS

(In billions of dollars)

	1981 estimate
Limitations on direct loan obligations	27.2
Limitations on loan guarantee commitments	32.5
Total limitations	59.7

In 1981, total direct loan obligations covered in the credit control system are expected to reach $60.7 billion. About half of those obligations ($27.2 billion) are proposed to be subject to appropriations bill limitations, largely because the direct lending activity of the FFB is intended to be controlled at the point at which the loans are guaranteed by other agencies. Of the $27.2 billion in obligations

Loan Guarantees Outstanding



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proposed to be subject to limitations, $24.7 billion is expected to be obligated.

Loan guarantee commitments covered in the credit control system are expected to be $81.4 billion in 1981. Because a number of programs are subject only to authorizing legislation, the proposed limitations are $32.5 billion, or two-fifths of the total. Of the $32.5 billion in commitments proposed to be subject to limitations, $31.8 billion is expected to be committed.

MAKING GOVERNMENT WORK BETTER [1]

Credit control is but one of many ways in which this administration is making Government work better. Efforts to ensure that Government uses all of its resources efficiently must be unending. Waste, mismanagement, fraud, and inefficiency must be eliminated through prompt and effective efforts to improve Government performance.

This administration has initiated specific programs designed to make Government work better. Government-wide reforms, as well as specific actions to meet problems unique to particular programs, have been undertaken to promote efficiency and improve program management. Some of the major Government-wide initiatives to date include:

Civil service reform.—One of the most far reaching of the President's management improvement efforts has been the reform of our hundred-year-old civil service system. Under this reform, Federal managers have been given greatly increased authority, flexibility, and incentives to manage the Federal workforce. Civil service reform will increase the efficiency of the Federal Government by making it easier to recruit, retain, and reward dedicated, competent and productive Federal employees. Also, as discussed earlier, the President has proposed a comprehensive reform of the systems used to determine compensation of Federal civilian workers.

Regulatory reform and paperwork reduction.—The Government's regulatory functions have expanded greatly in recent years in response to concern regarding activities that potentially threaten the public welfare. Increased regulatory activity, however, has spurred growing frustration over the negative consequences of regulatory efforts, including the rising costs of compliance with Government regulations for businesses and the increased paperwork burden involved. To ensure that the Government's regulatory role is carried out in the most effective and least burdensome manner, the administration has initiated a comprehensive regulatory reform program.

[1] An expanded discussion of this theme is found in Section 2 of the *Special Analyses* volume of the 1981 *Budget*, in a presentation entitled "Improving the Efficiency of the Federal Government."

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Early in 1978, Executive Order No. 12044 was issued, which required agencies to assess the economic consequences of all major new regulations, to write regulations in clear and simple English, to eliminate unnecessary rules, and to revise needed regulations. Legislation is pending to make these reforms law and to extend them to the independent regulatory agencies. To encourage simplification of regulations, improve analysis of them, and make public participation in the regulatory process more effective, the President has created the Regulatory Council to review conflicting or overlapping regulations and to advise the public well in advance of any major rules that are proposed. The administration proposed and the Congress approved deregulation of the airlines, and legislation has been submitted for deregulation in the trucking and railroad industries.

Regulatory reform initiatives have been combined with a broad program to reduce Government paperwork. At his first Cabinet meeting, the President directed agency heads to take steps to reduce paperwork burdens. A vigorous program on the part of the agencies in the past 2 years has reduced by almost 15% the number of hours the public spends filling out Federal forms. In addition, an Executive order has recently been signed establishing a mandatory "paperwork budget" for all executive branch agencies and requiring a "sunset" review of all existing Federal forms. The administration has also proposed legislation to consolidate, simplify, and in some cases eliminate various reports required by Congress, and has endorsed legislation to control the overall paperwork burden on the public.

Reorganization.—Better organization can make Government more effective in its mission and more accountable to the public. To improve the organization and management of the Federal Government, the administration initiated the President's Reorganization Project. Since 1977, the President has proposed 13 reorganization initiatives to Congress, and all have been approved. These initiatives have strengthened the Federal Government's capacity to deal effectively with such critical issues as energy, education, national security and crisis management, and international trade and development.

In 1979, for example, reorganization authority was used to consolidate enforcement functions related to the Alaska Natural Gas Transportation System under a single Federal inspector, creating a unique institution to manage the Federal role in a critical energy project. The President has also proposed new energy reforms to help reduce our dependence on foreign oil, including creation of an Energy Mobilization Board to expedite energy projects, and an Energy Security Corporation to spur development of a domestic

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synthetic fuels industry. In addition, the President will soon transmit to Congress a reorganization plan to strengthen the internal management and effectiveness of the Nuclear Regulatory Commission, increasing the ability of the Commission Chairman to integrate and lead the agency in activities requiring prompt and disciplined action.

One of the most significant accomplishments of the reorganization effort was achieved when Congress approved creation of the Department of Education, giving education the Cabinet voice, the national leadership and the improved management this important function deserves.

The Congress also approved a major reorganization to strengthen the Federal Government's international trade functions, increasing the Government's capacity to improve the export performance and import competitiveness of U.S. industry.

In 1979, a reorganization plan combined several U.S. international development assistance programs into a new International Development Cooperation Agency to improve coordination of U.S. economic policies affecting the developing countries.

In addition, several reorganization initiatives are underway to strengthen the management and coordination of our national security apparatus. The President recently approved a report on national security policy integration that has led to more effective coordination among national security agencies.

Zero-base budgeting (ZBB).—This is the third budget that has used zero-base budgeting. ZBB has required managers to examine programs at various funding levels and then rank the programs in order of importance. This requires explicitly identifying priorities, setting objectives, and developing alternatives for carrying out agency missions. Through this system agencies develop more effective programs with available resources.

Multiyear budgeting.—This is the second budget prepared under a new 3-year planning system. Although 5-year budget projections have been published since 1970, explicit plans rarely extended beyond the budget year. The multiyear planning approach results in a better understanding of the longer run effects of current and proposed programs, and therefore in better decisions.

Eliminating fraud and waste.—As a result of legislation supported by the administration, the President has in place Inspectors General in 15 departments and agencies. Their major role is to eliminate waste, fraud and error in the Federal Government. In addition, in May, 1979, the Executive Group to Combat Fraud and Waste in Government was established to insure a concerted administration effort to develop more effective procedures and better trained personnel to deal with fraud and waste.

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In the food stamp program, pending legislation would establish a system under which administrative funds could be withheld from a State with excessive errors in the certification of recipients. It is expected that this potential liability would be a sufficient incentive to improve State administration of the program. It is estimated that this system could save a total of about $1.0 billion from 1981 through 1985. This effort would be supplemented by allowing States to establish eligibility on the basis of the income of the previous month, rather than an estimate of the next month's income. Clients would also be required to report their income more frequently while participating in the food stamp program.

The Inspectors General in the Departments of Agriculture and Health and Human Services have instituted computer matching systems to compare names of welfare recipients with names of persons receiving State unemployment benefits, or the names of wage earners from payroll data for Federal, State, or local governments. This fairly simple technique frequently identifies recipients whose income makes them ineligible. It is highly effective in the detection of fraud.

Financial management.—The administration, in consultation with the Congress and the Comptroller General, has developed a Financial Priorities program to improve management of Federal funds. These priorities include examining accounting systems, improving internal control and cash management, resolving audit findings promptly, and other measures to improve agency financial systems. This program has built upon the work of the cash management project, which initiated over 80 measures to strengthen cash management in the Federal Government. These initiatives have already resulted in interest savings of more than $400 million a year, and further annual interest savings of $1 billion are expected in subsequent years through more timely collection of cash payments, controlling disbursements and reducing idle balances.

Audit reform.—The administration has improved its coordination of Federal, State, and local audits of federally assisted programs. A single audit is now required of each recipient of Federal aid; previously a recipient could have been audited for each of several programs, resulting in duplication by Federal auditors and unnecessary disruption to the grantee. The single audit will be based on a standard audit guide that replaces almost a hundred different guides that had been in use. New rules have been issued for relying on audits made by State and local governments, for audit resolution, and for audit followup.

Management improvement.—The administration has taken concrete steps to strengthen agency commitments to ongoing manage-

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ment improvement and evaluation activities. New guidelines have been issued to agencies on how they should establish systematic approaches to assessing their management and program operations, focusing on the results of program activities and their relevance to the Federal budget. Another important management improvement initiative was the establishment, in September 1979, of the President's Management Improvement Council, consisting of representatives from private industry, labor unions, universities, and Federal, State, and local governments. The Council has advised on management solutions to problems in the Government's debt collection programs, health care financing administration, administrative services programs, and travel expenditures by Federal agencies.

Federal grants system reform.—State and local governments received more than $80 billion in grants in 1979 from the Federal Government, compared with fewer than $60 billion in 1976. Only 25 programs account for 81% of this total, while almost 466 separate grant programs account for the remaining 19%. The administration has taken major steps to simplify and streamline the management of Federal grants. The administration has proposed consolidation or simplification of grant programs in 10 areas to facilitate more efficient grant administration. Steps have been taken to improve audit regulations by developing standard audit rules for State and local grants, allowing a single, coordinated audit on a Government-wide basis. In addition, since June 1977, 16 Federal agencies have been working to reform and standardize planning requirements associated with more than 160 grant programs.

Productivity.—The President has established the National Productivity Council to improve coordination of Federal programs that increase productivity in the private and public sectors. The Council has addressed a wide range of issues, including improved ways of measuring productivity, a new productivity improvement program for the Federal workforce, expanded federally supported labor-management cooperation projects, Federal research and development that increases productivity, and the Federal role in improved State and local government productivity.

In addition, as a result of a study of industrial innovation, the President recently announced nine areas where the Federal Government can encourage innovation. These include increasing and enhancing the transfer of technical information, improving our regulatory system, and facilitating labor-management adjustments to innovation.

The Government-wide reforms described above have contributed significantly to improving the organization and management of the Federal Government. These initiatives will continue and expand as

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necessary to promote efficiency and improve program management.

Individual projects.—In addition to these Government-wide efforts, individual agencies continually undertake hundreds of smaller and less conspicuous projects. They may receive little or no recognition, but in total, they have a significant effect on the capacity of Government to deliver services more effectively and more efficiently. The following sections describe just a few of these projects, some of which are specific improvements resulting from the Government-wide efforts.

Restructuring of programs in ways that make it easier to attain objectives.—In 1979 the Economic Development Administration (EDA) found it worthwhile to delegate expanded authority to Regional Directors. As a result, fewer than 25% of all EDA projects now need to be approved in Washington. In addition, plans are continuing that would expand the number of regional offices from 6 to 10. This should improve the coordination of these programs with other Federal agencies and provide better service to EDA's clients.

Simplification of program requirements.—As a result of a change in policy, food stamp eligibility standards were recently simplified. Eligibility status and benefit levels were recalculated for the entire food stamp caseload of over 18 million people in 1979. Benefits were reduced for many recipients at the upper end of the eligibility scale and about 3.6 million new and very poor recipients were brought into the program primarily due to the elimination of the requirement to purchase food stamps. About 600,000 of the highest income recipients were completely eliminated from the program. These changes produced a net increase of 3.0 million recipients during the first 6 months of 1979, and directed food stamp benefits to those most in need.

Another example of program simplification resulted from the Social Security Financing Amendments of 1977. Employers now report employee wages annually rather than quarterly, a change that has significantly reduced administrative costs and paperwork for both the private sector and the Federal Government.

Improvements in service delivery.—Grant consolidations, or other actions to give States and localities more flexibility in the use of grant funds, were approved or have been achieved or proposed in 10 program areas:

- Consolidations have been achieved in three areas. Grants in the cooperative forestry program were authorized to be consolidated in the Cooperative Forestry Act of 1978. Some pro-

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grams for the elderly were consolidated in the 1978 Amendments to the Older Americans Act, and some consolidations were requested by the administration and approved by the Congress in 1979 for vocational rehabilitation.

- Legislation that would permit consolidation in four areas (airport development, economic development, energy conservation, and environmental programs) is currently before the Congress.
- Three additional areas for consolidation are in this budget: health programs, youth training and employment programs, and fish and wildlife grants. New consolidations are proposed for vocational rehabilitation in addition to those already achieved.

Termination of programs.—Large budget savings are usually achieved through cutting back or redirecting large programs, rather than through program terminations. Programs that are completely terminated tend to be small and, individually, the savings achieved through termination are not large compared to the budget totals. Such terminations, however, are essential if Government is to be efficient. A few of the programs already terminated or proposed for termination in this budget are:

- health professions training programs that are not targeted to meeting health needs of underserved populations. These terminations affect general aid for the training of doctors, dentists, nurses, and other health professionals.
- grants for the development of private, non-profit home health agencies. Where needed, funds are provided through medicare and medicaid reimbursements, and this separate grant program is no longer necessary.
- certain highway programs. These include aid for roads that are not part of the Federal-aid highway system, the Alaska highway, access highways to some public recreation areas, and demonstration projects for railroad crossings.

Administrative or management improvements that increase productivity or save dollars or personnel.—The Federal Government is the world's largest user of information technology. The use of computers for analysis and data processing throughout the Government has significantly increased program efficiency. For example:

- Social security applicants can now frequently complete their applications with a single visit to the local office because of computer access to social security employment records. Formerly, a second visit was necessary with delays of weeks while records were processed manually and mailed to the local offices.

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- The Internal Revenue Service has installed an automated data system to check the accuracy and currency of taxpayer identification data, enabling the Service to reduce its staff by 200 individuals.
- The Department of the Treasury has increased significantly the use of electronic funds transfer as an improved Government payment system. These transfers now account for approximately 25% of all Treasury payments, and by 1985 this could increase to 55%. This has not only saved resources but also decreased the chances of theft and forgery of Government checks.

In addition to the use of computers, Government saves funds and reduces personnel through other efforts. For example, since January 1977, the Department of Defense has eliminated approximately 24,000 military and civilian positions as a result of base realignments, consolidations, and closures. The estimated annual savings that will ultimately result from these actions are over $375 million. In addition, final decisions are pending on actions that would increase the annual savings to over $500 million a year.

Elimination of wasteful practices.—The Federal Government is committed to phasing out its own use of gas-guzzling automobiles by requiring new automobiles to be more fuel efficient. Beginning with model year 1978, the new passenger vehicle fleet purchased or leased by Federal agencies must exceed the national average fleet fuel economy standards required by the Energy Policy and Conservation Act. For model year 1980, for example, the national average is 20 miles per gallon, while Federal purchases must average at least 24 miles per gallon. Since about one-sixth of the Federal fleet is replaced each year, major progress has already been made.

In 1978, the Social and Rehabilitation Service was eliminated, and all cash benefit programs were consolidated in the Social Security Administration. The Health Care Financing Administration was established to manage medicare and medicaid and the title XX social services program was combined with the other services programs in the Office of Human Development Services. These actions streamlined administration of the programs and improved services to the public.

These are just a few examples of hundreds of specific projects that agencies undertake regularly to improve their effectiveness. Such efforts will continue to make Government work better.

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PART 3

ECONOMIC ASSUMPTIONS AND THE LONG-RANGE BUDGET OUTLOOK

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ECONOMIC ASSUMPTIONS AND THE LONG-RANGE BUDGET OUTLOOK

This part of the budget discusses the long-range budget outlook and the economic assumptions and demographic trends underlying that outlook. The first section presents economic assumptions for calendar years 1979 through 1985, explains the nature of these assumptions, and discusses policies to reduce unemployment and inflation. The second section examines the budget's multi-year planning base for fiscal years 1981 to 1983 and the projections for 1984 and 1985. The third section discusses population change and economic trends, and their long-term effects on the budget.

ECONOMIC ASSUMPTIONS

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

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

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

Because of the complex interrelationships between the budget and the economy, budget estimates depend to a very significant extent upon economic assumptions. The economic assumptions

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

During 1977 and 1978, employment rose at a 4.1% average annual rate, a rate virtually unprecedented for peacetime. The

SHORT-RANGE ECONOMIC FORECAST

(Calendar years; dollar amounts in billions)

Item	Actual 1978	Forecast 1979 [1]	Forecast 1980	Forecast 1981
Major economic indicators:				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars	13.4	10.0	7.9	11.7
Constant (1972) dollars	4.8	0.8	−1.0	2.8
GNP deflator (percent change, fourth quarter over fourth quarter)	8.2	9.1	9.0	8.6
Consumer Price Index (percent change, December over December) [2]	9.0	13.2	10.4	8.6
Unemployment rate (percent, fourth quarter)	5.8	5.9	7.5	7.3
Annual economic assumptions:				
Gross national product:				
Current dollars:				
Amount	2,128	2,369	2,567	2,842
Percent change, year over year	12.0	11.4	8.3	10.7
Constant (1972) dollars:				
Amount	1,399	1,431	1,423	1,448
Percent change, year over year	4.4	2.3	−0.6	1.7
Incomes:				
Personal income	1,717	1,923	2,109	2,314
Wages and salaries	1,103	1,227	1,342	1,478
Corporate profits	206	238	228	242
Price level:				
GNP deflator:				
Level (1972=100), annual average	152.1	165.5	180.4	196.3
Percent change, year over year	7.3	8.9	8.9	8.8
Consumer Price Index: [2]				
Level (1967=100), annual average	195.3	217.6	243.4	265.8
Percent change, year over year	7.6	11.4	11.8	9.2
Unemployment rates:				
Total, annual average	6.0	5.8	7.0	7.4
Insured, annual average [3]	3.3	3.1	3.9	4.0
Federal pay raise, October (percent) [4]	5.5	7.0	[5] 6.2	8.0
Interest rate, 91-day Treasury bills (percent) [6]	7.2	10.0	10.5	9.0

[1] Actual data for the 1979 unemployment rate, Federal pay raise, and 91-day Treasury bill rate.

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

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

[4] General schedule pay raises become effective in October of each year—the first month of the fiscal year. Thus, the October 1980 pay raise will set new pay scales that will be in effect during fiscal year 1981.

[5] This is the projected pay increase for white collar workers and wage board employees. The pay raise for military personnel is estimated to be 7.4%.

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

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unemployment rate fell from 7.8% in December 1976 to 5.9% in December 1978—despite the unusually rapid growth of the labor force. During 1979, employment continued to rise, though at a less rapid pace, and the unemployment rate remained about level. During the same period, however, inflation, as measured by the increase in the Consumer Price Index (CPI), accelerated substantially. Measured December over December, this index rose 6¾% during 1977, 9¼% during 1978, and an estimated 13 to 13¼% during 1979. The 1979 increase was strongly affected by oil price increases.

LONG-RANGE ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

	Assumptions			
	1982	1983	1984	1985
Major economic indicators:				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars	13.3	12.6	11.6	10.7
Constant (1972) dollars	5.0	5.0	4.8	4.6
GNP deflator (percent change, fourth quarter over fourth quarter)	7.9	7.2	6.5	5.8
Consumer Price Index (percent change, December over December)[1]	7.8	7.2	6.4	5.7
Unemployment rate (percent, fourth quarter)	6.5	5.6	4.8	4.0
Annual economic assumptions:				
Gross national product:				
Current dollars:				
Amount	3,206	3,619	4,052	4,498
Percent change, year over year	12.8	12.9	12.0	11.0
Constant (1972) dollars:				
Amount	1,510	1,586	1,664	1,742
Percent change, year over year	4.3	5.0	4.9	4.7
Incomes:				
Personal income	2,591	2,914	3,256	3,610
Wages and salaries	1,663	1,874	2,094	2,316
Corporate profits	277	324	369	415
Price level:				
GNP deflator:				
Level (1972 = 100), annual average	212.3	228.1	243.5	258.3
Percent change, year over year	8.2	7.4	6.8	6.1
Consumer Price Index:[1]				
Level (1967 = 100), annual average	287.4	308.8	329.8	349.7
Percent change, year over year	8.2	7.4	6.8	6.1
Unemployment rates:				
Total, annual average	6.8	5.9	5.1	4.3
Insured, annual average[2]	3.6	3.0	2.4	2.0
Federal pay raise, October (percent)[3]	8.0	7.5	7.0	6.5
Interest rate, 91-day Treasury bills (percent)[4]	8.4	7.7	7.0	6.3

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

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

[3] General schedule pay raises become effective in October of each year—the first month of the fiscal year. Thus, the October 1982 pay raise will set new pay scales that will be in effect during fiscal year 1983.

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

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The short-range economic assumptions for calendar years 1979 (for which only three quarters of actual data were available when the forecast was made), 1980, and 1981 are forecasts of probable economic conditions consistent with the administration's budget proposals.

As the table indicates, it now appears likely (although, given the limitations of economic forecasting, by no means certain) that the sustained economic expansion that began in 1976 will come to an end in 1980. A mild recession is expected in the first half of 1980, and some increase in unemployment is likely. Economic growth is expected to resume in the latter part of the year and continue through calendar year 1981, with a gradual decline in the rate of unemployment. Some progress is expected in slowing inflation from the very high rate of last year, but the increase in consumer prices will still be very high by historical standards. The rate of increase forecast for the 12 months of calendar year 1981 is 8.6%.

The economic outlook will have to be monitored carefully. If the economy should begin to deteriorate significantly, the administration will consider tax reductions and temporary spending programs, such as those for jobs and public works, targeted toward particular sectors of economic stress. Present conditions, however, do not argue for less fiscal restraint than is proposed in this budget.

The economic forecasts for 1980 and 1981 are subject to substantial margins of error. For periods further in the future, economic assumptions are subject to even greater uncertainty. Hence, in contrast to the short-range economic forecast, *the longer range assumptions for the period 1982 to 1985 are not forecasts of probable economic conditions.* Instead, they are projections that *assume* progress in moving toward the goals of a more fully employed economy and greater price level stability.

In last year's budget, estimates were presented consistent with achieving the goals of 4% unemployment and 3% inflation by the end of calendar year 1983. These goals had been established in the Full Employment and Balanced Growth Act of 1978 (the Humphrey-Hawkins Act). The act provides for revision of the timetable for achieving these goals, if necessary, in the 1980 *Economic Report of the President.* Given the performance of the economy during 1979, and its projected performance during 1980 and 1981, it is apparent that the goals cannot be achieved in the timetable originally prescribed in the act. As a result, the long-range economic projections presented in this budget are consistent with a new

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schedule, presented in the *Economic Report,* for attaining the goals of the 1978 act. The achievement of the 4% unemployment rate goal is postponed by 2 years to 1985, and the 3% inflation goal is postponed by 3 years beyond that. These remain ambitious goals and will require effective long-run policies to reduce both unemployment and inflation. The feasibility of achieving these targets and the types of policies that might be required during the 1982-88 period to achieve them are discussed in the *Economic Report.* The discussion below summarizes the major policies directed at unemployment and inflation in the budget proposals.

Policies to reduce unemployment.—Fiscal policy adjustments will probably be required in future years to maintain economic growth and further reduce unemployment. The appropriate magnitude and timing of such adjustments will depend on future economic developments and cannot now be determined. However, the administration will propose that further fiscal actions—in particular further tax reductions—be taken between 1982 and 1985 if such actions are required to sustain the progress of the economy toward the goals of the Humphrey-Hawkins Act.

As the Humphrey-Hawkins Act declares, "aggregate monetary and fiscal policies have been unable to achieve" the economic goals established in the act "and therefore must be supplemented by other measures designed to serve these ends." Unemployment rates are very high for youth and minorities. The administration is therefore pursuing several strategies to reduce the sources of structural unemployment without adding to inflationary pressures.

The budget proposes significant increases in resources for youth programs. A new program, conducted jointly by the Departments of Education and Labor, is proposed to provide disadvantaged youth with the basic academic skills and workplace discipline required to obtain and keep a job. For 1981, the budget requests $900 million for the education part of this program, which will assist secondary schools in areas with concentrations of disadvantaged youth. The part of the program to be conducted by the Department of Labor would replace three current youth employment and training programs. This part of the program would help place the students in jobs, and provide training and employment services for needy out-of-school youth. For 1981, the budget requests $1,125 million for the Department of Labor portion of the program, $300 million more than would be needed to continue the programs to be replaced. In 1982, a further $800 million increase in funding is planned for the combined program.

The Job Corps training program is being expanded and will provide twice the number of training opportunities made available

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in 1977. One million part-time summer youth jobs are proposed for 1981, the same number as proposed for 1980.

The budget also proposes maintaining the high level of training and job opportunities in the programs for the structurally unemployed. These programs were revised last year to achieve greater net employment gains, to direct job opportunities more to the disadvantaged and long-term unemployed, and to improve the preparation of enrollees for private sector jobs. In response to an administration proposal, 1978 legislation authorized a special program to help move all program participants into private sector jobs. In addition, the Revenue Act of 1978 included an administration initiative to create a targeted employment tax credit to reduce the cost to private sector employers of hiring disadvantaged individuals, primarily youth. The employment tax credit for hiring employees placed in jobs under the work incentive (WIN) program and for hiring other public assistance recipients was revised to make it similar to the targeted employment tax credit.

Finally, the administration has proposed reform of the welfare system which, if enacted promptly, could be fully effective by 1983. The plan would reform cash assistance programs, further develop the use of employment and training programs, and direct more jobs to principal earners in families eligible for cash assistance.

These employment and training policies are discussed in more detail in Part 5, and their relationship to the goals of the Full Employment and Balanced Growth Act is analyzed in the *Economic Report of the President.*

Policies to reduce inflation.—The Full Employment and Balanced Growth Act specifies that "The President shall initiate specific policies to reduce the rate of inflation, including recommendations to the Congress where necessary, and include recommendations within the *Economic Report* and the President's budget to the extent practicable."

The budget proposals help combat inflation in two ways: first, through overall budget restraint; and second, through measures that contribute to lowering rates of price increase in specific sectors of the economy.

Budget restraint plays a crucial role in the administration's anti-inflationary plan. Fiscal and monetary policies seek to create an economic environment in which inflationary pressures will abate. Monetary and fiscal restraint alone, however, will not be sufficient to reduce the rate of inflation at an acceptable rate. Moderation in private sector wage settlements and prices is also essential. Braking the momentum of inflation will require continued widespread compliance by business and labor with the voluntary pay and price standards established by the administration.

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Numerous Federal programs and policies contribute, directly or indirectly, to holding down rates of price increase in specific sectors of the economy. Some programs regulate prices directly or promote competition. Avoiding undue fluctuations of agricultural commodity prices has long been a major objective of Federal policy. Regulation of "natural monopolies" such as electric utilities, antitrust law enforcement, and programs to foster small business and greater competition all contribute to holding down price increases. An effort is also being made to award more Government contracts on a competitive basis, especially for defense procurement, in order to reduce prices that the Government pays for goods and services.

The administration is currently pursuing policies to reduce economic regulation in areas—particularly transportation—where regulation has tended to stifle competition and maintain unnecessarily high prices. The Airline Deregulation Act was enacted in 1978. The administration has proposed modifications to trucking and rail industry regulations and supports reduced regulation of intercity bus transportation. Another significant policy directed against inflation is the administration's proposal for hospital cost containment. This proposal would reduce price increases in a sector where inflation has been excessive for over a decade.

Federal subsidies, tax expenditures, guarantees, insurance, grants to State and local governments, disaster assistance, and loans may also help, directly or indirectly, to hold down private sector costs and prices. Housing programs afford examples of each of these types of assistance. Federal warning and safety programs (weather service, coast guard, and air traffic control, for example) also help hold down private sector costs by reducing economic losses.

Federal pay reforms and restraints on Federal employment will help reduce upward pressure on private sector wage rates. Policies to promote exports and stabilize the value of the dollar may help avoid increases in the costs of imports. An important set of Federal policies seeks to promote capital formation and increased productivity, which are explicit goals of the Humphrey-Hawkins Act. Increased productivity is essential to reducing inflation in the long run. Federal programs and tax policies that promote productivity growth include the investment tax credit and Federal support for research and development. In addition, Federal employment, training, and education programs, equal opportunity programs, and programs (such as support of housing mortgage markets) that contribute indirectly to labor mobility all help increase productivity, reduce structural unemployment, and make it possible to achieve employment goals with less inflationary pressure.

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Some proposals that have anti-inflation aspects are noted or discussed in more detail in other parts of the *Budget,* particularly Part 5, and in the *Economic Report of the President.*

THE 5-YEAR BUDGET OUTLOOK

The effects of current budget decisions extend beyond the budget year. They establish program trends that have important influences on the size and composition of budgets for years into the future. Just as the composition and level of the 1981 budget have been largely determined by past decisions, the decisions and proposals it embodies will shape subsequent budgets. Thus, various proposals in the 1981 budget would significantly reduce the level of outlays for existing programs in future years. These reductions both improve the prospects for budgetary balance and help make room for the important initiatives in energy, welfare reform, national health insurance, and increased defense capabilities, within budget outlay totals that do not increase as a share of GNP.

Since 1970, budgets have presented projections extending 4 years beyond the budget year. Last year, a multiyear budget planning system was established. As a result, outlay estimates for the first 2 years beyond the budget year (1982 and 1983) now receive explicit policy review, and represent tentative planning bases for executive branch agencies. Projections for 1984 and 1985 are extrapolations of the 3-year planning estimates for 2 years beyond the planning period.

The estimates and projections through 1985 are summarized in this section. Part 5 of the budget displays and discusses in more detail the budget authority and outlay estimates of each budget function for the 3-year planning period, 1981–83.

Basic assumptions.—The receipts projections presented in this section are consistent with the foregoing economic assumptions, and with continuation of current tax laws as modified by the proposals in this budget. The budget authority and outlay estimates indicate the degree to which resources would be committed by the continuation during 1982–85 of existing and currently proposed programs at the program levels recommended for 1980 and 1981, and planned for 1982 and 1983. These estimates are not precise forecasts of future budget authority or outlays. Nor are they intended as detailed, final recommendations as to future budget levels. They are, however, consistent with the objective of restraining growth in Federal spending, holding Federal outlays as a percentage of GNP to the lowest level consistent with national needs, and moving toward a balanced budget as rapidly as economic conditions and national security considerations permit. The multiyear budget base figures for 1982 and 1983 represent tentative

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administration plans for the long-term scheduling of major new initiatives and program reductions.

These planning base estimates, and the projections to 1985, allow for future cost-of-living adjustments to most benefit programs, for anticipated changes in numbers of eligible beneficiaries, for Federal pay raises, and for other built-in cost changes (such as interest) consistent with the economic assumptions outlined above. They allow for real growth of outlays in certain areas, such as defense, research and development, and energy, and real decline in outlays in others. The estimates generally assume that programs remain level in real terms, except where there is an explicit budget recommendation, or multiyear budgeting plan, to increase or decrease program levels over time.

The budget outlook.—The following table summarizes the budget outlook from 1980 to 1985 based on current law and proposals in this budget. Receipts are projected to increase by an average of 15.3% per year from 1981 to 1985, rising from $600 billion to $1,061 billion. Over the same period, outlays are projected to rise by an average of 10.0% a year, from $616 billion to $903 billion. Thus, under these assumptions, the budget is projected to move into surplus in 1982, with larger surpluses (or budget margins) in subsequent years. In the event, however, these large projected surpluses are unlikely to occur.

THE BUDGET OUTLOOK, 1979–85

(In billions of dollars)

		Estimate				Projection	
	1979 actual	1980	1981	1982	1983	1984	1985
Budget outlays	493.7	563.6	615.8	686.3	774.3	838.9	902.6
Budget receipts	465.9	523.8	600.0	691.1	798.8	920.5	1,061.2
Budget surplus or deficit (−)	−27.7	−39.8	−15.8	4.8	24.5	81.6	158.6

It is unrealistic to assume that Federal receipts will be permitted in the future to rise continually as a percentage of GNP, with an attendant rise in individual tax burdens. Frequent tax reductions were enacted in the 1970's to prevent such increases in tax burdens. In addition to preventing growing tax burdens, future tax reductions may be required as incentives to business investment and innovation, to raise productivity and reduce inflation.

Thus, projections of significant surpluses in 1983 and subsequent years do not imply that resources of such magnitude will in fact be available for additional spending. Indeed, holding future tax burdens to levels consistent with recent experience will require stringent control of budget outlays if the budget is to be kept near

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balance in these years. The timing and structure of future tax reductions, however, cannot be projected in detail far in advance of events; they depend critically on economic developments, especially on progress in reducing inflation, and on the appropriate level of aggregate public sector savings, as discussed in the *Economic Report of the President.*

BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

	1979	1980	1981	1982	1983	1984	1985
Individual income taxes	217.8	238.7	274.4	318.7	381.4	455.7	538.3
Corporation income taxes	65.7	72.3	71.6	80.6	91.8	105.5	118.8
Social insurance taxes and contributions	141.6	162.2	187.4	215.9	243.4	270.2	307.7
Excise taxes	18.7	26.3	40.2	48.0	51.7	55.6	59.9
Other	22.1	24.3	26.4	28.0	30.5	33.5	36.4
Total	**465.9**	**523.8**	**600.0**	**691.1**	**798.8**	**920.5**	**1,061.2**
MEMORANDUM: Effect of receipts proposals:							
In comparison to current services:							
Individual income taxes	.....	−.4	1.1	.7	−*	.7	1.6
Corporation income taxes	.....	−1.0	−3.2	−2.9	−4.2	−3.2	−.8
Social insurance taxes	.....	.....	1.4	1.2	.8	.9	1.0
Excise taxes	.....	7.8	21.5	29.0	32.2	35.5	39.3
Other	.....	*	.2	*	*	*	*
Total	.....	**6.4**	**21.0**	**28.0**	**28.8**	**33.9**	**41.1**

* $50 million or less.

The estimates of receipts shown in this section are extrapolations (based on the assumed economic trends) of the receipts that would result under existing tax law and the tax proposals in this budget. Projected increases in receipts by source from 1981 to 1985 are attributable largely to rising nominal-dollar incomes due both to inflation and to real growth, and to increases in social security taxes scheduled under current law. The table above shows projected receipts by source and the effect on receipts of administration tax proposals, other than those renewals of expiring provisions that are included in the current services receipts estimate.

Individual income taxes are projected to rise from $274.4 billion in 1981 to $538.3 billion in 1985, a 96% increase. Corporation income taxes rise by 66% over this same period, from $71.6 billion to $118.8 billion.

Tax proposals included in this budget result in a net decrease in income tax receipts in each year except 1985. Since the proposed windfall profit tax is an excise tax, it will be deductible from business income for income tax purposes. The estimates of income tax receipts reflect reductions of $7.5 billion in 1981 from the deductibility of the proposed windfall profit tax; these reductions

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are projected to reach $15.8 billion in 1985. For a more detailed discussion of this and other tax proposals, see Part 4 of this *Budget.*

Social insurance taxes and contributions, which were only 2.5% of GNP in 1958 but had reached 6.0% two decades later, are projected to rise to 7.0% of GNP by 1985. The combined employer-employee social security tax rate, which rose from 12.1% to 12.26% of the taxable earnings base on January 1, 1979, is scheduled under current law to increase to 13.3% on January 1, 1981, to 13.4% a year later, and to 14.1% on January 1, 1985. The taxable earnings base is scheduled to increase annually, rising from its current level of $25,900 to a projected $42,900 by 1985.

SOCIAL SECURITY TAX RATE AND TAXABLE EARNINGS BASE

(Calendar years)

	1979	1980	1981	1982	1983	1984	1985
Tax rate (FICA, percent)	12.26	12.26	13.3	13.4	13.4	13.4	14.1
Taxable earnings base (dollars) [1]	22,900	25,900	29,700	32,400	35,400	39,000	42,900

[1] The taxable earnings base figures for 1982–85 are estimates based on an automatic adjustment mechanism. The figures for earlier years are scheduled under current law.

Excise taxes are projected to rise from $26.3 billion in 1980 to $40.2 billion in 1981 and to $59.9 billion in 1985. These estimates reflect $7.7 billion in 1980 and $20.9 billion in 1981 from the proposed windfall profit tax; excise tax receipts from this proposal are projected to rise to $38.9 billion in 1985. The 1985 estimate also reflects $4.4 billion from the extension of the Highway trust fund taxes that are scheduled to expire September 30, 1984.

Estate and gift taxes, customs duties, and miscellaneous receipts are projected at $36.4 billion in 1985, an increase of $10.0 billion from 1981.

The estimates and projections of budget authority and outlays shown in this section are extrapolations (based on the assumed economic trends) of program costs reflecting current administration policy—including the 1981 budget proposals and the multiyear budget plans for 1982 and 1983. They are estimates of future resources and of the degree to which those resources are already committed by current policy. Total budget outlays are projected to increase at an average annual rate of 10.0% from $615.8 billion in 1981 to $902.6 billion in 1985.

The major change in the composition of budget outlays over the last 10 years has been the rapid growth in payments for individuals and the corresponding relative decline in resources devoted to other programs. Until 1977, spending for national defense (in constant dollars) was declining. This trend has been reversed and real defense spending is projected to continue increasing through 1985.

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This would keep our defense effort at a little over 5% of gross national product in the early 1980's, compared to about 10% in the mid-1950's.

PERCENTAGE COMPOSITION OF BUDGET OUTLAYS

Description	Actual			Estimate			Projection	
	1967	1973	1979	1981	1982	1983	1984	1985
NATIONAL DEFENSE:								
Direct Federal payments for individuals	1.2	1.8	2.1	2.2	2.3	2.3	2.3	2.4
Other	42.0	28.4	21.7	21.5	21.8	21.7	22.4	23.1
Subtotal, national defense	43.1	30.2	23.8	23.7	24.1	24.0	24.7	25.4
NON-DEFENSE:								
Direct Federal payments for individuals	24.1	35.5	40.3	43.0	42.5	44.5	44.6	45.1
Payments for individuals through States and localities	3.1	5.8	5.8	6.1	6.1	5.9	6.0	6.1
All other grants to States and localities	6.5	11.1	10.9	9.5	9.2	8.6	8.1	7.7
Net interest	6.5	7.0	8.6	8.8	7.9	6.8	6.2	5.7
Other	16.7	10.4	10.5	8.8	10.2	10.2	10.3	9.9
Subtotal, nondefense	56.9	69.8	76.2	76.3	75.9	76.0	75.3	74.6
Total budget outlays	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Budget outlays are projected to increase by $286.9 billion between 1981 and 1985. National defense and human resources programs, including national health insurance and welfare reform, account for 91% of this increase. Most of the increase results from demographic changes and inflation, rather than expansion of the scope of Federal activity through creation of new programs or liberalization of existing ones. This may be seen from the fact that the major planned initiatives included in the projections, national health insurance, welfare reform and contingencies, real growth in defense, and the energy security programs, account for only 27% of the total projected 1981–85 outlay increase.

Projections of budget authority and outlays are shown by function and by agency on pages 45 to 47. While total outlays are projected to increase by 47% from 1981 to 1985, outlays for health, excluding national health insurance, and national defense are projected to increase faster than the total. Outlays for these functions rise by 61% and 57%, respectively. With the allowance for national health insurance included, health outlays increase by 109% over the 4-year span, even with enactment of hospital cost control and other savings measures. By way of comparison, GNP is projected to rise by 58% from calendar year 1981 to 1985. Trends in the functional composition of the budget are discussed further in the introduction to Part 5.

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The high-employment budget is an analytical concept based on the budget estimates that would result were the economy continuously operating at a high level of employment. The unemployment rate at high employment is estimated to be 5.1% currently and to decline to 4.8% by the end of 1985. These rates are comparable to a rate of about 4.0% in 1955, adjusted for changes in the composition of the labor force.

High-employment outlays exclude that portion of outlays for unemployment insurance benefits and certain other programs that occur because the economy is not continuously operating at high employment. They thus eliminate the fluctuations in actual outlays for these programs due to year-to-year changes in the unemployment rate. High-employment receipts are similarly computed on the basis of the estimated yield of the existing (or proposed) Federal tax system if the economy were continuously at high employment. This eliminates year-to-year fluctuations in actual receipts due to deviations in the rate of economic growth from its long-term trend. The difference between the adjusted receipts and outlay estimates is the high-employment budget margin. Changes in this margin from one year to the next are a rough measure of the direction and magnitude of discretionary fiscal policy actions (i.e., excluding the effects of automatic stabilizers).

HIGH-EMPLOYMENT RECEIPTS AND OUTLAYS

(In billions of dollars)

	Estimates					Projections	
	1979	1980	1981	1982	1983	1984	1985
High-employment receipts	479	561	660	749	840	938	1,052
High-employment outlays	491	557	603	674	766	835	904
High-employment budget margin	−12	4	57	75	74	103	148

High-employment outlays are estimated at $603 billion in 1981 and $904 billion in 1985. High-employment receipts are projected to increase from $660 billion in 1981 to $1,052 billion in 1985. The high-employment margin shifts sharply in the direction of surplus in 1981, rising by $53 billion. This large rise reflects the very restrictive fiscal posture proposed in the 1981 budget. By 1985, the projected high-employment margin rises to $148 billion.

Controllability.—Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statute or by contract or other obligations. Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, outlays for which are generally

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mandated by law; and payments from prior year contracts and obligations, outlays for which are required because of previous actions, such as entering into contracts. As recently as 1967, open-ended programs and fixed costs accounted for only 36% of total outlays. By 1973 they were more than 50% of the budget and in 1981 they are estimated to be 59%. The substantial growth since 1967 has been due primarily to the rapid increase in benefit payments for individuals. Outlays for the existing open-ended programs and fixed costs are projected to be 55% of budget outlays in 1985. With renewal of general revenue sharing and enactment of welfare reform and national health insurance before 1985, however, outlays in this category would be 60% of the budget total in that year.

CONTROLLABILITY OF BUDGET OUTLAYS

(in billions of dollars)

	1981	1982	1983	1984	1985
Relatively uncontrollable under present law [1]:					
Open-ended programs and fixed costs:					
Social security and railroad retirement	142.1	159.8	178.5	197.1	216.0
Medical care	53.9	62.0	70.9	80.9	92.2
Other payments for individuals	102.5	108.3	113.9	117.7	123.4
Net interest	54.8	54.6	53.9	53.4	53.4
General revenue sharing (existing law)	1.7	.....	.....	.....	.....
Other open-ended programs and fixed costs	10.1	9.2	10.2	11.1	11.5
Total, open-ended programs and fixed costs, current law	365.1	393.8	427.3	460.2	496.6
Proposed changes in open-ended programs and fixed costs:					
National health insurance	.....	.....	24.1	27.1	30.4
Disability (social security)	−.1	−.4	−.7	−1.0	−1.3
Military retirement pay	*	.7	.9	1.1	1.3
Changes to medicare and medicaid	−.8	−1.4	−2.0	−3.1	−4.6
General revenue sharing (renewal)	5.1	6.9	6.9	6.9	6.9
Other	.7	1.3	1.7	2.2	2.5
Outlays from prior-year contracts and obligations [1]	101.4	291.7	322.7	352.2	377.8
Relatively controllable outlays	150.3				
Undistributed employer share, employee retirement	−6.2	−6.4	−6.5	−6.7	−6.9
Total budget outlays	**615.8**	**686.3**	**774.3**	**838.9**	**902.6**

[1] Outlays from prior-year contracts and obligations are relatively uncontrollable in the budget year. In the longer run, most of them can be controlled (e.g., by not entering into contracts); therefore, they are not projected beyond the budget year. Historical data for this category, and estimates for 1980 and 1981 are shown separately in table 17, Part 9.

Outlays from prior-year contracts and obligations account for an additional 15% to 18% of the budget and are classified as relatively uncontrollable in the short run. This category is not projected beyond the budget year because for future years these amounts are generally controllable now—before the contracts and other obliga-

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tions under which they will occur have been entered into. However, it is likely that at the time each budget is prepared the total relatively uncontrollable portion will continue to comprise about 75% of total outlays for the year ahead.

The fact that such a large proportion of the budget is relatively uncontrollable has important policy implications. Without legislative changes to restrain the growth in relatively uncontrollable programs, the burden of efforts to control total budget outlays must fall disproportionately on a small portion of the budget. Success in restraining that portion causes it to shrink even further relative to the uncontrollable portion. The administration has proposed legislation to restrain the growth of some of the relatively uncontrollable programs. On the other hand, the welfare reform and national health insurance initiatives will, upon enactment, add to relatively uncontrollable outlays. The administration has instituted a multiyear planning system to provide greater control of the Federal budget. With a longer planning horizon, a greater portion of the budget can be considered "relatively controllable."

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BUDGET AUTHORITY BY FUNCTION

(In billions of dollars)

	Estimates			Projections	
	1981	1982	1983	1984	1985
National defense	161.8	183.4	205.3	228.3	253.2
Military personnel	(32.0)	(32.5)	(32.9)	(33.1)	(33.7)
Retired pay	(13.7)	(16.1)	(17.8)	(19.7)	(21.5)
Operation and maintenance	(48.6)	(52.3)	(56.0)	(60.3)	(66.0)
Procurement	(40.5)	(47.3)	(54.7)	(63.9)	(71.3)
Other	(26.9)	(35.3)	(43.9)	(51.3)	(60.6)
International affairs	16.9	14.2	14.2	16.0	17.2
General science, space, and technology	6.9	6.9	7.0	6.7	6.5
Energy	7.4	9.2	12.4	11.8	11.6
Natural resources and environment	13.3	14.7	15.4	15.7	15.5
Agriculture	5.5	4.2	4.5	4.2	4.7
Commerce and housing credit	5.9	6.6	6.8	7.1	7.0
Transportation	23.6	23.2	25.5	26.1	26.9
Community and regional development	9.8	9.7	10.2	11.1	10.7
Education, training, employment, and social services	34.8	37.4	39.4	41.3	42.1
Education	(16.5)	(17.6)	(19.0)	(20.1)	(21.4)
Training and employment	(11.9)	(12.4)	(12.7)	(13.2)	(12.5)
Social services and other	(6.5)	(7.5)	(7.7)	(8.0)	(8.2)
Health	71.5	83.2	94.5	106.5	120.6
Medicare	(45.0)	(53.4)	(61.3)	(69.5)	(79.3)
Medicaid	(16.5)	(19.0)	(21.6)	(24.4)	(27.5)
Other	(10.1)	(10.8)	(11.7)	(12.4)	(13.3)
Income security	251.5	285.7	310.5	335.3	369.6
Social security	(131.1)	(150.5)	(169.8)	(190.1)	(219.9)
Federal employee retirement	(26.5)	(28.2)	(29.7)	(31.2)	(32.5)
Unemployment compensation	(19.4)	(23.0)	(23.8)	(23.9)	(22.6)
Public assistance and income supplements	(67.5)	(76.7)	(79.5)	(82.1)	(86.1)
Other	(7.0)	(7.3)	(7.6)	(8.0)	(8.5)
Veterans benefits and services	22.7	23.8	24.9	26.1	27.1
Administration of justice	4.7	4.9	5.0	5.2	5.4
General government	4.9	5.3	5.0	5.2	5.3
General purpose fiscal assistance	9.6	9.7	9.3	8.8	8.9
Interest	67.2	68.0	68.3	68.9	70.0
Allowances:					
Civilian agency pay raises	1.1	3.3	5.4	7.6	9.7
National health insurance	.....	.....	24.1	27.1	30.4
Contingencies and other	2.0	7.9	8.5	10.9	11.2
Undistributed offsetting receipts:					
Employer share, employee retirement	−6.2	−6.4	−6.5	−6.7	−6.9
Interest received by trust funds	−13.0	−14.1	−15.4	−16.7	−18.2
Rents and royalties on the Outer Continental Shelf	−6.0	−6.0	−6.0	−6.0	−6.0
Total budget authority	**696.1**	**775.1**	**868.5**	**940.4**	**1,022.6**
MEMORANDUM					
Budget authority, off-budget Federal entities	24.2	22.4	24.1	27.5	20.3
Budget authority, including off-budget Federal entities	720.2	797.5	892.5	967.9	1,042.8

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BUDGET OUTLAYS BY FUNCTION

(In billions of dollars)

	Estimates			Projections	
	1981	1982	1983	1984	1985
National defense	146.2	165.5	185.9	207.3	229.7
Military personnel	(31.7)	(32.2)	(32.5)	(32.8)	(33.4)
Retired pay	(13.7)	(16.1)	(17.9)	(19.7)	(21.5)
Operation and maintenance	(46.4)	(49.9)	(53.4)	(57.6)	(63.0)
Procurement	(30.5)	(36.1)	(43.6)	(50.7)	(57.2)
Other	(23.9)	(31.2)	(38.5)	(46.6)	(54.5)
International affairs	9.6	10.2	11.2	12.2	13.0
General science, space, and technology	6.4	6.9	7.0	6.8	6.6
Energy	8.1	11.0	13.5	14.0	11.8
Natural resources and environment	12.8	13.7	14.1	14.4	14.7
Agriculture	2.8	3.0	3.9	4.5	5.2
Commerce and housing credit	.7	3.2	3.1	3.0	2.7
Transportation	20.2	21.6	23.2	24.2	24.9
Community and regional development	8.8	9.4	9.9	10.1	10.3
Education, training, employment, and social services	32.0	35.0	37.7	39.7	40.6
Education	(14.4)	(16.3)	(17.7)	(18.9)	(20.1)
Training and employment	(11.3)	(11.8)	(12.3)	(12.9)	(12.3)
Social services and other	(6.3)	(6.9)	(7.7)	(7.9)	(8.2)
Health	62.4	70.8	79.9	89.7	100.3
Medicare	(37.3)	(42.4)	(48.1)	(54.4)	(61.1)
Medicaid	(15.9)	(18.4)	(21.0)	(23.6)	(26.7)
Other	(9.2)	(10.1)	(10.9)	(11.7)	(12.5)
Income security	220.0	241.7	264.0	284.4	307.9
Social security	(136.9)	(154.3)	(172.0)	(190.0)	(208.3)
Federal employee retirement	(17.1)	(19.4)	(21.7)	(24.0)	(26.2)
Unemployment compensation	(18.8)	(17.4)	(15.6)	(13.7)	(12.0)
Public assistance and income supplements	(40.1)	(43.6)	(46.9)	(48.6)	(53.0)
Other	(7.2)	(7.0)	(7.7)	(8.1)	(8.4)
Veterans benefits and services	21.7	23.2	24.6	25.7	26.9
Administration of justice	4.7	4.9	5.0	5.2	5.3
General government	4.9	5.1	5.1	5.3	5.3
General purpose fiscal assistance	9.6	9.7	9.3	8.8	8.9
Interest	67.2	68.0	68.3	68.9	70.0
Allowances:					
Civilian agency pay raises	1.1	3.3	5.3	7.4	9.5
National health insurance	.....	.....	24.1	27.1	30.4
Contingencies and other	1.5	6.5	7.1	9.4	9.7
Undistributed offsetting receipts:					
Employer share, employee retirement	−6.2	−6.4	−6.5	−6.7	−6.9
Interest received by trust funds	−13.0	−14.1	−15.4	−16.7	−18.2
Rents and royalties on the Outer Continental Shelf	−6.0	−6.0	−6.0	−6.0	−6.0
Total budget outlays	**615.8**	**686.3**	**774.3**	**838.9**	**902.6**
MEMORANDUM					
Outlays, off-budget Federal entities	18.1	15.1	12.9	11.3	14.4
Outlays, including off-budget Federal entities	633.9	701.4	787.2	850.2	917.0

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BUDGET AUTHORITY BY AGENCY

(In billions of dollars)

Department or other unit	Estimates			Projections	
	1981	1982	1983	1984	1985
Legislative and Judicial branches	2.0	2.2	2.1	2.1	2.2
Funds appropriated to the President	11.4	13.0	14.8	15.6	15.9
Agriculture	24.6	25.6	27.0	27.7	28.8
Commerce	3.4	3.7	3.9	3.9	4.0
Defense—Military	158.2	179.4	201.0	223.7	248.3
Defense—Civil	3.0	3.9	3.8	3.7	3.7
Education	15.5	16.6	17.9	19.0	20.2
Energy	10.2	11.0	12.9	12.6	12.7
Health and Human Services	222.9	254.8	286.5	318.3	363.4
Housing and Urban Development	40.4	47.6	48.8	51.4	53.8
Interior	4.7	5.0	5.3	5.5	5.8
Justice	2.7	2.7	2.8	2.9	3.0
Labor	33.0	37.0	38.2	38.9	37.0
State	2.3	2.5	2.6	2.7	2.8
Transportation	20.5	20.0	22.1	22.7	23.5
Treasury	80.9	81.8	81.5	81.5	82.5
Environmental Protection Agency	5.3	5.8	6.4	6.7	6.5
National Aeronautics and Space Administration	5.7	5.8	5.8	5.5	5.2
Office of Personnel Management	26.7	28.5	30.2	31.8	33.2
Veterans Administration	22.7	23.8	24.9	26.1	27.1
Other agencies	22.0	19.1	19.2	21.1	21.8
Allowances	3.1	12.0	38.8	46.4	52.1
Undistributed offsetting receipts	−25.1	−26.4	−27.9	−29.3	−31.1
Total budget authority	**696.1**	**775.1**	**868.5**	**940.4**	**1,022.6**

BUDGET OUTLAYS BY AGENCY

(In billions of dollars)

Department or other unit	Estimates			Projections	
	1981	1982	1983	1984	1985
Legislative and Judicial branches	2.0	2.1	2.1	2.2	2.2
Funds appropriated to the President	9.3	11.1	13.4	14.0	14.5
Agriculture	20.1	23.8	25.7	27.4	28.8
Commerce	3.4	3.5	3.7	3.9	3.9
Defense—Military	142.7	161.6	181.7	202.8	224.8
Defense—Civil	3.1	3.4	3.4	3.3	3.3
Education	13.5	15.3	16.8	17.8	19.0
Energy	8.7	10.8	12.2	13.4	11.5
Health and Human Services	219.3	246.1	274.2	301.5	331.6
Housing and Urban Development	11.8	13.8	15.3	16.9	19.7
Interior	4.2	4.5	4.9	5.2	5.5
Justice	2.7	2.8	2.8	2.9	3.0
Labor	31.8	30.9	29.6	28.3	26.2
State	2.2	2.4	2.5	2.6	2.7
Transportation	17.9	19.1	20.3	21.0	21.5
Treasury	80.3	81.3	81.1	81.2	82.2
Environmental Protection Agency	5.2	5.5	5.7	5.9	6.2
National Aeronautics and Space Administration	5.4	5.9	5.9	5.7	5.4
Office of Personnel Management	17.4	19.7	22.1	24.4	26.8
Veterans Administration	21.7	23.1	24.6	25.7	26.9
Other agencies	15.7	15.9	17.1	17.2	17.5
Allowances	2.6	10.0	37.3	44.7	50.4
Undistributed offsetting receipts	−25.1	−26.4	−27.9	−29.3	−31.1
Total budget outlays	**615.8**	**686.3**	**774.3**	**838.9**	**902.6**

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THE LONGER RANGE BUDGET OUTLOOK

As the preceding section notes, 5-year budget projections represent a rough approximation of future budget trends. For some analytical purposes, however, a 5-year planning horizon is much too short. This has long been apparent to the actuaries of insurance and pension systems, for example, who must frequently make calculations that reach decades into the future. Such calculations are subject to error because they rely on assumptions about future events that cannot be known in advance, such as the long-run course of the economy. Yet some preparation for the longer-range future is essential. Federal responsibilities in such areas as energy, education, retirement, health, research and development, and defense raise long-range issues, the resolution of which will significantly affect the size and composition of the Federal budget, in somewhat foreseeable ways, well into the 21st century.

Specifically, Federal Government responsibilities and how they are carried out in the longer range are particularly important in several areas emphasized in the 1981 budget:

- Reduction of our dependence on foreign sources of energy and the development of secure long-range alternative energy supplies are essential to economic prosperity.
- Understanding and planning for the large increase in the size of the over-65 aged population that lies three decades ahead will affect a broad range of policies, from pension financing to retirement age.
- The gradual aging of the population has implications for health services and long-term care strategies.
- Consideration of possible economic developments due to changing age structure in society may help improve housing policy, affect savings patterns, and influence national investment strategy.
- Maintaining a strong defense requires long-term planning, weapons development, and personnel recruitment and compensation strategies.
- Basic research is an essential condition for strong technological development, but realization of its benefits often takes decades.
- Education and training requirements will vary in future decades, as the school-age and college-age populations decline, increase, and probably decline again, and as labor markets adjust.

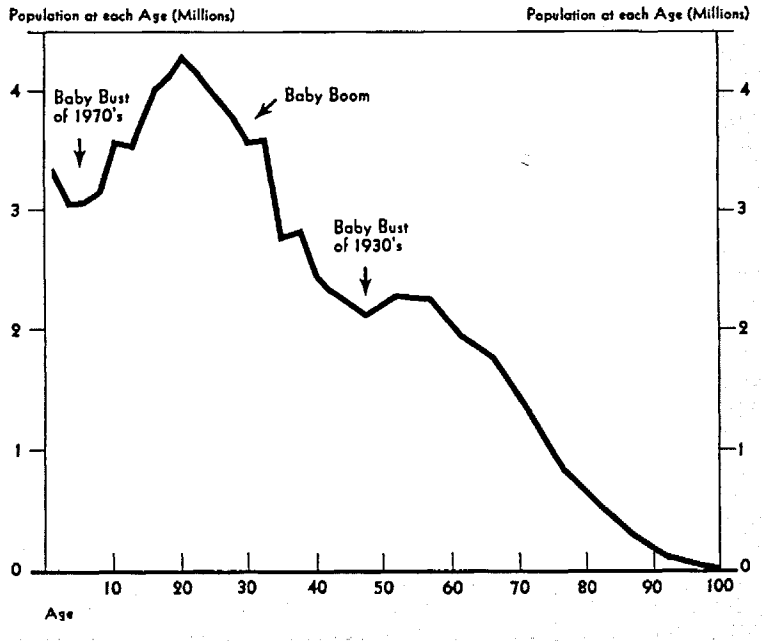
The sections that follow consider some of these issues. The first topic considered is likely demographic trends. This is because demography is the most significant factor affecting the budget that is fairly predictable.

Population change.—The Federal Government exists to serve the needs of the American people. The size and composition of its

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budget, therefore, is a reflection of the size and composition of the U.S. population, and of the needs of various segments of that population. The budget is particularly sensitive to the age structure of the population, because many programs (e.g., education and retirement) serve specific age groups. As last year's *Budget* noted (pp. 52–57), the most prominent fact about the U.S. population age distribution today is the existence of a huge "age-lump" consisting of the postwar baby boom generation, and preceded and followed by the "baby busts" of the 1930's and early 1940's (World War II), and the late 1960's and 1970's, as the chart below shows. During the depression of the 1930's relatively few children were born—fewer than 2½ million in most years. After the Second World War

Age Distribution of U.S. Population, 1980



came the "baby boom," which peaked in 1957 when 4.3 million children were born. Now, although there are many more women of prime child-bearing age (the women born during the boom), their fertility is only *half* that of their mothers, and in recent years only about 3 million children have been born annually. The numbers of this baby boom generation—especially in comparison to the relatively small generations preceding and following them—have significant and relatively predictable (but frequently overlooked) implications for American society and the economy.

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Over the course of the life-cycle, from youth to old age, people make different demands upon, and contributions to, society, the economy, and government. Children need support, education, and adult supervision. Young adults seek housing of their own and jobs—and it is from this age group that the armed services recruit. Middle-aged workers are at their peak earning, saving, and tax-paying years. The elderly need pension support and more health care, and other assistance, than younger people generally require. Thus the baby boom generation and the changing age structure of our population have significant implications for government programs.

Education.—Although the first impact of the baby boom was no doubt on maternity wards in hospitals, its first major impact on government was public education. This began with the enormous pressure to expand elementary school facilities and employment. Between 1950 and 1970, elementary school enrollment rose by 63%. But between 1970 and 1980, enrollments declined by an estimated 16%, and by 1985, they should decline by a further 5½%.

The same phenomenon is now overtaking secondary education; between 1976 and 1992 the number of 14- to 18-year-olds in the U.S. population is projected to decline by 24%. Higher education, which has experienced the same boom, now faces the same shrinkage in its traditional student age-group, about 4 years later than the secondary schools.

As the output of the American educational system declines in *quantity,* improvements in *quality* should become increasingly important, if the Nation is to benefit from steadily advancing technological sophistication. This year the new Cabinet-level Department of Education will begin to operate. A key role of the new department will be to assist in the adjustment of American education to the demographic changes and new economic demands of the decades ahead.

State and local governments bear most of the burden and responsibility for education in this country. The baby boom has had its major effect on their budgets, which rose from less than 7% of GNP in 1948 to over 15% in 1975, but have since dropped to 14%.

Economic considerations.—As members of the baby boom generation have completed their schooling, they have entered the labor force. During the 1970's, the civilian labor force grew by 22 million (27½%)—compared to only 7½ million during the 1950's (an 11½% increase) and 12 million during the 1960's (18%). During the 1980's, rapid growth will continue, but at a declining rate. During the 1990's, the rate of growth of the labor force is likely to be only about a *third* of the rate experienced during the 1970's.

Growth of the labor force is one of two key determinants of long-term economic growth; the other is the rate of growth of productiv-

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ity, or output per worker. Economic growth, relative to population increases, is the primary determinant of our national standard of living. It also influences the growth in resources available to the Federal budget. The Federal budget has been roughly one-fifth of the gross national product (GNP) throughout the postwar period; but during periods of rapid economic growth, it is easier to fund Federal services or reduce the size of the budget as a percent of GNP.

The massive influx of the baby boom generation into the labor force during the late 1960's and the 1970's helps to explain some of the anomalies of economic performance during this period. Unemployment averaged 6.2% for the 1970's, compared to a 4.6% average for the 1947–69 period. This occurred despite extraordinarily rapid increases in *employment* during the decade. Productivity growth averaged only half a percent per year, 1973–79, in contrast to a 2½% per year average, 1947–73. Entry of the baby boom generation into the labor force helps account for this deterioration in productivity from the mid-1960's onward. It does this in two ways: first, inexperienced young workers are, on average, less productive than their older, more experienced colleagues. Second, business investment has not matched the accelerated growth of the labor force; indeed, the Nation's stock of productive capital grew somewhat less rapidly during the 1970's than during the preceding postwar years. Thus, as the baby boom flooded the job market, the amount of capital plant and equipment *per worker* grew much less rapidly than it had in the past—with an adverse effect upon productivity.

As labor force growth slows in future years, and as the number of teenagers in the labor force begins to decline, labor productivity should rise, labor markets may tighten and it is possible that labor shortages will develop. If so, the need to continue a high level of Federal investment in training, employment, and labor services should be reexamined.

There are grounds for optimism about the strength of capital investment in the 1990's, as well. The slow growth of the labor force should induce businesses to invest heavily in order to substitute capital for scarce and relatively expensive labor. At the same time, new products and new methods of production resulting from a higher rate of technological innovation may also tend to stimulate new investment. With investment strong and labor force growth slow, the amount of capital per worker would grow rapidly (in contrast to its sluggish pace in the 1970's), contributing to productivity gains.

Ample savings should be available to finance high rates of investment as the baby boom generation reaches the peak saving and peak earning years of middle age. Indeed, Government policies may

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be necessary to stimulate the rate of business investment sufficiently to insure that it matches a high savings rate.

National defense.—Long-term considerations affect several major aspects of our defense force: technology, weapons procurement, and personnel. Beginning in 1969, outlays in constant dollars for national defense declined more or less steadily until 1977. Meanwhile, the Soviet Union was building its military strength. Therefore, the recent trend of growth in real U.S. defense expenditures is projected in this budget to continue through at least 1985. This kind of commitment is necessary not only to improve the ability of our Armed Forces to respond to potential aggression quickly, but also to invest in the development of technology and in the major weapons procurement that are essential to increase the relative strength of our defense over the long term.

Moreover, the expected decline in the number of new entrants to the labor force over the next 15 years will be felt by the Armed Forces as well as by the civilian labor market. In 1977, males recruited into the Armed Forces represented approximately 20% of that year's cohort of 18-year-olds. Since the draft ended in 1973, the armed services have had to compete directly with civilian job opportunities for recruits. They have been relatively successful to date. If the Armed Forces are to maintain their present force levels, however, then either the percentage of each year's cohort of 18-year-old males recruited will have to increase substantially over time as the potential pool shrinks, or women will have to make up a much higher percentage of recruits. Alternatively, retention rates will have to be increased. Future budgets could be affected substantially if additional adjustments in military pay and benefits relative to private sector compensation become necessary.

Research and development.—The Federal budget financed over 60% of the Nation's research and development during the 1960's, but this share dropped to about 50% by the mid-1970's, contributing substantially to a marked decline in overall R. & D. spending as a percentage of GNP. (One reason for the substantial Federal role in research and development is the fact that benefits from R. & D. may be difficult for an individual firm to capture for itself; hence the private sector has little incentive to finance the basic research that is so vital to technological advance.) As U.S. preeminence in technology has declined, other developed nations have increased their research and development efforts substantially and are challenging U.S. leadership in high-technology exports.

This budget reflects long-term measures to reverse the recent decline in the rate of technological innovation. Federal support for basic research has increased substantially in recent budgets, and is increased further under this budget's proposals.

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Since the benefits from research—especially basic research—may sometimes take decades to affect productivity, the accelerated research effort now getting underway could spur productivity growth well into the 1990's. By then, increases in the size of the work force may be contributing relatively little to economic growth, so that high rates of productivity growth from new technology will be particularly welcome.

Energy.—The most painfully apparent resource constraint facing us today is energy supplies. The various factors that have led to the present situation and the administration's long-range policies to improve it are explained in the energy section of Part 5 of the *Budget.* Energy investments represent one of the most comprehensive long-range budget strategies the United States has undertaken. The administration's program seeks to reduce U.S. demand for imported oil significantly below current levels by 1990.

The budget reflects a variety of measures that support this long-term objective by encouraging energy conservation, encouraging shifts from consumption of imported oil to consumption of domestically produced coal, supporting commercial production of synthetic oil and gas, and exploring the potential of alternatives to conventional power sources—such as solar power and fusion power. Under the proposals in this budget, nearly a quarter of all outlays for nondefense R. & D. would be devoted to energy.

Housing.—As they reach the age at which they form their own households and seek homes of their own, the members of the maturing baby boom generation are contributing to the current strong demand for housing, and will continue to do so during the 1980's. Once the baby boom is housed, however, housing demand will slacken considerably, and residential construction will no longer compete so strongly with business investment for available savings.

Over the 1980–85 period, annual increases in demand for housing due to demographic change are estimated to average more than 1.5 million units per year. This incremental demographic demand is projected to decline in the mid-1980's with the annual demand during the last half of the decade averaging fewer than 1.3 million units annually. During the 1990's, these demographic trends should cause an even larger drop in the incremental demand for housing. For the decade as a whole, the annual incremental demographic demand is projected to average fewer than 950,000 units, almost 40% below the demographic demands projected for the 1980–85 period.

The changing population age structure during the next 20 years is also likely to contribute to a shift in housing demand pressures

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by type of unit demanded, from rental housing for younger households, to single family homes for middle-aged households. During the first half of the 1980's over one-third of the incremental demand pressure on housing will be due to increases in the numbers of young households with heads between 25 and 34 years of age. During the last half of the 1980's, this age group is projected to contribute only about 13% of the incremental demand for housing, and during the 1990's, the change in demand from this age group is projected to turn negative.

The administration has responded to these demographic pressures on housing by instituting reforms in mortgage credit markets that facilitate the flow of savings to meet the current strong demand for housing financing, and by focusing Federal expenditure subsidies on those lower income families living in substandard housing. Federal housing programs have sufficient flexibility to meet changing housing demand conditions. They support and supplement the dominant role of the private market in meeting housing demands. In fact, the private housing sector in the United States has proved highly responsive to changes in the demand for housing, except where institutional barriers or the lack of effective market demand from low-income households have arisen.

The administration's reforms to financial institutions have allowed mortgage credit markets to compete more effectively for savings, particularly during the current period of high interest rates. This has reduced the flow of savings to nonhousing investments that would otherwise have occurred. As the demographic demand pressures on housing drop off substantially, the demand for mortage credit will likewise decline, freeing more of the available supply of savings for business capital investment. However, the probable decline of the housing construction industry after 1990 may by itself pose significant public policy issues.

Retirement and health.—Although the baby boom generation promises to make tremendous contributions to our economy and standard of living during its prime working years, it is important to bear in mind that this generation, too, will eventually retire. The contributions of its members to the Nation's output will diminish and the burden of supporting their retirement benefits and meeting their growing needs for health care will fall upon a shrunken labor force. Much of that burden is likely to be transmitted through the Federal budget in the form of much higher outlays—and taxes—for social security, medicare, and other programs.

Under fairly conservative assumptions about future fertility and life expectancy in the United States, the ratio of elderly (retirement age) persons to persons of working age would approximately

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double between the years 2005 and 2035, reaching one person of retirement age for each two persons still of working age. The current ratio is about one to five. Since programs providing retirement and health care benefits for the elderly now make up nearly 38% of the Federal budget, this implies that there are likely to be major pressures on the budget to rise, as a percentage of GNP, during that period.

The problem projected to arise during the 2005–2035 period is now distant in time, but should not be ignored. The Nation should begin to prepare for a transition a quarter of a century hence. Some of the actions that might alleviate the problem include encouraging later retirement age, developing more part-time jobs for those who wish to be semiretired, and examining what future benefit levels are realistic.

The Federal Government has played a major role in financing the Nation's system of hospitals and the education of doctor's and other health professionals. It is now clear that while some geographic areas are underserved, the Nation as a whole has sufficient capacity in the health sector. As a result, financing of some aspects of health care—for example, the direct Federal financing of medical schools—has been curtailed. Moreover, as explained in the health section of Part 5 of the *Budget,* the administration proposes to limit Federal assistance for the training of health professionals to specific specialties where shortages are still projected.

Another consideration in long-range health planning is to provide adequate facilities for the retired as that age group increases.

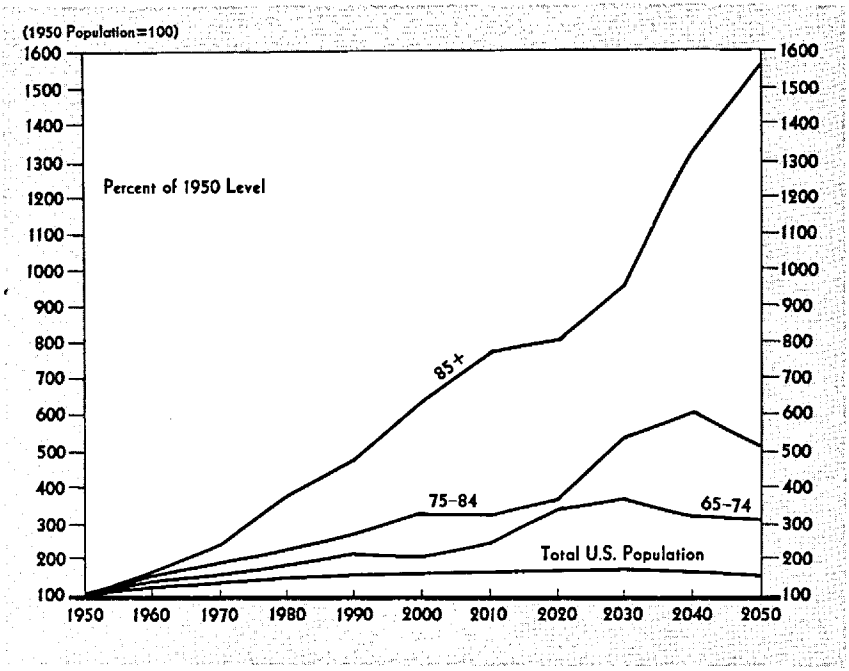
Long-term care.—People 65 and older constitute the fastest growing segment of the U.S. population. Between 1980 and 2030, the elderly population will double absolutely and proportionately to total 55 million and 22% of the population. Within this overall growth, there will be a significant "aging of the aging." If present trends continue, the population 85 and older will triple by 2035.

The changes in the size and composition of the elderly population suggest the need for greater attention to the problem of providing long-term care. Long-term care should not be thought of solely in terms of placing individuals in costly facilities, such as nursing homes, chronic disease hospitals, and psychiatric hospitals. Long-term care might be better addressed in terms of providing support to individuals who need continuing assistance in carrying out the tasks of daily living. This concept reflects a growing national emphasis on promoting the independent functioning of the disabled. Indeed, the majority of the elderly who might otherwise be institutionalized can and do live in the community with social, medical, income, and housing support—much of which is provided by their families and friends.

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The need for long-term care increases with age. Recent surveys suggest that 13% of the 65–74 year age group face some form of limitation in their ability to function without help. This incidence of impairment increases to 33% for the 75–84 year age group, and to 66% for those 85 and over.[1] These data, combined with the

Growth of Population Age Groups, 1950–2050



inpending increase and change in the elderly population mentioned above, indicate that the number of elderly in need of long-term care will increase steadily, and more than double between 1980 and 2030. The 1981 budget reflects a number of actions to deal with long-term care needs better, both now and in the future.

- Efforts are underway to fill gaps in our knowledge and to examine long-term care alternatives, in order to improve policies and programs in this area. Pilot projects will test ways of combining elements of long-term-care support available from organized programs, families, and friends, and will explore alternative ways of providing care in group housing arrangements.
- Funding for research on senility, which affects approximately one-half of the nursing home population, will be increased.

[1] Estimates derived from 1977 National Nursing Home Survey and unpublished tabulations from 1977 Health Interview Survey.

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- Legislation will be submitted to the Congress that will allow States to provide community-based services, funded by medicaid, to people who are now eligible for medicaid assistance only if they enter a nursing home. Other legislation will eliminate the requirement that medicare beneficiaries must be hospitalized for 3 days before they can use home health benefits covered by hospital insurance.
- Funds in the 1981 budget also will strengthen programs that encourage families, friends, and volunteers to help the elderly needing long-term care to remain in the community. The senior companion program will be expanded to include every State. Increased funding will be requested for community and in-home meals and social services for the aged, programs that often help those in need of long-term care.

The longer range budget response.—Europe's population has a substantially more mature age structure than ours. In 1975 the median age in Western Europe was 33.1 years, 15% higher than for the United States. A larger percentage of the European population is elderly, and Europe is already experiencing the higher level of demand on pension, retirement, and health care systems that will come later in the United States. Not surprisingly, total Government taxes, at all levels, tend to be substantially higher as a percentage of national product than in the United States—generally more than 40% compared to a little over 30% in the United States, despite the fact that we spend proportionately more on defense. This larger role of government in Europe may well be due in large part to their more elderly populations. The European experience in this regard should be examined for the light it may shed on how U.S. society can meet future problems. It suggests that the pressures to increase the proportion of GNP allocated to the public sector will not decrease in the foreseeable future. The Nation will need to face increasingly difficult choices if we are to succeed in avoiding the general trend experienced by most other mature industrialized countries of the free world—that of steady growth of the public sector.

Not all of the issues discussed here can or even should be reflected in the 1981 budget. Yet to a considerable degree this budget does reflect a growing consciousness of long-term considerations.

- In education, for example, programs are targeted to specific areas of concern, especially disadvantaged youths. This emphasis recognizes that although demographic trends suggest that there is less overall need to increase funds for education, there remain specific needs of national concern.
- The budget emphasizes a long-range commitment to building a stronger national defense force.

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- The budget recognizes the need to shift emphasis in health programs and to promote appropriate long-term care for the elderly.
- The budget provides long-term commitments for additional low-income housing.
- The need to increase our investment in basic research in real terms is reflected in the budget.
- Finally, the budget provides the policy framework and the resources for long-term energy self-sufficiency.

In these and other ways, the 1981 budget reflects the administration's commitment to the Nation's future.

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PART 4

BUDGET RECEIPTS

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BUDGET RECEIPTS

This section of the budget describes the major sources of budget receipts for 1979 to 1983 and discusses the legislative proposals and administrative actions affecting them. Detailed estimates of budget receipts by source are shown in table 10 of Part 9. The economic assumptions underlying the estimates are presented in Part 3 together with estimates of receipts for 1984-85 and estimates of receipts at high employment. Part 6 contains an analysis of the difference between actual receipts for 1979 and the budget estimates for 1979 made 2 years ago. In addition, Part 7 explains the conceptual basis for classifying certain amounts collected by the Federal Government as budget receipts and other amounts as offsetting collections.

SUMMARY

Total budget receipts in 1981 are estimated to be $600.0 billion, an increase of $76.2 billion from the $523.8 billion estimated for 1980. Receipts in 1982 and 1983 are estimated to be $691.1 billion and $798.8 billion, respectively. These estimates include the effects of:

- increases in social security taxes scheduled under current law;
- the proposed windfall profit tax and energy credits that are part of the administration's energy program;
- administrative actions and proposed legislative changes to collect taxes closer to the time when liabilities occur; and
- other receipts proposals currently being made.

The estimates of receipts for 1982 and 1983 are based on current tax law as modified by the tax proposals and administrative actions in this budget. The timing of tax reductions in future years will depend on the state of the economy, especially on progress in reducing inflation.

Composition of budget receipts.—The Federal tax system relies predominantly on income and payroll taxes. In 1981:

- Income taxes paid by individuals and corporations are estimated at $274.4 billion and $71.6 billion, respectively. Combined, these sources account for 58% of estimated budget receipts.
- Social insurance taxes and contributions—composed largely of payroll taxes levied on wages and salaries, most of which are

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paid equally by employers and employees—will yield an estimated $187.4 billion, 31% of the total.

- Excise taxes imposed on selected products, services, and activities are expected to provide $40.2 billion, 7% of the total.
- Estate and gift taxes, customs duties, and miscellaneous receipts are estimated at $26.4 billion, the remaining 4% of the total.

Under the tax policy assumptions presented in this budget, the income tax share of total receipts is projected to rise to 59% by 1983, 2 percentage points more than projected for 1981. Social insurance taxes are projected to fall as a share of total receipts from 31% in 1981 to 30% in 1983. The projected share of all other receipts declines by 1 percentage point between 1981 and 1983.

BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

Source	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Individual income taxes	217.8	238.7	274.4	318.7	381.4
Corporation income taxes	65.7	72.3	71.6	80.6	91.8
Social insurance taxes and contributions	141.6	162.2	187.4	215.9	243.4
Excise taxes	18.7	26.3	40.2	48.0	51.7
Estate and gift taxes	5.4	5.8	5.9	6.4	7.1
Customs duties	7.4	7.6	8.4	8.6	9.2
Miscellaneous receipts	9.2	10.9	12.1	13.0	14.2
Total, budget receipts	**465.9**	**523.8**	**600.0**	**691.1**	**798.8**

RECEIPTS PROPOSALS

Energy program.—On April 5, 1979, the President announced the phased decontrol of domestic oil prices beginning on June 1, 1979, and ending with the expiration of price control authority on September 30, 1981. As part of the decontrol program, a windfall profit tax on domestic producers of crude oil was proposed. Several energy tax credits and a change in the existing foreign tax credit on oil and gas extraction were also proposed. These proposals, which are described in greater detail below, are estimated to result in a net increase in receipts of $6.2 billion in 1980, $14.4 billion in 1981, $18.4 billion in 1982, and $19.6 billion in 1983.

Windfall profit tax.—Higher OPEC prices and the phased decontrol of domestic oil prices will result in high profits for domestic oil producers. Fairness requires that some of these windfall profits be returned to the Nation as a whole, to be used for public purposes including the reduction of oil imports, conservation of energy, and mitigation of the impact of higher energy prices on low-income Americans. The President, therefore, proposed a windfall profit tax to become effective January 1, 1980. The proposed tax base is equal

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to the amount a producer receives for domestically produced crude oil in excess of a base price and any State severance taxes attributed to the windfall. The tax rate generally is 60%, although it varies in certain cases, depending on the type of oil.

The gross windfall profit tax is estimated to increase excise tax receipts by $7.7 billion in 1980, $20.9 billion in 1981, $28.4 billion in 1982, and $31.5 billion in 1983. Because the proposed windfall profit tax is an excise tax, it is deductible for income tax purposes. The administration has proposed, however, that gross income for purposes of calculating percentage depletion be reduced by the windfall profit amount as determined before any severance tax adjustment. The net gain from the windfall profit tax proposal—the gross windfall profit tax less the reduction in income taxes due to the deductibility of the tax plus the gain from the denial of percentage depletion—is $5.5 billion in 1980, $13.9 billion in 1981, $18.2 billion in 1982, and $19.5 billion in 1983.

Each house of Congress has passed its own version of a windfall profit tax; differences between the two are being resolved by a Conference Committee. It is anticipated that a windfall profit tax will be enacted early in 1980. The windfall profit tax proposal presented in this budget follows generally the administration's position presented to the Senate Finance Committee.

Energy tax credits.—The proposed energy program includes several income tax credits to stimulate the conservation and production of energy. These credits are estimated to reduce receipts by $0.1 billion in 1980, $0.3 billion in 1981, $0.4 billion in 1982, and $0.6 billion in 1983. Each credit is described briefly below:

- *Tax credit for commercial passive solar construction.*—A tax credit of up to $10,000 per building would be provided to builders who employ passive solar technology in the construction of new buildings. The amount of the credit would be $20 per million Btu that were saved in excess of a specified level above the Building Energy Performance Standard baseline.
- *Tax credit for residential passive solar construction.*—A tax credit of up to $2,000 per unit would be provided to builders who use passive solar technology in new residential units. The amount of the credit would be based on the amount of energy conserved as a result of the passive solar design.
- *Tax credit for process heat.*—The cost of solar thermal energy equipment used to produce process heat in agricultural and industrial applications would be eligible for an additional investment tax credit of 15%.
- *Gasohol.*—Fuels that are at least 10% alcohol are currently exempt from the 4-cent-per-gallon Federal excise tax on gasoline and diesel fuels. This exemption would be extended to

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January 1, 2000.[1] In cases where alcohol is used as a fuel that is suitable for use in internal combustion engines, but is ineligible for the excise tax exemption, a taxable tax credit of up to 40 cents per gallon would be provided.

- *Woodburning stoves.*—The cost of purchasing a qualified woodburning stove would be eligible for a tax credit of 15%, up to a maximum of $300.
- *Oil shale tax credit.*—A $3-per-barrel tax credit would be provided to domestic producers of shale oil. The credit would phase out as the price of imported oil, adjusted for inflation, increases from $22.00 to $27.56 per barrel.
- *Unconventional natural gas tax credit.*—Unconventional natural gas derived from tight sands, Devonian shale, coal seams, and geopressured brine would be eligible for a production tax credit of $0.50 per thousand cubic feet.

Foreign tax credit on oil and gas extraction.—Under current law, foreign income taxes may be offset dollar for dollar against U.S. income taxes. These foreign income taxes may be used, in general, only to offset U.S. income taxes on foreign source income. The administration is proposing legislation to assure that foreign taxes on income from oil and gas extraction be used to offset U.S. taxes only on that income, rather than U.S. taxes on all foreign source income. This proposal is estimated to increase receipts by $0.9 billion in 1980, and $0.7 billion in 1981, 1982, and 1983.

Cash management.—The receipts estimates reflect several initiatives to require taxpayers to make income tax payments closer to the time when tax liabilities are incurred, to require employers to deposit taxes withheld from employees on a more timely basis, and to accelerate the payment schedule of customs duties and tobacco excise taxes. It is estimated that these cash management initiatives, which are described in more detail below, will increase receipts by $4.5 billion in 1981, $5.6 billion in 1982, and $2.2 billion in 1983.

Employer deposits of taxes.—Under current law, the times at which withheld income and payroll taxes and the employer's share of payroll taxes must be remitted to the Treasury depend on the amount of such taxes withheld by the employer. The larger the accumulated taxes, the sooner they must be paid. The proposed changes, which can be accomplished by administrative action, will accelerate the deposits by large employers. At the same time, the

[1] This exemption reduces the receipts of the Highway trust fund.

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changes will give relief to about 550,000 very small employers (quarterly withheld taxes of less than $1,000), who will pay their entire liability in one quarterly payment; and the frequency of required deposits will be reduced for an additional 980,000 employers. Employers with quarterly withheld taxes of $1,000 to $13,000 will be required to make only one deposit per month. These changes, which will be phased in during calendar years 1981 and 1982, are expected to increase receipts by $2.6 billion in 1981, $1.8 billion in 1982, and $0.6 billion in 1983.

Individuals' payments of estimated taxes.—Under current law, individuals whose tax liabilities exceed withheld taxes by $100 or more are required to make estimated tax payments 4 times a year. Because these quarterly payments are only estimated, a substantial deviation is permitted before penalties are applied for underpayment. Generally, there is no penalty so long as estimated tax payments plus withheld taxes exceed 80% of tax liabilities shown on the tax return.

Taxpayers who make estimated tax payments pay their taxes substantially later than they would if their liabilities were withheld. In addition, such taxpayers need to pay only 80% of their liabilities in the year in which they accrue. To reduce the advantages of paying taxes through estimated payments and at the same time avoid burdening the taxpayer with paying small amounts of estimated tax, the following legislative changes are proposed:

- Increase the minimum percentage of liabilities to be met by withheld and estimated payments from 80 to 85%.
- Increase from $100 to $300 the amount by which liabilities must exceed withheld payments before estimated payments are required.
- Eliminate penalties for underestimation of tax when estimated tax payments are not required.

These proposed changes are estimated to increase receipts by $0.1 billion in 1981, $0.3 billion in 1982, and $0.1 billion in 1983.

Corporation income tax payments.—Corporations are generally required to pay 80% of their corporate income tax liability through estimated tax payments. For corporations that keep accounts on a calendar year basis, the estimated tax payments are due on the fifteenth of April, June, September, and December. The remainder of the tax liability is due in two equal installments after the close of the year, payable on March 15 and June 15.

The required level of estimated tax payments has several exceptions. A major one is that corporations can make estimated payments on the basis of the previous year's tax liability. Thus, a corporation with a loss in the preceding year need not pay any estimated tax.

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The receipts estimates for 1981 and beyond reflect several proposed changes to require tax payments closer to the time the liabilities occur and to make tax payments conform more closely to actual liabilities. These proposed changes, which require legislation, include:

- Raising the required level of estimated tax payments from 80 to 85%.
- Requiring corporations with calendar year accounting to pay the liability remaining at the end of the year in a single payment due on March 15.
- Modifying the provision that allows corporations to make estimated payments on the basis of the prior year's tax liability. Large corporations will be required to make estimated payments that are at least 60% of the current year liability, if that amount exceeds the prior year liability.

In addition, to meet better the cash needs of the Treasury, which are heaviest at the beginning of each month, it is proposed that estimated corporate tax payments be made on the first of the month rather than the 15th. This will be achieved by accelerating two of the estimated payments by one-half month and by delaying the other two by one-half month.

These changes will be phased in during calendar years 1981 and 1982 and are estimated to add $1.4 billion to receipts in 1981, $3.4 billion in 1982, and $1.4 billion in 1983.

Other cash management initiatives.—The administration is also proposing to accelerate the collections of customs duties and tobacco excise taxes beginning in 1981. Importers and brokers currently have 10 days to submit customs duties after they have been collected. The administration is reviewing several options to reduce this delay. The collection of tobacco excise taxes from large manufacturers will also be accelerated. Currently, these taxes are due within 15 days after each semimonthly collection period. The revised regulations will require payment within 3 days after each weekly collection period. These changes, which can be accomplished by administrative action, will increase receipts by $0.4 billion in 1981, but will have no significant effect on receipts in subsequent years.

Restrictions on tax-exempt housing bonds.—State and local governments use some of the proceeds from tax-exempt borrowing to provide mortgage funds for private housing. The tax exemption of interest on State and local securities makes it possible to provide such funds at interest rates well below the rates for private mortgages. At first, tax-exempt housing bonds were used mainly to assist low-income, multifamily housing; recently, there has been a dramatic increase in the use of such bonds for owner-occupied

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housing, including housing purchased by middle and upper income families.

To halt this abuse of the tax-exempt borrowing privilege and to stem a huge potential loss in tax revenues, the administration supports legislation to ban the use of tax-exempt bonds for owner-occupied housing. The ban would apply to such bonds issued after April 25, 1979, with exceptions allowed for bonds in process as of that date. The administration is also proposing to restrict the use of tax-exempt bonds for multifamily housing to projects in which at least 20% of the residents qualify as low-income under present HUD definitions.

This proposal is estimated to increase receipts by $0.1 billion in 1980, $0.8 billion in 1981, $2.5 billion in 1982, and $5.2 billion in 1983.

Other receipts proposals.—The administration is proposing a number of other actions to improve resource allocation and the overall efficiency and equity of the tax structure.

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

- An employer is required to withhold income and social security taxes on wages paid to an employee. Withholding of these taxes is not required on payments made to an independent contractor. Thus, tax compliance by independent contractors is extremely poor.
- The combined employer-employee social security tax rate (12.26% in 1980 and 13.3% in 1981) is higher than the self-employed rate paid by independent contractors (8.1% in 1980 and 9.3% in 1981).

There is no clear method to distinguish between employees and independent contractors under current law. As a result, this unclear distinction has become a frequent source of controversy between taxpayers and the Internal Revenue Service and has resulted in substantial revenue losses to the Treasury each year. To prevent tax noncompliance by independent contractors, the administration is proposing that effective January 1, 1981, 10% be withheld from compensation for services paid to certain independent contractors. It is estimated that this proposal would increase revenues by $0.6 billion in 1981, $0.6 billion in 1982, and $0.7 billion in 1983.

Railroad retirement taxes.—The budget estimates reflect proposed legislation to increase railroad retirement payroll taxes to alleviate funding problems of the Railroad Retirement trust fund.

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The largest part of the increase in receipts results from the elimination of the taxable earnings maximum (currently $1,850 per month) on the employer portion of the tax. This legislation is proposed to become effective January 1, 1981, and would increase receipts by $0.3 billion in each of the years 1981 through 1983.

Airport and airway trust fund taxes.—These taxes are generally scheduled to expire on June 30, 1980. Legislation has been proposed to extend the current freight waybill and passenger ticket taxes, and certain other taxes, at their present rates. The legislation also changes the current 7 cents per gallon tax on aviation fuel to an *ad valorem* tax of 10% of the price of aviation fuel effective July 1, 1980. A 6% tax on new aircraft and avionics is also being proposed to become effective October 1, 1980. In comparison to extending the current tax rates beyond their June 30, 1980 expiration date, these proposals are estimated to increase receipts by a relatively small amount in 1980, $0.2 billion in 1981, $0.3 billion in 1982, and $0.3 billion in 1983.

Employer social security tax on tips.—Under current law, employers pay social security taxes on a limited part of the cash tips received by their employees, whereas employees pay social security taxes on all cash tips. Legislation is being proposed, to become effective January 1, 1981, to require employer social security tax payments on all tips now subject to employee social security taxes. This legislation is expected to increase receipts by a small amount beginning in 1981.

Oil and hazardous substance cleanup.—The administration is proposing legislation to establish a fund to assure adequate and timely cleanup of oil and hazardous substances which significantly threaten public health and the environment. This new fund, which will replace several existing pollution control funds, will also be used to address the problems of uncontrolled chemical dumpsites which contain hazardous wastes threatening public health and the environment. The fund will be financed primarily by fees paid by industry. This legislation, proposed to become effective October 1, 1980, is estimated to increase receipts by $0.2 billion in 1981, $0.3 billion in 1982, and $0.4 billion in 1983.

Reduction in premiums of uninsured individuals.—Individuals not insured under social security may obtain supplementary medical insurance (medicare) coverage by paying a monthly premium based on hospital costs of the previous 2 years. In an effort to restrain inflation in health care costs, the administration is proposing hospital cost-containment legislation to limit increases in revenues for inpatient care. This legislation, proposed to become effec-

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tive October 1, 1980, will have no effect on receipts in 1981 and 1982 and an insignificant impact in 1983.

Withholding tax on interest paid to foreigners.—Current law requires a withholding tax of 30% on interest (and other payments, such as dividends, rents, royalties, etc.) paid to nonresident foreigners. However, because of numerous statutory and treaty exemptions, collections are very small. The administration proposes to eliminate withholding on all portfolio interest paid to nonresident foreigners. This is expected to encourage foreign investment in the United States, help the balance of payments and the value of the dollar, and spur domestic capital formation. It is estimated that this proposal will reduce receipts by relatively small amounts through 1983.

Taxation of foreign investment in U.S. real estate.—Most nonresident foreign investors in U.S. real estate are able to avoid capital gains taxation when they sell their investments. This reduction in receipts results not from any specific exemption, but rather from opportunities for tax avoidance inherent in current law. The administration proposes taxing all capital gains realized by foreign investors on real estate effective January 1, 1980. A withholding mechanism to aid the enforcement is also proposed. The proposal is expected to increase receipts by relatively small amounts through 1982, and by $0.1 billion in 1983.

Tax-exempt public housing bonds.—Local housing authorities have traditionally borrowed from the public on a tax-exempt basis to obtain financing for the construction of public housing. The Federal Government then makes annual payments to amortize the debt. The administration proposes that beginning in 1980 a portion of short-term, tax-exempt notes now sold by local housing authorities directly to the public would be converted into long-term bonds to be purchased by the Federal Financing Bank (FFB), an entity of the Treasury Department. To pay for these purchases, taxable Treasury debt instruments would be issued. The interest differential between the taxable rate and the tax-exempt rate would be paid to the FFB by the Department of Housing and Urban Development. This proposal can be accomplished by administrative action.

Historic preservation.—Under the Tax Reform Act of 1976, expenditures to rehabilitate structures certified by the Department of the Interior to be historic became eligible for special accelerated methods of depreciation; the demolition of such structures became subject to special tax disincentives. These provisions are generally scheduled to expire on June 30, 1981, and December 31, 1980, respectively.

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Because tax returns on projects using these tax incentives have been filed relatively recently, information has not been available for assessing the impact, usefulness, and efficiency of these provisions. With data now becoming available, the administration will undertake an evaluation of the operation of these provisions during the coming year. The administration, therefore, is proposing a 1-year extension of these provisions, which is estimated to reduce receipts by relatively small amounts through 1983.

EFFECT OF ADMINISTRATIVE ACTIONS AND PROPOSED LEGISLATION [1]

(In billions of dollars)

	1980	1981	1982	1983
Individual income taxes:				
Cash management initiatives	.....	1.8	1.5	0.5
Energy program [2]	−0.4	−1.1	−1.7	−2.0
Tax-exempt housing bonds	*	0.2	0.5	1.1
Other	−*	0.3	0.3	0.4
Subtotal, individuals	−0.4	1.1	0.7	−*
Corporation income taxes:				
Cash management initiatives	.....	1.4	3.4	1.4
Energy program [2]	−1.1	−5.3	−8.3	−9.8
Tax-exempt housing bonds	0.1	0.7	2.0	4.1
Other	*	0.1	0.1	0.1
Subtotal, corporations	−1.0	−3.2	−2.9	−4.2
Social insurance taxes and contributions:				
Cash management initiatives	.....	0.9	0.6	0.2
Railroad retirement tax increase	.....	0.3	0.3	0.3
Other	.....	0.2	0.3	0.3
Subtotal, social insurance	.....	1.4	1.2	0.8
Excise taxes:				
Windfall profit tax	7.7	20.9	28.4	31.5
Airport and airway trust fund taxes [3]	*	0.2	0.3	0.3
Oil and hazardous substance cleanup	.....	0.2	0.3	0.4
Cash management initiatives	.....	0.2	*	*
Other	0.1	.....	.....	.....
Subtotal, excise taxes	7.8	21.5	29.0	32.2
Other:				
Cash management initiatives	.....	0.2	*	*
Other	*	−*	−*	−*
Subtotal, other	*	0.2	*	*
Total	**6.4**	**21.0**	**28.0**	**28.8**

*50 million or less.

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

[2] These reductions are in large part due to the deductibility of the windfall profit tax in determining income tax liability.

[3] These estimates are for increases in airport and airway tax receipts over and above those that would result from extending the current tax rates beyond their June 30, 1980 expiration date. The extension of current tax rates would add $0.1 billion to receipts in 1980, $0.9 billion in 1981, $0.9 billion in 1982, and $1.0 billion in 1983.

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CHANGES IN BUDGET RECEIPTS

Budget receipts are estimated to rise by $57.9 billion in 1980 and $76.2 billion in 1981. The year-to-year changes can be divided between the part due to growth in the tax base and the part due to revisions in the tax structure. Under the tax rates and structure in effect on January 1, 1978, receipts would have risen by $58.4 billion in 1980 and $50.8 billion in 1981. Thus, the combined effect of administrative actions and enacted and proposed tax law changes, which is shown in the accompanying table, decreases the growth in receipts by $0.5 billion in 1980 and increases the growth in receipts by $25.4 billion in 1981. The corresponding increases for 1982 and 1983 are $17.1 billion and $9.0 billion, respectively.

	1980	1981	1982	1983
Growth in receipts (in billions of dollars):				
Under existing law and administrative actions and proposed legislation	57.9	76.2	91.1	107.7
Under tax rates and structure in effect Jan. 1, 1978	58.4	50.8	74.0	98.7
Difference	—.5	25.4	17.1	9.0

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CHANGES IN BUDGET RECEIPTS

(In billions of dollars)

	1979	1980	1981	1982	1983
Receipts under tax rates and structure in effect January 1, 1978 [1]	467.9	526.3	577.1	651.1	749.8
Administrative actions:					
Acceleration of State and local deposits of social security taxes effective July 1, 1980	.....	2.2	.4	.3	.2
Sugar import proclamation	*	.1	.1	.1	.1
Waiver of import duties and fees on crude oil and petroleum products [2]	−.3	−.6	.....	.....	.....
Enacted legislative changes:					
Revenue Act of 1978	−4.4	−21.7	−25.1	−29.0	−33.1
Energy Tax Act of 1978	−1.0	−.9	−1.1	−1.2	−1.1
Foreign Earned Income Act of 1978	−.6	−.3	−.3	−.3	−.3
Social security taxable earnings base increases: [3] [5]					
$17,700 to $22,900 effective Jan. 1, 1979	3.0	9.7	11.8	14.4	17.5
$22,900 to $25,900 effective Jan. 1, 1980	.....	1.3	4.3	5.6	7.2
$25,900 to $29,700 effective Jan. 1, 1981	.....	.....	1.5	5.0	6.7
$29,700 to $32,400 effective Jan. 1, 1982	.....	.....	.....	1.1	3.6
$32,400 to $35,400 effective Jan. 1, 1983	.....	.....	.....	.....	1.3
Social security tax rate increases: [5]					
12.1% to 12.26% effective Jan. 1, 1979	1.1	1.7	1.9	2.1	2.4
12.26% to 13.3% effective Jan. 1, 1981	.....	.....	9.2	14.6	16.5
13.3% to 13.4% effective Jan. 1, 1982	.....	.....	.....	1.0	1.5
Increase in SMI (medicare) premium	.2	.5	.8	1.2	1.6
Other	−.1	−.9	−1.7	−2.9	−3.9
Total, receipts under existing legislation	465.9	517.4	579.0	663.1	770.0
Proposed changes:					
Energy program	.....	6.2	14.4	18.4	19.6
Cash management initiative	.....	.....	4.5	5.6	2.2
Tax-exempt mortgage bonds	.....	.1	.8	2.5	5.2
Other	.....	.1	1.3	1.5	1.8
Total, receipts under existing and proposed legislation [4]	**465.9**	**523.8**	**600.0**	**691.1**	**798.8**

[1] These figures assume a social security taxable earnings base of $17,700.

[2] Pursuant to Presidential Proclamation No. 4655, fees and customs duties on imported crude oil and petroleum products may be waived by the Secretary of Energy through June 30, 1980. For budget purposes, it is assumed that such fees and duties will be waived until that date. As of the time this budget was completed, no determination had been made as to whether the authority granted under Proclamation No. 4655 would be extended beyond June 30, 1980, and this budget includes for periods beyond that date revenues received from such import fees and customs duties.

[3] If the taxable earnings base were not changed to reflect increased earnings, the effective social security tax rate on earnings would fall. The amounts included in legislative changes that can be attributed to keeping taxes and average earnings in the same relationship that existed in 1978 are: $0.9 billion in 1979, $4.1 billion in 1980, $8.6 billion in 1981, $15.2 billion in 1982, and $23.9 billion in 1983.

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

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

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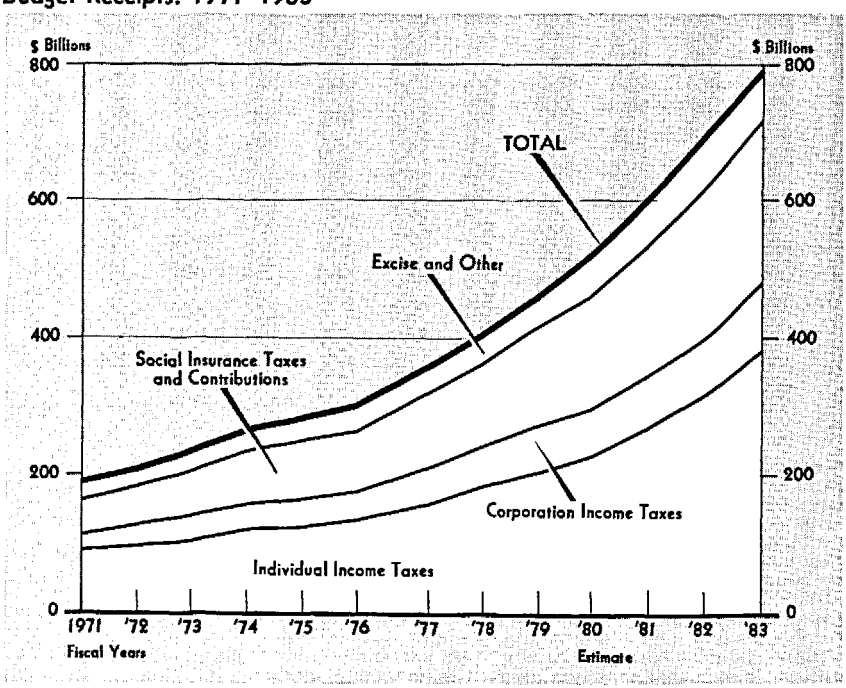
RECEIPTS BY SOURCE

Individual income taxes.—Individual income tax receipts are estimated at $238.7 billion in 1980 and $274.4 billion in 1981, an increase of $35.6 billion. The major proposal affecting individual income taxes in 1981 is the cash management initiative, which is estimated to increase receipts by $1.8 billion. The proposed energy program reduces individual income tax receipts by an estimated $0.4 billion in 1980 and $1.1 billion in 1981.

Individual income taxes in 1982 and 1983 are projected at $318.7 billion and $381.4 billion, respectively. These figures reflect a rise in the average tax rate on personal income as inflation and real growth move taxpayers into higher tax brackets. The administration is extremely concerned about the significant rise in tax burdens implied in these estimates, and is committed to reducing these burdens as soon as economic conditions allow. However, as discussed earlier, the timing, form, and size of any future legislated tax reductions depends on the future performance of the economy, especially progress in reducing inflation.

Corporation income taxes.—Corporation income tax receipts are estimated at $72.3 billion in 1980 and $71.6 billion in 1981. The proposed energy program, primarily the deductibility of the proposed windfall profit tax, reduces estimated receipts by $1.1 billion

Budget Receipts: 1971–1983



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in 1980 and $5.3 billion in 1981. These estimates reflect other proposed changes, which add $0.1 billion to receipts in 1980 and $2.2 billion in 1981. Corporation income tax receipts in 1982 and 1983 are estimated at $80.6 billion and $91.8 billion, respectively. These estimates reflect reductions of $8.3 billion in 1982 and $9.8 billion in 1983 due to the proposed energy program. Other proposed changes, primarily the cash management initiatives and the restrictions on tax-exempt housing bonds, are estimated to increase receipts by $5.4 billion in 1982 and $5.6 billion in 1983.

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

Receipts from this source are expected to be $162.2 billion in 1980 and $187.4 billion in 1981. These figures reflect the scheduled increase in the combined employer-employee social security tax rate from 12.26 to 13.3% on January 1, 1981, and annual increases in the social security taxable earnings base from $22,900 in 1979 to $25,900 in 1980 and $29,700 in 1981. The 1980 estimate also includes $2.2 billion from an administrative action announced in November 1978 to accelerate State and local deposits of social security taxes effective July 1, 1980. The 1981 estimate reflects an increase of $0.9 billion from the cash management proposals.

The estimates for 1982 and 1983 are $215.9 billion and $243.4 billion, respectively. These estimates reflect a scheduled rise in the combined employer-employee social security tax rate—from 13.3 to 13.4% on January 1, 1982—and annual increases in the taxable earnings base.

Excise taxes.—Excise taxes are levied on a variety of products, services, and activities. Receipts from these taxes are estimated at $26.3 billion in 1980 and $40.2 billion in 1981. These estimates reflect the proposed windfall profit tax, which is estimated to increase receipts by $7.7 billion in 1980 and $20.9 billion in 1981. These estimates also reflect the continued phase-out of the telephone excise tax that is scheduled under current law, and proposed legislation to continue in a modified form the airport and airway taxes that are currently scheduled to expire on June 30, 1980. The 1981 estimate includes an additional $30 million attributable to enactment of the Inland Waterways Revenue Act of 1978, which levied a tax on liquid fuel used in vessels engaged in commercial waterway transportation, effective October 1, 1980.

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The estimates for 1982 and 1983 are $48.0 billion and $51.7 billion, respectively. These estimates include $28.4 billion from the proposed windfall profit tax in 1982 and $31.5 billion in 1983.

Other receipts.—Estate and gift taxes, customs duties, and miscellaneous receipts (the largest of which are deposits of earnings by the Federal Reserve System) are estimated to total $24.3 billion in 1980, $26.4 billion in 1981, $28.0 billion in 1982, and $30.5 billion in 1983.

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

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PART 5

MEETING NATIONAL NEEDS: THE FEDERAL PROGRAM BY FUNCTION

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INTRODUCTION

National needs and the functional classification.—This section discusses the budget according to national needs, agency missions, and major programs. National needs are grouped in 16 broad areas that provide a coherent and comprehensive basis for analyzing and understanding the budget. Three additional categories—interest, allowances, and undistributed offsetting receipts—do not address specific national needs but are included in order to cover the entire budget.

The budget resources devoted to meeting national needs are classified by budget functions so that budget authority and outlays of budget and off-budget Federal entities, loan guarantees, and tax expenditures can all be grouped according to the national needs being addressed. To the extent feasible, these groupings are made without regard to agency or organizational distinctions. Each Federal activity is classified in the function that defines its most important purpose, even though many activities serve more than one purpose. This is necessary so that the sum of the functional categories equals the budget totals. They are also the categories used by the Congress in the concurrent resolutions on the budget.

Multiyear budget presentation.—This section of the budget continues to include detailed data on budget authority and outlays for 2 years beyond the budget year. This reflects the 3-year planning system adopted by the administration. The system provides information on a regular basis on the longer term effect of current budget decisions. It also provides the means for phasing in, or phasing out, programs on a systematic basis.

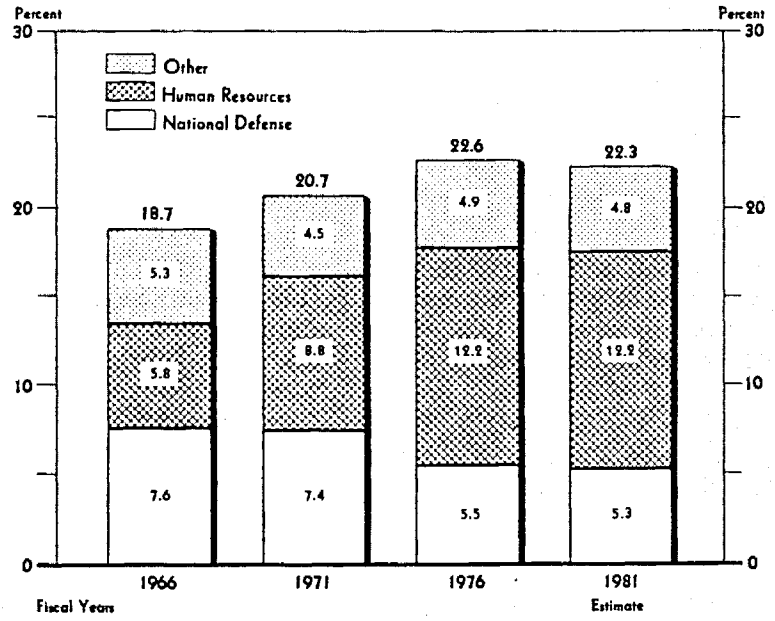
Ten years: 1971–81.—During the 10-year span ending with the 1981 budget, total outlays are estimated to have nearly tripled, going from $211 billion in 1971 to $616 billion in 1981. A very large portion of this increase was the result of inflation, but budget outlays in constant prices are expected to be nearly 30% higher in 1981 than a decade earlier, while prices paid are expected to be around 125% higher. Within the total increase in spending there were marked disparities. For example, energy programs in 1981 are estimated to be nearly seven times the 1971 level. Health spending will quadruple, and income security (which includes the social security program) will also quadruple. Because of their higher than average growth from high base levels, total spending on health and income security together is expected to equal 46% of budget out-

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lays in 1981; a decade earlier they accounted for 33% of the total. Other functions whose spending more than triples include administration of justice; natural resources and environment; education, training, employment, and social services; and community and regional development. In contrast, defense outlays are up only 93% between 1971 and 1981, and declined by 10% after adjustment for inflation. General science, space, and technology spending is up only 54% in current prices—reflecting the phaseout of the manned space program—while outlays for the agriculture and the commerce and housing credit functions are estimated to be lower in 1981 than in 1971.

Major budget trends.—In considering how the budget has changed over the years, it is helpful to aggregate function totals into larger clusters in order to observe broad trends in Federal spending. These aggregations are made more meaningful when compared with the size of the total economy (as measured by the GNP), as is done in the following chart. The tables on the following 2 pages show budget outlays by larger cluster and by the functions comprising each larger cluster at 5-year intervals from 1956 to 1976, and for each of the years 1979 through 1983. Tables showing budget authority and outlays for each major function, subfunction, and basic program are included in each of the subsequent sections

Budget Outlays as a Percent of GNP



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BUDGET OUTLAYS BY LARGER CLUSTER AND BY FUNCTION, 1956–76

(In billions of dollars)

	Actual				
	1956	1961	1966	1971	1976
National defense [1]	**39.7**	**46.6**	**54.9**	**75.8**	**89.4**
Human resources:					
Income security	9.9	21.4	28.9	55.4	127.4
Social security	(5.5)	(12.2)	(20.2)	(35.2)	(72.7)
Other	(4.4)	(9.3)	(8.7)	(20.2)	(54.7)
Health	.4	.9	2.6	14.7	33.4
Education, training, employment, and social services	.6	1.1	4.4	9.8	18.7
Veterans benefits and services	4.9	5.7	5.9	9.8	18.4
Subtotal, human resources	**15.7**	**29.1**	**41.8**	**89.8**	**198.0**
Net interest:					
Interest	6.3	8.1	11.3	19.6	34.5
Interest received by trust funds	−1.2	−1.4	−1.9	−4.8	−7.8
Subtotal, net interest	**5.1**	**6.7**	**9.4**	**14.8**	**26.7**
All other:					
International affairs	2.4	3.2	5.6	4.1	5.6
General science, space, and technology	.1	1.0	6.7	4.2	4.4
Energy	.2	.5	.6	1.0	3.1
Natural resources and environment	.9	1.8	2.7	3.9	8.1
Agriculture	3.5	2.6	2.4	4.3	2.5
Commerce and housing credit	.5	1.2	3.2	2.4	3.8
Transportation	1.4	4.0	5.7	8.0	13.4
Community and regional development	.1	.3	1.1	2.9	4.8
Administration of justice	.3	.4	.6	1.3	3.3
General government	.7	1.2	1.4	2.0	2.9
General purpose fiscal assistance	.1	.2	.3	.5	7.2
Undistributed offsetting receipts (except interest)	−.3	−1.0	−1.7	−3.7	−6.9
Subtotal, all other	**9.9**	**15.3**	**28.6**	**31.0**	**52.3**
Total budget outlays	**70.5**	**97.8**	**134.7**	**211.4**	**366.4**

[1] The national defense function.

of this part of the budget. These tables include data for the last actual year (1979), the current year (1980), and the multiyear budget planning period (1981–83). In addition, tables showing projected budget authority and outlays by agency and major function for the years 1984 and 1985 appear in Part 3 (Economic Assumptions and the Long-Range Outlook) of this document.

Data underlying the chart show that:

- Federal spending relative to the total economy rose significantly throughout most of this period. In 1966, Federal budget outlays were equal to 18.7% of the GNP; the total rose to 20.7% in 1971 and 22.6% in 1976. Under the President's budget program, this trend is being halted. Total budget outlays are estimated at 22.3% of GNP for both 1980 and 1981.

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BUDGET OUTLAYS BY LARGER CLUSTER AND BY FUNCTION, 1979–83

(In billions of dollars)

	Actual 1979	Estimate 1980	1981	1982	1983
National defense [1]	**117.7**	**130.4**	**146.2**	**165.5**	**185.9**
Human resources:					
Income security	160.2	190.9	220.0	241.7	264.0
Social security	(102.6)	(117.9)	(136.9)	(154.3)	(172.0)
Other	(57.6)	(73.0)	(83.1)	(87.4)	(92.0)
Health	49.6	56.6	62.4	70.8	79.9
Education, training, employment, and social services	29.7	30.7	32.0	35.0	37.7
Veterans benefits and services	19.9	20.8	21.7	23.2	24.6
Subtotal, human resources	**259.4**	**298.9**	**336.2**	**370.7**	**406.3**
Net interest:					
Interest	52.6	63.3	67.2	68.0	68.3
Interest received by trust funds	−9.9	−11.5	−13.0	−14.1	−15.4
Subtotal, net interest	**42.6**	**51.8**	**54.2**	**53.9**	**53.0**
All other:					
International affairs	6.1	10.4	9.6	10.2	11.2
General science, space, and technology	5.0	5.9	6.4	6.9	7.0
Energy	6.9	7.8	8.1	11.0	13.5
Natural resources and environment	12.1	12.8	12.8	13.7	14.1
Agriculture	6.2	4.6	2.8	3.0	3.9
Commerce and housing credit	2.6	5.5	.7	3.2	3.1
Transportation	17.5	19.6	20.2	21.6	23.2
Community and regional development	9.5	8.5	8.8	9.4	9.9
Administration of justice	4.2	4.5	4.7	4.9	5.0
General government	4.2	4.9	4.9	5.1	5.1
General purpose fiscal assistance	8.4	8.7	9.6	9.7	9.3
Allowances	.....	.1	2.6	9.8	36.5
Undistributed offsetting receipts (except interest)	−8.5	−10.7	−12.2	−12.4	−12.5
Subtotal, all other	**74.0**	**82.5**	**79.1**	**96.2**	**129.2**
Total budget outlays	**493.7**	**563.6**	**615.8**	**686.3**	**774.3**

[1] The national defense function.

- Major changes in defense spending relative to the economy have occurred over this period. In 1966, the first year of major U.S. combat involvement in Vietnam, national defense spending was equal to 7.6% of the GNP. Defense spending rose significantly faster than the economy in the next 2 years due to the Vietnam war, peaking at 9.5% in 1968, and then fell to 5.1% in 1978 and 1979. In 1981 defense spending is anticipated to be equal to 5.3% of the GNP; under the President's planning guidance, it is expected to remain at that percentage (rising in real terms) at least through 1983.

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- While national defense spending was fluctuating relative to the GNP, human resources programs more than doubled relative to the economy between 1966 and 1976. Such spending declined by 1% of GNP from 1976 to 1979 and is expected to grow by about the same percentage between 1979 and 1981. The 1981 figure does not include the effects of allowances for pay raises and contingencies, which are included in the "all other nondefense" grouping.
- The "other" category is made up of net interest and all other outlays, including allowances. There has been no major trend in totals for the category relative to the GNP. However, the net interest component rose from 1.3% of GNP in 1966 to 1.5% in 1971 and 1.6% in 1976; it is estimated at 2.0% in 1981, but is projected to decline relative to GNP in subsequent years as the budget deficit is reduced or eliminated, inflation and interest rates decline, and the GNP grows.

The historical table on outlays by function and subfunction (table 19 in Part 9 of this document) extends back to 1971. Data on budget outlays by larger cluster beginning in 1940, by major function beginning in 1948, and by subfunction beginning in 1962 are available upon request from the Office of Management and Budget, but are not printed in this document because of space constraints.

Credit and credit control.—In past years, each national needs section in this part of the budget contained special presentations on loan and loan guarantee programs where these programs were significant. This year, the budget reflects a comprehensive and systematic review of Federal credit activities, and includes for 1981 recommended annual appropriation limitations for a wide range of Federal credit activities. The credit control system covers both on- and off-budget Federal loan and loan guarantee programs. The credit totals are discussed in Part 2 and substantial information on credit activities is given in Special Analysis F (Federal Credit Programs) of the *Special Analyses* volume and in the *Budget Appendix.*

There are three forms of Federal and federally assisted credit activity: direct loans by the Federal Government, Federal guarantees or insurance of private lending, and direct loans by Government-sponsored enterprises. In addition, Federal tax advantages (called "tax expenditures") affect the cost of private and State and local borrowing. Neither tax expenditures nor lending by Government-sponsored enterprises is included in the Federal credit control program, although the effects of both are considered in developing overall credit policies.

For direct loans, the credit tables in each national needs section show the new loans made, the offsetting loan repayments, sales and adjustments, and the net loan outlays. For loan guarantees,

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the tables show new loan guarantees and net loan guarantees. The sum of these transactions (direct loans plus loan guarantees) equals the total program included in the Federal credit control system. The tables show data for 1979 through 1981.

The exact meaning of the term "credit" is not a matter of clear definition or agreement. For purposes of the new control system, coverage has been initially restricted to activities that are unambiguously part of the Federal Government and primarily oriented toward credit. The special analysis on Federal credit programs is broader in its coverage. The differences between the coverage of the credit control system and the special analysis arise from three primary causes:

1. Privately owned Government-sponsored credit enterprises are excluded from the credit control system (as they are from the budget) because of their private ownership. They are included in the credit special analysis because of their Federal sponsorship.

2. In several programs, Federal loan guarantees cover less than 100% of the principal of any guaranteed loan. The credit control system includes only the Federal contingent liability, which is the amount of loan principal actually guaranteed, whereas the credit special analysis shows the full value of loans made with total or partial Federal loan guarantees.

3. Many other activities are clearly similar to regular credit activities but their most significant program characteristics are of a noncredit nature. For example, Federal price guarantees or long term lease agreements have important credit attributes as well as their noncredit program characteristics. Transactions of this sort are currently excluded from the credit control system, although they are frequently controlled by some other means in the budget. As the credit control system evolves, present exclusions will be reviewed.

The table below shows—for the total of net lending and loan guarantees—the difference between those Federal credit programs included in the credit control system and the total Federal and federally assisted credit activities reported in the credit special analysis.[1]

TOTAL FEDERAL CREDIT AND CREDIT CONTROL—1981 ESTIMATES

(In billions of dollars)

Net lending and loan guarantees in the Federal credit control system	46.9
Federal and federally assisted credit excluded from the credit control system:	
Privately owned Government-sponsored enterprise loans that are not federally guaranteed	13.8
Nonguaranteed portions of loans partially guaranteed by the Federal Government	8.8
All other	1.8
Net Federal and federally assisted credit (Special Analysis F)	71.2

[1] See Special Analysis F (Federal Credit Programs) for additional details.

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All credit programs are controlled through the basic legislation authorizing the programs and setting the conditions under which they can operate. This normally does not provide control over the annual levels of program activity. Therefore, under the new credit control system, annual controls are proposed, where appropriate, through dollar limitations on program activity. This takes the form of proposed appropriation language for each affected account that would set an annual ceiling (limitation) on the authority to incur obligations for direct loans (gross lending) and the authority to enter into loan guarantee commitments.

A number of programs are included in the credit control system that are not subject to specific annual limitations in appropriations acts in this year's budget. In such instances, estimates of expected activity are made, displayed in the *Budget Appendix,* and included in credit control totals. There are two general reasons why programs are exempted from credit control through limits in appropriations acts.

- Emergency assistance programs and some insurance programs, such as those of the Federal Deposit Insurance Corporation, may use loans as one means of carrying out their responsibilities. Specific annual limitations could hamper their ability to do so efficiently, and would not effectively restrain total credit demand on the economy in any case.
- Entitlement programs, under which any qualified recipient has a legal right to loans or loan guarantees, are essentially uncontrollable through the appropriations process. While included in the control system, such programs are best controlled through changes in the basic authorization laws that establish legal entitlements.

In addition, for the 1981 budget, the administration is not proposing specific limitations for the basic insuring activities of the Federal Housing Administration, for guarantee levels of the Government National Mortgage Association's mortgage-backed securities, for energy conservation lending activities of the Tennessee Valley Authority (TVA) or for the agricultural export credit activities of the Commodity Credit Corporation. These exceptions, which will be reviewed during the coming year for the 1982 budget, reflect a concern that the new credit control system not be perceived as restricting credit to the housing industry at a time when it may be entering a period of relative weakness, to unduly constrict the TVA's new energy conservation loans, or to restrict the President's authority to expand agricultural export activities.

The activities of the Federal Financing Bank (FFB), discussed below, are a special case. The FFB does not conduct credit programs on its own—rather, it services any eligible program that is authorized to use its financing. Therefore, control must be established on the agencies using the Bank services.

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FEDERAL LOANS AND LOAN GUARANTEES IN THE CREDIT CONTROL SYSTEM BY MAJOR FUNCTION—1981 ESTIMATES

(In millions of dollars)

	Subject to appropriation bill limitations	Exempt from appropriation bill limitations	Total
Direct Loans			
International affairs	4,520	797	5,317
Energy	1,466	.....	1,466
Natural resources and environment	18	.....	18
Agriculture	3,801	5,624	9,425
Commerce and housing credit	8,783	27,405	36,188
Transportation	425	22	447
Community and regional development	1,664	1,208	2,872
Education, training, employment and social services	951	205	1,156
Health	163	.....	163
Income security	2	305	307
Veterans benefits and services	1	785	786
General government	1	.....	1
General purpose fiscal assistance	174	.....	174
Purchase of direct loans from other accounts (—)	—13,086	.....	—13,086
New direct loans to the public	8,885	36,351	45,236
Repayments, loan sales, and other adjustments (—)	.....	.....	—29,250
Net loan outlays	.....	.....	15,986
Loan Guarantees			
National defense	30	.....	30
International affairs	8,995	.....	8,995
General science, space and technology	101	.....	101
Energy	4,502	2,845	7,347
Agriculture	354	5,512	5,866
Commerce and housing credit	5,934	53,631	59,565
Transportation	2,129	93	2,222
Community and regional development	2,915	1,854	4,769
Education, training, employment and social services	2,160	.....	2,160
Health	268	.....	268
Income security	.....	10,825	10,825
Veterans benefits and services	.....	9,584	9,584
Secondary guarantees of loans that are already guaranteed (—)	—40	—25,093	—25,133
Guarantees of direct loans (—)	.....	—25,701	—25,701
New guarantees to the public	27,347	33,551	60,898
Repayments and other adjustments (—)	.....	.....	—30,000
Net loan guarantees	.....	.....	30,898
Total, net loan outlays and loan guarantees	.....	.....	46,884

See Part 7 for a further discussion of this requirement.

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There are inevitable differences between the authority to obligate or to make guarantee commitments and the actual disbursement of cash or entering into loan guarantees; for purposes of control, the budget must focus on the authority, but the tables in this part of the budget focus on the actual or anticipated value of the transactions themselves. This focus on the volume of loans made or loan guarantees entered into, when presented along with budget outlays, provides a more complete view of Federal activities in a particular area.

The table on Federal loans and loan guarantees in the credit control system shows the total estimated volume of new loans and loan guarantees—both on- and off-budget—by major function in 1981. Since a substantial number of loan assets are sold by one account to another (primarily to the FFB), these sales must be deducted to arrive at the total of new loans extended to the public. Similarly, since some loans are guaranteed more than once and since direct loans made by the FFB are also guaranteed, a deduction must be made to avoid double-counting to arrive at a total of new loan guarantees extended to the public. The sum of the direct lending and loan guarantees measures total new credit activity extended to the public under the credit control system. The table distinguishes the portion subject to appropriation bill limitations from the portion that is not.

National needs and agency missions.—In keeping with the requirements of the Congressional Budget Act of 1974, the national needs presentation is supported by analyses of agency missions and major programs. In general, subfunction totals that comprise each major functional category represent the resources devoted to agency missions. No significant change has been made in the budget functional structure from that used in the preceding budget. Although each Federal activity is classified in one function that defines its most important purpose so that the budget total will consist of mutually exclusive functions, many activities serve more than one national need or major mission. Therefore, the subsections in this part of the budget contain subsidiary information that identifies, to the extent feasible, those programs whose primary objective is to meet one category of national needs but that also make substantial contributions toward meeting other national needs.

Two categories of budget authority and outlays are treated differently in the actual from the estimated years in the national needs framework:

- Future increases in Federal pay are not distributed by budget account, program, or agency. These are reflected in two

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allowances for pay increases—one for the Defense Department and one for the rest of the Government. Hence, the functional total for national defense includes the pay allowance for the Department of Defense, military functions; the nondefense total includes the nondefense pay allowance, but the allowance is not distributed among the nondefense functions.

- The budget contains an allowance for contingencies to cover unanticipated requirements. It also includes amounts necessary to finance welfare reform. The allowance does not represent a specific budget request and the Congress is not asked to provide an appropriation for that purpose. Hence, no actual outlays are made from the contingency allowance; any contingencies are financed and fully reported in the appropriate function, so the contingency allowance for all past periods is always zero. In addition, a separate allowance is included for the President's national health insurance plan, which starts in 1983.

Attribution of the Federal Financing Bank (FFB) outlays to sponsoring agency and functions.—The FFB is an entity in the Treasury Department that, by law, is outside of the budget totals. The FFB performs two significant roles: (1) it is a source of capital for some Federal programs, and (2) it makes or finances most of the Federal Government's direct loans. The FFB's role as a source of debt capital for Federal agencies does not involve outlays and, therefore, will not be discussed in this section. The FFB's role as an off-budget Federal entity, however, has major implications for both the credit control system and the distribution of off-budget outlays by function.

The FFB borrows money from the Treasury to finance whatever programs are authorized to use the FFB as a source of funding. The Bank's net outlays are composed almost entirely of loans made and loan assets purchased by the FFB, offset by their repayments. The FFB has no loan losses, only minimal administrative costs, and a policy of charging interest rates of one-eighth of one percent higher than the interest rates it pays to the Treasury, so that the interest income and expense largely offset each other.

The FFB does not initiate programs; rather, it makes loans to finance credit programs of other Federal agencies and programs. It does not make any loans or purchase any financial assets unless they are guaranteed by some other Federal Government entity. Its resources are available without restriction for all eligible programs. Therefore, the Bank does not ration its credit. This has created a situation in which both on- and off-budget agencies or accounts sell direct loans to the FFB or issue loan guarantees (which do not count as outlays) that are converted into off-budget direct loans (outlays) of the FFB. The FFB facilitates financing, but financing

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through the FFB does not change either the budget treatment of the transactions involved or the degree of control that can be exercised over them. Accordingly, there is no plan to control directly the extension of credit by the FFB; rather, the credit control system aims at controlling obligations for new loans and commitments for new loan guarantees by the parent programs and accounts that may lead to subsequent FFB outlays. Net FFB income is returned to the general fund and is treated as offsetting receipts in the budget.

All FFB budget authority and outlays are shown in the commerce and housing credit function. In addition, the FFB outlays are attributed to the programs being served. This attribution is shown in a new memorandum entry that has been added to each applicable functional table. Since the attributed FFB totals in the memorandum entries are already included in the commerce and housing credit function, they cannot be added to the functions to which they are attributed without double-counting.

The Full Employment and Balanced Growth Act.—Section 4(a) of the Full Employment and Balanced Growth Act of 1978 provides that the President's budget shall incorporate the programs and policies that the President deems necessary to achieve the medium-term annual numerical goals specified in the Act for employment and unemployment, production, real income, productivity, and prices. These goals are presented in the President's "Economic Report" and are discussed in Part 3 of the "Budget". Programs and policies to achieve these goals are discussed throughout this section. This act also specifically provides that the budget should include recommendations for specific policies to reduce the rate of inflation.

In addition, the Act states that policies and programs set forth in the President's budget shall include, to the extent deemed appropriate by the President, a consideration of a broad range of issues. Among those specifically mentioned are energy; transportation; the environment; small business; agriculture; land and water conservation; rural development; urban development; employment; health care; education and training; child care; social services; housing; aid to State and local governments; national defense and international programs; the effect on the interregional distribution of jobs and income of Federal procurement, grants, contracts, and the closure of military bases; job dislocation resulting from Federal laws, regulations, and policies; improving the competitiveness of the United States in international trade; and balancing the budget.

As the national needs sections that follow demonstrate, the issues listed in the Act were among those weighed carefully in the process of developing the President's budget recommendations. Policy conclusions and the reasons for them are put forth in this

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part of the budget. No attempt, however, has been made to include specific references to the act in each instance where one of the issues listed above is discussed.

Tax expenditures.—Tax expenditures are features of the tax law that provide special benefits or incentives. They are revenue losses under the individual and corporate income tax laws that are attributable to special exclusions, exemptions, or deductions from gross income, or to special credits, preferential rates of tax, or deferrals of tax liabilities for special classes of taxpayers. They are one of several means by which the Federal Government can carry out policy objectives. In most cases, tax expenditures can be viewed as alternatives to other instruments of Government policy such as outlays, loan guarantees, regulations, and other tax law provisions.

The most important tax expenditures are discussed in the national needs sections that follow so that they may be compared with the outlays and loan guarantees that serve the same broad purpose. Tax expenditures are discussed further in Part 6 and in Special Analysis G, "Tax Expenditures." The latter includes a listing and an analysis of all tax expenditures, along with a discussion of their definition and measurement.

Other Federal fiscal activities.—The Federal Government allocates resources by means other than those reflected in budget outlays, tax expenditures, and loan guarantees. Outlays of the off-budget Federal entities, which are federally-owned and controlled but excluded from the budget under provisions of laws, are similar in nature to budget outlays. The largest off-budget entity by far is the Federal Financing Bank, discussed above.

The regulation of economic activity also has a major impact on the economy in many sectors. Finally, provisions of the tax law affect the allocation of resources among private uses and the distribution of income among individuals in many important ways not covered by tax expenditures. Federal taxes other than income taxes have economic effects, as do tax rates, personal exemptions, and other features of the income tax structure that are not treated as tax expenditures.

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

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NATIONAL DEFENSE

National Needs Statement:

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

To meet these national needs, the 1981 budget proposes $161.8 billion in budget authority for national defense. Outlays are estimated at $146.2 billion in 1981, increasing to $165.5 billion in 1982.

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

Our national security does not depend solely on the military forces we can field; it is also affected by the strength of hostile forces that may confront them. Our forces are adequate to protect us against today's threats, but Soviet military capability is growing. Our forces must be increased if they are to contain Soviet aggression and continue to assure our security in the future. This

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NATIONAL NEED: DEFENSE, MILITARY

(Functional code 051; in billions of dollars)

Major missions and programs	Budget authority				
	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Strategic forces [1]	8.0	10.3	11.7	13.3	14.9
General purpose forces	47.4	51.6	58.3	66.1	74.1
Intelligence and communications	8.0	9.1	10.6	12.0	13.5
Airlift and sealift	1.7	2.0	2.4	2.7	3.1
Guard and reserve	6.9	7.6	8.7	9.9	11.1
Research and development [2]	10.9	11.8	14.1	16.0	17.9
Central supply and maintenance	13.0	14.5	15.6	17.7	19.8
Training, medical, and other general personnel activities	26.4	28.7	32.9	37.3	41.7
Administration and associated activities	2.3	2.5	3.0	3.3	3.6
Support of other nations	.4	.6	.9	1.1	1.3
Total, budget authority	**125.0**	**138.6**	**158.2**	**179.4**	**201.0**
Prior-year funds and other financial adjustments	−.2	.7	.6	.6	.5
Total obligational authority	**124.8**	**139.3**	**158.7**	**180.0**	**201.5**

[1] Excludes $0.7 billion in 1980 and $1.6 billion in 1981 for MX missile, included in R. & D. category.
[2] Excludes R. & D. in other program areas on systems approved for production.

will require a sustained commitment over a period of years. The United States and its NATO (North Atlantic Treaty Organization) allies have made that commitment, each promising to increase its defense spending by 3% or more per year in real terms.

The United States has met this 3% real growth commitment during the past 2 years. In light of recent international developments, the 1981 budget goes beyond this commitment. It reflects a real program increase, in total obligational authority and budget authority, of more than 5%. From 1981 through 1985, real program growth of more than 4% per year is projected. This represents a major—but clearly necessary—commitment to strengthening our defense capabilities. The defense levels projected for 1981 through 1985 are cumulatively about $100 billion higher than the amounts that would be needed simply to maintain the 1980 level in real terms.

The increased level of defense resources proposed for 1981 would help preserve strategic deterrence, improve the combat effectiveness and readiness of our NATO forces, and enhance our capability to deter conflict worldwide through the rapid deployment of forces.

Total obligational authority (TOA) for the military missions of the Department of Defense is proposed at $158.7 billion in 1981 and $180.0 billion in 1982. Outlays are estimated at $142.7 billion in 1981. This is an increase of $15.3 billion over 1980, which is approximately 3.3% growth in real terms.

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The major proposals reflected in the 1981 budget are:

- Upgrade our strategic forces so that initiation of nuclear war continues to be clearly disadvantageous for the Soviet Union.
- Improve, in cooperation with our NATO allies, the ability of our forces to mobilize quickly and fight effectively for the defense of Europe, in order to make initiation of a conventional war clearly disadvantageous for the Soviet Union and its Warsaw Pact allies.
- Enhance our capability to deter and, when necessary, respond to, crises outside Europe, especially in critical and potentially unstable areas such as Northeast Asia, the Middle East, and the Persian Gulf.
- Continue to modernize our naval forces to assure freedom of the seas, to maintain maritime and naval lines of communication, and to enhance our ability to conduct military operations wherever we are challenged.
- Maintain our ability to monitor foreign military developments and activities and to verify arms control agreements, with a high degree of reliability.
- Increase military pay, benefits, and reimbursements to help attract and retain sufficient numbers of experienced military personnel in the coming years, as the population of young people declines in numbers.
- Continue to improve operating efficiencies through greater competition in the acquisition process, supply system reforms, and improved utilization of civilian personnel.

These budget proposals are consistent with the defense spending goal adopted by NATO. In 1977 and again in 1979, the NATO allies agreed to U.S. proposals that each member should aim at annual defense spending increases of about 3% above the rate of inflation to maintain the deterrent value of NATO forces and to counter the large increases in Soviet defense capability. This budget exceeds that objective.

For many years, rising Soviet military spending levels have permitted steady increases in the size and combat capabilities of Soviet forces. These increases occurred, for the most part, while U.S. defense spending was declining, in real terms, from its Vietnam war peak. By the mid-1970's, it was apparent that NATO members needed to increase their defense efforts to prevent the Warsaw Pact forces from eventually achieving a position of military superiority.

The 7-year downward trend in real U.S. defense program (TOA) was reversed in 1976. Annual increases in real defense outlays averaged 3% in 1979 and 1980. The budget estimates for 1981 and 1982 reflect real outlay increases averaging 3.8% a year.

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Real growth in defense spending is not an end in itself. What is essential is that we now build our conventional and strategic forces to the levels required to assure our future security—and keep them there. To be adequate, our defense capabilities must keep pace with Soviet growth. The necessary funds *must* be provided. The 1981 budget provides funds for necessary improvements in both our conventional and strategic capabilities, and proposes significant economies to make the defense dollar go further.

The principal objective of strategic forces is to act as an effective deterrent to both nuclear and conventional warfare. The 1981 program provides $1.6 billion for the new intercontinental ballistic missile program, the MX, which is in full-scale development. The MX is scheduled to become operational in 1986. The 1981 program provides for continued procurement of the Trident missile and submarine. Funds are also provided for the air-launched cruise missile, as well as for improvements to our bomber and air-launched missile fleets.

As our part of the long-term NATO defense program that was approved in 1977 and reaffirmed in 1979, the 1981 budget also supports programs to improve the ability of our conventional forces to deter or respond to military threats in Western Europe and elsewhere. These include the continuation of cooperative NATO programs for the joint purchase and operation of a fleet of airborne warning and control (AWACS) aircraft; joint production of the new F-16 fighter aircraft; and the development of a common gun for new tanks. The budget also provides funds for storing additional U.S. Army equipment in Europe to make possible a more rapid force buildup there. The budget requests funds to upgrade artillery, anti-tank weapons, combat medical support, and the combat capability of land forces in Europe. It provides $2.3 billion to continue the procurement of a new main battle tank, an armored personnel carrier, and air defense missile systems. These improvements will expand our conventional warfare capability in Europe.

The budget will enhance our ability to deploy our forces rapidly anywhere in the world. It proposes improvements to the C-5A and the C-141 cargo aircraft, initial procurement of a new sealift vessel for overseas storage of land force equipment, and the development of a new long-range airlift aircraft.

Strategic forces.—The most serious threat to our security is a nuclear war. The probability of such a war has been kept very low by the deterrent effect of our triad (bombers, and land- and submarine-based missiles) of strategic nuclear forces. These forces must be able to retaliate with devastating effect, even after suffering a first strike. They must also be capable of varying degrees of response appropriate to different levels of attack. This will assure

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that Soviet leaders will have no incentive to initiate a nuclear attack against the United States, nor will they be able to gain any advantage in a conventional conflict by threatening a nuclear attack. Maintenance of adequate strategic force strength is an essential foundation for deterrence at all possible levels of conflict.

To this end, the 1981 budget proposes modernization of each component of the strategic triad. Our land-based intercontinental ballistic missiles will be enhanced by the larger, more accurate, and less vulnerable MX. These missiles and their mobile launchers will be based among horizontal shelters linked by special road circuits constructed in the western part of the United States. This system minimizes vulnerability to attack and complies with arms control objectives.

The budget also supports programs to deploy cruise missiles on modernized B-52 bombers.

Authorization for the ninth Trident submarine is requested in 1981. The Trident submarines will replace the Polaris and Poseidon submarines as the latter reach the end of their service lives.

Important improvements are being made to strategic command, control, and warning systems. These radar and satellite systems insure reliable warning of a hostile attack.

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

These weapon modernization programs work in concert with our continuing arms control agreements and negotiations to promote a strong and stable strategic posture. While the United States possesses the superior economic and technical capacity necessary to deploy still greater nuclear forces, it is not in our interest to do so, if we can forge balanced and verifiable limits to the strategic competition with the Soviet Union.

General purpose forces.—Most of the defense budget goes for conventional military forces, which help deter or counter nonnuclear military aggression. The 1981 budget proposes a $6.7 billion increase over 1980 budget authority. Active general purpose forces include 16 Army divisions, 3 Marine divisions, 3 Marine air wings, 26 wings of Air Force tactical aircraft, and 295 naval warships, including 12 aircraft carriers and 12 carrier air wings.

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

SUMMARY OF ACTIVE MILITARY PERSONNEL AND FORCES

(Year end—i.e., as of September 30)

	1979 actual	1980 estimate	1981 estimate
Military personnel (in thousands):			
End strength:			
Army	758	774	776
Navy	522	528	534
Marine Corps	185	185	185
Air Force	559	558	565
Total, Department of Defense	2,024	2,045	2,059
Average strength:			
Army	757	765	770
Navy	525	520	530
Marine Corps	186	183	184
Air Force	564	559	562
Total, Department of Defense	2,033	2,027	2,047
Strategic forces:			
Intercontinental ballistic missiles:			
Minuteman	1,000	1,000	1,000
Titan II	54	54	54
Polaris-Poseidon-Trident	656	600	544
Strategic bomber squadrons	25	25	25
General purpose forces:			
Land forces:			
Army divisions	16	16	16
Marine Corps divisions	3	3	3
Tactical air forces:			
Air Force wings	26	26	26
Navy attack wings	12	12	12
Marine Corps wings	3	3	3
Naval Forces:			
Attack and multipurpose carriers	13	13	12
Nuclear attack submarines	72	75	[1] 85
Other warships	172	184	198
Amphibious assault ships	65	63	60
Airlift and sealift forces:			
C–5A airlift squadrons	4	4	4
Other airlift squadrons	13	13	13
Sealift fleet	47	48	[2] 45

[1] Includes 5 ex-Polaris ships operating as attack submarines.
[2] Sealift capacity for both dry cargo and petroleum will be greater in 1981 than in 1979 and 1980.

Army forces are designed primarily to meet the most demanding of all general purpose force challenges—a land conflict between

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NATO and the Warsaw Pact countries—while retaining the flexibility to meet threats to U.S. interests elsewhere.

Improvements proposed in 1981 include:

- modernization of equipment, including introduction into the force of new types of tanks, infantry fighting vehicles, helicopters, and new air defense systems;
- storage of additional equipment in Europe to facilitate rapid U.S. reinforcement of NATO in an emergency;
- greater combat readiness of combat units in Europe and selected units in the United States;
- improved living and working conditions for our soldiers; and
- improved ability of our forces to withstand nuclear, biological and chemical warfare.

The XM-1 main battle tank represents a major increase in the Army's ability to survive and maneuver on the modern battlefield. A new type of armor enables the XM-1 to withstand direct hits and continue fighting. A more powerful engine and an improved track system enable the XM-1 to move faster over rougher terrain than other tanks. The budget provides for continued procurement of the XM-1 in 1981. The Army's new infantry fighting vehicle, also included in the 1981 program, will provide infantry forces with the speed, protection, and firepower needed to fight alongside the XM-1 tank.

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

The ability of combat and support forces to respond effectively when required depends on the condition of equipment and the ability of well-trained combat units to act with confidence, skill, and coordination. To maintain our military forces in a high state of readiness, the 1981 budget provides for continued increases for unit training and for continued development of a national training center for ground forces. Backlogs of weapons systems overdue for maintenance would be reduced further under the budget proposals. Inventories of spare parts are being increased to bolster the combat endurance of our forces' weapon systems and equipment. In view of recent upward revisions of North Korean military strength, the budget reflects a decision by the President to suspend the withdrawal of the Second Infantry Division from Korea. This will help maintain stability in Northeast Asia.

Air Force tactical aircraft must be able to gain superiority in the air, give close support to ground forces, disrupt enemy forces behind the lines, and limit enemy air attacks on allied forces and installations.

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The 1981 budget proposes procurement of the following Air Force tactical aircraft and equipment:

- F-15 fighter aircraft for maintaining air superiority;
- F-16 multimission aircraft for both maintaining air superiority and attacking ground targets;
- more capable versions of the Sidewinder and Sparrow air-to-air missiles for fighter aircraft;
- EF-111A aircraft for jamming enemy air defense radars;
- A-10 attack aircraft to provide close support of our ground forces by attacking tanks and similar targets;
- KC-10 aerial tankers for long-range refueling of fighter, bomber, and transport aircraft; and
- TR-1 tactical reconnaissance aircraft with advanced radars to improve our ability to locate enemy forces on the ground.

Air Force tactical units will remain fully prepared to move overseas rapidly to any potential trouble spot. All new fighter aircraft are provided with aerial refueling capability to assist in such deployment. Real increases are proposed for Air Force tactical operations, to permit greater readiness and more realistic training. NATO defenses are being strengthened by the deployment of new F-15 fighter aircraft and A-10 attack aircraft in Europe. In addition, many allied airbases will be upgraded so that they can be used by the U.S. during mobilization, thereby increasing U.S. combat flexibility. The budget also requests continued funding for U.S. participation in the program for NATO ownership and operation of 18 AWACS airborne warning and control aircraft.

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

Total fleet size will increase from 540 ships in 1980 to 544 in 1981. Delivery of 5 new Los Angeles class submarines and conversion of 5 Polaris submarines to attack submarines will increase the nuclear attack submarine force by 10. Other warship forces will be augmented with the delivery of 4 new anti-air-warfare destroyers and 8 new frigates. Active amphibious force ships will decline due to the transfer of ships to the Naval Reserve. Our ability to transport one Marine amphibious division will be maintained.

Maintenance of our naval superiority requires that we continually modernize our naval weapon systems. Toward that goal, the $45 billion 5-year shipbuilding plan for 1981–85 calls for the construction of 97 new ships, including 6 ballistic missile (Trident) subma-

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rines. The 1981 budget includes procurement of the following new general purpose force ships:

- 2 large warships (destroyers) equipped with the AEGIS anti-air warfare system to help protect the fleet from aircraft and missile attack;
- 4 smaller warships (frigates) to protect military convoys and fleets;
- 2 cargo ships for transporting combat equipment in support of the Marine Corps, as part of our Rapid Deployment Forces, and 1 amphibious landing ship;
- 1 nuclear powered attack submarine and 5 surveillance ships to counter enemy submarine threats; and
- 1 salvage ship for recovering disabled ships or aircraft.

The budget requests funds to design new ships of moderate cost that can be bought in quantity to maintain U.S. naval superiority. These include a new anti-air warfare destroyer, a new attack submarine, and a new anti-submarine frigate that can be used by the Naval Reserve.

Plans for the modernization of our naval aircraft forces include procurement of F-14 and F-18 fighter aircraft in 1981. The F-18 will be purchased in large quantities over the next several years. By using a single type of aircraft for a major portion of both fighter and attack missions, the Navy and Marine Corps will reduce the cost of buying and maintaining sufficient numbers of aircraft to meet national security needs. Also, available aircraft carrier capacity will be used more effectively.

Airlift and sealift forces.—Airlift and sealift forces provide day-to-day peacetime logistic support to U.S. forces stationed overseas and must be able to move military personnel and equipment to combat zones quickly. The U.S. and its allies depend upon rapid movement and resupply to sustain our forces. Awareness of our ability to move forces and supplies rapidly to crisis areas deters hostile acts against countries friendly to the U.S.

Most of the $2.4 billion in 1981 budget authority proposed for airlift and sealift forces supports day-to-day operations and maintenance. These funds will assure a high state of readiness for these forces.

Several specific measures are being taken to assure that U.S. forces can deploy rapidly to any point in the world. The C-5A cargo aircraft is being modified so that it can carry maximum loads and remain in the airlift force beyond the year 2000. C-141 aircraft are being modified so that they can be refueled in flight, thus extending their range. Their fuselages are being lengthened to enable them to carry heavier payloads. In addition, a new, wide-body, long-range aircraft, the CX, is being designed to improve our ability to respond rapidly to contingencies.

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The Civil Reserve Air Fleet (CRAF) modification program is making it possible for U.S. commercial aircraft to supplement our military airlift capability in an emergency. The budget requests funds for structural improvements to U.S. commercial jumbo jets to enable them to transport military equipment overseas. Under the budget proposals, our ability to deploy Marine Corps ground combat units rapidly in support of friendly nations would be enhanced by construction of a new class of ships that would be stationed near potential trouble spots, carrying ready-use Marine Corps equipment. All of these programs are designed to provide enough force on a timely basis to deter hostile acts or, if necessary, to respond with the appropriate level of military force.

Guard and Reserve forces.—Guard and Reserve forces must be fully trained and equipped forces that can be rapidly mobilized and deployed as an integral part of the active forces in an emergency. Units scheduled for early deployment in the event of mobilization receive the highest priority for training and equipment.

Continued improvement of Guard and Reserve unit strength levels are projected for 1981 and beyond. Added emphasis is being placed on better utilization of trained personnel.

More intensive and effective unit training programs are proposed. These will permit increased participation of Guard and Reserve personnel in major training exercises and tactical deployments to locations overseas. This will help acquaint them with foreign military environments.

The budget provides for the development of an anti-submarine warfare frigate for the Reserves, and for supplying Guard and Reserve forces with the new A-10 attack aircraft.

Research and development.—Defense research and development on new weapon systems is directed toward maintaining our current lead in military technology. The 1981 budget for research and development, including programs approved for production, provides a $3.0 billion increase over the 1980 budget authority level to strengthen our technology base, significantly upgrade our strategic capability, and modernize our conventional forces. Principal research and development initiatives, some of which have been noted above, include:

- Technology base.—Substantial real growth in budget authority is proposed for basic research and the exploration of promising technologies such as high-energy lasers and very-high-speed integrated circuits.
- Strategic systems.—The budget places major emphasis on full-scale development of the new MX land-based intercontinental ballistic missile system.

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- Tactical systems.—Significant levels of funding are provided for development of new Army air defense systems and for support areas such as communications and electronics. Navy efforts to develop a new fleet attack submarine, a new guided missile destroyer, and improved anti-air warfare capabilities will help insure that we maintain our control of the seas. Proposed Air Force initiatives include the development of the new CX long-range transport aircraft, and improved missiles and munitions for fighter aircraft.
- Other defense research and development.—Programs under development that offer potential benefits to both the military and civilian communities include the construction of facilities at Vandenberg Air Force Base, California for space shuttle operations, and defense participation in the interagency national oceanic satellite system project.

Efficiencies.—Improved efficiency, reduced costs, and increased productivity mean that more resources will be available to improve combat capabilities. Defense programs have been reviewed to identify ways to achieve the lowest program costs while still achieving our national security requirements. Greater competition is being encouraged in contracting, and the purchase of standard goods and services is also being encouraged. Initiatives in supply management include correction of pricing inequities, disposal of obsolete or excess stocks, and greater use of commercially-available equipment.

Active duty military personnel.—Since 1973 the United States has relied exclusively on volunteers to meet peacetime military personnel requirements. During this period, the All Volunteer Force has provided the military services with an active force of a quality equal or superior to that achieved under the draft. Active-duty strength levels have remained within 2% of congressionally authorized levels. During 1981 the military services should continue to attract and retain enough qualified personnel to staff our armed forces adequately. An impending 25% decline in the size of the pool of eligible 18-year-olds over the next 15 years, however, may threaten the longer-run success of the volunteer force. To offset this decline, the military services are making efforts to increase the rate of reenlistment after the initial period of service, and otherwise improve personnel retention.

To assist the Department of Defense in retaining adequate numbers of trained military personnel in 1981, the budget requests increased funding for enlistment and reenlistment bonuses. In addition, legislation will be proposed to set higher maximum bonuses and to authorize bonus payments at later stages of a service career than is now permitted. Funds are also requested to permit increased reimbursements for expenses incurred by personnel during reassignments.

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Military pay adjustments.—The proposed Federal Employees Compensation Reform Act includes two revisions to the procedures for adjusting military pay levels. One would link military salaries directly to the average increase in private sector wages and salaries, replacing the current indirect linkage through Federal civilian salaries. The second would authorize the President to propose an alternative military pay adjustment in special circumstances. The 1981 budget estimates assume enactment of this legislation, and provide for a 7.4% average military pay raise, which is slightly higher than the 6.2% pay raise assumed for Federal civilian personnel.

Military retirement reform.—The administration has submitted to the Congress legislation to reform the military retirement system. This legislation is designed to correct inefficiencies and inequities in the retirement program that were highlighted in the April 1978 Report of the President's Commission on Military Compensation.

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

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

Financing military retirement costs on an accrual basis.—Legislation has also been proposed to change the way the budget accounts for military retired pay. The budget now includes only the benefits paid to military personnel who have already retired. Under the proposed legislation, the budget would reflect the cost of retirement benefits being earned by military personnel on active or reserve duty at the time they are being earned. This change would improve personnel management by focusing attention on those retirement costs that can be controlled. Because the proposal involves complex

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NATIONAL DEFENSE

(Functional code 050; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Department of Defense—Military:					
Military personnel	28,703	30,825	32,037	32,534	32,855
Retired military personnel:					
Existing law	10,283	11,981	13,700	15,334	16,954
Proposed legislation	.....	.....	37	728	888
Operation and maintenance	38,023	43,405	48,563	52,303	56,004
Procurement	31,428	35,686	40,524	47,260	54,736
Research, development, test and evaluation.	12,437	13,517	16,486	17,760	19,763
Military construction	2,319	2,170	3,251	4,481	6,314
Family housing	1,563	1,625	1,972	2,117	2,215
Revolving funds and other	249	−574	−490	−440	−395
Allowance for civilian and military pay raises	.....	.....	1,847	7,089	11,398
Other legislation	.....	.....	229	245	256
Subtotal, Department of Defense—Military	125,004	138,635	158,155	179,411	200,989
Atomic energy defense activities	2,668	3,006	3,443	3,811	4,066
Defense-related activities:					
Existing law	140	172	378	425	451
Proposed legislation	.....	−178	−203	−203	−203
Subtotal, defense-related activities	140	−6	175	222	248
Deductions for offsetting receipts	−3	−3	−4	−4	−4
Total, budget authority	**127,809**	**141,632**	**161,770**	**183,440**	**205,299**
OUTLAYS					
Department of Defense—Military:					
Military personnel	28,407	30,574	31,705	32,186	32,518
Retired military personnel:					
Existing law	10,279	11,941	13,677	15,345	16,968
Proposed legislation	.....	.....	37	727	885
Operation and maintenance	36,424	40,852	46,376	49,904	53,436
Procurement	25,404	27,648	30,497	36,061	43,579
Research, development, test and evaluation.	11,152	12,933	14,843	15,926	17,785
Military construction	2,080	2,147	2,053	2,561	3,204
Family housing	1,468	1,571	1,686	1,933	2,055
Revolving funds and other	−201	−266	−222	−236	−230
Allowance for civilian and military pay raises	.....	.....	1,819	6,968	11,204
Other legislation	.....	.....	229	245	256
Subtotal, Department of Defense—Military	115,013	127,400	142,700	161,621	181,661
Atomic energy defense activities	2,541	2,980	3,386	3,630	3,961
Defense-related activities:					
Existing law	129	169	362	418	443
Proposed legislation	.....	−178	−203	−203	−203
Subtotal, defense-related activities	129	−9	159	215	240
Deductions for offsetting receipts	−3	−3	−4	−4	−4
Total, outlays	**117,681**	**130,368**	**146,241**	**165,463**	**185,859**

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changes in many parts of the budget, the changes will not be reflected in the budget schedules until the legislation is enacted.

Tax expenditures.—The provision of housing and meals for military personnel, either in cash or in kind, is excluded from taxable income. This results in an estimated 1981 tax expenditure of $1.6 billion. In addition, disability-related military pensions received by current retirees are largely excluded from taxable income, resulting in a tax expenditure of $0.1 billion for 1981.

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

Atomic energy defense activities.—Department of Energy responsibilities for national defense include research and development, testing and production of nuclear weapons, production of special nuclear materials, storage of nuclear wastes from defense programs and design of reactors for Navy vessels. The following table shows

ATOMIC ENERGY DEFENSE ACTIVITIES

(Functional code 053; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Weapons research, development, test, and production	1,448	1,654	1,972	2,180	2,343
Weapons materials production and waste management	702	794	872	941	999
Naval reactor development	298	278	305	378	393
Other research programs	220	280	294	312	331
Total, budget authority	**2,668**	**3,006**	**3,443**	**3,811**	**4,066**
OUTLAYS					
Weapons research, development, test, and production	1,387	1,651	1,869	2,028	2,247
Weapons materials production and waste management	685	806	903	941	999
Naval reactor development	258	272	314	353	388
Other research programs	211	251	300	308	327
Total, outlays	**2,541**	**2,980**	**3,386**	**3,630**	**3,961**

the distribution of funding levels for these programs. Budget authority of $3.4 billion is requested for 1981, compared to $3.0 billion in 1980.

The nuclear weapons program involves the design, research, development, testing and production of nuclear warheads for the

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nuclear weapons stockpile, including quality control and periodic inspection of the finished devices. Funding proposed for 1980 and 1981 supports increased missile warhead production.

Nuclear materials production entails the production of special nuclear materials for use in nuclear warheads. The 1981 budget maintains normal rates of production of these materials.

The defense nuclear waste management program currently provides temporary storage for all defense nuclear wastes. The program also supports research to develop permanent storage and isolation of these wastes. Funding proposed for 1981 continues the transfer of old defense wastes to new interim storage tanks, and supports increased research and development on waste storage.

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

Other Department of Energy defense research and development programs involve work on inertial confinement fusion, using intense laser beams; improved physical security at Department of Energy nuclear facilities; and arms control and verification technology.

Defense-related activities.—In 1980, offsetting receipts are expected to exceed other outlays for the activities of the civilian departments and agencies that support national defense by $9 million. For 1981, net outlays of $159 million are estimated. These activities include emergency management, maintenance of strategic stockpiles, and the selective service system.

The emergency management program recommended in 1981 includes planning for limited relocation during crises, and support of State and local planning to deal with possible future nuclear power plant emergencies. This activity is part of the responsibility of the Federal Emergency Management Agency, which was established in 1979. Outlays for the emergency planning, preparedness, and mobilization functions of the Federal Emergency Management Agency are estimated at $145 million in 1981 compared to $138 million in 1980.

To meet our needs for critical raw materials that might be unavailable during wartime, the General Services Administration stockpiles strategic and critical materials. Sales and purchases are proposed in 1981 to adjust the inventory of the stockpile to current requirements. Outlays are estimated to be $170 million in 1981. Receipts from sales are estimated at $263 million in 1981.

The Selective Service System is responsible for maintaining standby capability to meet defense personnel requirements in a future national mobilization. The budget requests $11 million in budget authority for 1981 and a 1980 supplemental of $1.4 million.

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These funds will allow the system to improve its ability to respond efficiently to a wide variety of potential mobilization situations.

CREDIT PROGRAMS—NATIONAL DEFENSE

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate
Direct loans:			
New loans	1	.....	.....
Repayments, sales and adjustments (—)	—11	—11	—10
Net loan outlays	—10	—11	—10
Loan guarantees:			
New loans	.....	30	30
Net loan guarantees	—46	5	.....

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INTERNATIONAL AFFAIRS

National Needs Statement:

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

The United States plays an active leadership role in international affairs, because our well-being as a nation depends, in part, upon events outside our borders. Our national needs in international affairs involve the protection of American interests abroad and the promotion of conditions throughout the world that advance those interests. U.S. foreign policy seeks a world that is at peace and abides by commonly accepted rules of international law, a world that provides opportunities for people everywhere to meet their basic human needs, and a world where there is respect for human rights and dignity.

In the broadest sense, this country's international role is supported by its economy, its armed forces, its institutions, and the moral values and activities of its people. More specifically, the Federal Government's role in international affairs is carried out through formal diplomatic relations with 138 other governments, participation in the United Nations and 71 other international organizations and programs, economic and military assistance programs, contributions to international financial institutions, information and cultural activities, assistance to homeless refugees, and promotion of export opportunities. For 1981, the budget includes an estimated $16.9 billion in budget authority and $9.6 billion in outlays for these activities.

- Foreign assistance programs are the most significant budgetary items in international affairs, with economic assistance estimated at $7.5 billion in budget authority and $6.2 billion in outlays, and military assistance estimated at $0.6 billion

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and $0.8 billion, respectively. These activities involve the transfer of substantial resources to recipients abroad.

- For 1981, a total of $2.1 billion in budget authority and $2.1 billion in outlays are requested for the conduct of foreign affairs and for foreign information and exchange activities.
- International financial programs are estimated at $6.9 billion in budget authority and $0.7 billion in outlays in 1981.

The estimates in this budget are designed to allow the United States to continue in its long-term leadership role in world affairs. While these totals take into account changing world events, recent happenings in Iran and Afghanistan may require further adjustments in spending for international affairs. These will be presented as soon as requirements become clearer and are covered by the allowance for contingencies.

In carrying out our international responsibilities, the administration is also emphasizing ways to improve the effectiveness and efficiency of all U.S. international programs. For example, at the direction of the President, the Secretary of State and the Director of the Office of Management and Budget conducted a review of American employee positions in diplomatic missions abroad. To date, this review has resulted in the elimination of 626 positions from agency requests in the 1981 budget, including 359 currently filled positions. Similar efforts to achieve greater efficiency are discussed below.

Foreign economic and financial assistance.—The mission of foreign economic and financial assistance is:

- to provide humanitarian aid to needy people abroad;
- to promote economic development; and
- to support the foreign policy interests of the United States.

The need for U.S. assistance to carry out this mission is increasing. A handful of developing countries, most of them with small populations, have benefited immensely from oil price increases. However, the majority of Third World nations have been hard hit not only by the energy situation but by rising prices of other products, and by reduced export earnings because of slow economic growth in the developed countries.

Compared with the need for assistance, the $7.5 billion in budget authority and $6.2 billion in outlays proposed for 1981 for foreign economic and financial assistance is small. Therefore, much consideration has been given to improving the effectiveness of our assistance programs.

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Foreign economic and financial assistance:					
International Development Cooperation Agency	1,821	1,989	2,225	2,435	2,704
Multilateral development banks	2,515	3,234	1,666	1,602	1,625
Public Law 480—Food aid	806	840	1,129	1,152	1,198
Peace Corps	99	106	119	130	142
Economic support fund/Peacekeeping operations	2,321	2,152	2,106	2,200	2,200
Refugee assistance	227	496	567	570	535
Offsetting receipts and other	−310	−306	−356	−398	−401
Subtotal, foreign economic and financial assistance	7,479	8,512	7,456	7,692	8,004
Military assistance:					
Grant military assistance	209	110	105	18	15
Foreign military training	34	28	32	32	32
Foreign military sales credit	1,024	669	714	734	704
Relocation of facilities (Israel)	800	236	.....	.....	.....
Offsetting receipts and other	−274	−273	−258	−258	−253
Subtotal, military assistance	1,793	770	594	526	498
Total, foreign aid	**(9,272)**	**(9,282)**	**(8,050)**	**(8,218)**	**(8,502)**
Conduct of foreign affairs:					
Administration of foreign affairs	813	821	995	1,084	1,183
International organizations and conferences	479	515	519	551	581
Other	25	35	41	41	43
Subtotal, conduct of foreign affairs	1,318	1,372	1,554	1,676	1,808
Foreign information and exchange activities	506	526	565	618	645
International financial programs:					
Export-Import Bank	105	1,338	6,850	3,863	3,452
Foreign military sales trust fund (net)	−2,327	700	.....	.....	.....
International commodity agreements	.....	.....	88	.....	.....
Other	−76	−77	−79	−80	−81
Subtotal, international financial programs	−2,298	1,961	6,859	3,756	3,370
Deductions for offsetting receipts	−110	−90	−89	−88	−88
Total, budget authority	**8,688**	**13,050**	**16,939**	**14,180**	**14,236**

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Foreign economic and financial assistance:					
International Development Cooperation Agency	1,374	1,575	1,737	1,928	2,158
Multilateral development banks	683	926	966	1,193	1,297
Public Law 480—Food aid	976	1,169	1,153	1,190	1,275
Peace Corps	94	104	116	126	138
Economic support fund/Peacekeeping operations	1,755	2,040	2,056	2,200	2,200
Refugee assistance	166	468	534	598	514
Offsetting receipts and other	−304	−308	−349	−397	−405
Subtotal, foreign economic and financial assistance	4,743	5,974	6,212	6,839	7,178
Military assistance:					
Grant military assistance	140	195	150	150	95
Foreign military training	28	26	28	29	29
Foreign military sales credit	640	540	515	510	510
Relocation of facilities (Israel)	31	411	318	175	100
Offsetting receipts and other	−276	−275	−260	−260	−254
Subtotal, military assistance	563	897	751	604	479
Total, foreign aid	**(5,306)**	**(6,871)**	**(6,963)**	**(7,443)**	**(7,657)**
Conduct of foreign affairs:					
Administration of foreign affairs	785	867	927	1,042	1,166
International organizations and conferences	495	487	535	543	573
Other	30	35	39	40	41
Subtotal, conduct of foreign affairs	1,310	1,389	1,501	1,625	1,780
Foreign information and exchange activities	465	544	569	600	643
International financial programs:					
Export-Import Bank	200	1,054	1,230	1,193	1,822
Foreign military sales trust fund (net)	−1,434	1,200	.....	.....	.....
International commodity agreements	.....	.....	5	.....	.....
Other	354	−568	−566	−573	−580
Subtotal, international financial programs	−879	1,687	669	620	1,241
Deductions for offsetting receipts	−110	−90	−89	−88	−88
Total, outlays	**6,091**	**10,401**	**9,612**	**10,199**	**11,234**
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Overseas Private Investment Corporation	−4	−7	−7	−7	−6
Foreign military sales credit	1,293	2,420	1,990	2,270	1,020
Export-Import Bank	.....	50	350	500	340

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A major step toward making these programs work better was taken on October 1, 1979, when the International Development Cooperation Agency (IDCA) was established to oversee all development assistance activities. The IDCA Director is responsible for improving both the coordination and the effectiveness of development programs. Two additional organizational changes have been made to improve other foreign economic assistance activities:

- The Peace Corps has been given greater autonomy within ACTION in recognition of the uniqueness of this volunteer program.
- A special coordinator for refugee affairs has been set up in the State Department to speed and improve the U.S. response to the growing problem of refugees in many regions of the world.

The broad elements of the U.S. development strategy are clear.

- To enable the developing countries to pay their own way as far as possible through exports, the United States will give special emphasis to their concerns as the recently agreed-upon trade liberalizations go into effect.
- Where development aid is required, the United States will support effective multilateral assistance institutions.
- For bilateral programs, new kinds of solutions to development problems will be sought in a limited number of areas of activity where the United States possesses the greatest expertise.
- Food aid will focus on the poorest countries and serve both humanitarian and developmental objectives.

The Director of the *International Development Cooperation Agency* has direct responsibility for the policies and budgets of five development assistance programs: the Agency for International Development (AID), the new Institute for Scientific and Technological Cooperation, the Overseas Private Investment Corporation, voluntary contributions to the more developmentally oriented international organizations and programs, and U.S. contributions to the International Fund for Agricultural Development, a multilateral lending entity. In addition, the Director shares responsibility with the Secretary of the Treasury for developmental aspects of U.S. participation in the multilateral development banks, and with the Secretary of Agriculture and other officials over the food aid program.

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INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

(In millions of dollars)

	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Budget Authority				
IDCA/AID, operating expenses	272	294	310	335
Agency for International Development	1,431	1,592	1,757	1,969
Institute for Scientific and Technological Cooperation	24	95	108	120
International organizations and programs	262	244	260	280
Total, budget authority	**1,989**	**2,225**	**2,435**	**2,704**
Outlays				
IDCA/AID, operating expenses	270	285	309	331
Agency for International Development	1,091	1,185	1,319	1,487
Institute for Scientific and Technological Cooperation	7	32	59	88
International organizations and programs	243	247	254	270
Overseas Private Investment Corporation	−56	−52	−53	−58
International Fund for Agricultural Development	20	40	40	40
Total, outlays	**1,575**	**1,737**	**1,928**	**2,158**

The bilateral *AID program* enables the United States to finance technical assistance and capital projects that can make a unique contribution to overcoming development bottlenecks and serve as models for larger-scale undertakings by the multilateral banks. AID, using specially developed skills and technologies, focuses on meeting the basic needs of the poorest people abroad. Budget authority for AID is projected to increase from $1.4 billion in 1980 to $1.6 billion in 1981, and outlays are estimated to grow from $1.1 billion to $1.2 billion between the 2 years.

The increased funding levels requested will enable AID to expand its programs in the traditional areas of agriculture, rural development, health, and population. The agency will also undertake new initiatives in the areas of energy, particularly for use of renewable energy sources, and of conservation of the scarce natural resources of less developed countries. In allocating its funds among countries, AID takes into account past economic performance and the human rights policies and practices of recipient countries. Consistent with the President's effort to reduce Federal employment, AID employment will decrease in 1981.

The *Institute for Scientific and Technological Cooperation (ISTC)* will draw on the scientific and technological resources of the United States to design means of promoting development that are adapted specifically to the needs of the Third World. It will strengthen the institutional capacity of developing countries to conduct their own scientific research and applications and to make informed technological choices. ISTC will thus provide strong sup-

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port to AID, which will finance actual field applications of proven new techniques.

More than half of the $95 million in budget authority requested for ISTC in 1981 will support the research program taken over from AID, much of which is devoted to agricultural research in a growing network of international centers. A portion of ISTC's funds will be used to finance cooperative projects with developing countries no longer eligible for AID programs because of their improved economic situation.

Budget authority of $244 million is proposed in 1981 for contributions to 14 *international organizations and programs* that are supported voluntarily by many nations as effective ways to assist in developmental, humanitarian, and scientific endeavors around the world. Our voluntary participation in these multilateral organizations and programs complements similar bilateral activities and aids in accomplishing overall U.S. foreign policy and international development objectives. The United States also concentrates its voluntary funding of multilateral programs in those problem areas where bilateral assistance or domestic research cannot be as effective, such as global environment problems and weather research and monitoring.

The largest contribution planned in 1981 is $140 million for the United Nations development program, which is the primary multilateral source of technical assistance to developing countries. A $15 million contribution to the new science and technology fund proposed by the 1979 United Nations Conference on Science and Technology for Development is also proposed. Included in the 1981 request are sizeable contributions to the United Nations Children's Fund (UNICEF), the Organization of American States, and the International Atomic Energy Agency, as well as contributions to several smaller scientific and developmental programs.

The *Overseas Private Investment Corporation* is a self-sustaining program that provides political risk insurance, loan guarantees, and, on a selected basis, direct loans to U.S. firms investing in the developing countries. No budget authority will be needed in 1981; receipts are expected to exceed outlays by $52 million. The Corporation is giving particular emphasis to new methods of encouraging energy investment, and, in keeping with its legislative mandate, to stimulating and supporting small business investment abroad.

The financing of capital projects and related technical assistance is provided by the *multilateral development banks (MDBs).* The World Bank and its affiliated programs and the regional African, Asian, and Inter-American Development Banks lent a total of $14 billion during their last completed fiscal year. The United States supports these institutions because of the quality of bank operations and because U.S. participation can encourage a greater shar-

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ing of the cost by other wealthy countries. In a period of budget stringency, the potential multiplier effect of U.S. contributions through these institutions is particularly important.

The $1.7 billion in budget authority proposed for 1981 consists of both new and overdue installment payments for replenishments of the banks' funds to which the United States has already agreed. The major new contribution being proposed is a $1.1 billion first installment toward a 1981-83 replenishment of the International Development Association (IDA), the World Bank affiliate that makes low interest loans to the poorest developing countries. The United States benefits from the cost-sharing features of this approach. The U.S. share of the total replenishment will be 27%, down from 31% 3 years ago. The U.S. share was 40% when IDA was initiated in 1960. The gradual shift in responsiblity for MDB financing to other countries has been achieved only after difficult negotiations. Other donors clearly expect the United States to pay its reduced share on time.

Congressional reductions in appropriations requests for the banks have created problems in meeting pledges for U.S. installment payments. The 1981 budget request to make up these payments, which were scheduled to be made in previous years, totals $168 million, including $20 million for the World Bank. This request is smaller than those of previous years.

For 1981 the budget proposes to change the budgetary treatment of callable capital subscriptions. Callable capital is provided to back up paid-in capital and reserves, and would be used only to meet liabilities to bondholders in the unlikely event that the banks' other resources are insufficient to meet those liabilities. Because the banks have nearly perfect repayment records on their loans to developing countries and have accumulated large cash reserves against any potential losses, the likelihood that U.S. callable capital will ever be called and lead to budget outlays is very remote. As a result, the practice of seeking budget authority for the full amount of callable capital overstates its likely outlay impact. In recognition of the contingent nature of U.S. liability under subscriptions to callable capital, the administration proposes enactment of program limitations, rather than budget authority, for control of callable capital. For 1981, this will reduce budget authority for the multilateral development banks to $1.7 billion, which is $1.1 billion less than the previous accounting system would have shown.

The emphasis of *Public Law 480 food aid* is on meeting humanitarian needs and promoting economic development abroad. Over the past year, rising commodity prices have forced cutbacks in the volume of food originally planned within budget request levels. For 1980, the administration requested supplemental appropriations of

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$206 million, in part to meet minimum tonnage requirements mandated in authorizing legislation for food donations including relief shipments to Cambodia. Of this amount, $97 million remains unenacted, and is still pending before the Congress.

For 1981, budget authority of $1.1 billion and outlays of $1.2 billion are proposed to permit shipment of 6 million metric tons of food, the same volume as in 1980. The administration is also proposing to build a food security reserve of up to 4 million metric tons for use in the food aid program. Funds for this initiative are included in the agriculture function.

The *Peace Corps* will continue to supply needed personnel to developing countries, to support social and economic development, and to promote mutual understanding between the peoples of the United States and the Third World. The $119 million in budget authority proposed for 1981, $13 million above the 1980 level, will be used primarily to improve the quality of the program by upgrading training and expanding recruitment efforts. It will also allow a small increase in overseas volunteers and the initiation of programs in additional countries as opportunities arise.

Economic assistance to carry out security-related objectives is provided through the *economic support fund* and *peacekeeping operations*. This assistance is provided in a variety of forms, including general budget and balance of payments support, the financing of capital projects and technical assistance, and payment of a share of the costs of U.N. peacekeeping forces in Cyprus. In recent years most of these funds have been committed to Egypt and Israel in support of U.S. efforts toward a peaceful Middle East political settlement. That support will continue in 1980 and 1981. Economic support fund financing is also being provided to assist our NATO ally, Turkey, in a time of economic difficulties and facilitate a peaceful settlement of hostilities in southern Africa.

Because of recent Soviet actions in Afghanistan, which threaten Pakistan, the budget proposes a $100 million supplemental appropriation for Pakistan for 1980. Budget amendments will also be proposed for Pakistan for 1981. A supplemental appropriation to provide assistance to Nicaragua and Central America to support moderate, democratic reforms is also pending.

Recent events have demonstrated the need for a rapid U.S. response to security-related requirements that cannot be anticipated. To provide for a timely U.S. response in such situations, the 1981 budget estimates include $50 million that is not allocated to any specific mission. These funds are appropriated to the President and will be held in reserve to meet unanticipated requirements. Total budget authority proposed for economic support fund and peacekeeping operations is $2.2 billion in 1980 and $2.1 billion in 1981.

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Refugee assistance will increase since the number and needs of refugees continue to rise dramatically due to war, famine, and social and political disorder throughout the world. Major refugee movements are expected within Africa and from Indochina and Eastern Europe. The need for care and maintenance services abroad and for the transportation and resettlement of refugees from these areas will continue to be substantial in 1981. The administration proposes $567 million of budget authority for 1981 to enable the U.S. to continue to play a leading role in the international efforts to meet these needs. All U.S. assistance will be provided through the United Nations, the International Red Cross, other international organizations, and numerous American voluntary agencies.

The United States provides assistance through the United Nations High Commissioner for Refugees for the care of large numbers of refugees in Southeast Asia and in Africa. In addition, the United States intends to continue to be the largest contributor to the United Nations Relief and Works Agency to aid in the care of Palestinian refugees.

While the President will not determine the number of refugees to be resettled in the United States in 1981 until this summer, the budget requests funds to cover the costs of transportation and initial placement in the United States of 168,000 Indochinese refugees and 54,000 others, most of whom will come from the Soviet Union and Eastern Europe.

Military assistance.—The international security assistance program is an essential instrument for achieving our foreign policy objectives. It consists of military assistance and security-related economic assistance (economic support fund and peacekeeping operations). These programs form the basis of this country's ability to assist allies and other friendly nations in maintaining necessary defense forces, and to promote economic stability in areas where the United States has special security interests. Military and security-related economic assistance are also used in conjunction with U.S. military bases and facilities overseas. These programs will continue to enable the United States to promote peace in the Middle East, demonstrate timely support of Southeast Asia, strengthen the NATO southern flank, help maintain a stable balance of forces on the Korean Peninsula, and assist Latin American nations in resisting threats to their independence and democratic institutions. They will be critical to the success of efforts to meet challenges posed by events in Afghanistan and elsewhere. Security assistance programs are under the policy direction of the Secretary of State and are administered by the Department of Defense and the Agency for International Development.

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Emphasis of military assistance programs continues to shift from grants to credit, a trend that reflects the improved ability to pay by some recipients and the congressional mandate to phase out grant military assistance. In this budget, *grant military assistance* programs are planned for three countries to complete outstanding commitments made in return for base facilities for U.S. Armed Forces. No grant military assistance programs are currently planned after 1981 but could be proposed in extraordinary circumstances. Outlays will continue to occur for several years from prior-year programs.

Grants for *foreign military training* have been planned for 61 countries in 1981. This program provides training and exposure to the social, economic, and political institutions of the United States for members of foreign military establishments.

The *foreign military sales (FMS) credit* estimates for 1981 include $2.6 billion in new commitments for loans to 35 countries, roughly $500 million above the 1980 level. Most of this increase is to assist Israel in meeting the costs involved in withdrawing from the Sinai Peninsula and to help modernize Egypt's military forces.

Proposed loans valued at $2.1 billion would be made by the Federal Financing Bank and guaranteed by the Department of Defense using foreign military sales credit appropriations. The remaining $500 million will be in the form of a direct loan to Israel. However, since loan repayments will not be required, it will, in effect, be a grant. On-budget outlays for this program result only from direct loans and from payments of claims for defaults on prior-year guarantees.

The budget reflects the effect of the 1979 Middle East peace package, which included $800 million in grants to help in replacing two Israeli air bases in the Sinai. Outlays associated with this activity will occur through 1983.

In addition, the budget proposes a supplemental appropriation for 1980 of $10 million to provide loan guarantees for $100 million in foreign military sales financing to assist Pakistan to meet the increased threat resulting from events in Afghanistan. Budget amendments will be proposed to provide FMS credit and grant military training to Pakistan in 1981.

Conduct of foreign affairs.—The most important resource in the administration of the foreign affairs of the United States is dedicated and competent officers and employees. Those people must be supported and their productivity augmented.

Additional foreign service officers are requested to improve the reporting and analysis of events and trends from selected diplomatic missions abroad. Increasing consular workloads abroad require additional staff. Planned improvements in communications, admin-

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istrative, and passport and visa issuance systems will make staff resources more productive and effective. Efforts will continue to improve the working and living space of employees abroad and to reduce expensive leasing costs. A new single pay structure is being developed for foreign service employees. It will more accurately compensate for each level of work responsibility, and better link those levels to comparable levels of the general schedule of the civil service. The necessary additional appropriations will be requested as soon as the new structure is completed.

At the same time, this budget reflects reductions in certain marginal activities. At the direction of the President, 12 small consulates are being closed. The administration proposes to cease the issuance of nonimmigrant visas for citizens of 31 nations where such visas are not required of Americans and where there is little incidence of fraud in applying for visas.

Membership in the United Nations and international organizations results from multilateral treaties, conventions, and agreements under which the United States assumes a legal responsibility to contribute an assessed share of organization operating costs. (The voluntary contributions to international organizations and programs discussed above under foreign economic and financial assistance are in addition to the assessed contributions discussed here.) Membership in international organizations allows the United States to participate as a responsible world leader in solving multinational problems. It further enables us to pursue our foreign policy goals in regional and world bodies that deal with a wide spectrum of international concerns, including peacekeeping, world economic problems, health, energy, trade, transportation, social justice, agriculture, and communications.

Assessed contributions to international organizations, including United Nations peacekeeping activities, are estimated to require $519 million in budget authority for 1981 and $551 million in 1982. As the major donor to most international organizations, the United States continues to be concerned with matters of program growth and priorities, financial management, and program evaluation and management. The United States is especially concerned that obsolete and marginal activities be phased out so that new needs can be met at minimal cost. Thus, the United States proposes to support in most organizations only those budget increases needed to maintain the previous year's level of operation during the 1981-82 period. In only a very few cases of high-priority programs, such as international nuclear safeguard activities, the budget proposes increases of 2 to 3% in real program growth.

The United States continues to place a high priority on United Nations peacekeeping activities in the Middle East and on efforts to bring about peaceful governmental transition in Namibia

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(Southwest Africa). Such peacekeeping operations and initiatives will continue to play an important part in U.S. efforts to assure international peace and security around the globe.

In 1979 the Arms Control and Disarmament Agency contributed to successful negotiations of a second Strategic Arms Limitation Treaty (SALT II) with the Soviet Union. The agency's role in arms control negotiations and research continues to include major interest in strategic arms limitation, as well as in nuclear nonproliferation, arms trade restrictions, and defense analysis. Outlays of $18.5 million for 1981 are requested.

Foreign information and exchange activities.—The International Communication Agency (ICA) conducts a variety of activities to build long-term relationships between the people and Government of the United States and those of other nations. The agency's staffs in 126 countries, with guidance and media products from Washington, operate information and cultural centers and libraries. They also maintain contact with government officials, journalists, and academic, professional, and cultural leaders to further the understanding of American society and policies. Through academic exchanges and sponsored visits of Americans abroad and foreign nationals to the United States, ICA provides selected individuals an opportunity to increase their international understanding, and to expand their personal and professional contacts. The agency's Voice of America, broadcasting in 38 languages, provides accurate news reports, portrays American society, and explains official U.S. policies. ICA also provides the President and other foreign policy officials with assessments of foreign public opinion, and its probable reaction to proposed U.S. policies. ICA activities are proposed to continue at essentially current levels in real terms through 1983, with modest increases planned for exchanges and Voice of America broadcasts to the Middle East.

The Board for International Broadcasting makes grants to Radio Free Europe/Radio Liberty, which broadcasts in 21 languages to Eastern Europe and the Soviet Union. Amounts proposed in the budget will permit operations throughout the 1980-83 period at approximately the current annual level in real terms.

International financial programs.—The mission of our international financial programs is to advance U.S. interests by improving the functioning of the international financial system and to facilitate U.S. participation in world trade. Since World War II, the international financial system has been strengthened by closer cooperation among governments. Nonetheless, problems and market deficiencies remain that require Government action to facilitate U.S. commercial exports and military sales. In addition, there is a

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need to expand the resources of the International Monetary Fund (IMF) to enable it to support economic programs initiated by member countries to correct their balance of payments difficulties, and thereby foster global monetary stability. The members of the IMF have agreed on a 50% increase in IMF resources to take effect in calendar year 1980. The administration is requesting congressional approval of U.S. participation in this increase. At current exchange rates, the U.S. quota in the IMF would increase from $11 billion to $16.5 billion.

In keeping with the President's policy to encourage exports, the *Export-Import Bank's* programs have increased substantially and planned lending levels are being maintained. The proposed lending levels will permit the Bank to supplement private sector financing and to meet the most important foreign official credit competition.

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

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

By concentrating on areas where private financing is not available and by meeting foreign competition on a case-by-case basis, the Bank helps improve the functioning of the international economic system and the efficient development of resources both at home and abroad. The Export-Import Bank's programs are generally intended to supplement private credit markets. Terms and conditions on use of its facilities are set at rates more favorable than those available in the private sector to counteract the special terms foreign governments provide to support their exporters.

EXPORT-IMPORT BANK AUTHORIZATIONS

(In millions of dollars)

	1978 actual	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Direct loan commitments	2,927	3,825	4,188	4,400	4,750	5,200
Discount loan commitments	497	650	520	570	600	650
Guarantees and insurance commitments	3,952	5,016	7,815	8,893	9,800	10,750
Total commitments	**7,376**	**9,491**	**12,523**	**13,863**	**15,150**	**16,600**
Net outlays	**−106**	**200**	**1,054**	**1,230**	**1,193**	**1,822**

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In addition, the Export-Import Bank will guarantee up to $1 billion in both 1980 and 1981 in direct loans made through the Federal Financing Bank (FFB). There are several large export opportunities that could place a severe strain on the Bank's direct loan resources. The Bank will be able to finance additional exports by guaranteeing loans made by the FFB. A supplemental increase in the Export-Import Bank's program limitation for 1980 is therefore being sought. It is also anticipated that the Bank will make more extensive use of guaranteed financing through the Private Export Funding Corporation during 1980 and 1981 in order to meet the requirements for export finance on special terms.

There is a one-time sharp increase in budget authority in 1981 because of changes in procedures for recording obligations and the inclusion of redemption of debt in the figures. These changes have no impact on the Bank's program levels or outlays.

Foreign military sales trust fund.—U.S. law requires that sales of certain types of military equipment and services may be undertaken only by the Federal Government. Thus, this trust fund does not finance U.S. Government programs; rather, it is the vehicle through which these sales are made. In recent years, payments by foreign governments to this fund have been too high in relation to the amounts needed to make payments to contractors. This situation will be corrected in 1980 by slowing receipts from foreign governments. As a result, the fund is expected to be roughly in balance in 1981 and beyond.

Tax expenditures.—A tax expenditure results from the deferral of taxes on one-half of the profits derived from the incremental sales of domestic international sales corporations (DISCs). The DISC provision, estimated to cost $1.5 billion in 1981, was established to provide an incentive to domestic firms to increase their export effort and to offset partially the perceived export advantages of other countries' tax systems.

Americans living and working abroad may deduct living expenses in excess of the cost of living in the United States, with an extra $5,000 of deductions available for hardship areas. Tax expenditures for these benefits, estimated to be $600 million in 1981, are intended to correct for the perceived inequity resulting from high living costs abroad. This provision also has the effect of encouraging firms to maintain U.S. nationals abroad and of deepening our involvement in international economic activities.

Except for certain tax-haven provisions, the income of foreign corporations controlled by U.S. shareholders is exempt from U.S. taxation until that income is distributed to shareholders. This deferral of taxes results in an estimated tax expenditure of $480 million for 1981.

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CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Security assistance:			
Direct loans:			
New loans	1,642	1,615	1,415
Repayments, sales and adjustments (—)	—739	—722	—716
Net loan outlays	903	894	699
Loan guarantees:			
New loans	1,622	2,900	2,600
Net loan guarantees	1,207	2,260	1,835
Economic development credit:			
Direct loans:			
New loans	364	291	284
Repayments, sales and adjustments (—)	—265	—312	—342
Net loan outlays	99	—21	—59
Loan guarantees:			
New loans	96	230	188
Net loan guarantees	49	189	146
Public Law 480—food aid:			
Direct loans:			
New loans	755	850	781
Repayments, sales and adjustments (—)	—144	—161	—180
Net loan outlays	610	690	601
Export-Import Bank:			
Direct loans:			
New loans	1,629	2,634	2,836
Repayments, sales and adjustments (—)	—1,321	—1,461	—1,504
Net loan outlays	309	1,173	1,332
Loan guarantees:			
New loans	4,591	5,237	6,207
Net loan guarantees	1,002	1,255	1,800
Other international assistance:			
Direct loans:			
New loans	9	9	1
Repayments, sales and adjustments (—)	—129	—133	—105
Net loan outlays	—121	—124	—104

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GENERAL SCIENCE, SPACE, AND TECHNOLOGY

National Needs Statement:

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

The United States draws much of its vitality from a commitment to wide-range scientific inquiry and to the pursuit of technological excellence in industry and agriculture. The private sector plays a major role in assuring the strength, independence, and diversity of the Nation's science and technology. However, the long-range vigor of the national effort is a proper concern of the Federal Government, which must stand ready to support fundamental and broadly applicable research activities whose long-term benefits to society exceed the profits that can be made by particular industries and firms.

Despite overall budget constraints, the administration is committed to increasing support for basic scientific inquiry and to helping advance the frontiers of technology in areas of general application. This commitment has been demonstrated by a policy of "real growth" for basic research in each of the budgets of this administration. The Federal Government now supports about 70% of the Nation's basic research and since 1977 Federal support has increased by about 40% (9% in real terms).

Basic research is aimed at increasing our understanding of fundamental scientific principles that encompass a wide range of natural phenomena. Research on the laws of matter, of the universe, and on biological processes can provide the foundation for technological progress that is essential to maintaining the Nation's long-term prospects for industrial growth, agricultural productivity, a safe environment, medical advances, energy sufficiency and national security.

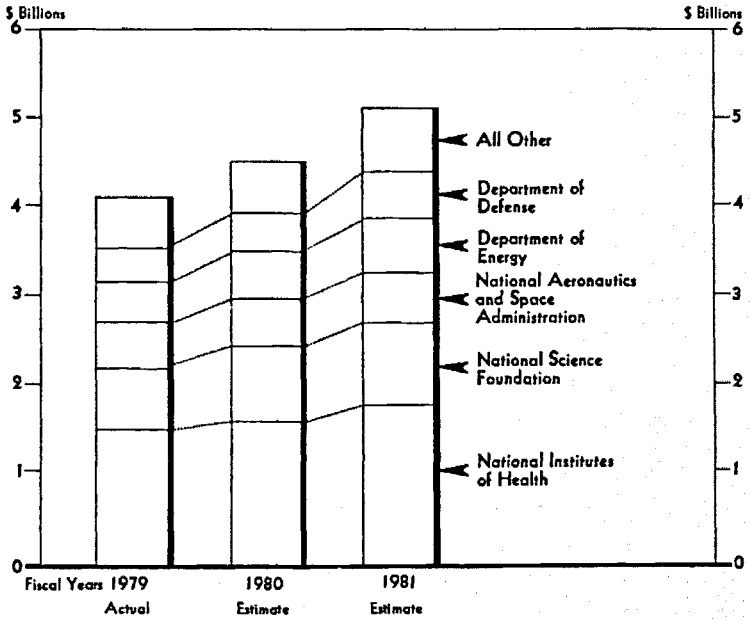
The budget provides for nearly 3% real growth over 1980 in obligations for basic research for all scientific disciplines throughout the Government. Particular emphasis is placed on basic research in the materials and physical sciences, mathematics, and engineering. These disciplines have not previously shared as fully as others in basic research increases. Large increases are proposed for basic agricultural research to sustain the Nation's long-term agricultural

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productivity. The budget also provides support, through the programs of the NSF, for:

- Initiation of a 10-year ocean drilling program on the seaward slope of the Continental Shelf to provide scientific data about the Earth's crust and basic information that can provide a framework for subsequent resource assessment. This program would be financed and conducted in collaboration with industry.
- Expansion of international science and technology activities, including increased scientific cooperation with the Peoples Republic of China.
- Creation of a new program to upgrade research facilities at the Nation's most productive research universities.

Federal Obligations for Basic Research



In an environment of scarce resources and intense worldwide competition, U.S. industry requires a strong technological base. In 1979, the administration established a framework of new policies and programs to encourage technological innovation throughout American industry, including measures to:

- improve the dissemination of technical information to industry;
- strengthen the patent system;

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- foster the development of small, innovative firms;
- clarify antitrust policy to encourage joint industry ventures in research; and
- encourage industrial innovation through Federal procurement policies.

The budget supports specific activities to carry out this new emphasis, including:

- increased support by the NSF of joint industry-university research teams leading to the advancement of industrial technology;
- NSF and Department of Commerce support for research and development on technologies that are basic to the improvement of several industrial sectors;
- increased support for the small business innovation program of the NSF to stimulate development of new processes and products to encourage private investments; and
- initiation of a basic automotive research program in cooperation with industry.

Other aspects of these programs are also described in the commerce and housing credit and transportation functions.

The frontiers of technology and engineering are also advanced by the Federal Government's space activities, and range from the development of the Space Shuttle to better sensors for satellites. This budget builds upon 20 years of path-breaking Federal investment in space science and technology, providing funds to:

- Complete development of the Space Shuttle, which will provide a reliable transportation system for ferrying large payloads to and from Earth orbit.
- Initiate the development of an observatory in space to study gamma rays, leading to increased understanding of the nature and origin of the universe.
- Improve satellite systems (such as the Landsat series) to obtain worldwide agricultural production and other natural resources information with no interruption in the flow of data to Earth.
- Initiate the development of a national oceanic satellite system (NOSS) to provide global weather and ocean data for scientific, economic and national security purposes.
- Initiate the development of advanced communication technology to provide a far more efficient worldwide communication system by increasing the useful range of radio frequencies.

Most of these programs and initiatives are supported by the National Aeronautics and Space Administration (NASA), but other agencies, particularly the Departments of Commerce and Defense,

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are increasing their space-related activities to take advantage of the Nation's 20-year investment in space.

Other science and technology activities of the Federal Government are conducted by a variety of agencies to fulfill their program goals. Most of these activities are classified and discussed in other budget functions. Detailed information is provided in Special Analysis K, "Research and Development," in the Special Analyses volume of the budget. The general science, space, and technology function includes only the research programs of the National Science Foundation (NSF), the general science programs of the Department of Energy (DOE) and the space activities of the National Aeronautics and Space Administration (NASA). Proposed outlays for this function are $6.4 billion in 1981, an increase of $0.6 billion or 9.4% over 1980.

Science

General science and basic research.—The programs that directly support the mission of general science and basic research are administered by the National Science Foundation and the Department of Energy. Outlays for this mission are estimated to total $1.6 billion in 1981, an increase of $150 million, or 10.6%, over 1980.

National Science Foundation programs.—With the establishment of the National Science Foundation (NSF) in 1950, the Federal Government recognized that the Nation would benefit from increased support for basic research. The Foundation supports basic research in virtually all scientific disciplines. It also supports applied research in selected areas of national need, and science education at all levels. The budget proposes an increase in outlays for the NSF from $947 million in 1980 to $1,052 million in 1981. Budget authority is proposed to increase from $996 million in 1980 to $1,153 million in 1981, or almost 16%.

In 1981, the additional funds proposed will allow the NSF to emphasize research related to long-term national problems, such as studies of the properties of materials and the formation and extraction of minerals. Proposed programs include investigations of the Earth's crust (by drilling near the Continental Shelf), basic automotive research, and computer science.

Department of Energy general science programs.—An increase in outlays from $462 million in 1980 to $508 million in 1981 is estimated for research supported by the Department of Energy in high energy physics, nuclear physics, life sciences and nuclear medicine.

The goal of the high energy and nuclear physics programs is to achieve a comprehensive understanding of the fundamental con-

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NATIONAL NEED: INCREASING BASIC SCIENTIFIC KNOWLEDGE AND USE OF SPACE

(Functional code 250; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
General science and basic research:					
National Science Foundation programs	914	996	1,153	1,185	1,278
Department of Energy general science programs	431	472	523	525	504
Smithsonian scientific information exchange activities	2	*	*	*	*
Subtotal, general science and basic research	1,347	1,468	1,676	1,710	1,782
Space research and technology:					
Space flight	2,433	2,847	3,183	2,920	2,750
Space science, applications, and technology	1,224	1,415	1,547	1,698	1,878
Supporting space activities	383	437	463	624	620
Subtotal, space research and technology	4,040	4,699	5,193	5,242	5,248
Deductions for offsetting receipts	−10	−3	−3	−3	−3
Total, budget authority	**5,377**	**6,164**	**6,866**	**6,948**	**7,027**
OUTLAYS					
General science and basic research:					
National Science Foundation programs	870	947	1,052	1,114	1,201
Department of Energy general science programs	425	462	508	527	508
Smithsonian scientific information exchange activities	2	*	*	*	*
Subtotal, general science and basic research	1,298	1,410	1,560	1,641	1,708
Space research and technology:					
Space flight	2,217	2,745	3,013	3,055	2,816
Space science, applications, and technology	1,153	1,322	1,434	1,635	1,846
Supporting space activities	383	416	439	599	627
Subtotal, space research and technology	3,753	4,483	4,886	5,289	5,289
Deductions for offsetting receipts	−10	−3	−3	−3	−3
Total, outlays	**5,041**	**5,889**	**6,442**	**6,927**	**6,993**
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Supporting space activities	184	132	101	.....	.....

*500 thousand or less.

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stituents of matter and energy, the basic forces that govern their interactions, and their role in the properties and dynamics of nuclear particles.

Considerable progress is now being made in understanding the fundamental constituents of matter called "quarks", the study of nuclear forces and the properties of nuclear matter under extreme conditions.

In high energy physics, large accelerators will be used to build on recent major theoretical and experimental knowledge. Funds are requested to begin modification of the accelerator at Fermi National Laboratory to enable scientists to determine the existence of what are so far theoretical subatomic particles.

Nuclear physics research in 1981 will take advantage of the new heavy ion research facility. A new accelerator system is proposed, to fill an important gap between existing lower energy accelerators and a new generation of large circular accelerators.

Tax expenditures.—In addition to direct Federal funding of basic research, the tax code encourages private sector research and development, including basic research, by allowing expenditures for such purposes to be deducted as a current expense. The resulting tax expenditures are estimated at $2.0 billion in 1981.

FEDERAL OBLIGATIONS FOR THE CONDUCT OF BASIC RESEARCH

(In millions of dollars)

Functional code and agency	1979 actual	1980 estimate	1981 estimate
Programs in general science, space, and technology function:			
250 National Science Foundation	730	814	952
250 Energy	292	324	357
250 National Aeronautics and Space Administration	513	538	581
Subtotal	1,535	1,676	1,890
Programs in other functions:			
550 Health and Human Services	1,576	1,728	1,840
270 Energy	172	198	236
050 Defense	362	431	523
350 Agriculture	257	289	324
300 Interior	77	76	78
500 Smithsonian	36	39	44
370 Commerce	25	28	36
500 Education	20	20	25
300 Environmental Protection Agency	10	14	19
999 Other agencies	30	32	58
Subtotal	2,566	2,855	3,184
Total	**4,101**	**4,531**	**5,074**

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Related programs.—As noted above, most of the Federal Government's basic research funds are allocated to other budget functions since they support other specific national needs or missions. The accompanying table shows total Federal obligations by agency for the conduct of basic research. It excludes funds for major facilities and tax expenditures.

Space Research and Technology

This budget continues the administration's commitment to complete the development and initiate the operation of the Space Shuttle. The Shuttle's propulsion, thermal protection, and control systems are among the most complex challenges in the history of 20th century engineering. Despite the additional resources required to insure the success of the Shuttle, the administration continues to support a vigorous and balanced space program. Projects for further exploration and exploitation of space are planned to take advantage of the capabilities offered by the Shuttle. In addition to maintaining ongoing programs in space science, applications and technology development, the budget proposes several major new initiatives that are discussed below.

Space flight.—The National Aeronautics and Space Administration's (NASA) space flight programs sustain and improve the Nation's capabilities to provide space transportation facilities to government, industry, universities and foreign users. The administration is proposing outlays of $3.0 billion for these programs in 1981 compared to $2.7 billion in 1980, an increase of 10%.

Outlays of $1.8 billion are estimated for the Space Shuttle program in 1981 and supplemental outlays of $0.2 billion for 1980 are proposed, compared to outlays of $1.6 billion for the program already approved by Congress for 1980.

The Space Shuttle will be the world's first manned space transportation system capable of being reused routinely and allowing repair, service, and retrieval of satellites in space. The Shuttle is essential to exploit space effectively and maintain U.S. leadership in space throughout this century; to allow adequate advances in military capabilities to meet national security commitments; and to meet U.S. commitments to domestic and foreign users who have made significant investments based upon its availability in the early 1980's. The Shuttle is also expected to replace most U.S. expendable launch vehicles, resulting in cost savings for future civilian and military missions.

The Space Shuttle is now approaching the critical final phase of development, with first flight scheduled for late 1980 and regular operations beginning in 1982. The substantial additional funding proposed for 1980 and 1981 is needed to permit a strengthening of

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ongoing development efforts to overcome remaining technical problems to make possible a fully operational Shuttle system beginning in 1982.

Space science, applications and technology.—Programs in this category include space exploration to study the solar system and the universe, and the development, launch, and operation of satellite systems for agricultural, geological, weather, and communication uses. Proposed outlays in 1981 are $1.4 billion, compared to $1.3 billion in 1980, and represent an increase of 8%. Programs in space science account for proposed outlays of $725 million in 1981, compared to $665 million in 1980.

The administration is proposing the initiation of the development of a gamma ray observatory in 1981. This observatory will be placed in orbit using the Space Shuttle and will provide information on the nature of celestial phenomena providing clues about the nature and origin of the universe. Such information cannot be obtained by Earth-based observatories because of the absorption of gamma radiation by the atmosphere. The administration also proposes to continue other previously approved major activites in space science, including a mission to study the polar regions of the sun and their effect on the Earth's atmosphere and climate, a space telescope to observe distant galaxies, and a mission to explore the planet Jupiter.

The estimated outlays for space applications are $470 million in 1981, an increase of 10% over 1980. The administration is proposing a national oceanic satellite system to be developed jointly by NASA and the Departments of Defense and Commerce. This operational demonstration system would provide global ocean data for use in marine weather forecasting and climate studies, marine transportation, and defense applications. The budget also proposes a program to investigate advanced technologies to utilize new radio-frequency regions for advanced satellite communications.

The budget requests continued funding for ongoing programs such as the global agricultural production forecasting program using the Landsat series of satellites. Development of Landsat-D, the fourth satellite in this series, is continuing, leading toward a late 1981 launch date. Landsat-D will provide a major advance in the quality of remotely sensed Earth-resources data for a variety of applications. The administration is committed to assuring the continuity of Earth-resources remote-sensing capability through the 1980's.

The Department of Commerce, through its National Oceanic and Atmospheric Administration (NOAA), has been designated to manage all civilian operations of remote sensing from space. An interagency board will be created to provide Federal coordination

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of these activities. Special emphasis will be placed on developing pricing policies for cost sharing by user agencies and on involving the private sector in civil remote sensing operations, such as surveys of Earth's resources from space. These administrative changes are expected to provide more efficient and successful management of these national efforts.

Budget proposals would maintain other space research and technology programs, including basic research in materials, structures, and propulsion.

Supporting space activities.—The administration proposes outlays of $439 million in 1981 to provide tracking and data relay support to the entire NASA flight program. This represents an increase of $23 million or 6% over 1980. These activities include maintenance and improvement of satellite tracking stations, antenna systems and computer facilities to extract information from the signals received from satellites.

CREDIT PROGRAMS—GENERAL SCIENCE, SPACE AND TECHNOLOGY

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Satellite leases:			
Loan guarantees:			
New loans	186	132	101
Net loan guarantees	186	132	101

Credit programs.—Long-term lease commitments to finance the construction and acquisition of NASA satellites totaling $152 million were made in 1979. No further lease commitments are expected under this program in 1980 or 1981. Use of existing commitments results in loan guarantees and outlays by the Federal Financing Bank (FFB).

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ENERGY

National Needs Statement:

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

The fundamental aspects of the Nation's energy problem are stark and unpleasant: as cheap supplies of oil and natural gas dwindle, the price that we pay for all forms of energy will increase.

Since World War II, America's economic growth has been fueled by inexpensive, readily available crude oil. During the 1960's and early 1970's, world per capita energy consumption grew at 3½% per year. The ready availability of oil and natural gas helped to carry the American and the world economy to record levels of prosperity.

The situation changed markedly in 1971 when proven domestic oil resources began to decline and domestic oil production reached a peak of 11.3 million barrels per day. Since then, we have rapidly come to rely on imported crude oil as domestic supply failed to meet the increase in demand arising from economic growth. Net imports of petroleum products more than doubled between 1971 and 1978, from 3.7 to 7.9 million barrels per day.

In 1973, members of the Organization of Petroleum Exporting Countries (OPEC) demonstrated their ability to control world oil supply by imposing an embargo during the Arab-Israeli war. Since 1973, sharp increases in oil prices and restrictions in supply have sent shocks through the world economy that have forced the United States and the other major oil importing nations to struggle with the new realities of the world oil market. OPEC price increases since 1973 have raised the average price of imported oil to over $28 per barrel as of January 1980, more than 10 times the price in 1973.

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In 1973, a two-tier system of price controls was applied to domestic oil prices, holding oil that had already been discovered ("old oil") under price controls, and allowing newly discovered domestic oil and imports to be sold at the market price. Oil price controls did hold down the prices of petroleum products in the United States, but also produced unintended consequences. The control system had the effect of holding the average domestic price of oil, including imports, to a level well below that charged by OPEC. Therefore, the price control system subsidized oil consumption. Price controls also reduced incentives to increase domestic oil production, so higher demand for oil was met only by increased imports.

Accelerating OPEC prices led to increasing pressure on the Nation's balance of payments and worsened an already severe rate of domestic inflation. As long as the United States continued to subsidize oil consumption through price controls, massive oil imports threatened the strength and stability of the economy.

Shortly after taking office in 1977, the administration proposed the first parts of a national energy plan to encourage conservation, foster conversion from oil to coal, and reduce oil imports. In 1978, after many months of debate, the Congress passed the Energy Tax Act, the Natural Gas Policy Act, the National Energy Conservation Policy Act, the Powerplant and Industrial Fuel Use Act, and the Public Utilities Regulatory Policies Act. Taken together, these laws (also known as the National Energy Act) incorporated many of the administration's proposals. The basic foundation of a rational response to the new realities of energy had been set in place.

A few months after the National Energy Act (NEA) was enacted, the OPEC cartel began a series of new price increases that have, in the course of the past year, more than doubled the official OPEC oil price. This sudden increase seriously worsened inflation in the United States and made it clear that the gradual reduction of oil imports envisioned by the NEA would not be enough to protect the American economy from the prospect of continued, rapid increases in OPEC oil prices.

In April 1979, the administration announced a plan to decontrol the price of domestic crude oil in conjunction with a windfall profit tax on domestic oil production. The decontrol plan will allow domestic oil held under price controls to rise gradually to the world oil price by September 30, 1981, providing increased incentives for domestic production and conservation.

As the prices charged by domestic producers rise as a result of decontrol and increasing world oil prices, the windfall profit tax will capture a portion of the unearned revenues that would otherwise go to the oil industry. The receipts of the windfall tax will make resources available to assist those low-income families least able to pay increasing energy prices, finance investments to

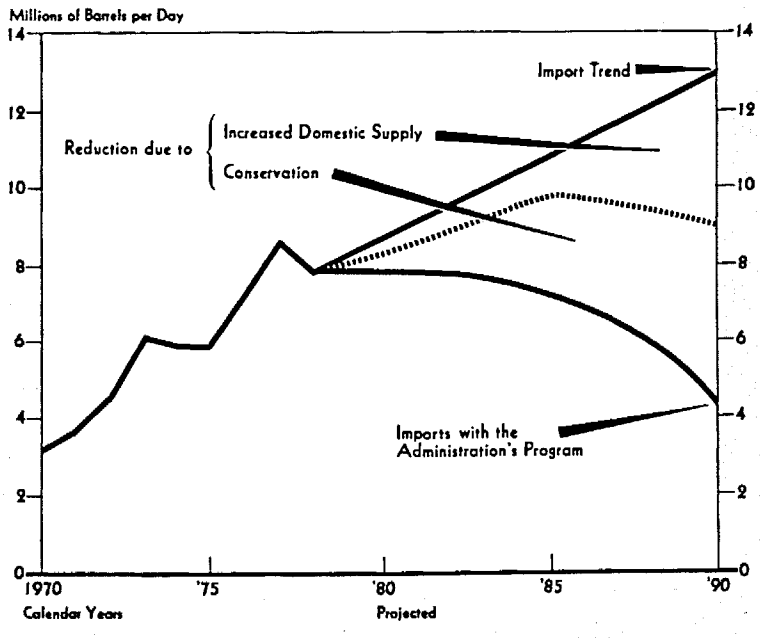
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increase the energy efficiency of our transportation system, and greatly expand energy supply and conservation programs. The administration's initiative places maximum emphasis on oil import reductions by allowing domestic oil prices to reach world levels and ensuring that a significant portion of the excess profits caused by rising world oil prices and decontrol will be invested in domestic alternatives to foreign oil.

The 1979 proposals included an Energy Security Corporation (ESC) to enable the United States to develop the capacity to produce synthetic fuels that would directly offset foreign oil imports; an Energy Mobilization Board to assure that critical energy facilities receive prompt attention at every level of government; a permanent ceiling on oil imports of 8.5 million barrels per day; a program to encourage utilities to switch from oil to coal; assistance for additional conservation and the accelerated use of solar and other renewable energy sources in residences and commercial establishments; and increased research and development into the use of coal.

We have seen the risks of being unprepared for rapid changes in energy supplies and prices; we must now move forward to reduce

Effect of Administration's Oil Import Reduction Program



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NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Energy supply:					
Promotion of domestic production:					
Synthetic fuels promotion:					
Existing law	.....	2,208	.....	.....	.....
Proposed legislation	.....	17,792	.....	.....	.....
Biomass (proposed)	.....	50	41	45	37
Solar bank (proposed)	.....	35	150	150	150
Research, development, demonstration, and applications:					
Solar	514	602	652	680	728
Other renewable resources	541	529	620	643	680
Fossil:					
Existing law	784	895	1,165	1,717	1,462
Proposed legislation	.....	50	50	50	50
Nuclear fission:					
Existing law	1,218	1,227	925	859	899
Proposed legislation	.....	300	.....	.....	.....
Other technology	490	578	827	872	875
Direct production (net):					
Uranium enrichment	−21	1,051	87	560	302
Petroleum reserves	−364	−647	−1,900	−2,311	−2,416
Power marketing	−116	14,892	−99	−115	−122
Subtotal	3,046	39,562	2,519	3,150	2,645
Energy conservation:					
Technology development	229	297	299	323	347
Conservation grants	377	458	568	568	608
Utility oil use reduction (proposed)	.....	1	25	1,030	2,420
Public information and other	5	11	50	54	58
Residential and commercial conservation (proposed)	.....	110	390	600	700
Subtotal	611	877	1,332	2,575	4,133
Emergency energy preparedness:					
Strategic petroleum reserve:					
Existing law	3,008	.....	2,404	2,191	4,274
Proposed legislation	.....	9	15	122	140
Subtotal	3,008	9	2,419	2,313	4,414
Energy information, policy, and regulation:					
Energy information and policy	82	129	142	141	141
Regulation:					
Federal Energy Regulatory Commission	54	72	76	77	78
Economic Regulatory Administration	99	198	162	126	110
Nuclear Regulatory Commission	327	417	468	513	523
Alaska gas pipeline inspector	*	11	26	38	32
Administrative expenses (Department of Energy)	215	259	337	363	363
Subtotal	777	1,086	1,211	1,258	1,247
Deductions for offsetting receipts	−59	−72	−74	−74	−74
Total, budget authority	**7,382**	**41,461**	**7,408**	**9,222**	**12,365**

Footnote at end of table.

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NATIONAL NEED: ENERGY—Continued

(Functional code 270; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Energy supply:					
Promotion of domestic production:					
Synthetic fuels promotion:					
Existing law	.....	155	53	*	*
Proposed legislation	.....	12	16	60	100
Biomass (proposed)	.....	50	41	45	37
Solar bank (proposed)	.....	29	130	146	150
Research, development, demonstration and applications:					
Solar	437	617	656	674	724
Other renewable resources	509	537	645	678	683
Fossil:					
Existing law	740	931	939	1,374	1,521
Proposed legislation	.....	50	50	50	50
Nuclear fission:					
Existing law	1,207	1,269	1,048	858	890
Proposed legislation	.....	−100	200	−36	−98
Other technology	671	583	608	872	902
Direct production (net):					
Uranium enrichment	43	245	105	214	162
Petroleum reserves	−350	−443	−1,823	−2,324	−2,442
Power marketing	1,643	1,564	1,825	1,867	1,612
Subtotal	4,900	5,499	4,493	4,478	4,291
Energy conservation:					
Technology development	176	246	278	309	339
Conservation grants	76	336	481	648	692
Utility oil use reduction (proposed)	.....	1	22	979	2,321
Public information and others	.....	11	34	54	58
Residential and commercial conservation (proposed)	.....	14	357	504	727
Subtotal	252	608	1,172	2,494	4,137
Emergency energy preparedness:					
Strategic petroleum reserve:					
Existing law	1,021	767	1,294	2,912	3,850
Proposed legislation	.....	3	11	14	122
Subtotal	1,021	770	1,306	2,926	3,973
Energy information, policy, and regulation:					
Energy information and policy	82	127	144	140	140
Regulation:					
Federal Energy Regulatory Commission	50	70	76	77	78
Economic Regulatory Administration	82	172	176	134	112
Nuclear Regulatory Commission	309	307	476	474	484
Alaska gas pipeline inspector	.....	9	25	36	34
Administrative expenses (Department of Energy)	219	261	314	325	325
Subtotal	742	946	1,211	1,186	1,173
Deductions for offsetting receipts	−59	−72	−74	−74	−74
Total, outlays	**6,856**	**7,751**	**8,107**	**11,010**	**13,499**

Footnote at end of table.

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NATIONAL NEED: ENERGY—Continued

(Functional code 270; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
ADDENDUM					
Off-budget Federal entity:					
Rural electrification and telephone revolving fund:					
Budget authority	134	.....	.....	.....	.....
Outlays	−4	.....	.....	.....	.....
Energy Security Corporation:					
Budget authority	.....	.....	.....	2,400	1,400
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Rural electrification and telephone revolving fund	2,320	4,160	4,745	5,342	6,779
Tennessee Valley Authority	.....	684	16	.....	.....

*$500 thousand or less.

those risks and restore confidence to our economy. The administration's energy strategy acknowledges the changed realities of energy and seeks to prepare the Nation for continued change in the future.

The administration's energy strategy and programs are grounded in the belief that we must move forward on many fronts to develop whatever means are needed to establish our security and independence from foreign sources of energy. We cannot decide now to pursue but one energy path or another; we must instead pursue many alternatives in order to secure our energy future and restore confidence in our economy. A broad energy strategy has been needed to prepare us for the next decade and beyond. The Nation now has such a strategy, and this budget supports it.

The administration's national energy strategy as set forth in the 1977 and 1979 initiatives and enacted by Congress now comprises a broad-based program to reduce the Nation's dependence on imported oil. The strategy and the program have four basic elements: expanded efforts to encourage conservation of energy throughout the domestic economy; a rational pricing policy for depletable oil and natural gas; a windfall profit tax to capture a portion of the revenues that will accrue to the oil industry as a result of decontrol; and programs to increase our domestic supplies of energy. The administration's overall energy program should reduce projected 1990 oil imports from 13 million barrels per day to 4.5 million barrels per day. Such a reduction in the level of imports will stem the flow of dollars overseas, improve our balance of payments, and provide renewed confidence in the American economy.

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In addition to direct spending programs, a variety of tax expenditures, designed to increase domestic energy production and stimulate conservation, significantly affect budgetary resources by reducing tax receipts. It is estimated that receipts will be lower by $5.4 billion in 1980 and $6.6 billion in 1981 due to these tax expenditures. Tax expenditures are discussed below and explained in more detail in the *Special Analyses* volume of the Budget.

In addition to the energy programs included in this function, the administration has proposed programs to assist those low-income families most affected by rising energy prices. The Congress has enacted a program of special energy allowances and an energy crisis assistance program, which are discussed in the income security function. In addition, the administration has proposed programs to increase the energy efficiency of the Nation's transportation system. These programs are discussed in more detail in the transportation function.

A variety of other Federal spending programs are related to meeting national energy needs, but budget estimates for them are classified elsewhere in the budget. These programs include:

- Department of the Interior programs for oil, gas, and coal, oil shale, and geothermal leasing; coal mining research and development; surface mining reclamation; and environmental assessments of energy minerals (classified in the natural resources and environment function).
- Department of Agriculture programs promoting gasohol and energy conservation for rural communities (classified in the agriculture function).
- Department of Commerce programs for coastal energy impact assistance, an inland energy assistance program financed by the Department of Energy and administered by the Department of Agriculture (classified in the community and regional development function).
- Department of Transportation programs on pipeline safety (classified in the transportation function).
- Department of Labor mine health and safety programs (classified in the health function).
- Assistance to developing countries and multilateral lending institutions to promote energy production overseas (classified in the international affairs function).

Energy supply.—Even if we conserve enough energy to substantially reduce total demand, we will need increased supplies of energy to fuel our transportation system, our industrial base, and our homes. While we seek to expand traditional sources of domestic

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supply, we will probably never again be able to meet our total demand for energy from domestically produced oil and natural gas. Coal will become more and more important, and new and unconventional sources of energy must be discovered and developed as part of our strategy to reduce imports of foreign oil.

As a result, energy supply spending has grown rapidly from 1977 to 1981, and the relative emphasis among the various supply programs has changed over that same period in order to assure that our long-term energy supply needs are met. Spending on solar and fossil energy programs now dominates the supply area of the energy budget, whereas nuclear fission development was the principal government objective in 1977. The programs that support the overall energy supply mission fall into three main categories:

- promotion of production by the private sector of synthetic fuels and other domestic energy resources;
- support of research, development, and demonstration of new or improved technologies to produce energy from domestic sources; and
- direct Federal energy production.

Government spending for energy supply programs is designed to complement the billions of dollars invested each year in the private economy for exploration, research, development, production, and delivery of energy.

Budget authority of $2.5 billion is proposed for energy supply in 1981, primarily for research, development, and demonstration.

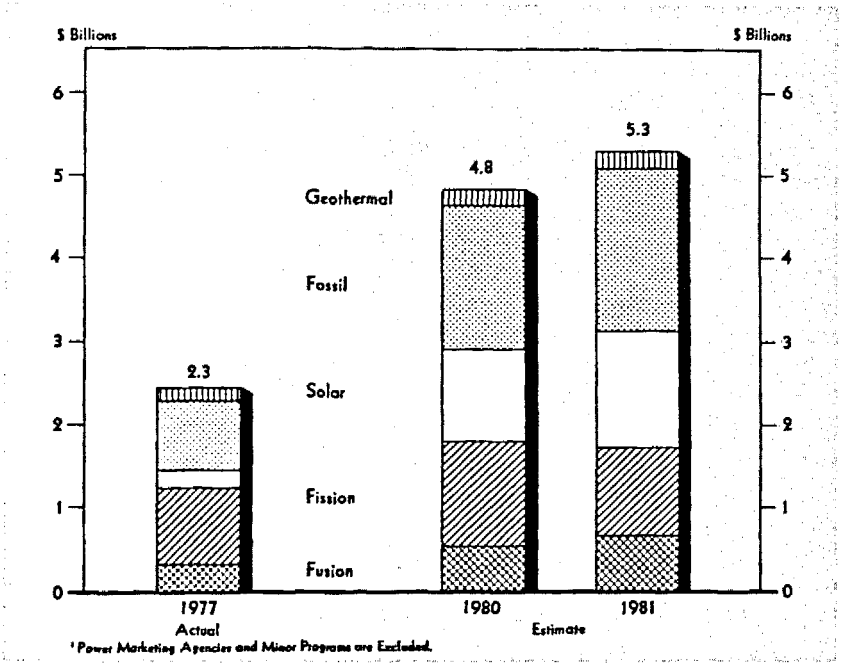
Budget authority in 1980 is $39.6 billion, but this amount is not comparable with the 1981 level because it includes two unusual amounts—$15.0 billion of new borrowing authority for the Tennessee Valley Authority (TVA), and $20 billion for synthetic fuels promotion. Periodically, the TVA seeks borrowing authority to finance new generating capacity; this is later repaid through revenues from TVA power customers. For synthetic fuels promotion, the Congress has already provided $2.2 billion and the budget requests an additional $17.8 billion in 1980 to cover the activities of the Energy Security Corporation in the first phase of its program to support synthetic fuels production.

Adjusting for these two large transactions, and for offsetting receipts, the budget proposes an increased overall program level for energy supply in 1981 compared with 1980. Excluding major receipt increases, outlays for energy supply are estimated to be $6.3 billion in 1981 compared with $6.0 billion in 1980.

In addition to these budget outlays, increased tax expenditures for energy supply provided by the National Energy Act of 1978 and the

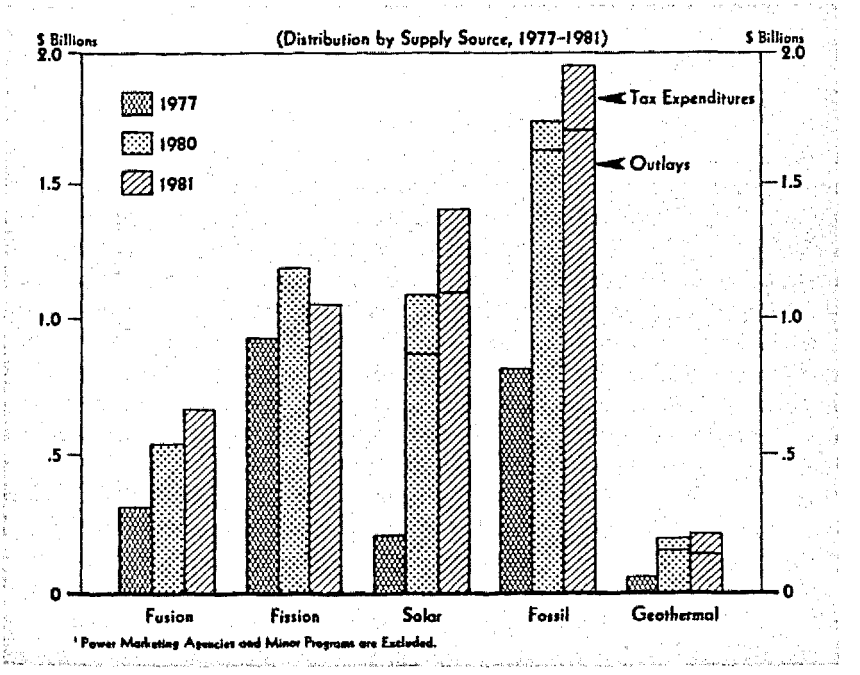
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Principal Energy Supply Programs, including Tax Expenditures[1]



[1] Power Marketing Agencies and Minor Programs are Excluded.

Principal Elements of Energy Supply Programs[1]



[1] Power Marketing Agencies and Minor Programs are Excluded.

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proposed energy security program are estimated to reduce receipts by $0.6 billion in 1981. Total tax expenditures for energy supply are estimated to be $5.2 billion in 1981. Taken together, these sources of financial support for energy supply provide a vigorous overall Federal effort to encourage energy supply from domestic resources.

Promotion of domestic production.—The administration has proposed new programs to encourage the production and use of domestic energy supplies in order to help reduce the level of U.S. oil imports. These objectives are promoted through the Energy Security Corporation, the Energy Mobilization Board, energy impact assistance, the biomass and alcohol fuels program, and the solar energy and conservation bank.

The budget provides for the initiation of the Energy Security Corporation (ESC) in 1980. The ESC will be the primary vehicle for *synthetic fuels promotion* in the United States. Because of uncertainties about the price and availability of oil in the future, it is appropriate for the Federal Government to absorb some of the risks that are associated with establishing a synthetic fuels industry. It is proposed that the Corporation be authorized to make direct loans, and enter into loan, price, and purchase guarantees for a variety of synthetic fuels produced by private firms under contract. The ESC is proposed as an off-budget Federal entity to allow it to operate with autonomy. However, budget authority and outlays reflecting the Corporation's activities will be included in the budget totals. The Corporation will operate using phased appropriations as provided by the Congress. The first phase of Corporation activities is to be financed by a multiyear appropriation of $20.0 billion. To give an early start to meeting the Nation's synthetic fuels goals, the Congress appropriated $2.2 billion to the Department of Energy (DOE) in 1980 to support synthetic fuels production. The administration proposes that the unobligated balance of this amount be made available to the ESC once it is established. In addition, the budget requests a supplemental appropriation of $17.8 billion for the Corporation in 1980. Since most of the Corporation's activities are expected to involve price, purchase, and loan guarantees that are contingent on the price of oil, its outlays are estimated to be only $12 million in 1980 and $16 million in 1981. Corporation outlays are expected to grow substantially in future years as significant volumes of synthetic fuels begin to be produced.

One of the major impediments to increasing production from domestic energy supplies is the delay caused by regulatory procedures applied to proposed energy projects at all levels of govern-

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ment. The establishment of the *Energy Mobilization Board* will assure that critically needed energy facilities receive prompt action by regulatory agencies at each level of government. The Board will be responsible for designating critical energy projects, establishing timely schedules for the completion of permit decisionmaking, and ensuring compliance. A supplemental request for 1980 and a budget amendment for 1981 will be proposed later for the initial activities and operation of the Board.

To harness a portion of the country's agricultural resources for energy purposes, the administration has proposed a 10-year program of outlays, tax expenditures, loans, and loan guarantees to promote conversion of grain, farm residues, and other *biomass* into synthetic fuels such as ethyl alcohol and gasohol. The budget proposes a 10-year, $3 billion credit program, providing $300 million annually for small and medium sized biomass facilities. The budget also reflects an additional 10% investment tax credit for liquid and gaseous fuels produced from biomass and exemption from the Federal gasoline tax for gasohol, as proposed by the administration and enacted into law. With the enacted and proposed initiatives, the production and use of alcohol for gasohol are expected to expand rapidly.

To encourage the use of solar technology in residential and commercial buildings, the administration proposes creation of a *solar energy and conservation bank* within the Department of Housing and Urban Development. The bank would provide subsidies to lenders who make long-term, below-market rate loans to finance the use of solar energy systems. Budget authority of $35 million in 1980 and $150 million annually from 1981 through 1984 are proposed, assuming enactment of authorizing legislation. A similar program, classified in the conservation subfunction, provides subsidies to lenders for conservation loans. Budget authority of $100 million in 1980 and $300 million in 1981 is requested for the conservation program, which is expected to provide a total of $5.8 billion in direct subsidies between 1980 and 1990.

Research, development, demonstration, and applications programs.—Energy research, development, demonstration and applications programs can provide new and improved technologies that will permit the greater use of domestic energy resources in a safe and environmentally acceptable manner. Rising energy prices, tax credits, and regulatory incentives encourage private development and production of new and improved energy technologies that use domestic energy resources. Federal support seeks to complement the work of the private sector by supporting longer-term, high-risk Federal research, development, and demonstration programs. Fed-

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eral programs support technologies such as solar, geothermal, fossil, fission, and fusion. Most Federal energy research is funded by the Department of Energy, but other agencies are also involved.

The administration is strongly committed to the belief that *solar* energy can, over time, make a significant contribution as a clean and renewable source of energy. The President announced on June 20, 1979, a national goal of deriving 20% of the Nation's energy from solar sources by the year 2000. To assist in achieving this goal, the administration is proposing research, development, and demonstration projects and tax credits for solar applications.

Total budget outlays for solar development and application, including programs not in this function, are estimated to reach $1.1 billion in 1981, an increase of $235 million over 1980. In addition, the revenue loss associated with tax expenditures for solar energy is expected to be $307 million in 1981, almost $100 million more than in 1980. Thus, the total Federal solar effort will exceed the 1980 level by more than 30%.

Department of Energy outlays for direct solar and solar-related programs are expected to increase from $617 million in 1980 to $656 million in 1981. In longer term research, emphasis will be given to photovoltaics to develop the means to produce electricity economically directly from solar energy. Further efforts will also be undertaken to develop improved processes to convert organic wastes and crops to fuels, to convert solar energy to heat energy and electricity, and to convert the energy of the wind and the oceans into useful energy. Near-term efforts include development and demonstration projects in passive solar facilities, advanced cooling methods, and process heat.

The budget also requests funds for the construction of a new 300 acre facility for the Solar Energy Research Institute at Golden, Colo.

In addition to the Department of Energy, other Federal agencies encourage the use of solar technologies in pursuit of their missions. This approach takes advantage of the unique character of many solar technologies, which are often especially suited to small, decentralized applications. These efforts will assist significantly in meeting the overall Federal goal of stimulating a vigorous solar industry.

Additional stimulus for solar energy use will result from the National Energy Act and the oil import reduction program, which make tax credits available to consumers and businesses to help defray the high initial cost of solar equipment.

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OUTLAYS AND TAX EXPENDITURES FOR SOLAR ENERGY DEVELOPMENT

(In millions of dollars)

	1980 estimate	1981 estimate
Outlays for solar energy:		
In the energy function:		
Longer-term research and development	447	460
Demonstrations and applications	170	196
Solar energy and conservation bank	29	130
Biomass loans	50	41
Other solar related	55	80
Subtotal	751	907
In other functions	128	207
Total outlays for solar energy	**879**	**1,114**
Tax expenditures for solar energy	**208**	**307**
Excise tax exemption for gasohol	**31**	**48**

Other renewable energy resources include magnetic fusion, geothermal, and hydroelectric energy from small dams.

The magnetic fusion program has grown rapidly since 1977, reflecting the administration's belief that fusion represents one of the Nation's most important long term energy options. The program is directed at determining the technical and economic feasibility of producing energy through a controlled thermonuclear reaction, which has the potential of providing a relatively clean and limitless source of power in the next century.

It is expected that technical feasibility will be demonstrated within the next 3 to 4 years as a result of major experiments already in progress. The Department of Energy is also assessing other fusion concepts. The 1981 budget provides for $471 million in outlays, an increase of $90 million over 1980.

Ultimately, a single concept will be chosen for a prototype fusion power reactor, the forerunner of commercial fusion power reactors, which would produce more energy than it consumes.

The objective of the geothermal program is to encourage the development of hot underground brines and deep deposits of hot brines mixed with natural gas as useful energy sources. A longer-term goal is to develop the Nation's large reserves of thermal energy stored in hot underground rock formations. Outlays of $155 million are proposed for 1981. The budget also supports efforts to help identify and mitigate environmental and regulatory barriers that inhibit the use of domestic geothermal resources.

For the development of hydroelectric power from small dams, the primary Federal role of granting permits and licensing will be augmented through programs of the Department of Energy that

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finance feasibility studies, cost-sharing for commercial demonstrations, and a limited amount of engineering development and assessment.

Fossil fuel programs have grown dramatically since 1977 primarily because of the administration's emphasis on the increased use of coal, America's most plentiful energy resource.

The major new initiative in the administration's fossil energy strategy is the Energy Security Corporation. Most of the resources for the ESC will be directed to assisting private industry in financing synthetic fuel production facilities using existing technologies. The goal of this Corporation will be to create 1.75 million barrels per day of synthetic fuels and unconventional natural gas supplies by 1990. In addition to the ESC, a variety of other programs are proposed. These include oil shale and unconventional gas production tax credits, and an aggressive research program on fossil fuel energy technologies.

OUTLAYS AND TAX EXPENDITURES FOR FOSSIL ENERGY

(In millions of dollars)

	1980 estimate	1981 estimate
Outlays for fossil energy:		
In the energy function:		
Energy Security Corporation	12	16
Department of Energy research, development and demonstration	1,216	1,215
Subtotal	1,228	1,231
In other functions:		
Leasing programs	240	267
Coal mining research and development	51	60
Surface mining reclamation	116	150
Subtotal	407	477
Total, outlays	**1,635**	**1,708**
New tax expenditures for fossil energy (revenue loss) [1]	111	235

[1] Since 1977.

The principal Federal support for increasing domestic fossil energy supplies is provided through the research, development, and demonstration programs of the Department of Energy. Outlays for fossil energy programs are estimated to be $1.7 billion, an increase of $73 million over 1980. The programs are aimed at (1) accelerating the use of coal; (2) increasing the production of domestic oil and gas; and (3) developing technologies that convert abundant domestic energy resources such as coal and oil shale to synthetic liquid and gaseous fuels.

The budget proposes $275 million in outlays for continuation of programs to develop technologies that allow coal to be used more efficiently and cleanly. Included in this area are new combustion

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systems such as fluidized bed combustion and the direct production of energy from coal (magnetohydrodynamics), new power generation systems such as high-temperature turbines and fuel cells, and improved environmental control technologies such as better scrubbers and precombustion coal cleaning.

In 1979, the administration proposed several initiatives, including tax credits and pricing incentives, to accelerate production of oil, gas and oil shale. To complement market incentives, the budget includes $95 million in outlays to accelerate technologies that would tap our large reserves of unconventional natural gas and unrecovered oil and would develop our vast oil shale deposits. In view of the substantial technical ability of the industry and the existence of strong financial incentives, the funding requested in this area continues the trend initiated last year of developing basic scientific and engineering principles rather than field demonstrations of practical technology.

While the ESC will be responsible for financing commercial synthetic fuel production facilities, the Federal Government's development and demonstration of these technologies will continue to be the responsibility of the Department of Energy. The budget both supports a number of important developmental synthetic fuel plants and expands basic and applied research in synthetic fuels technology. The budget requests $431 million in budget authority for initiating construction of two demonstration plants for converting coal into clean solid and liquid fuels using solvent refined coal technology, and for constructing a demonstration plant for converting coal into pipeline-quality gas. The budget also supports two large pilot plants for converting coal to liquid fuels using the donor solvent and H-coal processes.

The nuclear *fission* programs continue the development of new technologies related to all aspects of nuclear power: resource assessment, enrichment, reactor technology, and waste management. The program also provides a technical base in support of the administration's nuclear nonproliferation policy.

Since 1977, the budget for nuclear research and development programs has been altered significantly in order to fit better into the administration's overall national energy policy. In the past, nuclear programs concentrated on the development of new fission technologies for the distant future, such as breeder reactors, with less emphasis on solving the current problems of nuclear power. The administration believes that the current problems must be solved, since nuclear power is an important energy option for the United States. Therefore, the administration has placed increased emphasis on waste management as a problem that must be solved to maintain a strong nuclear power industry in this country, has

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recognized the need for technical improvements in commercial light water reactors, and has concentrated on fuel enrichment techniques that will lower the cost of nuclear-generated electricity. Increases to achieve these objectives have been offset by reduced emphasis in this and past administration budgets on advanced reactors and reprocessing technology.

In this budget, the administration proposes to further change the emphasis of fission programs in three ways. The first change is a decreased emphasis on alternative reactor concepts. Work on the high-temperature gas cooled reactor and the gas cooled fast reactor are proposed for termination in 1981.

The second change in the program comes in response to the accident at Three Mile Island. Budget authority for reactor safety and technology associated with light water reactors is proposed to increase from $25 million in 1980 to $40 million in 1981.

The third change in the fission program comes about because of increased evidence that breeder reactors will not be economic until the year 2020 or later. Accordingly, the administration proposes to reduce the scope of the liquid metal fast breeder reactor program to a level that better reflects the expected need for this technology. No funds are proposed for the continuation of the Clinch River breeder reactor. Budget authority of $320 million is proposed for the liquid metal fast breeder reactor program in 1981.

The budget supports an extensive program to identify and assess suitable sites to serve as a permanent nuclear waste disposal facility. In addition, remedial work is underway to decontaminate various sites where radioactive materials have been handled previously. Again this year, the administration proposes legislation to establish temporary spent fuel storage facilities away from reactors.

The budget continues to support our nuclear nonproliferation objectives with programs to develop lower enriched fuels, which cannot be used for nuclear weapons, for research reactors and programs to demonstrate that light water reactors can continue to be an economic alternative to breeder reactors well into the next century.

Total outlays for nuclear fission research and development under existing law are estimated to be $1,048 million in 1981, a decrease of $221 million from 1980. While increases occur in waste management and light water reactor technology, major decreases occur because of the reduction in the liquid metal fast breeder reactor program and discontinuation of the gas reactor programs.

Research on the *environmental* effects of energy production and use is conducted with an emphasis on determining the human

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health and ecological effects of developing technologies, such as coal liquefaction and other synthetic fuels technologies. Additional funding is proposed for research to determine whether increasing amounts of carbon dioxide in the atmosphere cause changes in the Earth's climate. Over the past several years, the Department of Energy and the Environmental Protection Agency have worked closely together to improve the effectiveness of research on pollution control.

Direct production programs.—The Government's direct energy production programs include producing enriched uranium for nuclear power plants, producing oil from the naval petroleum reserves, distributing electricity through five power marketing administrations, and generating and transmitting power through the Tennessee Valley Authority.

The Department of Energy plans to continue to operate three existing gaseous diffusion *uranium enrichment* plants. These plants produce sufficient enriched uranium to meet the Federal Government's own requirements, as well as the needs of domestic nuclear power plants and anticipated foreign orders. Proposed outlays of $1.5 billion will continue ongoing work to increase enrichment capacity and make plant operation more efficient. These funds also provide for the continued construction of the new centrifuge enrichment plant at Portsmouth, Ohio. These outlays will be largely offset by uranium enrichment receipts, estimated to be $1.3 billion in 1981.

In 1976, the Congress directed that oil production be increased at the *naval petroleum reserves*, located in California and Wyoming, in order to reduce U.S. dependence on imported oil. Oil produced from the reserves is sold at competitive prices, with receipts deposited in the Treasury. Government production from the reserves is expected to be about 160,000 barrels per day, with receipts estimated at $1.9 billion in 1981. The budget requests $145 million in new budget authority for development and production costs at the California and Wyoming reserves.

The President has proposed legislation to open the national petroleum reserve in Alaska for oil and gas exploration and development through leasing as the fastest way to find any commercial quantities of these resources in the reserve with adequate protection for wildlife and other values. Accordingly, the budget proposes that Government exploration to define the potential for oil and gas resources at the Alaska reserve be concluded after the 24 exploratory wells funded for drilling through 1980 are completed. Ade-

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quate information has been collected to formulate recommendations to the Congress on the future use of the reserve. Of the 1980 appropriation, $18 million that was to prepare for drilling four additional wells in 1981 is recommended for rescission. New budget authority of $45 million is requested in 1981 for contract closeout costs and $9 million is proposed for later transmittal if leasing is authorized at the Alaska reserve.

Net outlays for *power marketing* activities are estimated to increase from $1.6 billion in 1980 to $1.8 billion in 1981. Approximately 95% of these outlays are for continuation of the nuclear power plant construction program of the Tennessee Valley Authority (TVA). TVA, the Nation's largest electric utility, is currently operating one nuclear plant, building six others, and marketing about 5% of the electricity generated in the United States. Construction and operation of transmission facilities at the five Federal power marketing administrations and the administrative expenses of the rural electrification and telephone revolving fund make up the balance of power marketing outlays.

In addition to its basic electric utility responsibilities, TVA is aggressively demonstrating the use of new energy sources as well as more efficient use of existing sources. For 1981, it is estimated that nearly $153 million will be obligated to demonstrate ways to use renewable energy resources such as wood, wind, and solar. About $30 million is planned for energy technology projects such as fuel cells for utility systems, and coal gasification plants to demonstrate that existing energy resources can be used in more efficient and environmentally acceptable ways. Finally, TVA plans to obligate over $133 million to demonstrate the potential of energy conservation through home insulation, commercial weatherization, employee ride sharing, and other conservation programs.

The rural electric and telephone revolving fund is administered by the Rural Electrification Administration (REA). New insured loans to rural borrowers during 1981 are estimated to be at least $850 million for electric service to rural areas, and at least $250 million will be provided to furnish and improve telephone service to rural areas.

In addition, the REA proposes to finance the construction and operation of generating plants, and electric transmission and distribution systems in rural areas. Under the Federal credit control program, the gross obligations for new loans approved and new loan guarantee commitments for 1981 are proposed to be included in the appropriation bills approved by the Congress.

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CREDIT PROGRAMS—ENERGY

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Synthetic fuels promotion:			
Loan guarantees:			
New loans		2,300	2,000
Net loan guarantees		2,300	2,000
Biomass:			
Direct loans:			
New loans		50	50
Repayments, sales, and adjustments (—)			
Net loan outlays		50	50
Loan guarantees:			
New loans		250	250
Net loan guarantees		250	250
Geothermal development and other energy:			
Direct loans:			
New loans	*	24	12
Repayments, sales, and adjustments (—)		—*	—*
Net loan outlays	*	24	12
Loan guarantees:			
New loans	1	363	252
Net loan guarantees	1	351	248
Off-budget Federal entity—Rural Electrification: Administration:			
Direct loans:			
New loans	1,105	1,325	1,404
Repayments, sales and adjustments (—) [1]	—899	—1,112	—1,210
Net loan outlays	206	212	194
Loan guarantees: [2]			
New loans	2,650	4,260	4,845
Net loan guarantees	2,650	4,260	4,845

* $500 thousand or less.

[1] Includes sales of direct loans.

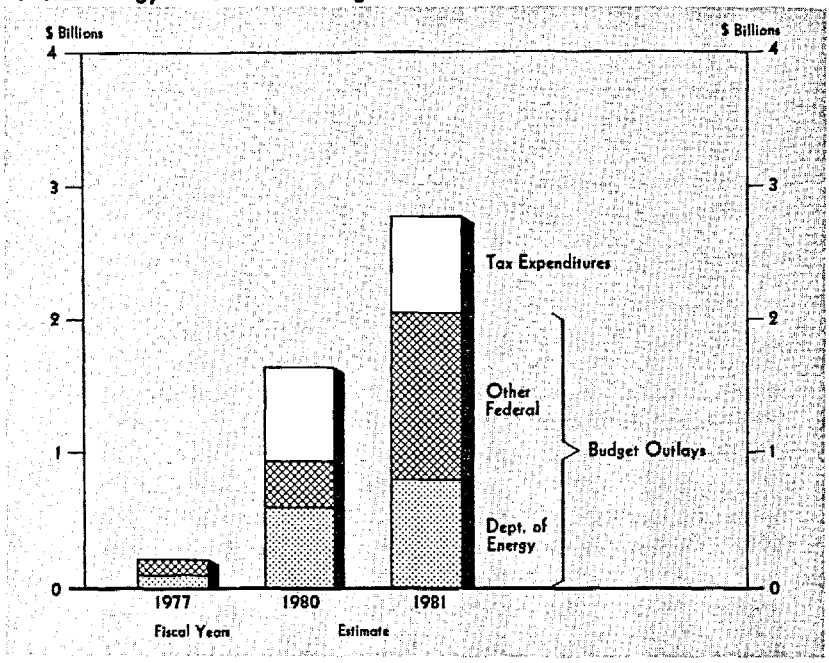
[2] Includes guarantees of direct loans.

Energy conservation.—Conservation is the principal component of the administration's energy strategy. The range of alternatives for energy conservation is very broad. Realistic oil and natural gas pricing and effective regulatory policies (such as automobile fuel efficiency standards) are integral components of any meaningful conservation strategy. Conservation is also promoted by tax credits and by spending programs for conservation technology development, State and local grants, the Government's public information campaign, conservation investments in Federal build-

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ings, and the proposed utility oil use reduction program. The following chart shows the rapid growth in Federal energy conservation spending from 1977 to 1981.

Federal Energy Conservation Programs



Outlays for conservation programs in the energy function rise sharply from $0.3 billion in 1979 to $0.6 billion in 1980, and $1.2 billion in 1981. As the following table shows, when full account is taken of energy-related programs in other functions, budget outlays for energy conservation are estimated to increase from $0.9 billion in 1980 to $2.0 billion in 1981.

Total tax credits for energy conservation are estimated to be almost $0.7 billion in 1981. These include business and residential conservation tax credits. The private investment corresponding to these credits is estimated to be over $6.0 billion in 1981.

Technology development.—Federal programs in this area help develop a better understanding of, and solution for, common technical problems in energy conservation. The programs include projects in cooperation with the private sector to develop energy saving technologies where there are large potential energy savings but severe technical risks and long lead times. In 1981, outlays for conservation technology are estimated to total $279 million, up

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OUTLAYS AND TAX CREDITS FOR ENERGY CONSERVATION

(In millions of dollars)

	1980 estimate	1981 estimate
Outlays for energy conservation:		
In the energy function:		
Conservation technology	246	279
Conservation grants	335	481
Public information campaign and other	11	34
Residential and commercial conservation*	14	357
Utility oil use reduction *	1	22
Subtotal, energy function	608	1,172
In other functions:		
Mass transit and automobile efficiency*	100	617
Conservation investments in Federal buildings	224	240
Total, outlays	**932**	**2,029**
Tax credits for energy conservation (revenue loss)	**702**	**739**

*Proposed in 1979 energy initiatives.

13% from 1980. Proposed budget authority for these programs remains at the 1980 level because of the increased incentives that now exist for additional private investment in improved energy-efficient technologies.

The 1981 conservation technology budget consists of programs in four areas: buildings and community energy systems, industrial energy use, transportation, and small-scale technology. The buildings and community systems program will continue development of efficiency standards for buildings, conduct research to increase the energy efficiency of consumer products, and assist communities in reducing their energy consumption. The 1981 industrial conservation program includes key efforts in industrial waste energy reduction, cogeneration, and process efficiency improvements. Continued development of advanced automobile engines and electric vehicles are proposed. Finally, the budget supports development, demonstration, and encouragement of small-scale energy-related technologies that make use of renewable resources or conserve nonrenewable resources.

Conservation grants.—Department of Energy grants provide weatherization assistance to low-income persons and to public or nonprofit schools and hospitals. These groups do not benefit from existing tax credits and might not make investments in conservation equipment without assistance. The administration requests that budget authority for low-income weatherization be continued at $200 million and that the schools and hospitals program be increased to $202 million in 1981, compared to $144 million in 1980.

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Proposed legislation for Energy Management Partnership Act grants will consolidate State energy conservation planning and "outreach" programs for public education, and extend the program to include State emergency preparedness and supply planning activities. This will give States more flexibility to use these funds to meet their needs. The legislation will also provide $50 million in grants to support local government energy conservation activities. This new program will be managed by the Department of Energy in consultation with the Department of Housing and Urban Development. Budget authority of $152 million is proposed for these initiatives, including $50 million for the local grants.

Total outlays for conservation grants are estimated to increase from $336 million in 1980 to $481 million in 1981.

Public information.—A new, national education campaign will give consumers information about the country's energy problems and explain how they can use energy more efficiently and take advantage of tax credits and other incentives. Outlays for the program are proposed to rise from $4 million in 1980 to $33 million in 1981.

Utility oil use reduction.—The administration has proposed a program to reduce the use of petroleum for generating electric power and our dependence on imported energy sources. The Nation's electric utilities now consume 1.5 million barrels of petroleum each day.

Conservation investments in Federal buildings.—High priority has been placed on conservation investments in Federal buildings. In 1981, $308 million in budget authority is requested for making such investments in the 8 departments or agencies that consume 91% of the energy used in Federal buildings. Other Federal establishments will also increase their conservation efforts. Through 1981, over $1.25 billion will be provided toward meeting the President's goal of increasing the energy efficiency of existing Federal buildings by 20% by 1985. Most of these funds are classified in functions other than the energy function.

Residential and commercial conservation.—This program helps to finance conservation investments in residential and commercial buildings. The administration has also proposed that utilities be allowed to finance conservation investments in homes and businesses. Grant programs are proposed to support State training and certification of home energy auditors, and to demonstrate more sophisticated energy auditing techniques.

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Energy emergency preparedness.—The events of 1973-79 make it imperative that the Nation be prepared to deal with disruptions in energy supplies. Development of the strategic petroleum reserve is the major program in this area. Preparation of standby gasoline rationing plans also contribute to emergency energy preparedness, and is discussed in the energy information, policy, and regulation section below.

The *strategic petroleum reserve* currently has $4 billion available for oil acquisitions, $2.3 billion of which is proposed for reappropriation in 1981. The administration continues to believe that the level of protection afforded by a billion-barrel reserve is needed. Current plans call for the completion of 750 million barrels of government storage in the late 1980's. No oil purchases for the strategic petroleum reserve have been made since March 1979, but purchases could be resumed in 1980 depending upon international market conditions. The budget assumes that deliveries may be resumed in June, 1980, at a level of 100,000 barrels per day. Additional budget authority of $9 million in 1980 and $15 million in 1981 is proposed for regional petroleum reserves for the east coast, Hawaii, and Puerto Rico. Budget authority of $2.4 billion is proposed for energy emergency preparedness in 1981. Net outlays are estimated to be $1.3 billion in 1981, compared to $0.8 billion in 1980 and $1.0 billion in 1979.

Energy information, policy, and regulation.—Establishing and enforcing a sound set of energy policies and regulations, based on adequate information, are the objectives of this major mission. Budget authority of $1.2 billion is proposed in 1981, compared to $1.1 billion in 1980. Outlays are estimated to rise from $0.9 billion in 1980 to $1.2 billion in 1981. Significant increases in funding and personnel are proposed for the Nuclear Regulatory Commission for 1980 and 1981 to correct the weaknesses uncovered by the accident at Three Mile Island.

Energy information and policy.—Three offices within the Department of Energy are primarily concerned with collecting energy information and developing energy policy. The Energy Information Administration collects data from the private sector on energy production, consumption, imports, reserves, and other factors needed for informed policy decisions. The Office of Policy and Evaluation is responsible for overall policy development and coordination. The Office of International Affairs helps formulate and carry out international energy policy. Outlays for these three offices are estimated at $144 million in 1981, compared to $127 million in 1980, with increases due mainly to planned improve-

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ments in the information collection programs of the Energy Information Administration.

Regulation.—The purpose of energy regulation is to assure that national energy needs are satisfied safely, efficiently, and equitably. These objectives are important in both the 1980 and 1981 budgets, which provide for implementation of regulatory authorities in various laws, including those in the National Energy Act as well as more recent energy initiatives.

The *Federal Energy Regulatory Commission*, an independent agency in the Department of Energy, will continue the important work of carrying out the requirements of the Natural Gas Policy Act. During the first year under the new act, the Commission successfully implemented the wellhead pricing provisions. Over the next year, incremental pricing, which assures that industrial customers pay for higher cost gas, will be put into effect. The 1981 budget total proposed is little changed from 1980. Spending for implementation of the Natural Gas Policy Act will be less, offset by more spending to assure compliance with pricing ceilings and to further reduce case backlogs.

The *Economic Regulatory Administration* in the Department of Energy will continue to administer legislation that encourages industrial energy conservation to reduce dependence on oil.

The Economic Regulatory Administration also administers the Emergency Petroleum Allocation Act that is intended to ensure equitable petroleum pricing and allocation. Under that act, domestic crude oil prices are being gradually increased to reduce the effect on consumers when full decontrol occurs on September 30, 1981. The 1981 budget therefore reflects small decreases from the 1980 level in anticipation of decontrol at the end of 1981. Large decreases are anticipated in 1982 after controls have expired and regulatory activities are reduced.

Development of standby plans for gasoline rationing is now underway. The rationing system could be used in the event of a serious disruption in world petroleum markets. In 1980, $43 million in budget authority is requested to prepare ration checks and develop information and other systems that would be needed to put the program into effect in an emergency.

The *Nuclear Regulatory Commission* regulates the siting, construction, and operation of all civilian nuclear reactors; nuclear fuel storage; and disposal of radioactive waste materials. It also conducts a nuclear safeguards program to prevent the loss or diversion of nuclear materials, and a research program to produce information needed to confirm the data and analytic methods that form the basis for nuclear licensing standards and regulations.

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The administration believes that safe nuclear energy generating capacity is critically important to America's energy future. The activities of the Nuclear Regulatory Commission will be redirected and reformed as a result of the Kemeny Commission Report on the accident at Three Mile Island to assure that nuclear energy is as safe as possible.

In 1981, the Commission will place primary emphasis on enforcing the new requirements for safety, operator training, emergency planning, based on lessons learned from the nuclear accident at Three Mile Island. The lessons learned from the accident have resulted in increased research on risk assessment and on accidents involving small losses of coolant. Greater emphasis is also being placed on minimizing human error as a cause of accidents.

The Commission will also continue to streamline its organization to make the regulatory process more responsive to the goals of improved reactor safety and reliable power. This process will include increased inspection activities and closer cooperation with State regulatory bodies. Waste management activities, including preparation of standards for licensing waste repositories, and closer monitoring and inspection of materials facilities other than reactors, are other important priorities. Total outlays for the NRC are proposed to increase from $307 million in 1980 to $476 million in 1981.

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NATURAL RESOURCES AND ENVIRONMENT

National Needs Statement:

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

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

The Federal budget must allocate funds with particular care to assure that the Nation's resources are developed and protected so as to provide a sturdy foundation for the Nation's future economic security and environmental well-being.

To protect the environment and to assure a sound balance between the development and conservation of our natural resources, the budget proposes $13.3 billion in budget authority in 1981, an increase of 5% over the 1980 amount.

In the environmental area, the 1981 budget emphasizes the protection of human health from the effects of hazardous waste and other toxic pollutants. Recent evidence indicates that hazardous wastes could pose very serious threats to the health and safety of many communities. Accordingly, the budget seeks large increases in the hazardous waste program of the Environmental Protection Agency. This program promotes proper management of chemical wastes by assessing the dangers posed by uncontrolled dump sites and by enforcing statutes regulating the disposal, treatment, and storage of wastes. To get on with the job of cleaning up uncontrolled dump sites, the budget also requests funding for the administration's superfund proposal for a cleanup fund of up to $1.6 billion financed primarily by industry fees.

In addition, the budget maintains the administration's policy of steady, broad-based support for critical environmental protection

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activities. This policy is put into effect by: increasing State grants for the control of hazardous wastes and of air and drinking water pollutants; strengthening the scientific data base on the health effects of environmental pollution; bringing Federal facilities into compliance with Federal, State, and local pollution laws; enhancing efforts to assure the environmental soundness of coal surface mining; focusing agricultural conservation efforts on reducing nonpoint source pollution; and strengthening the enforcement of endangered species legislation.

The budget stresses more efficient and more environmentally sound development of resources on Federal lands. This emphasis reflects an overall budgetary strategy of investing prudently in the Nation's future economic and energy security. The 1981 budget emphasizes funding for coal leasing, for Outer Continental Shelf oil and gas lease sales, for timber sales and reforestation activities, and for enhancing the productivity of public domain grazing lands.

Without impairing long-term commitments, the 1981 budget seeks only moderate increases in funds for direct and federally assisted land acquisitions and for sewage treatment plant construction grants, and directs water development planning toward high-priority projects, such as hydropower.

Pollution control and abatement.—The mission of controlling and reducing the pollution of air, water, and land is carried out both directly by the Federal Government and by State and local governments, with Federal financial and technical assistance. Outlays for this mission are estimated to increase by 4%, from $4.9 billion in 1980 to $5.1 billion in 1981.

Regulatory and research programs.—The administration proposes budget authority of $1.4 billion in 1981 for the regulatory and research programs of the Environmental Protection Agency (EPA), an increase of 78% over 1977.

The budget provides significant increases for the *hazardous waste* program, to protect human health and safety from chemical pollution on the land and pollution of underground water supplies.

EPA will devote increased efforts to assessing the scope of the problem, and will promulgate regulations to insure the proper transportation, treatment, storage and disposal of hazardous wastes. In addition, the agency will step up enforcement of existing statutes to stop improper disposal activities and require remedial actions. EPA will discharge these responsibilities in coordination with State governments.

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

(Functional code 300; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Pollution control and abatement:					
Regulatory and research programs	1,091	1,241	1,317	1,339	1,373
Oil and hazardous substance liability fund (proposed)	.....	.....	250	375	500
Oil pollution funds:					
Existing law	15	45	13	−8	−8
Proposed legislation	.....	.....	−13	8	8
Sewage treatment plant construction grants	4,200	3,400	3,700	4,000	4,400
Subtotal, pollution control and abatement	5,306	4,686	5,267	5,714	6,273
Water resources:					
Existing law	3,621	3,777	4,136	5,069	5,143
Proposed legislation	.....	.....	5	3	.....
Subtotal, water resources	3,621	3,777	4,141	5,072	5,143
Conservation and land management:					
Management of national forests, cooperative forestry and forestry research	1,811	1,917	1,801	1,870	1,960
Management of public lands	429	456	458	476	492
Mining reclamation and enforcement	115	181	188	256	268
Conservation of agricultural lands	522	543	554	553	537
Other, including offsetting receipts	−610	−526	−677	−828	−1,015
Subtotal, conservation and land management	2,267	2,571	2,324	2,328	2,242
Recreational resources:					
Land and water conservation fund:					
Existing law	767	539	610	700	725
Proposed legislation	.....	.....	−30	−30	−30
Urban recreation grants	20	125	125	125	125
Operation of recreational resources	1,046	1,034	1,027	1,074	1,116
Subtotal, recreational resources	1,833	1,699	1,732	1,869	1,936
Other natural resources:					
Existing law	1,364	1,400	1,442	1,522	1,624
Proposed legislation	.....	.....	21	23	24
Subtotal, other natural resources	1,364	1,400	1,463	1,546	1,648
Deductions for offsetting receipts	−1,183	−1,445	−1,622	−1,783	−1,875
Total, budget authority	**13,207**	**12,687**	**13,306**	**14,745**	**15,366**

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

(Functional code 300; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Pollution control and abatement:					
Regulatory and research programs	938	991	1,106	1,131	1,167
Oil and hazardous substance liability fund (proposed)	.....	.....	45	205	333
Oil pollution funds:					
Existing law	13	31	19	16	−8
Proposed legislation	.....	.....	−13	−16	8
Sewage treatment plant construction grants	3,756	3,900	3,950	4,100	4,150
Subtotal, pollution control and abatement	4,706	4,922	5,107	5,436	5,650
Water resources:					
Existing law	3,897	4,214	4,118	4,552	4,730
Proposed legislation	.....	.....	3	2	1
Subtotal, water resources	3,897	4,214	4,121	4,554	4,731
Conservation and land management:					
Management of national forests, cooperative forestry and forestry research	1,536	1,662	1,755	1,935	1,950
Management of public lands	395	448	444	461	476
Mining reclamation and enforcement	48	114	158	182	215
Conservation of agricultural lands	559	572	562	553	545
Other, including offsetting receipts	−654	−541	−673	−841	−1,030
Subtotal, conservation and land management	1,884	2,256	2,245	2,291	2,157
Recreational resources:					
Land and water conservation fund	600	451	489	610	670
Urban recreation grants	*	74	74	92	99
Operation of recreational resources	913	938	936	999	1,044
Subtotal, recreational resources	1,513	1,463	1,499	1,701	1,813
Other natural resources:					
Existing law	1,273	1,366	1,449	1,527	1,628
Proposed legislation	.....	.....	19	22	22
Subtotal, other natural resources	1,273	1,366	1,468	1,549	1,650
Deductions for offsetting receipts	−1,183	−1,445	−1,622	−1,783	−1,875
Total, outlays	**12,091**	**12,776**	**12,819**	**13,748**	**14,126**

*500 thousand or less.

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Relative to 1980, funding requested for hazardous waste is increased by 47% and personnel by 97%. Budget authority for the development of the hazardous waste regulations is increased from $81 million in 1980 to $111 million in 1981. Furthermore, $26 million in 1981 budget authority is requested for research and development in support of the regulatory effort. Budget authority for grants to assist States to develop hazardous waste control programs is increased from $19 million in 1980 to $30 million in 1981. Hazardous waste enforcement activities are increased by $6 million to a level of $10 million.

In addition to increasing grants to States to support the control of hazardous wastes, air and drinking water pollutants, the administration has also proposed legislation that would give States the flexibility to integrate two or more of the State environmental program grants administered by EPA. The key feature of this legislation is that States would have the flexibility to transfer up to 20% of certain grants to deal with problems that they consider high priority. When the enabling legislation is enacted, the administration will request additional funds for this program.

In support of the President's energy programs, the budget proposes $16 million in 1981 budget authority for an EPA *energy initiative* to insure proper environmental standards for new energy technologies and development projects and to improve the accuracy of automobile fuel economy standards.

The President, in his 1979 environmental message, established a 10-year, $13 million research program to assess the problem of acid rain and seek methods to prevent it. Recent research has shown that acid rain could threaten property, crops, and wildlife. EPA is participating in a committee to coordinate this multiagency program.

The 1981 request includes $20 million in new appropriations for cost-sharing under the rural clean water program to solve agricultural nonpoint source pollution in rural areas. This funding is in addition to the $50 million appropriated for the program in 1980.

Oil and hazardous substance liability fund.—The programs discussed above relating to hazardous wastes address current and future waste disposal sites. To deal with inactive sites that pose threats to the environment and public health, the administration has proposed legislation to establish a cleanup and emergency response fund of up to $1.6 billion over 4 years. The fund, which would also be used to provide emergency response to oil and hazardous substance spills, is to be financed primarily through fees paid by industry.

Sewage treatment plant construction grants.—Since 1972, the Federal Government has provided over $31 billion for the planning,

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design, and construction of municipal sewage treatment facilities. Federal grants cover 75% of the cost of facility construction. The budget requests budget authority of $3.7 billion for the program in 1981. This request, together with funds available from prior years, is estimated to make over $6.6 billion available to the States for obligation in 1981.

Tax expenditures.—The Revenue Act of 1978 allows pollution control facilities, which are amortized over 5 years, to qualify for the full 10% investment credit, unless they are financed with tax-exempt bonds. A 5% credit is allowed for tax-exempt financing. The investment tax credit provisions for pollution control facilities are estimated to result in a 1981 tax expenditure of $15 million. The exclusion of interest paid on pollution control bonds from taxable income also results in a tax expenditure. The facilities financed by these bonds are privately owned, even though the bonds are nominally issued by State or local governments. The resulting 1981 tax expenditure is estimated at $0.5 billion. Additional tax expenditures result from allowing certain payments made by customers of water and sewage disposal facilities to finance construction of new facilities to be treated as contributions to capital rather than income. This benefit is also available to gas and electric utilities. These exclusions will result in an estimated 1981 tax expenditure of $0.1 billion.

Water resources.—These programs, conducted by the Army Corps of Engineers, Interior's Water and Power Resources Service, Agriculture's Soil Conservation Service, and other agencies, foster development of water resources while preserving the quality of the environment. Program benefits include: flood control, municipal and industrial water supply, irrigation of agricultural lands, water conservation, inland waterways and harbors, hydroelectric power, recreation and wildlife preservation, and erosion control.

Outlays for water resources programs are estimated to decrease from $4.2 billion in 1980 to $4.1 billion in 1981. Outlay increases for operations and maintenance are more than offset by decreases in new and ongoing construction.

Because of earlier than anticipated costs accrued on major contracts for ongoing projects, a supplemental of $92 million is requested to finance Corps of Engineers construction programs in 1980. This supplemental will keep construction projects on schedule.

The budget provides for completion of all major features and project outputs on schedule. However, funding for the less essential features of about 50 projects, such as campsite preparation and the finishing of visitor facilities, will be postponed.

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No new starts for water resource construction are specifically recommended in the 1981 budget because the independent review of projects by the Water Resources Council must await authorizing legislation. The administration will propose funding for new starts as soon as such reviews can be legally conducted.

On June 6, 1978, after a major study of Federal water policy, the President announced new and comprehensive proposals to:

- improve the planning and management of Federal water resources programs;
- move forward promptly with water projects that are economically efficient, safe, and environmentally sound;
- provide a new national emphasis on water conservation;
- improve Federal-State cooperation and State water resources planning; and
- give enhanced emphasis and attention to environmental quality.

The 1981 budget continues to press toward these goals.

Budget authority of $140 million is requested for the planning programs of the Corps of Engineers and the Water and Power Resources Service to examine specific solutions for water resources problems throughout the country. These programs continue to be oriented toward projects with high priority outputs such as hydropower, urban flood protection, water supply and commercial navigation. Hydroelectric power studies have been given particular emphasis in the 1981 budget. A 1980 supplemental of $3 million will be requested to initiate hydroelectric project studies by the Water and Power Resources Service. In 1981, the Corps of Engineers and Water and Power Resources Service will emphasize studies to examine the potential benefits from adding hydroelectric generating capacity at existing Federal facilities.

The budget provides $2.5 billion in 1981 budget authority for continuing construction of water resource projects of the Water and Power Resources Service, Corps of Engineers, and Soil Conservation Service. The comparable amount in 1980 was $2.4 billion. The 1981 request continues work on about 250 major projects that were started in prior years. Funding is also requested for major project rehabilitation and work to ensure the safety of existing Federal dams.

Budget authority of $1.1 billion is requested for operation and maintenance of Federal water resources projects in 1981, compared with $1.0 billion in 1980. The budget targets these funds on projects that produce high-priority outputs—such as hydroelectric power—and defers operation and maintenance on projects with lower priority outputs, such as maintenance on lightly-used navigation projects or projects whose primary benefit is recreation.

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The budget proposes for later transmittal $5 million of 1981 budget authority to initiate construction of two demonstration plants for saline water conversion. This proposal is contingent on passage of the pending administration proposal for non-Federal cost sharing on such plants. The budget also requests 1981 funding to complete the non-Federal dam inspection program. The administration will propose legislation authorizing continued maintenance of an up-to-date inventory of non-Federal dams.

Conservation and land management.—Federal civil and defense agencies administer about 762 million acres or one-third of the land area of the United States. The Federal lands administered by civil agencies are managed to provide a balance among various considerations: recreation, wilderness preservation, wildlife habitat, environmental quality, watershed protection, timber production, mineral extraction, and range utilization.

In 1978, the administration took steps to protect and preserve lands of outstanding national interest in Alaska by creating 56 million acres of national monuments, initiating steps to establish permanent wildlife refuges on 39 million acres of land, and withdrawing these areas and an additional 21 million acres from mineral development and from selection for State ownership. These actions will insure the preservation of the extraordinary scientific, historic, scenic, cultural, and wildlife values of the land. Much of the Federal land and extensive Outer Continental Shelf areas bordering Alaska will continue to be open for development, including timber, mineral, and oil and gas development. These actions will allow for balanced growth in Alaska, as well as preservation of unequaled national treasures.

Total outlays for the mission of conservation and land management are estimated to be $2.2 billion in 1981, $11 million below the 1980 level.

Management of national forests, cooperative forestry and forestry research.—The Forest Service administers the national forest system, covering 188 million acres; conducts a comprehensive forest and range research program; and engages in forestry programs with States and private landowners. Excluding Forest Service payments to States (which are included in the general purpose fiscal assistance function) and funds for fighting forest fires, proposed 1981 budget authority for these activities totals $1.8 billion. As usual, supplemental funds for uncontrollable costs of firefighting will be requested in whatever amounts are required.

The budget proposes national forest timber sales of 11.9 billion board feet compared with 11.7 billion board feet proposed in the President's 1980 budget and 12.2 billion board feet provided in the 1980 appropriations. This level of timber sales will achieve the

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maximum environmentally acceptable harvest that can be economically justified with present policies. Although further increases in sales are possible, they would be uneconomic because the costs of the sales would exceed the value of the timber harvested.

The budget also requests funding to carry out the President's directive to accelerate land management planning on selected national forests to determine the feasibility of increasing the harvest of mature timber through selective departure from the current "nondeclining even flow policy." Therefore, modest increases in timber sales and funding for land management planning are projected in 1983, 1984, and 1985. Significant increases in timber supplies by 1985 should result from this approach.

The appropriations requested for reforestation and timber stand improvement will permit 195,000 acres of reforestation and 179,000 acres of timber stand improvement. An additional 265,000 acres of reforestation and 174,000 acres of timber stand improvement will be made with deposits from timber purchases and by the Young Adult Conservation Corps. The budget thus provides for a total of 460,000 acres of reforestation (including replanting timber harvest areas cut during 1981) and 353,000 acres of timber stand improvement. These amounts are sufficient to reduce the "reforestation backlog" by 1985 to the minimum level required to efficiently manage reforestation activities.

The budget requests $55 million in budget authority for the Youth Conservation Corps in 1981 to provide summer employment for about 33,000 youths, the same level as in 1980.

The 1981 budget proposes to fund forest research programs with budget authority of $126 million in 1981 compared with $112 million in 1980. Funding for cooperative forestry programs is down slightly due to reform of the rural fire protection program. Fish and wildlife management programs and recreation use programs on national forest are funded at $153 million in 1981, compared with $146 million in 1980.

The 1981 budget was prepared with inputs from the multiyear program planning process now nearing completion pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974. Policy recommendations will be transmitted to the Congress in the near future.

Income realized from logging timber is taxed at rates applicable to long-term capital gains, rather than as ordinary income. This will result in an estimated 1981 tax expenditure of $0.6 billion.

Management of public lands.—The Bureau of Land Management administers about 417 million acres of public domain land, including about 223 million acres in Alaska. In addition, it manages subsurface rights vested in Federal ownership on another 370 million acres, and has jurisdiction over 1.1 billion acres of the Outer

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Continental Shelf. In managing these lands, the Bureau strives for a balance among recreation, timber, grazing, mineral development, wilderness, wildlife, and other uses. Revenues collected from onshore mineral leasing, grazing fees, timber sales, land and materials sales, rights-of-way and other sources are estimated at $1.0 billion in 1981. Outer Continental Shelf receipts are included in the section on undistributed offsetting receipts. Budget authority for the Bureau, excluding firefighting costs, is proposed to increase from $411 million in 1980 to $458 million in 1981.

Leasing of Federal coal lands will be resumed, ending the moratorium on such leasing which has been in effect since 1971. This is a major forward step in providing coal to meet the goals of our national energy policy. Budget authority for the Department of the Interior's coal leasing program is proposed to increase from $58 million in 1980 to $65 million in 1981. These amounts provide for:

- a substantial increase in existing management activities on leased land and for preference right applications;
- completion of preparatory activities required to permit new leasing of up to 1.5 billion tons of coal by 1982; and
- initiation of prelease planning for an additional 25 to 35 billion tons of coal deposits to assure sufficient flexibility in location and tonnage leased, which may be necessary to meet energy initiatives.

The budget provides for a significant increase in 1981 for investment projects to improve the quality of the public domain rangelands. The proposed 1981 level of budget authority is $97 million compared with $68 million in 1980.

Outer Continental Shelf management activities are continued in 1981 at about the 1980 level, which reflects the new 5-year Outer Continental Shelf oil and gas leasing program proposed by the Secretary of Interior in June 1979.

Mining reclamation and enforcement.—The goals of the Office of Surface Mining Reclamation and Enforcement are the prevention of environmental degradation of land due to surface mining of coal, and reclamation of land previously damaged by such mining. Budget authority of $188 million is recommended for 1981, an increase of $7 million over 1980.

The Office sets standards for surface mining of coal. The program is designed to have States assume responsibility for enforcement as soon as feasible. During 1981, the Office plans to approve the regulatory programs of most coal-producing States. The budget includes technical assistance and grants to help support the operating expenses of State programs. The Office will continue to have an oversight role in those States that assume regulatory responsibility, and will have full responsibility for enforcement in States that do not exercise this option. Budget authority of $100 million is

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recommended for these programs in 1981, compared with $86 million in 1980.

Budget authority of $70 million in 1981 is requested for reclamation of abandoned mine lands by grants to the States and through direct Federal mine reclamation. This includes, $45 million for State reclamation grants. A supplemental request will be considered, if the requested funding proves insufficient.

The Federal reclamation projects program is now underway. Prior year appropriations that have not yet been obligated are sufficient to fund most of the currently identified Federal projects. The 1981 budget requests additional budget authority of $25 million to fund the remaining projects and to identify and plan for additional projects.

Conservation of agricultural lands.—Several programs contribute to the mission of protecting and maintaining the future productive capacity of the Nation's rural lands, through technical and financial assistance to conservation districts, State and local governments, and private landowners.

Budget authority requested for these programs in 1981 totals $554 million, compared with $543 million in 1980. This request continues the redirection of cost sharing under agricultural conservation and Great Plains conservation programs to emphasize conservation measures that have long-term benefits.

Other conservation and land management.—The administration will submit legislation to extend Federal assistance to State coastal zone management programs under the Coastal Zone Management Act, administered by the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA). Under the proposal, eligible States and territories would be guaranteed a total of 5 years of Federal assistance, at current funding levels, to aid them in carrying out the programs they have developed to promote the rational use and conservation of our coastal areas. Federal support would then be phased down as State and local efforts become established. The legislative proposal will also specify national coastal protection goals to be accomplished through the State programs.

In addition to the coastal zone management program, NOAA also manages the coastal energy impact formula grant program and the marine and estuarine sanctuary programs that aid in the national development and conservation of our coastal areas. New funding requested for coastal energy impact grants in 1981 is below the 1980 level because adequate carryover funds from prior years will be available. Funds available in 1981 will allow the States to address adequately the economic and environmental impacts of Outer Continental Shelf oil and gas developments.

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Outlays for the above programs are estimated to be $63 million in 1981, slightly less than the $67 million in 1980.

Operation of Indian programs for conservation and land management, exclusive of fire-fighting costs, is proposed at $80 million in budget authority in 1981, compared with $68 million in 1980.

Recreational resources.—The Federal Government acquires and operates national parks, recreation areas, historic sites, wild and scenic rivers, fish hatcheries, and wildlife refuges. Facilities are provided for the public and to improve fish and wildlife habitat. Grants and technical assistance are also provided to States for planning, acquiring, developing, and managing areas for recreation, fish and wildlife conservation, and the preservation of historic places.

Outlays for these programs are estimated at $1.5 billion in 1981, about the same level as in 1980.

Land and water conservation fund.—This fund provides grants to States to acquire and develop land for recreational purposes, and finances the Federal purchase of recreational lands.

Appropriations of $580 million, an increase of $71 million over 1980, are requested in 1981 as follows:

- $320 million for matching grants to States;
- $252 million for the acquisition of land for national parks, wildlife refuges, and recreation areas; and
- $8 million for administering the fund.

An increase of $20 million over 1980 is requested for the State grant program in 1981. Budget authority of $35 million in 1981 is requested for areas to be purchased under general Federal acquisition authorities. The remainder of funding requested for the Federal program is for areas specifically authorized by law.

Urban recreation grants.—This 5-year program was enacted in 1978 as one of the administration's urban initiatives. Urban recreation grants pay 70% of the costs of the rehabilitiation of city park and recreation facilities. Budget authority of $125 million is recommended in 1981.

Operation of recreational resources.—This program conducts diverse activities necessary to the operation of the national park and wildlife refuge system. In addition, its activities encompass grants, research, and technical assistance in the areas of recreation, fish and wildlife, and historic preservation.

Budget authority of $1.0 billion is recommended for 1981, about the same level as in 1980 and 1979.

Budget authority of $45 million is recommended for the historic preservation fund that makes grants to States covering 50% of the costs of identifying, surveying and rehabilitating historic places.

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Increased funding is not appropriate because other Federal programs, including those of the Department of Housing and Urban Development and the Economic Development Administration, are increasingly being directed to counteract the loss of historic resources. Also, tax incentives to encourage historic preservation have been effective in stimulating investment to protect historic properties.

The Fish and Wildlife Service manages 46 million acres of wildlife refuges, operates 89 fish hatcheries, conducts research on fish and wildlife, administers a program to protect endangered species, and provides grants to States to assist them in their programs for managing fish and wildlife.

Budget authority for grants to States funded by Federal excise taxes on sporting equipment are estimated to total $128 million in 1981, compared with $124 million in 1980. The administration urges that the States use these funds for the protection of nongame as well as game species of wildlife. In 1981, the Department of Interior will attempt to allocate fish and wildlife grants to benefit all wildlife, not just game species, by coordinating the use of a number of available fish and wildlife categorical grants.

Budget authority of $39 million is recommended for cooperative State-Federal wildlife management plans on Federal lands in 1986, compared with $33 million in 1980. This work is conducted pursuant to the Sikes Act and similar authorizing laws.

The National Park Service develops, operates, and maintains the national park system, comprising 327 units totalling about 72 million acres.

Included in the 1981 budget is a $2 million increase to fund air quality reviews in parks to protect against environmental degradation due to proposed energy developments near park areas.

Budget authority recommended for the National Park Service in 1981 is $542 million, about the same as the 1980 level of $540 million.

Other natural resources.—These activities are primarily directed at increasing the understanding of the environment and the Earth's structure. To accomplish this mission, the Geological Survey and the Bureau of Mines in the Department of the Interior, and the National Oceanic and Atmospheric Administration in the Department of Commerce conduct a wide range of activities.

The Geological Survey conducts national geologic and mineral resources surveys, including the identification of geologic hazards such as earthquakes, water resources investigations, and topographic surveys and mapping. It also supervises Federal mineral leases and federally financed exploration to assess petroleum resources in the national petroleum reserve in Alaska. Recommended

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termination of the latter program in favor of opening a leasing program are discussed in the energy function.

Budget authority of $486 million in 1981 is recommended for the Geological Survey activities in this function, compared with $469 million in 1980 and $419 million in 1979. The budget requests increases above the enacted 1980 levels in support of accelerated leasing of the Outer Continental Shelf, supervision of onshore leasing activities, better coordination of water data, and for nuclear waste disposal.

The Bureau of Mines conducts research and administers various programs to develop and conserve the Nation's mineral resources, to diminish the adverse effects on the environment of mining, and to protect the health and safety of miners. Budget authority of $109 million is recommended for these programs in 1981, compared with $105 million in 1980.

The National Oceanic and Atmospheric Administration (NOAA) conducts marine- and atmosphere-related research and environmental monitoring, produces maps and charts for navigation, manages our marine fisheries, protects marine mammals and endangered species, and operates a national system to monitor and forecast weather conditions. As discussed in the general science, space, and technology function, NOAA also will assume responsibility for operating civilian remote sensing satellites.

An increase in budget authority from $727 million in 1980 to $744 million in 1981 is proposed for the operations of NOAA. The requested increases in funding would allow for expanded research in support of the protection and management of fisheries, improved marine weather warning and forecasting services, increased climate-related research, and the development of a national ocean satellite system (discussed in the space and technology function). NOAA also plans to begin a rehabilitiation and upgrading program to extend the useful life of its existing research fleet, accelerate the automation of surface weather observations to reduce personnel and improve data collection, and develop new, advanced weather radars that will improve severe weather warnings significantly. The proposed development of new meteorological equipment is being coordinated closely by NOAA with the weather programs of the Departments of Defense and Transportation to ensure that the common requirements are met in a cost-efficient manner.

Credit programs.—Loans are made to State and local organizations for the construction and rehabilitation of small irrigation, municipal, and industrial water systems that utilize water from Federal projects.

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CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Water resources and other:			
Direct loans:			
New loans	23	40	18
Repayments, sales and adjustments (—)	1	—7	—8
Net loan outlays	24	33	10

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AGRICULTURE

National Needs Statement:

- Assure sufficient agricultural production to meet domestic needs and export demands.
- Provide an adequate return to farmers based on the cost of production.
- Dampen fluctuations in food prices.
- Increase farm production and income through the conduct and application of research.
- Improve health through nutrition and food safety.
- Improve the efficiency and reliability of domestic and export agricultural marketing systems.

American agricultural commodities provide basic nutrition for millions of people around the world and a livelihood for American farmers. Total agri-business accounts for about 20% of our gross national product; and U.S. exports of farm products in 1978 amounted to close to 17% of total world farm exports. The Nation, therefore, has a strong interest in assuring that food supplies are sufficient to meet domestic needs, to earn foreign exhange through commercial exports, and to provide food to the needy in poor countries facing shortages. It is also in the national interest to protect American agricultural producers against the vagaries of weather and of excessive fluctuations in prices.

Recent events have highlighted the importance of our agricultural policies. Periodically, the Soviet Union faces large shortfalls in grain production with simultaneous growth in domestic demand. In 1976, the United States agreed to supply between 6 and 8 million metric tons of grain per year to help offset these shortfalls. This year, the Soviet purchases were projected to total 25 million metric tons. However, following the Soviet aggression against Afghanistan, the administration took a number of measures, the most important of which was to limit Soviet grain purchases in the United States to 8 million metric tons annually.

The administration has pledged that any adverse effects of the limitation of exports to the Soviet Union shall not fall disproportionately on farmers. To that end, an export control mitigation plan has been announced, under which the Department of Agriculture will:

- offer to purchase contracts on at least 13.7 million metric tons of grain and 1.1 million metric tons of soybeans and soybean products in 1980;
- increase loan levels for wheat and feed grains;

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- modify the grain reserve programs to encourage farmers to place additional grain in the reserves; and
- establish a reserve of up to 4 million metric tons of wheat for use in foreign food assistance programs (included in the international affairs function).

The total effect of the export control mitigation program on budget outlays is estimated at $2.0 billion in 1980 and $0.8 billion in 1981.

The 1981 budget demonstrates the Federal commitment to a strong agricultural economy in three ways:

- by supporting prices and incomes in years of abundant supplies and by helping to create farmer-held grain reserves for use in years of short supply, moderating the swings in the agricultural economy;
- by increasing basic animal and plant research so that the American farmer can continue to be one of the world's most efficient and dependable suppliers of food and fiber; and
- by assisting farmers in adopting environmentally sound soil conservation and pollution control practices that protect our land and water resources for a growing farm economy. (These programs are discussed in the natural resources and environment national needs section.)

Outlays for the agriculture function are estimated to decrease from $4.6 billion in 1980 to $2.8 billion in 1981. This decrease reflects reduced costs for export control mitigation and major financing changes, including higher asset sales by the agricultural credit insurance fund and a substitution of loan guarantees for direct loans under the short-term export credit program.

The United States is the world's largest exporter of farm products. Many countries depend on us to close the gap between their production and consumption, and we look to them as markets for our farm products. U.S. grain exports increased from 26.4 million tons in 1960 to 94.1 million in 1979 and are projected to grow to over 100 million tons in 1980. Since exports are a large part of U.S. agricultural production, small changes in world production and demand can produce rapid increases and decreases in the prices of U.S. farm products. Consequently, mechanisms are needed that stabilize prices but are flexible enough to allow us to respond to changing supply and demand.

These objectives are being met through the operation of grain reserves. Farmers placed surplus grain from the large 1977 and 1978 crops into the reserve; and farmer-held reserves reached a peak of 11.2 million tons of wheat and 22.2 million tons of feed grains in May 1979. In the late spring of 1979, crop conditions abroad indicated a likely shortfall in U.S.S.R. grain production, and grain prices moved up substantially. In June 1979, grain prices rose

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above the minimum level at which farmers can sell their reserves without penalty. This caused grain to flow out of the farmer-held reserves and into export markets. The immediate budget impact of this shift from a buyers to a sellers market was to increase offsetting collections, thus reducing net outlays. Actual receipts in 1979 were $700 million above the levels projected in last year's budget.

The administration decided not to establish acreage set-asides for 1980 crops. Under set-aside programs the Federal Government attempts to prevent the supply of the major crops that benefit from Federal price supports from exceeding projected demand. This is accomplished by requiring farmers to refrain from planting portions of their land in exchange for the benefits of price guarantees. The administration made this decision against a background of strong commodity prices and expanding export markets. With the curtailment of grain exports to the Soviet Union, voluntary acreage set asides will be considered in the future, and put in place if overall supply and demand conditions warrant them.

The administration is continuing to build export markets outside of the Soviet Union. An aggressive market promotion program is being carried out in cooperation with private commodity groups, and export credit will be provided through an enlarged program of credit guarantees. These will be revised to cover commercial as well as noncommercial risks. Proposed commitments for loan guarantees are being increased from about $1.0 billion in 1980 to $2.0 billion in 1981. No new commitments for direct loans for short-term export credits are proposed for 1981, compared to $800 million in 1980. This shift to loan guarantees will enable private financing institutions to provide the credit for importers of our farm products.

Farm income stabilization.—This mission is the major Federal involvement in the agricultural sector. Estimates of price support outlays are highly speculative and subject to the uncertainties of weather and markets at home and abroad. The projected outlays are *not* limits on the assistance to be provided and they will vary upward or downward depending on the requirements of the agricultural sector.

As discussed above, on January 4, 1980, the President announced a reduction of about 17 million metric tons in grain exports to the Soviet Union. To offset adverse effects on grain producers, the export control mitigation program will remove or divert from normal marketing channels that portion of the 17 million metric tons of grain that cannot be sold elsewhere.

For the 1980 crop, if circumstances warrant, the Department of Agriculture is prepared to offer payments to grain producers to

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NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Farm income stabilization:					
Price support and related programs:					
Existing law	6,491	3,056	3,300	1,751	1,980
Proposed legislation	.....	.....	.....	.....	14
Federal Crop Insurance Corporation:					
Existing law	12	12	12	12	12
Proposed legislation	.....	.....	111	138	146
Agriculture credit insurance fund	1,132	273	297	469	384
Other programs	36	43	37	41	60
Unallocated salaries and expenses	228	193	198	203	208
Subtotal, farm income stabilization	7,899	3,576	3,955	2,614	2,805
Agricultural research and services:					
Research programs:					
Existing law	598	572	602	648	681
Proposed legislation	.....	.....	5	5	5
Extension programs	275	286	298	325	351
Marketing programs	73	77	79	80	82
Animal and plant health programs	239	255	261	282	302
Economic intelligence	137	149	163	171	181
Other programs	56	62	63	63	64
Unallocated overhead	75	90	101	105	109
Offsetting receipts	−55	−66	−65	−66	−67
Subtotal, agricultural research and services	1,400	1,424	1,507	1,614	1,708
Deductions for offsetting receipts	48	−3	−3	−3	−3
Total, budget authority	**9,346**	**4,998**	**5,460**	**4,225**	**4,510**

curtail the size of their crop. To the extent that the actions outlined above prove insufficient to offset the impact of the embargo, the administration is prepared to seek emergency legislation to remove any existing legal barriers that impede the achievement of that objective.

Price support and related programs.—Commodity Credit Corporation (CCC) outlays for price support programs under existing law are projected to fall from $2.8 billion in 1980 to $1.7 billion in 1981. This decrease reflects a number of partly offsetting changes including:

- a $1.2 billion decrease in the export control mitigation program;
- the substitution of loan guarantees for direct lending under the short-term export credit program, which reduces outlays by $0.8 billion; and
- a $0.5 billion increase in disaster and deficiency payments.

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NATIONAL NEED: IMPROVED AGRICULTURE—Continued

(Functional code 350; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Farm income stabilization:					
Price support and related programs:					
Existing law	3,572	2,792	1,697	313	1,126
Proposed legislation	.....	.....	359	264	227
Federal Crop Insurance Corporation:					
Existing law	−8	27	27	28	29
Proposed legislation	.....	.....	93	122	129
Agriculture credit insurance fund	1,017	238	−1,020	544	512
Other programs	43	40	41	60	66
Unallocated salaries and expenses	226	188	193	198	203
Subtotal, farm income stabilization	4,850	3,286	1,389	1,529	2,292
Agricultural research and services:					
Research programs:					
Existing law	524	524	538	543	567
Proposed legislation	.....	.....	1	5	5
Extension programs	273	262	276	301	325
Marketing programs	64	81	81	80	82
Animal and plant health programs	230	254	261	281	301
Economic intelligence	133	149	163	172	181
Other programs	56	59	61	60	61
Unallocated overhead	115	90	99	104	108
Offsetting receipts	−55	−66	−65	−66	−67
Subtotal, agricultural research and services	1,340	1,353	1,416	1,480	1,563
Deductions for offsetting receipts	48	−3	−3	−3	−3
Total, outlays	**6,238**	**4,636**	**2,802**	**3,006**	**3,852**
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Agricultural credit insurance fund	5,045	2,946	2,487	943	531

The budget also reflects pending legislation that would create a food security reserve for international food aid programs and a program of subsidized crop insurance. Purchases of grain for this reserve would be made in 1981 and, with related carrying charges, would amount to $359 million in outlays. For 1982 and beyond, outlays for crop insurance subsidies and for storage costs for grain in the reserve are estimated to range from about $225 to $300 million.

Crop insurance.—Farmers are offered insurance against crop losses from natural hazards by the Federal Crop Insurance Corporation. Over the past year, the administration proposed, and the Congress has been considering, ways of improving the crop insur-

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COMMODITY CREDIT CORPORATION OUTLAYS

(In millions of dollars)

Function and program	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Agriculture:					
Price support and related programs:					
Existing law:					
Commodity loans	3,897	3,869	4,111	3,731	3,493
Commodity purchases	677	928	840	917	1,056
Disaster payments	367	247	562	.....	.....
Other direct payments	1,444	145	313	358	837
Grain reserve storage payments	247	240	221	141	112
Export control mitigation	.....	2,000	800	.....	.....
Short-term and intermediate export credit	1,528	800	.....	.....	.....
Storage facility loans	679	375	225	150	150
Interest expenditures	705	1,052	1,104	980	825
Other price support operations	389	396	375	374	354
Receipts and adjustments	−6,361	−7,258	−6,854	−6,337	−5,701
Proposed legislation	.....	.....	359	264	227
Subtotal, price support and related programs	3,572	2,792	2,056	577	1,353
Other agricultural activities	39	37	40	60	66
Subtotal, agriculture	3,612	2,829	2,096	637	1,419
International affairs:					
Public Law 480 food aid:					
Gross outlays	1,374	1,605	1,615	1,680	1,800
Receipts and reimbursements	−399	−436	−462	−490	−525
Subtotal, international	976	1,169	1,153	1,190	1,275
Total, Commodity Credit Corporation outlays	**4,587**	**3,998**	**3,249**	**1,827**	**2,694**

ance program so that it can be substituted for the disaster payments component of price support and related programs. The proposals include expanding greatly the geographic area where crop insurance is offered, increasing the number of crops that can be insured, and expanding the risks that are covered. The budget assumes enactment of this proposal for 1981, and estimates reflect the administrative costs and the premium subsidies involved in the proposed legislation to establish the new all-risk crop insurance program. Although the administration is recommending that CCC disaster payments be extended an extra year while the new system is starting up, they will be dropped in favor of Federal crop insurance starting with the 1982 crop. Outlays for the new program will depend primarily on the weather, the number of participants in the new system and the trend in crop prices. Outlays are estimated to be $120 million in 1981 and $150 million in 1982 if about 30% of eligible farmers choose to participate in the new system. (Small business disaster loans, which are also available to farmers, are discussed under community and regional development.)

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Agricultural credit insurance fund.—Agricultural loans, including emergency loans, rose to $7.7 billion in 1979, with over 75% of this amount going for disaster and economic emergency loans. Total loan obligations by the agricultural credit insurance fund are estimated to decline from $5.5 billion in 1980 to $3.8 billion in 1981, largely because of the lapse of the economic emergency loan program and the tightening of the rules for disaster loans. The lending levels proposed for farm ownership and farm operating loans in 1981 are the same as the increased levels enacted in 1980, and 25% of these funds will continue to assist farmers with limited resources. Recent criticism over the large size of some of the disaster loans and the apparent wealth of the recipients of those loans is leading to a general tightening of the disaster loan program. Authority for economic emergency loans will expire in May of 1980. The budget assumes that it will not be extended. Under the administration's proposal, once a new crop insurance program is fully operative, eligibility for the disaster loan program will be conditioned on prior purchase of crop insurance. Receipts of the agricultural credit insurance fund are expected to exceed outlays by $0.3 billion in 1980 and $1.5 billion in 1981, largely as a result of asset sales to the Federal Financing Bank carried over from the previous year.

AGRICULTURAL CREDIT INSURANCE FUND—LOAN OBLIGATIONS

(In millions of dollars)

Loan program	1979 actual	1980 estimate	1981 estimate
Farm ownership	763	870	870
Farm operating	895	875	875
Emergency:			
Natural disasters	2,872	2,500	2,000
Economic	3,090	1,100	.....
Soil and water	52	53	53
Other	42	56	50
Total	**7,714**	**5,454**	**3,848**

Agricultural research and services.—Programs in this mission seek to improve production and marketing efficiency by encouraging better technology and regulation. They also provide information on worldwide agricultural markets and control the spread of animal pests and diseases.

Research.—Research helps increase agricultural productivity. It can provide new knowledge of human nutrition, food safety and post-harvest technology. Budget authority of $602 million is requested for agricultural research in 1981, compared to $572 million in 1980.

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The funds requested will be used to respond directly to a number of the key areas of national concern: stimulating innovation in industry; improving health for all Americans; expanding the application of existing earth satellite technologies; managing natural and man-induced environmental changes; and enhancing developing countries' agricultural capacities.

Research will be carried out primarily through private, State, and local organizations. Increases are requested for the State agricultural experiment stations and cooperative extension services to offset the effects of inflation on the level of program activity. In addition, funding is requested to initiate a program of grants to renovate and construct much needed laboratory space at the historically-black land grant schools. Over a period of 5 years, Federal funding of $25 million would be matched by State funding, resulting in a total of $50 million for research facilities at these institutions. Budget authority of $5 million is requested for 1981.

Animal and plant health.—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that can cause severe losses in crop yields or livestock. Budget authority of $261 million is proposed for these services in 1981, an increase of $6 million over the 1980 request.

CREDIT PROGRAMS—AGRICULTURE

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Price support and related commodity loans:			
Direct loans:			
New loans	6,103	5,044	4,336
Repayments, sales and adjustments (−)	−5,509	−5,879	−5,399
Net loan outlays	594	−835	−1,063
Loan guarantees:			
New loans	136	938	2,000
New loan guarantees	136	907	1,656
Agricultural and emergency credit programs and other:			
Direct loans:			
New loans	7,940	6,538	5,089
Repayments, sales and adjustments (−)[1]	−7,235	−6,826	−6,568
Net loan outlays	706	−288	−1,479
Loan guarantees: [2]			
New loans	5,576	4,331	3,866
Net loan guarantees	4,692	2,585	2,170

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.

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Credit programs.—Net credit outlays for price support and related commodity loans are projected to fall by $228 million in 1981. The elimination of direct lending for export credit more than offsets a decline in repayments for commodity loans.

Agricultural and emergency credit programs include farm real estate, farm operating and emergency loans. The estimated decrease in net outlays for these programs is a result of larger amounts of asset sales in 1981 than in 1980, and a projected reduction in new lending for emergency purposes.

Tax expenditures.—The objectives of agricultural income support and rural development are promoted by a range of tax expenditures. The tax code permits farmers to treat certain capital outlays as current expenses and accords capital gains treatment to certain types of ordinary income. The 1981 revenue loss from these two provisions is estimated to be $0.6 billion and $0.4 billion, respectively. Rural electric, telephone, and agricultural marketing cooperatives can deduct noncash patronage dividends, and they receive preferential tax treatment in a variety of ways. A 1981 tax expenditure of $0.4 billion is expected from these preferences. The Revenue Act of 1978 permits payments received under Federal and State cost sharing conservation programs to be excluded from income. The revenue loss from this provision is estimated to be $0.1 billion in 1981.

Related programs.—Several programs that fulfill other national needs complement the programs in agriculture. The most important of these programs is the Public Law 480, food aid program, which is discussed in the International Affairs section.

OUTLAYS FOR FEDERAL PROGRAMS THAT SUPPORT THE AGRICULTURE MISSIONS

(In millions of dollars)

Program Title	Primary Function in budget	1979 actual	1980 estimate	1981 estimate
Disaster loans, drought assistance, and emergency conservation	450	993	652	217
Conservation of agricultural lands	300	559	571	562
Rural clean water programs	300	.....	5	6
Public Law 480 food aid	150	976	1,169	1,153
Food safety and quality service	550	263	291	300

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COMMERCE AND HOUSING CREDIT

National Needs Statement:

- Insure that an adequate supply of mortgage credit is available nationally.
- Target credit to urban and rural areas and prospective borrowers not well served by private credit markets.
- Encourage urban revitalization efforts.
- Maintain effective mail service at reasonable rates with costs largely borne by postal customers.
- Encourage the development of jobs and a productive economy through assistance to and oversight of business.

The Federal Government's long-term objectives in the commerce and housing credit area are significantly affected by aggregate fiscal and monetary policies, which must continue to counter inflationary pressures.

The housing industry has remained much stronger during this current period of high interest rates than it has in previous periods of credit restraint. Total housing starts in calendar year 1979 were about 1.7 million units, down only about 300,000 units from 1978. During calendar year 1980, housing starts will decline further along with declines in other sectors of our economy. The trough of housing starts is expected to occur during the middle of the year. For 1980 as a whole, housing starts are forecast to be between 1.4 and 1.5 million units, more than 25% above the 1.17 million units started in 1975, the low point of the previous housing cycle. As overall economic conditions improve in 1981, the housing sector should return to higher levels of activity. Housing starts are projected to be at an annual rate of about 2.0 million units by the end of the calendar year 1981.

The ability of the housing sector to avoid bearing a disproportionate share of the decline in 1980 economic activity reflects:

- the administration's efforts to introduce institutional changes in financial markets, such as the 6-month "money market" certificate, to enable mortgage lenders to compete more effectively for available funds;
- administration support for housing through expanded use of federally sponsored secondary market facilities and increased production of federally subsidized low-income housing; and

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- the underlying strength of the demand for housing derived largely from the post-World War II baby boom.

The performance of the housing market is important to the continued improvement of housing conditions in the Nation, especially for low-income families. Census data indicate that the number of households residing in physically substandard housing units has declined substantially—for example, as of the fall of 1977, 5.0 million lower-income households resided in units with one or more significant physical deficiencies, compared to 5.8 million in 1974. This favorable trend in housing conditions is expected to persist because of continued strong performance by the private housing market, the continued projected growth in family incomes, and continued growth in the number of low-income families benefiting from Federal housing subsidies.

Current high interest rates have not been uniformly extended to the small saver and the elderly, those with limited assets and least able to shift to more profitable investments. The administration continues its commitment to greater equity in the provision of financial services by an orderly phasing out of regulatory restrictions on the earnings of deposits at banks and savings institutions.

A principal concern of this administration is to avoid the sharp and disproportionate reductions in housing credit that can result from tight monetary policies. The administration also seeks to ensure that the Federal Government continues to provide an economic environment and adequate investment incentives to foster continued strength in the housing market.

Other major concerns are to achieve Federal commerce and housing credit objectives more efficiently, and to target Federal resources more effectively to those groups, regions, or economic sectors with the greatest need.

While Federal expenditure programs in this function contribute significantly to the achievement of Federal objectives, Federal tax policies and credit programs make perhaps an even more substantial contribution. Major administration efforts to avoid sharp curtailments of mortgage credit and housing market activities include:

- an additional $1.8 billion in 1981 commitments by the Government National Mortgage Association (GNMA) to purchase mortgages of rent-subsidized housing projects and for middle/moderate income multifamily housing projects in distressed urban areas through the targeted tandem program;
- initiation of a new demonstration program under which lump-sum mortgage interest subsidy grants would be substituted for mortgage purchases;
- continued broad use of GNMA mortgage-backed securities to attract nontraditional investors to mortgage markets; and

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- continued use of money market certificates to attract deposits at savings and loan institutions, especially the new 30-month money market certificates approved recently by the Federal Home Loan Bank Board.

The budget also makes more efficient and effective use of Federal resources allocated to commerce and housing credit by:

- reintroducing the administration's proposal to initiate a temporary mortgage assistance payments program to help homeowners in temporary financial trouble to avoid foreclosures;
- continuing to rely primarily on the private sector to renovate and repair multifamily properties currently held by the Federal Housing Administration (FHA) in conjunction with the sale of those properties;
- consolidating and restructuring international trade assistance to strengthen the export performance of the United States and to assure fair international trade practices;
- continuing to target rural housing programs to low-income families occupying substandard housing;
- restructuring the business loans programs of the Small Business Administration and expanding direct loans to minority- and women-owned firms;
- initiating new program activities to strengthen the development of women's business enterprise;
- increasing the level of minority business participation in Federal procurement; and
- undertaking a new program initiative designed to enhance the rate of industrial innovation.

Mortgage credit and thrift insurance.—Federal housing policy continues to focus on the basic goal of providing a decent home in a suitable living environment for every American family. Federal housing programs carry out this goal by:

- ensuring an adequate supply of mortgage credit;
- increasing the stock of housing through new construction and rehabilitation programs; and
- providing explicit subsidies primarily for low- and moderate-income households.

Most of the explicitly subsidized programs are discussed in the income security section.

Mortgage credit programs are aimed at increasing the supply of credit for housing. Mortgage insurance, guaranteed and direct loans, interest subsidies, and secondary mortgage market activities support the smooth operation of private mortgage credit markets and supplement those markets, particularly in rural and central-city areas. By making credit available at affordable interest rates, Federal credit policies stimulate the demand for, and therefore, the production of, housing.

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	509	1,829	698	415	547
Mortgage credit (FHA)	391	286	263	270	250
Housing for the elderly or handicapped	786	803	780	765	750
Department of Agriculture—rural housing programs	793	2,310	621	1,443	1,645
National Credit Union Administration	.....	1,200	.....	.....	.....
Subtotal, mortgage credit and thrift insurance	2,479	6,428	2,363	2,893	3,193
Postal Service	1,785	1,677	1,593	1,627	1,490
Federal Financing Bank	.....	−253	−188	−106	−100
Other advancement and regulation of commerce:					
Small business assistance	759	776	941	996	1,032
National Consumer Cooperative Bank	4	74	175	221	156
Technology utilization	220	245	278	285	293
Economic and demographic statistics	276	723	241	192	216
Other:					
Existing law	398	502	526	553	576
Proposed legislation	.....	.....	−16	−31	−48
Subtotal, other advancement and regulation of commerce	1,657	2,321	2,145	2,216	2,226
Deductions for offsetting receipts	*	−*	−*	−*	−*
Total, budget authority	**5,921**	**10,172**	**5,912**	**6,630**	**6,809**

* $500 thousand or less.

Past periods of fiscal and monetary austerity have led to sharp outflows of savings from savings and loan institutions to other savings instruments, resulting in severely depressed housing construction activity. However, the development of the 6-month money market certificate, the recent introduction of the 2½-year saving certificate, the expanded use of GNMA mortgage-backed securities to attract nontraditional mortgage investors and the provision of GNMA tandem interest subsidies, continue to allow the housing sector to compete more effectively for funds during the current period of high interest rates.

Mortgage purchase activities.—Major Federal support for the mortgage market is provided by the *Government National Mortgage Association (GNMA).* Guarantees of securities that are backed by privately held pools of mortgages insured by the Federal Housing

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT—Continued

(Functional code 370; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	225	1,036	−351	154	166
Mortgage credit (FHA)	193	148	−70	−125	−174
Housing for the elderly or handicapped	459	700	700	650	650
Department of Agriculture—rural housing programs	184	1,806	−958	1,087	1,277
Federal Deposit Insurance Corporation	−1,218	−1,450	−1,500	−1,550	−1,600
Federal Home Loan Bank Board	−488	−479	−602	−668	−759
National Credit Union Administration	−30	173	−32	−35	−40
Subtotal, mortgage credit and thrift insurance	−677	1,935	−2,813	−487	−480
Postal Service	1,787	1,677	1,593	1,627	1,490
Federal Financing Bank	.....	−253	−188	−106	−100
Other advancement and regulation of commerce:					
Small business assistance	674	719	869	927	961
National Consumer Cooperative Bank	.....	36	161	234	209
Technology utilization	212	243	268	282	292
Economic and demographic statistics	214	648	317	204	210
Other:					
Existing law	354	471	517	554	571
Proposed legislation	.....	.....	−12	−33	−50
Subtotal, other advancement and regulation of commerce	1,454	2,118	2,121	2,168	2,193
Deductions for offsetting receipts	*	−*	−*	−*	−*
Total, outlays	**2,565**	**5,476**	**712**	**3,202**	**3,103**
ADDENDUM					
Off-budget Federal entities:					
Postal Service:					
Outlays	−891	178	1,606	−73	858
Federal Financing Bank:					
Budget authority	16,050	22,006	23,937	19,840	22,445
Outlays	13,172	16,408	16,316	15,017	11,806
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Rural housing insurance fund	2,930	1,852	4,889	1,637	1,637
Federal Financing Bank (net interest and capital transfers)	−110	159	72	−140	−143
Small business assistance	68	169	166	164	94

*$500 thousand or less.

Administation or guaranteed by the Veterans Administration are one form of support. These guaranteed securities help to attract

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investors who have not traditionally invested in mortgages. New securities guaranteed by GNMA are estimated to increase from $20.5 billion in 1980 to $25.0 billion in 1981.

GNMA also operates 'tandem' mortgage purchase programs to support special types of mortgages. Under the tandem programs, GNMA purchases mortgages with below-market interest rates at prices above their true market value and then resells these mortgages to private lenders at market value. The loss GNMA incurs in reselling the below market interest rate mortgages is the net cost of providing the interest rate subsidy. Two types of mortgages are currently being supported by the GNMA tandem program. The first type is FHA-insured mortgages for multifamily projects receiving rent subsidies through the lower income housing assistance program of the Department of Housing and Urban Development (HUD). The second is the "targeted tandem" program, which supports the construction of moderate- and middle-income rental housing in distressed urban areas. Interest subsidies provided by the latter program encourage the return of middle-income families to these distressed areas.

The budget proposes $1.8 billion of mortgage purchase commitments in 1981, plus a new demonstration program under which lump-sum mortgage interest grants can be provided in lieu of mortgage purchases. The combination of these two programs will support $2 billion of mortgages, the same amount supported in each of the past 3 years. From 1978 through 1981, this assistance will facilitate the development of an estimated 250,000 units of new or substantially rehabilitated multifamily housing with below-market interest rates. The new upfront mortgage interest grant proposal will compare the efficiency and effectiveness of this mechanism relative to the current GNMA "tandem" mortgage purchase and resale mechanism. The new approach requires less budget authority and has a less volatile effect on budget outlays and the deficit than the current tandem programs, under which the mortgages are not always resold immediately, but are sometimes held for resale when market conditions are more favorable. Net outlays for GNMA's credit activities, including losses on mortgage purchases, are estimated to be $1.0 billion in 1980 and −$0.4 billion in 1981. The negative outlay in 1981 reflects an estimate that mortgage sales will be greater than mortgage purchases.

Mortgage credit.—The *Federal Housing Administration's* (FHA's) mortgage and loan insurance programs provide assistance for families who are able to fulfill the obligations of a mortgage loan but who may not be adequately served by the private market. Insurance for mortgages with graduated payment schedules, which re-

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quire lower initial monthly payments, will continue to be made to assist young, first-time homebuyers.

Heavy default rates experienced under some mortgage insurance programs in the early 1970's resulted in large increases in the FHA inventory of assigned mortgages and properties were acquired by HUD as a result of foreclosure. Improved economic conditions, better underwriting, HUD's lower-income housing assistance (section 8) and troubled projects operating subsidies programs should decrease the growth of this inventory. Efforts began in 1979 to increase the sale of multifamily properties now owned by FHA by using Section 8 rental assistance (classified as an income security program). The section 8 program induces the private market to rehabilitate properties not currently meeting minimum housing standards. In addition, HUD intends to increase its sales to achieve a 45% decline in the HUD inventory of assigned and acquired properties between the end of 1979 and the end of 1985. In 1980, a new program is proposed to protect homeowners from precipitous foreclosures when sudden, uncontrollable reductions in income temporarily put them in default. This temporary mortgage assistance payments program will also prevent unnecessary additions to the assigned inventory due to temporary default problems.

All of these factors are expected to result in a decline in outlays for FHA mortgage credit activities from $148 million in 1980 to −$70 million in 1981. Loans insured under FHA programs are expected to total $21.7 billion in 1981, an increase of $2.9 billion from 1980. In addition, the administration will propose legislation to simplify and consolidate the currently cumbersome, complex and, in some instances, outmoded statutes governing FHA insuring and GNMA mortgage credit authorities. This effort to simplify the National Housing Act is long overdue and would make the services provided under the Act more accessible and more understandable to the American public.

Housing for the elderly or handicapped.—In addition to supporting private market mortgage financing with FHA insurance, HUD provides direct loans to finance housing for the elderly or handicapped under the "section 202" program. The 1981 budget provides for $830 million of new loan commitments and continues emphasis on housing for the handicapped in the form of a $50 million set-aside for nonelderly, handicapped households. Outlays for this program are estimated to be $700 million in both 1980 and 1981.

Rural housing programs.—The Farmers Home Administration (FmHA) of the Department of Agriculture provides direct and guaranteed loan housing assistance to low- and moderate-income families in rural communities of less than 20,000 population. In addi-

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tion, there is a rural rental assistance program to assist the tenants of FmHA-financed housing. A related program of grants to repair and rehabilitate inadequate single-family housing, and grants for labor housing and self-help housing are classified in the income security function.

For 1981, the budget proposes $4.0 billion in new direct and guaranteed loans and $0.5 billion in budget authority for rural housing assistance payments. The latter amount is the budget authority needed over the entire life of the contracts planned to be entered into in 1981 by the Federal Government under the rural rental assistance and homeownership assistance programs. These totals represent a decrease of about $0.5 billion in insured and guaranteed loans from the enacted level for 1980. This decrease reflects a decision to reduce assistance to moderate and above moderate income families. The requested funds, which are directed primarily to the needs of lower-income families occupying inadequate housing, will provide assistance for about 131,000 rural housing units. The 1981 budget proposes to continue directing housing assistance under FmHA programs to those rural families which are most in need—low-income families and occupants of substandard housing.

Outlays for FmHA housing programs in this function are estimated to decline from $1.8 billion in 1980 to −$1.0 billion in 1981. Receipts from sales of loans which are an offset to gross outlays, are responsible for the projection that receipts will exceed outlays in 1981.

Banking and finance.—A number of programs enhance the safety and soundness of the commercial banking system and affect its responsiveness to the needs of both savers and borrowers.

The *Comptroller of the Currency* is the principal agency in the Federal Government responsible for the chartering, examination, and supervision of national banks. The Comptroller maintains an examination staff of over 2,500 to assure the liquidity and solvency of the national banking system. They conduct periodic onsite examinations of the commercial, trust, data processing, international, and consumer operations of each bank; and a legal staff interprets and administers the numerous banking laws. The Comptroller also serves as Chairman of the Federal Financial Institutions Examination Council, an interagency group consisting of all of the depository institution regulatory agencies.

The *Federal Deposit Insurance Corporation* (FDIC) insures the deposits of all nationally and many State chartered commercial and savings banks. It also manages the assets of failed banks to assure the protection of depositors at minimum cost to the Federal Government. A trust fund currently in excess of $9 billion is available to meet its needs.

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The FDIC is responsible for the examination and supervision of federally insured commercial banks that are not members of the Federal Reserve system. These account for over 60% of all banks in the country and over 20% of all commercial banking assets.

On May 22, 1979, the President transmitted a message to the Congress calling for reforms in depository institutions. These include the gradual elimination of restrictions on interest that can be paid to depositors at financial institutions; the authority for all federally insured institutions to offer interest bearing transactions accounts to individuals; and the use of variable rate mortgages subject to appropriate consumer safeguards by all federally chartered savings institutions. The administration affirms the continued commitment to the flexibility in the banking system, the provision of market rate returns on the savings of small depositors, and the efficient functioning of our system of housing.

In recent years a number of banks have left the Federal Reserve system. This has reduced the effectiveness of the Board's control over monetary policy. The administration continues to support legislation that would allow the Federal Reserve system to engage in the conduct of an effective monetary policy.

Other mortgage credit and thrift insurance.—The *National Credit Union Administration* regulates credit unions and insures depositors' accounts.

In 1980 from the National Credit Union Administration (NCUA) will perform more frequent supervisory reviews of credit unions in order to assist them in handling the loss of deposits due to high interest rates. The NCUA will assist in establishing community development credit unions. These credit unions will promote thrift, provide residents in poor communities access to credit at reasonable rates and provide other financial services that are difficult to obtain in impoverished neighborhoods. They will receive aid through low-interest loans, training, and other technical assistance from the Federal Government. The community development credit union program was proposed as part of the President's urban policy and was authorized by the Congress in 1979.

The National Credit Union Administration began operating a new central liquidity facility on October 1, 1979. The new facility provides member credit unions with short-term loans for liquidity purposes. It is similar to the short-term liquidity provided to member commercial banks through the discount window of the Federal Reserve. During 1981, the central liquidity facility expects to lend $2.2 billion to member credit unions.

The *Federal Savings and Loan Insurance Corporation* (FSLIC) insures deposits in savings and loan associations. In 1981, receipts of the FSLIC are estimated to exceed outlays by $0.6 billion.

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Postal Service.—The Postal Reorganization Act of 1970 established the U.S. Postal Service as an independent part of the executive branch to replace the former Cabinet-level Post Office Department. The Act charges the Postal Service with providing prompt, reliable, and efficient mail services to patrons at reasonable rates and fees. Outlays for the general operations of the Postal Service are excluded from Federal budget totals, with the exception of the Federal subsidy payment. The payment covers certain liabilities of the former Post Office Department, public service costs that provide a direct postal subsidy, and revenue forgone for carrying certain classes of mail at free and reduced rates. A payment of $1.6 billion is requested for 1981, $0.1 billion below the amount appropriated for 1980. This change reflects a $92 million reduction in the public service subsidy and a $7 million increase in revenue forgone due primarily to expected increases in mail volume and adjustments in prior years' revenue forgone. The changes in both the public service subsidy and revenue forgone are scheduled to occur under existing law. The budget also includes a proposed $1 billion 1981 limitation on postal borrowing authority in consonance with the President's objective of establishing effective credit control procedures.

The request for 1981 and future-year budget projections carry on the existing policy that postal costs should be largely borne by mail users and not by the general taxpayer. The off-budget outlays of the U.S. Postal Service reflect the difference between gross expenditures and gross receipts.

Other advancement and regulation of commerce.—Many Federal programs provide technical assistance to and promote the development of new business. Other programs provide oversight of the economy and business community to assure fair and equal practices and opportunities.

Small business assistance.—Net outlays for assistance to small business are estimated to total $0.9 billion in 1981. The budget request for the Small Business Administration (SBA) provides for $4.3 billion of new commitments for guaranteed business loans, which is $0.5 billion greater than the level of assistance available to the SBA in 1980. It is anticipated that the share of the SBA's direct business loans approved for minority-owned businesses in 1981 will increase by $40 million over 1980 levels.

In 1981, the SBA is proposing a major restructuring of the direct and guaranteed business lending programs. The changes will permit the agency to shift to greater reliance on its guaranteed lending programs, and to target its direct loans more selectively to

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minority and women-owned firms. Legislation will be proposed to consolidate SBA's five business loan programs into one program, raise loan limits on its guaranteed loans from $500,000 to $750,000 and delegate additional loan review, approval, and liquidation functions to selected banks. These changes will substantively improve SBA's capability to serve the small business community.

In addition to a move intensive targeting of its direct loans to minorities, the SBA will undertake a number of further initiatives in 1981 to assist minority-owned businesses. This includes the provision of expanded counseling assistance in support of the SBA's section 8(a) minority business development program. In addition, the budget proposes that funding for Minority Enterprise Small Business Investment Company (MESBIC) program be doubled. Direct assistance for minority capital development under the MESBIC program would grow from a current enacted level of $27 million in budget authority to $55 million in 1981. There are currently 100 MESBIC's certified by the SBA with the capability of pooling their resources to assist minority firms in pursuing possible acquisitions of other businesses. The MESBIC funding request will help promote these acquisitions and enable minority firms to take greater advantage of new and innovative market opportunities. As a further aid to minority business, the administration will seek legislation to provide a stautory base for the Commerce Department's existing Minority Business Development Agency, which is currently authorized by Executive order.

The budget also includes funding in support of the President's women's business enterprise policy announced in May of last year. The SBA will undertake several new activities to foster the establishment, preservation, and strengthening of women's business enterprise. Direct loans targeted to women business owners are proposed to increase by 50% over the 1980 level. In addition, the SBA proposes to expand the availability of management training, counseling, and support services to both new and established women-owned firms. Projects are planned in a number of cities to improve the access of women entrepreneurs to credit and capital. In conjunction with these activities, an outreach effort to the financial community would encourage greater interest in serving women's businesses. Increased SBA funding is proposed to develop instructional materials to aid women business owners in working with the Federal procurement system and to enhance public awareness of the important role of women entrepreneurs in the economy. Emphasis will be placed on developing strong partnerships with the business community in achieving these goals.

Federally guaranteed loans to the Chrysler Corporation.—To prevent the financial collapse of the Chrysler Corporation and the consequent resulting unemployment and economic disruption, the

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administration proposed and the Congress has authorized up to $1.5 billion in federally guaranteed loans in 1980. The program is administered by a board consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the Comptroller General. Before making any Federal guarantees, substantial contributions or investments in the company are required of Chrysler's employees, suppliers, dealers, banks, and others with an economic stake in the company's continued existence.

National Consumer Cooperative Bank.—The National Consumer Cooperative Bank began operations in 1979. The Bank is authorized to make loans at market interest rates to finance a wide variety of cooperatively-owned businesses.

An adjunct to the Cooperative Bank, the Office of Self-help Development and Technical Assistance, was also created to provide new and existing cooperatives with technical assistance. This office will provide interest subsidies and capital advances to cooperatives that are not able to qualify for the Cooperative Bank loans.

The Cooperative Bank began with Federal funding and will repay the Federal investment as its ownership is tranferred to the member cooperatives that borrow from the Bank. Eventually, the Cooperative Bank will be owned by its customers, and loans will be financed through debt issues on the private market.

Technology utilization.—The President has announced several initiatives to enhance the rate of industrial innovation in the United States. In addition to the initiatives discussed in the general science, space, and technology function, the Department of Commerce will undertake the following activities:

- encourage the flow of technical knowledge from Federal laboratories to the private sector, and from foreign countries to U.S. industry;
- initiate a program to establish private sector centers to cooperate with industry in the development of basic technologies that apply to their manufacturing operations;
- update and modernize the patent and trademark systems and improve the dissemination of patent information; and
- foster the development of small, innovative firms by the establishment of two Corporations for Innovation Development, nonprofit corporations providing equity funding for firms that will develop and market promising, high-risk innovations.

Economic and demographic statistics.—Budget outlays for the Bureau of the Census are estimated to decline from $618 million in 1980 to $283 million in 1981, primarily due to the completion of the decennial census in 1980. Approximately 40% of the total cost of

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the 1980 decennial census has supported data collection and other improvements, including a major effort to reduce the undercounting of the population especially among minority groups.

Other.—The budget reflects reorganization changes proposed last year by the administration and accepted by the Congress. These changes will strengthen the Nation's capability to deal more effectively with international trade issues and problems. The reorganization transfers general operational responsibilities to the Department of Commerce from the State and Treasury Departments for international trade functions, including export development, commercial representation abroad, the administration of the antidumping and countervailing duty laws, export controls, and monitoring compliance with international trade agreements to which the U.S. is a party. This reorganization will assist in promoting the expansion of U.S. exports and enhance our capabilities to protect against unfair import competition.

The *Federal Financing Bank* (FFB) is an off-budget entity under the supervision of the Treasury Department, created in 1973 to reduce the costs of Federal agency borrowing, to coordinate the financing of certain types of Federal credit assistance, and to promote a more orderly market for Federal debt securities, thereby lowering the cost of funds to the government. The FFB does not initiate programs but, rather, is solely a financing vehicle for other governmental programs.

At the end of 1979, FFB holdings totaled $66 billion. These holdings are estimated to rise to $86 billion at the end of 1980 and $107 billion at the end of 1981. The off-budget outlays that the FFB incurs by purchasing, loan assets and by financing, loans that are guaranteed by other Federal agencies are shown as memorandum items to the outlay tables throughout this part of the budget document. In 1980, the FFB deposits to the Treasury of surplus income are estimated to be $253 million.

Further discussion of the FFB is contained in Part 6 of the Budget and Special Analyses E and F in the Special Analyses volume of the Budget.

Tax expenditures.—The tax system provides a variety of incentives for investment in equipment, commercial and industrial structures, and residential housing.

The 10% tax credit for capital equipment generates a tax expenditure estimated at $20.0 billion in 1981. The new credit for the rehabilitation of industrial structures will generate an additional tax expenditure of $0.2 billion in 1981. Rapid depreciation using asset depreciation ranges and additional first-year depreciation of equipment are estimated to result in a 1981 tax expenditure of $3.7 billion. The depreciation of commercial structures at rates in

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CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Mortgage purchase activity (GNMA):			
Direct loans:			
New loans	1,492	1,931	1,760
Repayments, sales and adjustments (−)[1]	−1,663	−1,327	−2,829
Net loan outlays	−170	604	−1,070
Loan guarantees:[2]			
New loans	22,176	20,500	25,000
Net loan guarantees	17,594	14,917	18,900
Mortgage credit (FHA):			
Direct loans:			
New loans	102	277	225
Repayments, sales and adjustments (−)[1]	−254	−511	−499
Net loan outlays	−152	−234	−274
Loan guarantees:[2]			
New loans	19,390	19,530	21,684
Net loan guarantees	11,475	9,974	10,603
Housing for the elderly or handicapped:			
Direct loans:			
New loans	488	740	685
Repayments, sales and adjustments (−)	−7	−7	−9
Net loan outlays	481	733	676
Rural housing programs:			
Direct loans:			
New loans	4,797	6,946	6,429
Repayments, sales and adjustments (−)[1]	−5,033	−5,787	−8,140
Net loan outlays	−236	1,159	−1,711
Loan guarantees:[2]			
New loans	4,005	4,977	7,294
Net loan guarantees	2,803	1,922	4,631
Central Liquidity Facility:			
Direct Loans:			
New loans	.....	1,800	2,200
Repayments, sales and adjustments (−)[1]	.....	−1,500	−2,200
Net loan outlays	.....	300	.....
National Consumer Cooperative Bank:			
Direct loans:			
New loans	.....	29	156
Repayments, sales and adjustments (−)[1]	.....	−3	−5
Net loan outlays	.....	26	151
Loan guarantees:			
New loans	.....	.....	5
Net loan guarantees	.....	.....	4
Small Business assistance:			
Direct loans:			
New loans	567	608	752

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CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Repayments, sales and adjustments (−)[1]	−357	−361	−382
Net loan outlays	210	247	370
Loan guarantees:[2]			
New loans	3,813	4,693	5,152
Net loan guarantees	748	1,153	1,130
Chrysler Corporation loans:			
Loan guarantees:			
New loans		940	312
Net loan guarantees		940	312
Other business assistance:			
Direct loans:			
New loans	50	84	40
Repayments, sales and adjustments (−)	−27	−43	−74
Net loan outlays	23	41	−34
Loan guarantees:			
New loans	77	103	118
Net loan guarantees	62	80	75
Off-budget Federal entity—Federal Financing Bank:			
Direct loans:			
New loans	16,045	22,004	23,941
Repayments, sales and adjustments (−)	−2,763	−5,755	−7,697
Net loan outlays	13,282	16,249	16,244

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.

excess of straightline rates will produce an estimated 1981 tax expenditure of $0.3 billion, and expensing construction period interest and taxes produces a tax expenditure estimated to be $0.7 billion in 1981.

The cost of financing investment is also reduced by a number of tax preferences. The dividend exclusion produces a revenue loss estimated at $0.5 billion in 1981. Exclusion of interest on State and local industrial development bonds generates an estimated 1981 tax expenditure of $0.7 billion. Preferential treatment of capital gains produces two types of tax expenditures. Taxation of capital gains at less than the ordinary rates is estimated to reduce receipts by $15.7 billion in 1981, and failure to tax capital gains at death is estimated to reduce receipts by another $5.1 billion.

Housing investment is encouraged by permitting deduction for mortgage interest and property taxes of owner-occupied homes. These deductions generate estimated 1981 tax expenditures of $14.8

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billion and $9.0 billion, respectively. Homeownership is also encouraged by the deferral of capital gains taxes on the sale of homes. This treatment is estimated to reduce 1981 receipts by $1.1 billion. Rental housing investment is encouraged by allowing depreciation in excess of straightline rates. The 1981 tax expenditure that results from this practice is estimated at $0.4 billion.

There are also tax expenditures for specific types of business. Financial institutions receive tax expenditures estimated at $1.0 billion in 1981 because of the favorable tax treatment accorded excess bad debt reserves. Small businesses receive a tax preference because the first $100,000 of corporate income is taxed at less than 46%. In 1981, this provision will generate a tax expenditure of $7.5 billion. The income of credit unions is exempt from tax, producing a tax expenditure of $0.1 billion.

Finally, permitting the deduction of interest on consumer debt produces an estimated tax expenditure of $4.2 billion in 1981.

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TRANSPORTATION

National Needs Statement:

- Develop and maintain a transportation system that meets the needs of commerce and the public in a safe, reliable, and increasingly efficient manner.
- Insure that transportation policy and programs are consistent with the Nation's economic, environmental, and social goals.
- Encourage energy conservation.

Meeting the Nation's transportation needs requires a coordinated effort by the Federal Government, State and local governments, and the private sector of the economy. For its share, the 1981 budget proposes Federal support for:

- highway improvement and construction;
- mass transit construction equipment purchases, and operating assistance;
- airway and airport capital improvements;
- financial assistance to railroads;
- marine safety and environmental protection; and
- safety for all modes of transportation.

In addition to continuing its assistance for these major activities, the administration's 1981 budget emphasizes support for energy conservation and deregulation of several modes of transportation to help reduce our dependence on foreign oil and strengthen the economy.

The administration has proposed a number of transportation initiatives to help meet our long-term energy and conservation needs. Over the next 10 years, funds totaling $16.5 billion would be made available for the following transportation energy initiatives:

- public transportation investment;
- auto-use management;
- fuel economy standards improvement; and
- cooperative basic automotive research.

Budget authority of $1.3 billion is proposed for 1980 and $1.5 billion for 1981. These energy initiatives are further discussed in the section on ground transportation and in the energy section.

In the past, Government regulation of transportation fostered the economic growth of various regions of the country, encouraged the growth of competing forms of transportation, and maintained stability within the industries. However, now that the Nation's transportation sector is fully matured, the emerging impor-

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NATIONAL NEED: BALANCED TRANSPORTATION SYSTEMS

(Functional code 400; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Ground transportation:					
Transportation energy initiatives (proposed):					
Public transportation capital investment	.....	1,076	1,222	1,372	1,372
Auto-use management	.....	200	250	250	250
Fuel economy standards	.....	.....	8	22	27
Cooperative automotive basic research	.....	.....	20	55	75
Highway improvement and construction	6,955	7,271	7,414	6,546	8,150
Highway safety	1,578	1,825	2,101	1,708	1,729
Mass transit	2,427	2,235	3,887	4,051	4,542
Railroads:					
Existing law	2,319	2,202	1,798	1,695	1,503
Proposed legislation	.....	.....	250	400	325
Regulation	73	80	85	88	91
Subtotal, ground transportation	13,351	14,890	17,035	16,186	18,063
Air transportation:					
Airways and airports	3,145	3,245	3,473	3,698	3,875
Aeronautical research and technology	519	570	543	534	561
Air carrier subsidies	73	96	86	84	75
Regulation	28	30	29	29	29
Subtotal, air transportation	3,765	3,941	4,131	4,345	4,539
Water transportation:					
Marine safety and transportation	1,532	1,651	1,826	1,906	2,006
Ocean shipping	522	488	555	713	766
Regulation	11	12	12	12	12
Subtotal, water transportation	2,065	2,151	2,393	2,631	2,784
Other transportation	91	98	113	116	120
Deductions for offsetting receipts	−67	−70	−55	−54	−54
Total, budget authority	**19,204**	**21,009**	**23,618**	**23,224**	**25,452**

tance of energy conservation gives rise to the second transportation theme in the 1981 budget: transportation deregulation. The administration continues to support the elimination of outdated and unnecessary regulatory controls to encourage the transportation industries to increase operating efficiencies and to respond better to the competitive market. To meet this objective, the administration urges the Congress to enact major railroad and trucking regulatory reforms by June 1980.

Ground transportation.—The budget includes outlays of $13.8 billion in 1981 for programs to support the Nation's network of highways, railroads, and mass transit in a safe, reliable, and efficient manner. This is $237 million above the 1980 level.

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NATIONAL NEED: BALANCED TRANSPORTATION SYSTEMS—Continued

(Functional code 400; in millions of dollars)

Major Missions and Programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Ground transportation:					
Transportation energy intitiatives (proposed):					
Public transportation capital investment..	.....	50	425	745	1,005
Auto-use management	.....	50	180	240	250
Fuel economy standards	.....	.....	4	18	22
Cooperative automotive basic research	.....	.....	8	30	55
Highway improvement and construction	6,759	7,116	7,045	7,425	7,670
Highway safety	733	1,243	1,465	1,528	1,555
Mass transit	2,542	2,712	2,801	2,986	3,472
Railroads:					
Existing law	1,962	2,321	1,756	1,734	1,698
Proposed legislation	.....	.....	40	213	348
Regulation	67	79	84	88	89
Subtotal, ground transportation	12,064	13,571	13,808	15,007	16,166
Air transportation:					
Airways and airports	2,850	3,124	3,297	3,446	3,706
Aeronautical research and technology	443	532	554	580	578
Air carrier subsidies	72	94	87	84	75
Regulation	27	30	29	29	29
Subtotal, air transportation	3,392	3,779	3,967	4,138	4,388
Water transportation:					
Marine safety and transportation	1,424	1,570	1,728	1,801	1,885
Ocean shipping	543	668	590	603	651
Regulation	10	12	12	12	12
Subtotal, water transportation	1,977	2,250	2,330	2,417	2,549
Other transportation	93	102	109	109	115
Deductions for offsetting receipts	−67	−70	−55	−54	−54
Total, outlays	**17,459**	**19,631**	**20,159**	**21,617**	**23,163**
ADDENDUM					
Off-budget Federal entity:					
U.S. Railway Association:					
Budget authority	59	68	71	75	80
Outlays	89	68	68	75	80
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Railroads	−25	305	241	235	−51

Transportation energy initiatives.—The administration proposes to use $16.5 billion for energy-related transportation initiatives over the next 10 years, including $1.5 billion in budget authority for 1981.

The proposed *public transportation capital investment* program would increase capacity and improve services. Grants would be

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provided to States and cities that have adopted specific energy conservation plans. Each major project to be funded would have to be consistent with these plans and would be required to show high probability of producing significant energy savings at a reasonable cost. Public transportation improvements are needed to insure that the Nation's transit systems can accommodate more passengers in the short term in response to energy shortages. Over the longer term, these investments are needed to make public transportation an attractive and acceptable alternative to the single-occupant automobile. Budget authority of $1.1 billion is proposed for 1980 and $1.2 billion for 1981.

The proposed *auto-use management program* consists of grants to State and local governments to achieve energy savings by providing attractive alternatives to the use of single-occupant automobiles. This program would:

- increase the Federal share from 75% to 90% for highway related projects that encourage energy efficiency;
- finance projects that have particularly high potential for reducing the amount of fuel Americans use in automobile travel;
- purchase equipment that could monitor fuel economy as part of routine vehicle inspection and maintenance programs; and
- measure and enforce compliance with the 55 miles per hour speed limit.

A supplemental appropriation of $200 million for 1980 and an appropriation of $250 million for 1981 are proposed to begin the auto-use management program.

The *fuel economy standards improvement program* would study the availability of technologies to improve the fuel efficiency of motor vehicles. Specific projects would be directed toward improved engines, drive trains, and structural design; fuel-efficient light trucks and 2-passenger urban vehicles; and studying the market for more fuel-efficient vehicles.

The *cooperative basic automotive research program* would be a joint effort between a number of Federal agencies and the automotive industry to advance basic scientific knowledge for the development of energy-efficient, safe, and environmentally acceptable technologies for the next generation of motor vehicles. Budget authority of $20 million is requested for 1981.

Highway improvement and construction.—Major highway programs will continue to focus on the adequacy of the Nation's highway system. The administration continues to support accelerating the completion of the Interstate highway system and providing maximum flexibility in the use of Federal money for either highway or transit programs. The budget proposes focusing highway

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construction funds on those programs that are clearly of national interest and that require Federal support to undertake. The budget does not propose separate funding of a number of smaller highway programs that can be funded by existing categorical grant programs.

In providing multi-year authorizations for highway construction, the Congress reduced the highway funds for 1982. The budget incorporates this congressionally-approved lower level for 1982. The budget assumes increased funding beginning in 1983, when new authorization will be required.

Steps will be taken to assure that urban areas are not adversely affected by the Federal highway program. Major new highway projects will be evaluated on the extent to which they:

- reduce urban sprawl and the movement of jobs away from the Nation's urban centers;
- rehabilitate existing facilities and provide alternatives to new highway construction;
- minimize negative effects on both the natural and urban environment; and
- promote energy conservation through incentives such as special lanes for buses and carpools.

Highway safety.—Motor vehicle accidents are the leading cause of death for persons between 15 and 45 years of age. Each year approximately 50,000 lives are lost and 2,000,000 injuries occur on our Nation's highways.

The administration continues to emphasize funding of highway safety programs to reduce the number of highway deaths and injuries. Outlays for these programs are expected to reach $1.5 billion in 1981, a doubling of the program over 2 years. The national highway safety program focuses regulatory and grant activities on improving vehicle and highway safety programs. In 1981, emphasis will be placed on the safety design of light trucks and vans, and to State enforcement of the national 55 mile per hour speed limit. Highway safety programs will focus on rehabilitating or replacing unsafe bridges and on construction activities to eliminate highway hazards.

Mass transit.—Including the energy initiative, Federal, State, and local funding for transit capital improvements is projected to be $52 billion during the 1980's, including $2.1 billion recently approved for Washington Metro. In comparison, about $15 billion was spent on mass transit capital improvements by all levels of Government in the 1970's.

Including proposed legislation, $5.2 billion in obligations is requested for mass transit in 1981. This is $0.3 billion above the level currently proposed for 1980. Programs for mass transit include:

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- capital improvement assistance for construction and rehabilitation of transit facilities and the purchase of new equipment;
- operating assistance for labor, fuel, management, and maintenance expenses; and
- research, development, and demonstration of new technologies and operating, management, and marketing techniques.

The administration is committed to rapid expansion of the Nation's transit bus fleet, and to increasing Federal support for bus replacement and modernization and expansion of bus facilities. The budget would increase dramatically the funds available for these purposes. Increased bus service is the quickest and most flexible way to use mass transit to save energy. The administration also intends to reduce the procedural problems that hinder the expeditious procurement of buses.

The administration is proposing that funds be devoted to expedite the completion of those rail transit system segments (in Miami, Baltimore, Atlanta and Buffalo) for which the Federal Government has pledged support in letters of intent. Cities with existing rail transit systems will receive increased assistance from the energy initiative to modernize and, in some cases, extend their systems.

The Congress recently enacted a separate authorization for completing the Washington Metrorail system. In future years funding will be requested under this authority provided that reliable sources of revenue are provided by the Washington area jurisdictions to help support the operating costs of the regional transit system.

Commitments to fund new fixed guideway transit systems or extend present systems will depend upon thorough review of the merits of each project and the alternatives available. Criteria for reviewing and judging the extent to which each project meets the Nation's urban transportation needs will be developed. In particular, the energy-saving potential of any proposed project, including consideration of the energy used in construction, will be one determinant of whether the project is approved.

The administration also proposes to increase Federal mass transit operating subsidies as part of its overall energy-conservation strategy. Budget authority of $1.2 billion is proposed for 1981 to support those urban formula grants that can be used for operating expenses. This is an increase of 8.6% over the 1980 level. Most of the increase will go to cities with extensive transit networks.

Railroads.—Federal financial support of the railroads is primarily a phenomenon of the 1970's, resulting from the collapse of

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railroads in the Northeast and Midwest. The Penn Central, Milwaukee, and Rock Island Railroads bankruptcies are the most notable examples. The 1981 and subsequent budgets will focus Federal aid on rebuilding the industry's health. Excluding investment in Conrail, 1981 budget authority for assistance to railroads is $0.2 billion, or 13%, above the 1980 level. In addition, the administration's legislative program includes deregulation of the rail industry, without which increasing Federal subsidies can be anticipated in future years to prevent the abandonment of rail services.

Historically, the Government has tended to use the railroad industry to promote economic development, often keeping rates at unrealistically low levels. Furthermore, the standards used to judge the need for, and level of, rail service have not been adequately adjusted for changes in the economy and growth of truck and barge transportation. Inefficient practices have also reduced railroad revenues, and contributed to the overall decline of the railroad industry. The administration has concluded that the railroads cannot continue absorbing the cost of outdated and inefficient regulatory practices. To do so would likely lead to increased rail bankruptcies and, ultimately, to even greater demands for massive Federal subsidies to preserve activities the market has determined are not viable.

The administration has already proposed substantial *deregulation of the railroads.* The administration's rail deregulation proposal would insure an orderly transition to a less-regulated environment. It would allow the railroads to base their rates more closely on the actual cost of operations, compete more effectively with other transportation modes, and eliminate some services that currently operate at a loss. The Nation needs transportation industries that are responsive to the demands of today's economy, and deregulation is the best way of making them responsive. The administration urges prompt legislative action on its deregulation proposal.

The experience of Conrail illustrates the hardships that the rail industry is experiencing as a result of outmoded regulatory practices. To date, $3.3 billion in direct Federal loans and investment in preferred stock has been authorized for needed operating subsidies and capital improvements in Conrail. The administration is requesting an appropriation of the final $185 million of that authorization in 1981. However, Conrail has indicated that it cannot become self-sufficient within the existing authorization unless basic rail regulatory reform legislation is enacted and operating efficiencies are carried out. The administration believes that enactment of strong rail deregulation is critical to Conrail's financial future.

In May of last year, the administration proposed a 5-year authorization of $1.5 billion to support freight rail restructuring for rail-

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roads other than Conrail. For 1981 the administration is requesting the first $250 million in budget authority of this authorization to provide repayable credit and other forms of direct *rail assistance.* In addition, authority to guarantee over $300 million of loans is requested, along with $85 million in grants to States for rehabilitation of rail lines. These funds would enhance the ability of the railroads to provide more efficient and reliable rail services by eliminating redundancy in the rail system and by promoting labor productivity. Assistance in restructuring rail service in those geographic areas covered by the bankrupt Rock Island and Milwaukee Railroads will be a special priority in 1981. Special consideration will also be given to rail improvements that support movement of energy resources, especially coal.

Assistance to intercity rail passenger service takes the form of subsidy to the National Railroad Passenger Corporation (Amtrak), and grants for capital improvement in the Northeast Corridor. Federal subsidies in 1981 for Amtrak will total $975 million, as Amtrak enters its second year of operating a more efficient route structure than it had during the 1970's. Amtrak fares covered only 38.5% of the cost of train service in 1978. It is expected that Amtrak will be able to increase the percent of operating costs covered by revenues to 42 or 43% in 1981 and 50% by 1985. This increase will result from ending service on the least cost-effective routes (18% of the routes served were dropped in October 1979), better scheduling, using more reliable equipment, and sustaining the growth in train ridership now resulting from the increasing cost of alternative means of transportation. Ridership growth and ticket price increases are expected to increase Amtrak revenues to over $500 million in 1981.

The Northeast Corridor improvement program to improve rail service between Washington, D.C., New York, and Boston is to be completed in 1984. The budget assumes an additional authorization of $750 million, which would bring the total amount authorized to $2.5 billion.

Regulation.—In 1979, the administration proposed legislation to improve competition in the trucking industry. The industry is partially deregulated at present, and the additional reform would increase the efficiency and lead to price savings for consumers and energy savings for the Nation. Congressional action is expected by mid-1980.

Air transportation.—To provide a safe and reliable air transportation system, the Federal Government will spend an estimated $4.0 billion in 1981 compared with $3.8 billion in 1980. In addition, approximately $400 million in private credit for aircraft acquisition

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will be guaranteed in 1981, which is similar to the level of demand expected in 1980.

Airways and airports.—The primary mission of the Federal Aviation Administration (FAA) is to facilitate the safe movement of air traffic. The 1981 budget requests $3.3 billion in budget authority and 195 new safety inspectors to permit the FAA to continue to improve and expand aircraft safety inspections and review of airline maintenance and safety procedures. Increasing the number of air traffic controllers by 412 to 23,600 will enable the FAA to maintain airspace safety in the face of continued expected growth in aviation traffic. The FAA will continue replacing older navigation and traffic control equipment with solid state technology.

The budget proposes to expand substantially the number of airports equipped with instrument landing systems. Budget authority of more than $85 million is requested to purchase computer and other equipment for flight service stations to provide improved aviation, weather, and flight plan services to pilots.

The administration has proposed legislation to extend the airport and airway trust fund from 1981 through 1985. The programs financed by this fund will expand the capacity and safety of the airport and traffic control system to handle the expected rapid growth in air transportation—growth that is partly attributable to the recent deregulation of the airline industry. The proposed budget authority for 1981-85 totals $14.6 billion. This total includes $8.0 billion for increased user financing of the FAA's cost of operating the airway system, $4.0 billion for airport development grants and planning, $2.1 billion for facilities and equipment, and $0.5 billion for research and development. The administration has also proposed changes in user taxes that sustain the trust fund to provide a better balance between the sources of revenue and the groups that benefit from the various trust fund programs.

Aeronautical research and technology.—NASA's aeronautical research and technology programs will continue to provide a sound technological base for increasing the safety, efficiency, and performance of civilian and military air transportation systems, and to maintain U.S. leadership in aeronautical technology. The budget requests $0.5 billion in budget authority, and emphasizes the development of new technology to improve the performance of civil and military helicopters and to develop quieter, less polluting, and more efficient aircraft engines. The aircraft energy efficiency program would be augmented by an initiative for developing advanced turboprop technology that could improve fuel efficiency by more than 20% over currently used aircraft engines. A separate initiative involves studying the combuster parts of turbine engines for ways to improve their durability and performance.

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Air carrier subsidies.—Under the terms of the Airline Deregulation Act of 1978, the Civil Aeronautics Board (CAB) will continue to provide Federal assistance to certified carriers that operate routes eligible for subsidy. Moreover, the CAB's new subsidy program guarantees essential air services to small communities now served by certified carriers. Commuter airlines serving these small communities are eligible to receive funds under this subsidy program, and are also eligible to receive loan guarantees for the purchase of aircraft. The administration believes commuter airlines can effectively replace larger airlines in serving small communities by providing more frequent and convenient service.

Regulation.—Administration initiatives enacted by the Congress led to effective deregulation of the domestic airline industry. The administration also favors a pro-competitive international aviation policy and supports legislation to create a statutory framework emphasizing competition for the international aviation activities of the Federal Government. While domestic deregulation has clearly shown that it can lead to reduced fares, increased traffic, and higher industry profits, these benefits are expected to be partially offset by soaring fuel costs.

Water transportation.—In order to meet the need for a competitive U.S. merchant marine and to maintain a safe, reliable, and efficient marine transportation system, the budget proposes $2.3 billion in outlays for water transportation programs in 1981, compared with $2.2 billion in 1980.

Marine safety and transportation.—The Coast Guard provides a variety of services to the marine and general boating public that enhance the safe, efficient, and enjoyable use of the Nation's waterways. These services include search and rescue of persons in distress, maintenance of navigation aids, prevention and clean up of marine pollution, and the enforcement of laws concerning the safety of vessels and the conservation of ocean fisheries. The budget includes $1.8 billion in budget authority for these programs in 1981. Funding levels in the 1981 budget permit the Coast Guard to continue both scheduled replacement of older cutters and aircraft, and increase programs to improve operational efficiencies and safety. Expanded efforts to upgrade and modernize many Coast Guard training and shore facilities will also be undertaken.

As our Nation expands its efforts to increase domestic production of energy, offshore drilling and exploration will increase. The Coast Guard is increasing its inspection capability for offshore drilling rigs, both to assure the safety of drilling personnel and to confirm that adequate precautions are taken by industry so that oil spills

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do not create serious threats to the environmental and commercial health of our shorelines.

In 1981 the Coast Guard will take over from the Navy full responsibility for the operation of OMEGA, a world-wide navigation system.

Ocean shipping.— Direct subsidies are provided to the U.S. merchant marine and shipbuilding industry to offset higher U.S. costs that otherwise would encourage American ship operators to build their vessels in foreign shipyards and operate them under foreign registry. Outlays for this program are estimated to be $556 million for 1981. Indirect support is provided to the maritime industry in the form of loan guarantees and Government cargo preference rules. (These rules require that all military ocean shipments and half of all non-military ocean shipments of Government-sponsored cargoes be made aboard U.S. flag vessels.) In 1981, an estimated $1.5 billion in ship construction loan commitments will be guaranteed by the Federal Government. The cost to the Federal Government of the cargo preference rules is estimated to be approximately $110 million in 1981 outlays.

Despite continuing Federal subsidies, the U.S. merchant marine faces an increasingly uncertain future. To help reverse the existing unfavorable trend and to promote the industry more effectively, the administration has proposed legislation to reorient the subsidy programs toward the growing market in the transportation of bulk commodities. It has also been reviewing legislation introduced in Congress that is designed to reform both the shipping statutes administered by the Federal Maritime Commission and the promotional programs administered by the Maritime Administration in the Commerce Department.

On October 1, 1979, the Panama Canal Commission—a new Federal agency—took over operation of the canal. The Commission is required to generate sufficient revenues to cover all costs over the life of the treaty thereby eliminating the need for support from taxpayers. Unlike the predecessor Panama Canal Company, the Commission will not provide related commercial services to canal users and employees. Commercial services will be provided largely by the Government and private businesses of Panama.

The deferral of income taxes on shipping companies results in a tax expenditure estimated at $70 million in 1981.

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CREDIT PROGRAMS—TRANSPORTATION

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Highways and mass transit:			
Direct loans:			
New loans	.....	.....	.....
Repayments, sales and adjustments (—)	—106	—12	*
Net loan outlays	—106	—12	*
Net loan guarantees	—1	—1	—1
Aid to railroads:			
Direct loans:			
New loans	84	104	175
Repayments, sales and adjustments (—)	2	2	2
Net loan outlays	86	105	177
Loan guarantees:			
New loans	213	332	322
Net loan guarantees	40	308	305
Assistance to ocean shipping:			
Direct loans:			
New loans	29	10	250
Repayments, sales and adjustments (—)	—30	—4	—241
Net loan outlays	—1	6	9
Loan guarantees:			
New loans	497	763	1,500
Net loan guarantees	266	515	1,209
Aircraft loan guarantees:			
Loan guarantees:			
New loans	8	402	400
Net loan guarantees	—17	387	360
Off-budget Federal entity—U.S. Railway Association:			
Direct loans:			
New loans	53	22	22
Repayments, sales and adjustments (—)	—23	—22	—25
Net loan outlays	30	.....	—3

*$500 thousand or less.

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COMMUNITY AND REGIONAL DEVELOPMENT

National Needs Statement:

- Promote the development, maintenance, or redevelopment of economically and socially viable neighborhoods in urban, suburban, and rural areas.
- Develop a partnership among Federal, State, and local governments and the private sector to assist in the stabilization and revitalization of economically depressed or declining areas.
- Provide relief to areas that suffer from natural disasters.

The administration continues to place a strong emphasis on revitalizing economically depressed and declining areas through a partnership among Federal, State and local governments and the private sector. This partnership is essential to the administration's urban and rural development policies, since Federal resources alone cannot revitalize economically depressed or declining areas.

Budget authority for community and regional development is proposed to increase from $9.0 billion in 1980 to $9.8 billion in 1981. This increase reflects the administration's commitment to this national need as announced by the President in his urban and rural policy statements. Outlays are expected to increase from $8.5 billion in 1980 to $8.8 billion in 1981.

Federal programs in this area were selectively increased in 1980. The budget continues a policy of selective increases and proposes increases for those programs that advance the Federal partnership with State and local governments and the private sector and that direct Federal resources to areas with the greatest need and potential for improvement. Therefore, Federal resources are focussed on two key objectives:

- increasing the capability of State and local governments to provide those public services essential to the revitalization of their neighborhoods and communities; and
- providing more effective support for private sector economic development, thus increasing the competitiveness of the U.S. economy and the economic vitality of local areas, particularly those areas facing economic stress.

To achieve these objectives, the budget proposes to:

- increase funding for the Economic Development Administration's (EDA) development finance activities from $0.5 billion in 1979 to $1.1 billion in 1980 and $1.2 billion in 1981;
- increase EDA's authority to guarantee development loans to $0.9 billion in 1980 and $1.6 billion in 1981;

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- increase the community development block grant program by $150 million;
- maintain the urban development action grant program at its enhanced 1980 funding level of $675 million; and
- continue support for neighborhood-oriented programs, including a 50% increase in budget authority for the neighborhood self-help development grants and increased funding for housing rehabilitation activities of the Neighborhood Reinvestment Corporation.

NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Community development:					
Community development block grants	3,750	3,900	3,950	4,100	4,250
Urban development action grants	400	675	675	675	675
Rehabilitation loans	232	135	188	207	208
Neighborhood self-help	5	10	15	15	15
Neighborhood Reinvestment Corporation	.....	12	13	15	17
Pennsylvania Avenue development	65	40	38	48	43
Other programs	318	332	350	357	373
Subtotal, community development	4,770	5,103	5,230	5,417	5,580
Area and regional development:					
Rural development and business assistance	1,034	704	723	832	909
Economic development assistance	538	1,138	1,241	1,273	1,325
Local public works	11	.....	.....	.....	.....
Inland energy impact assistance	20	50	150	150	150
Indian programs:					
Existing law	1,013	1,037	1,005	1,063	1,105
Proposed legislation	.....	.....	5	5	5
Regional commissions	492	486	496	522	550
Other programs	155	175	146	124	131
Offsetting receipts	−305	−406	−413	−401	−281
Subtotal, area and regional development	2,957	3,184	3,353	3,569	3,895
Disaster relief and insurance:					
Disaster loans	1,235	44	181	210	225
Federal emergency management activities	1,020	628	1,092	514	506
Drought assistance and other	10	15	10	10	10
Subtotal, disaster relief and insurance	2,266	687	1,283	734	741
Deductions for offsetting receipts	−23	−25	−25	−26	−26
Total, budget authority	**9,969**	**8,950**	**9,840**	**9,694**	**10,191**

Community development.—A variety of Federal programs, administered by several agencies, support the mission of community development by providing Federal grants, loans, loan guarantees, and technical assistance to States and localities. Outlays for this mission are estimated to rise from $4.5 billion in 1980 to $5.0 billion in 1981.

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NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(Functional code 450; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Community development:					
Community development block grants	3,161	3,500	3,805	3,850	3,975
Urban development action grants	73	180	365	610	660
Rehabilitation loans	100	170	190	217	197
Neighborhood self-help	.....	9	10	18	18
Neighborhood Reinvestment Corporation	.....	12	13	15	17
Pennsylvania Avenue development	29	44	40	44	38
Other programs	631	604	539	484	415
Subtotal, community development	3,995	4,519	4,963	5,238	5,319
Area and regional development:					
Rural development and business assistance	669	656	784	874	931
Economic development assistance:					
Existing law	431	551	802	1,093	1,175
Proposed legislation	.....	16	43	.....	.....
Local public works	1,741	358	200	71	.....
Coastal energy impact assistance	11	34	53	55	45
Inland energy impact assistance	*	10	62	154	160
Indian programs:					
Existing law	805	846	856	904	952
Proposed legislation	.....	.....	5	5	5
Regional commissions	418	430	458	478	496
Other programs	130	199	170	144	134
Offsetting receipts	−305	−406	−413	−401	−281
Subtotal, area and regional development	3,899	2,695	3,020	3,377	3,617
Disaster relief and insurance:					
Disaster loans	957	626	200	230	245
Federal emergency management activities	617	627	646	579	744
Drought assistance and other	36	26	17	15	10
Subtotal, disaster relief and insurance	1,611	1,278	863	824	999
Deductions for offsetting receipts	−23	−25	−25	−26	−26
Total, outlays	**9,482**	**8,467**	**8,820**	**9,413**	**9,910**
ADDENDUM					
Off-budget Federal entity—Rural Telephone Bank:					
Budget authority	106	156	150	106	156
Outlays	101	150	144	101	150
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Community development	5	157	264	243	52
Rural development	830	992	1,075	646	646

*$500 thousand or less.

Community development block grants.—The Housing and Community Development Act of 1974 consolidated a number of sepa-

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rately funded HUD programs of the Department of Housing and Urban Development (HUD) into the community development block grant program. This program substantially improved and simplified the delivery of Federal community development assistance to local governments by offering a single flexible source of Federal assistance to support a wide range of activities based on local priorities. Activities funded under this program include property acquisition, construction of public facilities, rehabilitation of buildings, provision of social services, planning and management, and economic development, all primarily for the benefit of low- and moderate-income people. Funds are allocated to large communities by an entitlement formula, and to small communities through competition on the basis of objective measures of need.

As in the past 2 years, the Administration is proposing that the budget authority for the community development block grant program be increased $150 million, from $3.8 billion in 1980 to $3.95 billion in 1981. However, unlike previous years, the Administration will not request additional budget authority for the categorical program financial settlement fund (funded at $100 million in 1980), which provided funds for the financial settlement of projects begun under the categorical programs replaced by the community development block grant program. Available resources from the 1980 appropriation and other sources will be used to make financial settlements on the remaining projects. In addition, total loan guarantees under the block grant program (section 108) are being increased from about $30 million in 1979 to an estimated $200 million in 1980 and $300 million in 1981. Outlays, which reflect the rate at which local governments carry out their projects, are expected to increase from $3.5 billion in 1980 to $3.5 billion in 1981.

Urban development action grants.—Under this HUD program, originated by this Administration in 1978, severely distressed cities and urban counties receive discretionary grants to supplement local government and private sector financing for major economic development and neighborhood revitalization projects. As a major element of the President's urban policy, funding for the program has increased from $400 million in 1979 to $675 million in 1980. The 1981 budget continues the Administration's strong commitment to this program by requesting another $675 million in budget authority for the action grants. Outlays for the program are estimated to rise from $180 million in 1980 to $365 million in 1981.

Rehabilitation loan program.—This HUD program offers subsidized loans to rehabilitate residential and commercial structures in specified areas. New commitments of $240 million are proposed for 1981, an increase of $25 million over 1980. The 1981 request will

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finance the rehabilitation of about 13,200 single-family dwellings and 6,000 multi-family units. Outlays are estimated to increase from $170 million in 1980 to $190 million in 1981.

Neighborhood self-help.—The budget continues to support the neighborhood-oriented programs established by this administration in HUD. Budget authority of $15 million is requested for the neighborhood self-help development program in 1981, a 50% increase over the 1980 level. This program provides Federal grants to voluntary, nonprofit neighborhood organizations for specific revitalization projects in declining neighborhoods.

The Neighborhood Reinvestment Corporation.—This public corporation, established last year, has been successful in forming working partnerships among residents, local governments, and financial institutions for neighborhood revitalization. The Corporation plans to expand its neighborhood housing services program to more than 180 neighborhoods by the end of 1981. Budget authority of $13.4 million is requested for 1981, $1.4 million above the 1980 level.

Pennsylvania Avenue development.—The budget requests $38 million in budget authority in 1981 for the Pennsylvania Avenue development plan to revitalize downtown Washington, D.C. The first major commercial and public development projects began in 1979, with additional growth in 1980. Development will continue under the direction of the Pennsylvania Avenue Development Corporation in cooperation with private enterprise. Outlays for land acquisition and public development activities are estimated at $40 million in 1981.

Other programs.—Several other programs contribute to community development. Two of the larger programs are the comprehensive planning grant and urban homesteading programs administered by HUD. Comprehensive planning grants, established by the Housing Act of 1954, provide funds to States, local governments, and areawide organizations for planning and management. Legislation will be proposed to relate planning more directly to the allocation of Federal and State funds. Budget authority of $40 million is proposed for this program in 1981.

The urban homesteading program, which transfers properties to local governments for use in locally administered programs of residential-area revitalization, will expand to allow for the transfer of properties owned by the Veterans Administration and the Farmers Home Administration, as well as HUD. This expansion will improve coordination in residential areas where properties are presently held by three separate agencies. Carryover balances from

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prior years will be used to reimburse agencies for the homesteading properties transferred.

Area and regional development.—Programs in this mission support rural and urban development, American Indian tribal governments, and multistate regional development through the Appalachian Regional Commission and other regional commissions.

Rural development and business assistance.—The Department of Agriculture administers a variety of programs aimed at developing rural areas. The 1981 budget provides for:

- $700 million in direct loan obligations for water and waste disposal systems;
- $240 million in direct loan obligations for community facilities;
- $926 million in loan guarantee obligations for business and industrial development;
- $284 million in budget authority for water and waste disposal grants; and
- $15 million in budget authority for development and planning grants.

Rural areas can also receive assistance for sewer, water, and community facilities from the Environmental Protection Agency's waste treatment grant program and the Housing and Urban Development's community development block grant program. The Department of Agriculture's community facility programs are limited to communities with a population of less than 10,000, while industrial development loan guarantees are available in communties of less than 50,000 population. These and other Federal programs will support the President's small community and rural development policy, announced in December 1979. This policy recognizes the different needs and problems of rural America, and the importance of local priorities and local decisionmaking.

Outlays for rural programs are estimated to increase from $656 million in 1980 to $784 million in 1981.

Economic development.—The Economic Development Administration (EDA) assists States, rural and urban communities, and Indian tribes in efforts to foster economic development and provide permanent employment opportunities in distressed areas. EDA assistance includes grants for State and local planning, technical assistance to public and private organizations, and construction of public facilities. It also includes direct loans and guaranteed loans for public works and business development.

Legislation was submitted last year that would greatly improve EDA's ability to address the economic development and adjustment problems of rural and urban areas. This legislation, which is pro-

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posed to become effective in 1980, would streamline eligibility requirements and tighten the targeting of EDA resources on distressed areas. It would also consolidate the fragmented authorities under which assistance is now provided. Further, it would combine EDA's existing business loan and guarantee programs with the development of financing incentives that were formerly contained in the National Development Bank proposal, which included loan guarantees, direct loans, and interest subsidies to induce private sector investment in economically distressed areas. These changes, coupled with an ongoing program of planning grants to public agencies, will help to create a more effective public and private partnership for economic development.

For these programs the budget requests budget authority of $1.1 billion in 1980 and $1.2 billion in 1981. In contrast, EDA programs were funded at a level of $0.5 billion in 1979. For loan guarantees, the budget requests authority of $0.9 billion in 1980 and $1.6 billion in 1981. Outlays for economic development assistance in 1981 are estimated to increase by $278 million.

Coastal energy impact assistance.—This program provides grants and loans to State and local governments to assist them in planning and financing public facilities and services required as a result of energy development activities in or near coastal areas, such as Outer Continental Shelf (OCS) oil and gas developments. In addition, grants are provided to States to help them participate in OCS leasing decisions. No budget authority is requested for the program in 1981 because an estimated $62 million will be available in 1981 for loans and grants from prior-year appropriations. For 1980 and 1981 an estimated total of $133 million will be obligated for Federal grants and loans. Outlays are estimated to rise from $34 million in 1980 to $53 million in 1981.

Inland energy impact assistance.—This program provides grants to areas adversely affected by rapid energy development. Budget authority is proposed to increase from $50 million in 1980 to $150 million per year starting in 1981. The increased funding depends upon enactment of legislation authorizing State revolving funds and loan guarantees to extend coverage of the program to a broader range of energy projects. Assistance is provided by the Department of Energy and administered by the Farmers Home Administration.

Indian programs.—The major objectives of Federal Indian policy are: to meet the trusteeship responsiblities of the U.S. Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations. To further these objectives, the Indian Self-Determination

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and Education Assistance Act of 1975 enables the Bureau of Indian Affairs (BIA) to enter into contracts so that Indian communities can administer the Federal programs serving them. Approximately $190 million of BIA programs are covered by such contracts.

The Federal Government provides grants, training, and technical assistance to strengthen tribal management and planning abilities. It also encourages economic development through business development assistance, direct Federal loans, loan guarantees, and interest subsidies. Federal Indian programs also fund community development activities, such as construction of roads, schools, and irrigation systems. Outlays for the Indian programs whose primary mission is regional development are estimated to be $846 million in 1980 and $861 million in 1981. Additional assistance to Indian tribes is classified in the health, education, natural resources and environment, and general government functions.

Regional commission programs.—Regional commissions are designed to secure Federal-State cooperation in addressing interstate and shared substate problems of community and economic development. The commissions serve multiple jurisdictions and agencies through planning, research and development activities. Legislation was submitted in 1979 that would extend the regional commissions nationwide and encourage the use of development grants to resolve multistate, rather than strictly local, problems. Outlays are estimated to increase from $430 million in 1980 to $458 million in 1981.

Disaster relief and insurance.—Insurance against losses from such natural disasters as floods, hurricanes, and tornadoes is the responsibility primarily of individuals and businesses. Though State and local governments are responsible for aiding recovery, Federal insurance and disaster relief programs are available to supplement these resources when they are insufficient.

Disaster loans.—The Small Business Administration administers a program of loan assistance to victims of physical disasters, including farmers. The Farmers Home Administration in the Department of Agriculture also administers a program that provides emergency loan assistance to farmers. To remedy the difficulties caused by this overlap in responsibility, the administration has proposed to place responsibility for agricultural disaster loans solely in the Farmers Home Administration, which, because of its longstanding experience in dealing with farmers, is better equipped to handle such loans than the Small Business Administration. Farmers Home Administration programs are discussed more fully in the agriculture and commerce and housing credit functions.

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CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Housing and Urban Development programs:			
Direct loans:			
New loans	319	274	259
Repayments, sales and adjustments (—)	—264	—122	—81
Net loan outlays	56	152	178
Loan guarantees:			
New loans	55	195	435
Net loan guarantees	—315	—75	215
Farmers Home Administration programs:			
Direct loans:			
New loans	1,034	1,387	1,698
Repayments, sales and adjustments (—)[1]	—1,029	—1,513	—1,782
Net loan outlays	5	—126	—84
Loan guarantees:[2]			
New loans	1,833	2,422	2,701
Net loan guarantees	1,308	1,690	1,782
Economic Development Assistance:			
Direct loans:			
New loans	85	90	95
Repayments, sales and adjustments (—)	—27	—25	—30
Net loan outlays	58	65	65
Loan guarantees:			
New loans	643	900	1,620
Net loan guarantees	572	807	1,494
Small Business Administration disaster loans:			
Direct loans:			
New loans	1,250	775	540
Repayments, sales and adjustments (—)	—388	—446	—461
Net loan outlays	862	329	79
Loan guarantees:			
New loans	1	2	.....
Net loan guarantees	—2	—1	—2
Other programs:			
Direct loans:			
New loans	22	74	95
Repayments, sales and adjustments (—)	—11	—11	—14
Net loan outlays	11	63	81
Loan guarantees:			
New loans	1	41	13
Net loan guarantees	—3	33	4
Off-budget Federal entity—Rural Telephone Bank:			
Direct loans:			
New loans	131	185	185
Repayments, sales and adjustments (—)	—5	—7	—9
Net loan outlays	125	178	176

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.

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Based upon the Nation's disaster experience during recent years, and assuming that 1981 is an average year, outlays in 1981 are estimated at $200 million.

Federal emergency management activities.—The Federal Emergency Management Agency (FEMA) was established in 1979 to bring together, in a single agency, the major Federal programs for civil defense, emergency preparedness, flood insurance, disaster relief assistance and hazard mitigation. The goal of this reorganization is to improve the coordination of Federal responsibilities for civil and natural disasters and to establish a single Federal contact for State and local disaster preparedness agencies. In 1981, FEMA will continue to realign and consolidate its programs. Outlays for disaster relief and assistance and for hazard mitigation are estimated to be $627 million in 1980 and $646 in 1981.

FEDERAL OUTLAYS FOR CIVIL PUBLIC WORKS AND CONSTRUCTION [1]

(In millions of dollars)

Function or Program	1979 actual	1980 estimate	1981 estimate
Federal public works: [1]			
Community and regional development	204	126	118
Water resources projects	2,269	2,410	2,262
Other natural resources and environment	669	722	602
Energy	2,093	2,383	3,098
Transportation	302	413	469
Veterans hospitals	236	264	371
Health	177	171	161
Other functions	426	549	547
Total, Federal public works	6,377	7,039	7,628
Grants to State and local governments:			
Community and regional development:			
Community development block grants	3,161	3,500	3,805
Local public works	1,741	358	200
Other	1,252	1,410	1,581
Subtotal, community and regional development	6,154	5,268	5,586
Highways and mass transit	8,796	9,613	10,241
Other transportation	579	665	682
Pollution control and abatement	3,756	3,900	3,950
Other natural resources and environment	289	270	280
Other	222	216	218
Total, grants to State and local governments	19,797	19,932	20,957
Total, public works	**26,174**	**26,971**	**28,585**

[1] Outlays for the construction and rehabilitation of physical assets, including privately owned assets.

Related programs.—Many programs whose primary purpose is to fulfill other national needs also promote community and regional development. For example, Federal outlays for civil public works, shown in the table above, support community development. In

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addition, grants for local health, education, crime prevention, employment training, transportation and general revenue sharing assist State and local development. Other direct Federal activities, such as housing credit, defense contracting, management of public forests and parks, and the operation of Federal faciltities—such as Veterans Administration hospitals, naval shipyards, and NASA research facilities—also significantly affect community development.

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EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

National Needs Statement:

- Assist State and local governments in providing elementary and secondary education to students of special national concern, particularly the disadvantaged and the handicapped.
- Reduce financial barriers that may limit access to higher education.
- Promote the development and dissemination of knowledge concerning education and training theory and practice.
- Provide work skills needed for jobs.
- Provide transitional employment opportunities for the disadvantaged who are unable to obtain regular jobs.
- Enhance the quality of the workplace and the stability of labor-management relations.
- Assist the disadvantaged and the disabled to be self-sufficient.
- Promote the development of, and access to, the arts and humanities.

Federal education, training, employment, and social services programs encompass a wide variety of activities that have many differing immediate concerns but share one common goal: to assist all citizens to lead fulfilling and productive lives. The major objective of the programs in this function is to help individuals who require assistance in obtaining education, job skills, labor market information, and supportive services such as child care and counseling.

Government expenditures on these programs are considered long-term investments in people, investments whose return will be an improved ability of people to contribute to the Nation's well-being by increasing their participation in the labor market and society in general. The allocation of resources among these programs depends heavily on the definition of the Federal Government's primary objective in human capital investment. Federal priorities could be directed toward meeting immediate and pressing needs caused by changes in the economy, such as subsidized public sector jobs in times of recession, or directed more toward meeting future needs, such as support of youth education and training. Both concerns are valid and warrant appropriate action by the Federal Government; they are not mutually exclusive. However, a balance must be achieved so that the resources available are used to best meet the Nation's needs.

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The budget reflects the administration's effort to develop this balance and provide the most effective and efficient mix of programs and services. Concern for both present and future generations has guided the development of this portion of the 1981 budget. This approach builds upon initiatives begun in prior years and supplements them with the administration's new proposals.

Since 1977, outlays for programs in this function have increased by almost 50%—from $21.0 billion, to an estimated $30.7 billion in 1980. This trend continues in the 1981 budget, which proposes $34.8 billion in budget authority and $32.0 billion in outlays for education, training, employment, and social services.

The major new proposal in this function would provide an increase of $2 billion—$1.2 billion in 1981 and an additional $800 million in 1982—for highly targeted education and employment activities that address the needs of disadvantaged youth. About half of the Nation's unemployed are under age 25 and about one-quarter are ages 16 through 19. Developing strategies to overcome the problems associated with youth unemployment continues to be a major administration objective.

The employment problems of young people are not general. Very high rates of unemployment and long unemployment spells are highly concentrated among disadvantaged and minority youth, who are in turn heavily clustered in central cities and rural poverty areas. There is evidence that when youth have long spells of unemployment after they finish school, their earnings as adults are likely to be lower. Some of the employment problems of disadvantaged and minority youth are caused by discrimination, the lack of information about job openings from employed relatives and friends, and wage rigidities. Equal employment opportunity efforts, special employment service programs, and the targeted-jobs tax credit are aimed at these obstacles. However, a substantial portion of the problem stems from a lack of the basic skills in language and arithmetic that employers find essential. It is not surprising that experience with current programs indicates that providing needy youth only with subsidized public sector work experience does not improve their prospects. On the other hand, improving a young person's basic skills can improve future earnings. Well-supervised and carefully structured subsidized work experience can play a useful role in supporting this fundamental learning experience.

The new proposal builds on past program experience and emphasizes the mastery of basic arithmetic and literacy skills as the key to future job prospects. The program emphasizes the link between

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the classroom and the workplace to develop marketable skills that can help to improve future employability and earnings. The program depends upon close coordination and joint planning among educators, employment and training officials, and private sector employers to insure that locally developed programs provide those services to youth that impart the basic education and work skills required by local employers. The Departments of Education and Labor will emphasize the use of objective program standards to measure the performance of both program participants and program operators.

Other major budget proposals in this area would:

- provide for implementation of legislation creating a Department of Education to assure more effective use of Federal resources available to support education activities;
- restructure Federal higher education programs to more effectively distribute Federal funds to those most in need of assistance;
- reform the Nation's welfare system by establishing a uniform minimum benefit level and increasing job and training opportunities that can lead to permanent employment and reduced welfare dependency;
- limit impact aid payments to those local education agencies that are most seriously burdened by Federal activity in their districts; and
- support expansion of the Head Start program to improve the social and learning skills of low-income preschool children.

Education

This Nation has traditionally valued education as an important prerequisite to the effective functioning of its democratic system of government. In 1981 the Nation will spend approximately $200 billion on education activities. Three-fourths of that amount will come from public sources; approximately one-tenth will come from the Federal Government.

The administration proposes $16.5 billion in budget authority for education programs in 1981, $1.1 billion more than was provided in 1980 and an increase of $5.3 billion over 1977. This increase has occurred during a time when school enrollments began to reflect the shift in the age distribution of the population caused by the aging of the post-war baby boom. Total enrollments, which reached a high of over 60 million students in 1975, are expected to decline to 58 million in the fall of 1981. During this period, elementary school enrollments are expected to decline from 34 to 31 million, and secondary enrollments are expected to decline from 16 to 14

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

(Functional code 500; in millions of dollars)

Major Missions and Programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Education:					
Elementary, secondary, and vocational education:					
Aid to education agencies:					
Elementary and secondary education:					
Existing law	3,671	3,742	4,094	4,423	4,759
Proposed legislation	.....	.....	900	900	900
Indian education	334	348	366	366	385
Impact aid	816	805	519	544	558
Education for the handicapped	977	1,051	1,102	1,193	1,283
Vocational and adult education	782	896	933	1,010	1,085
Other	345	486	574	618	665
Child development	731	790	879	954	1,033
Subtotal, elementary, secondary, and vocational education	7,655	8,118	9,367	10,008	10,669
Higher education:					
Student assistance:					
Existing law	4,736	5,222	4,428	4,172	3,964
Proposed legislation	.....	.....	545	1,121	1,882
Higher and continuing education:					
Existing law	449	432	410	435	461
Proposed legislation	.....	.....	20	22	23
Special institutions	175	188	204	223	242
Subtotal, higher education	5,360	5,841	5,607	5,972	6,572
Research and general education aids:					
Educational research and improvement	492	411	397	441	476
Unallocated salaries and overhead	127	165	244	254	263
Cultural activities	572	661	695	755	814
Other	143	149	156	160	167
Subtotal, research and general education aids	1,334	1,386	1,492	1,610	1,719
Subtotal, education	14,349	15,345	16,466	17,590	18,960
Training, employment, and labor services:					
Training and employment:					
General training and employment programs	2,484	2,998	3,008	2,924	2,745
Public service employment	5,880	3,112	4,598	4,879	5,199
Youth programs:					
Existing law	2,024	2,101	1,664	1,822	1,880
Proposed legislation	.....	.....	1,125	1,184	1,233
Older workers	221	267	267	267	267
Work incentive program	385	365	385	406	428
Federal-State employment service	745	764	841	889	940
Subtotal, training and employment	11,739	9,606	11,888	12,370	12,691
Other labor services	522	586	617	634	653
Subtotal, training, employment, and labor services	12,261	10,192	12,505	13,004	13,344

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major Missions and Programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Social services:					
Grants to States for social and child welfare services:					
Existing law	3,088	2,744	2,710	2,675	2,675
Proposed legislation	.....	438	523	533	542
Retroactive claims	543	.....	.....	.....	.....
Aid to the elderly	543	652	714	777	841
Services for the developmentally disabled and other special groups:					
Existing law	1,103	1,111	1,150	1,246	1,349
Proposed legislation	.....	.....	10	11	12
Community service programs	554	551	550	612	661
Domestic volunteer programs	119	169	178	183	188
Other social services	11	11	12	13	13
Subtotal, social services	5,962	5,676	5,847	6,048	6,281
Allowance for youth initiative	.....	.....	.....	800	800
Deductions for offsetting receipts	−8	−7	−5	−5	−5
Total, budget authority	**32,565**	**31,207**	**34,815**	**37,438**	**39,381**
OUTLAYS					
Education:					
Elementary, secondary, and vocational education:					
Aid to education agencies:					
Elementary and secondary education:					
Existing law	3,133	3,409	3,631	4,018	4,358
Proposed legislation	.....	.....	50	850	900
Indian education	292	302	315	338	358
Impact aid	912	821	554	530	542
Education for the handicapped	589	789	968	1,049	1,129
Vocational, and adult education	772	855	908	982	1,055
Other	321	394	512	562	601
Child development	668	760	822	891	964
Subtotal, elementary, secondary, and vocational education	6,688	7,330	7,761	9,218	9,906
Higher education:					
Student assistance:					
Existing law	3,769	4,882	4,530	3,929	3,842
Proposed legislation	.....	.....	91	1,009	1,733
Higher and continuing education:					
Existing law	588	410	388	370	375
Proposed legislation	.....	.....	.....	12	18
Special institutions	170	182	196	221	239
Subtotal, higher education	4,528	5,474	5,205	5,540	6,207

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major Missions and Programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Research and general education aids:					
Educational research and improvement	432	422	362	401	431
Unallocated salaries and overhead	131	163	202	231	252
Cultural activities	543	629	688	727	785
Other	127	182	157	158	165
Subtotal, research and general education aids	1,233	1,395	1,408	1,517	1,633
Subtotal, education	12,449	14,199	14,374	16,275	17,746
Training, employment and labor services:					
Training and employment:					
General training and employment programs	2,450	2,720	2,835	2,706	2,618
Public service employment	5,041	3,977	4,415	4,703	5,012
Youth programs:					
Existing law	2,048	2,330	1,844	1,813	1,874
Proposed legislation	.....	.....	717	1,065	1,210
Older workers	208	238	263	267	267
Work incentive program	385	365	385	406	428
Federal-State employment service	701	773	841	889	940
Subtotal, training and employment	10,833	10,402	11,299	11,849	12,348
Other labor services	488	563	602	621	640
Subtotal, training, employment, and labor services	11,321	10,965	11,901	12,470	12,988
Social services:					
Grants to States for social and child welfare services:					
Existing law	3,091	2,670	2,627	2,675	2,675
Proposed legislation	.....	438	523	533	542
Retroactive claims	543	.....	.....	.....	.....
Aid to the elderly	557	598	726	777	841
Services for the developmentally disabled and other special groups:					
Existing law	1,016	1,057	1,095	1,227	1,330
Proposed legislation	.....	.....	2	9	10
Community service programs	594	569	555	612	661
Domestic volunteer programs	117	145	175	181	183
Other social services	5	21	14	12	12
Subtotal, social services	5,923	5,498	5,717	6,026	6,256
Allowance for youth initiative	.....	.....	.....	260	760
Deductions for offsetting receipts	−8	−7	−5	−5	−5
Total, outlays	**29,685**	**30,654**	**31,989**	**35,027**	**37,746**
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Higher education	530	670	−215	90	375

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million. Declines in the elementary and secondary school age population are expected to continue into the 1980's. The decline in the traditional college age population that is projected to begin in the early 1980's, may be offset in part by the enrollment of increasing numbers of older and continuing education students.

The mission of these programs is to improve the educational opportunities available to the Nation's people. The budget proposes to carry out this mission by providing:

- $9.4 billion in budget authority for elementary, secondary, and vocational education programs;
- $5.6 billion in budget authority for Federal assistance to support higher education; and
- $1.5 billion in budget authority for educational research and information dissemination, and support for other education-related activities.

In recognition of the growing size and complexity of Federal support for education, the administration proposed the creation of a Department of Education in 1977. Legislation establishing the new Department was enacted late in 1979, and this budget is the first to request funds for it. The new department will permit better coordination and more efficient use of Federal funds to support education activities, and will make a major contribution to more effective use of Federal resources.

Elementary, secondary, and vocational education.—Elementary and secondary education is one of the major activities of State and local governments, costing them nearly $100 billion in 1981. Most of the $9.4 billion of budget authority and $7.8 billion in outlays proposed in the 1981 budget for elementary, secondary, and vocational education will assist State and local agencies to improve the education offered to students of special national concern—those from low-income families, the handicapped, Indians, and students with limited English language proficiency.

Elementary and secondary education.—The largest share of the funds for elementary and secondary education is channeled to State and local education agencies for supplementary services to low-income, low-achieving students.

The Department of Education will play a key role in the new youth education and training initiative. As part of this initiative, legislation will be proposed to establish a grant program to support special supplementary education programs in school districts with high concentrations of poor and unemployed youth. The new program will help needy junior and senior high school students learn the basic academic and employment skills necessary for them to graduate from high school and obtain jobs. Funds will be distribut-

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ed to States and eligible school districts on a formula basis. Schools with concentrations of needy students will compete for the $900 million in budget authority proposed for the first year of the program, most of which will support local activities in the 1981–82 school year. Participating schools will cooperate closely with private industry and with the local agencies administering the complementary new youth training and employment program described below to determine what basic education and work skills are required by local employers and to design projects to develop those skills. Such a joint effort will help assure that disadvantaged students receive the basic skills and work experience needed for a full, productive, and rewarding life.

In addition, budget authority of $4.1 billion is requested for existing programs in 1981, most of which will finance supplementary services for elementary school children. The request is $350 million higher than the 1980 level.

Budget authority of $192 million, an increase from $166 million in 1980, is requested for bilingual education for 378,000 children with limited English language proficiency. These funds will promote teacher training, curriculum development, and support programs to teach English to children with limited English language skills.

Indian education.—Budget authority of $366 million is recommended for 1981 to advance the education of Indians and Alaskan Natives, an increase of $18 million over 1980. The Department of the Interior's Bureau of Indian Affairs operates 223 schools that serve approximately 46,000 elementary and secondary students, and supports tribally controlled Indian community colleges under recently enacted legislation. In addition, the Department of Education will provide grants of $195 per child to 1,200 public school districts serving 356,000 Indian students, and over 12,000 adult Indians will receive assistance in reading and mathematics.

Impact aid.—This program is intended to compensate local school agencies for the loss of property tax revenue that is the result of the presence of tax-exempt Federal land or federally related activities in their districts. The administration proposes to limit this assistance in 1981 to those districts most heavily burdened by Federal activity. Payments would be made for children whose parents both live and work on Federal property only if such payments comprised 2.5% or more of a district's budget in 1980. Payments would be made for children whose parents either live or work on Federal property only if such payments comprised 5% or more of a district's budget in 1980. Budget authority of $519 million is requested for these payments in 1981, $286 million less than in 1980.

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Education for the handicapped.—The budget requests budget authority of $922 million in 1981 for grants to assist State and local education agencies in educating handicapped children, $47.5 million more than the 1980 appropriation. The funds will pay approximately 12% of the extra costs incurred by school districts in meeting the special needs of handicapped children, the same percentage as in 1980. The budget requests a total of $1.1 billion in budget authority to support education of the handicapped.

Vocational and adult education.—Budget authority of $933 million is proposed to support vocational and adult education. The request for vocational education, $784 million, is the same as the 1980 appropriation. However, general support for vocational education would be reduced by $33 million to $529 million to permit greater support for research and demonstration in the field. The request for adult education programs is $122 million, $22 million above the appropriation for 1980.

Other aid to education agencies.—Budget authority of $574 million is requested for other assistance to education agencies. The request includes $284 million to assist in the desegregation of school districts, an increase of $24 million over 1980, and $20 million to support greater educational equity for women, twice the level provided in 1980.

Child development.—The Head Start program provides services for low-income preschool children and funds for research and demonstration projects. This effort relies heavily on the participation of parents in program control and operation to achieve program goals. Recent evaluations suggest that Head Start projects improve the social and learning skills of children as they mature. For 1981, budget authority of $825 million is requested, an increase of $90 million over 1980, which will allow the program to serve 386,000 children, 19,000 more than in 1980. The level of funding for Head Start in the 1981 budget is 74% above the level in the 1977 budget. Budget authority of $10 million is requested for increased services to migrant children, and an additional $20 million of budget authority is requested for services for low-income minority families living in inner cities. An additional $5 million for special efforts to improve grantee management capabilities and upgrade staff skills is requested.

Higher education.—Higher education and its related activities will cost the Nation approximately $70 billion in 1981. The budget proposes $5.6 billion in budget authority and $5.2 billion in outlays to support activities in this subfunction in 1981. The request is based on the reauthorization proposal that the administration has submitted to the Congress.

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Student assistance.—Federal student financial assistance helps qualified students enter and complete schooling beyond the twelfth grade. This assistance, in the form of grants, loans, and loan guarantees has expanded from budget authority of $250 million in 1965 to nearly $5 billion in 1981.

For 1981, the administration has, as part of its reauthorization proposal, requested essential reforms in the student assistance programs. The most important reform is a complete overhaul of the current guaranteed student loan and national direct student loan programs. Under the existing guarantee program, loans from private lenders have not been uniformly available, and some students in need of loans have been unable to obtain them. Moreover, the cost of the interest subsidies for guaranteed loans has grown dramatically. The total interest paid on a guaranteed loan is tied to the rate of Federal borrowing, which is estimated at 14.6% in 1980. The Government pays all interest until one year after a student leaves school, and all but 7% of the interest thereafter. The existing direct loan program, which is administered by colleges and universities, has failed to fill the gaps in the guarantee program. Availability of direct loans varies greatly from school to school and the loan default rate currently exceeds 17%.

The administration proposes to replace these two existing loan programs with a basic direct loan and a supplemental loan guarantee program. Basic loans would be loans from the Federal Government to students based on need. The amount of a loan would be limited to the cost of a student's education adjusted for other awards and grants, a contribution from the student, and family assistance. Supplemental loans would be federally guaranteed loans to parents and students from private lenders. The amount of a supplemental loan would be limited to the cost of a student's education not covered by basic loans and other sources. Interest subsidies would be lower than under the current guarantee program. These programs will focus loan resources on students with demonstrated financial need and thus permit the more effective use of available resources. The 1981 budget requests $1.6 billion for the new loan program to provide 1.25 million basic loans averaging $720, and 1.35 million supplemental loan guarantees averaging $1,600.

The administration's reauthorization proposal also provides for continuation of the basic educational opportunity grant program. The budget proposes a maximum grant of $1,900 for 1981, an increase of $100 over 1980. Budget authority of $2.4 billion is requested for this purpose.

The 1981 budget also recommends $370 million in budget authority for the supplemental educational opportunity grants provided by higher education institutions as a supplement to basic grants,

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and $77 million for the State student incentive grant program. This would maintain both programs at their 1980 levels. An estimated 573,000 students will receive supplemental grants and 282,000 students will receive incentive grants.

The budget requests budget authority of $550 million for the work-study program, the same amount as in 1980. The administration proposes that higher education institutions be encouraged to provide work-study assignments that involve the tutoring of elementary and secondary school students, the dissemination of student financial aid information, and the provision of special services to handicapped students.

Higher and continuing education.—In addition to student assistance programs, the budget proposes $430 million in 1981 budget authority for assistance to higher education institutions. Most of these funds support programs to help disadvantaged students to obtain postsecondary education.

Although postsecondary enrollment of minorities and women has improved dramatically in the last decade, problems persist in some occupations. The budget proposes $13 million in budget authority for the graduate professional education opportunities program to increase the number of minorities and women entering these occupations. This represents an increase of 47% over 1980, and will fund 850 new fellowships.

Budget authority of $160 million is proposed for special higher education programs for the disadvantaged, an increase of $12 million above 1980. These programs identify and help prepare potential college students at the high school level, and assure that placement, career counseling, and other services are provided once they enter college.

The budget proposes budget authority of $140 million, an increase of $30 million over 1980, for the developing institutions program. In addition, a new matching program would be established to encourage developing institutions to increase the support they receive from non-Federal sources, including State governments, and $20 million of the $30 million increase would be reserved for this purpose.

The budget also proposes $23 million in budget authority for cooperative education programs, which allow schools and employers to provide students with work experience and education on a cooperative basis and $30 million for foreign area and language studies programs.

Special institutions.—Budget authority of $204 million is recommended for the American Printing House for the Blind, Gallaudet College, the National Technical Institute for the Deaf, and Howard University, an increase of $16 million over the 1980 appropriation.

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CREDIT PROGRAMS—EDUCATION

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate
Student assistance programs:			
Direct loans:			
New Loans	417	573	1,053
Repayments, sales and adjustments	−62	−73	−477
Net loan outlays	355	500	576
Loan guarantees:			
New Loans	2,760	3,960	2,160
Net loan guarantees	1,477	2,557	483
Other education:			
Direct loans:			
New loans	283	78	103
Repayments, sales and adjustments (−)	−89	−168	−107
Net loan outlays	194	−13	−4
Loan guarantees:			
New loans	530	670	.....
Net loan guarantees	509	648	−237

Research and general education aids.—The budget requests $1.5 billion in budget authority for education research and development, other general education and cultural activities, and program administration. Budget authority of $264 million is requested to support libraries and other learning resources in 1981, $9 million above the 1980 level. This includes $70 million for support of public libraries and $171 million for school libraries.

Budget authority of $88 million is proposed for research and development, compared to $77 million in 1980. Research will focus on improving equality of educational opportunities and general teaching methods. In addition, budget authority of $40 million is requested for the basic skills improvement program to improve the teaching of reading, writing, and mathematics, an increase of $5 million over 1980.

Budget authority of $168 million for the National Endowment for the Arts, and $164 million for the National Endowment for the Humanities is requested for 1981 to increase Federal support for individual and institutional endeavors. Budget authority of $12.9 million is proposed for the Institute for Museum Services to provide general operating and special project support for the Nation's museums. The budget also includes $182 million in budget authority for the Corporation for Public Broadcasting for 1983, provided 2 years in advance. Federal support for the Arts Endowment, Humanities Endowment, Institute for Museum Services, and the Corporation for Public Broadcasting is partially matched by contributions from non-Federal sources. Budget authority of $164 million is requested for the Smithsonian Institution in 1981.

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Tax expenditures.—The major tax expenditures that aid higher education are the personal income tax exemptions available to parents of children 19 and over who are in school, the deductibility of contributions to educational institutions, and the exclusion of scholarships and fellowships from income subject to tax. The revenue losses associated with these provisions in 1981 are estimated to be $1.0 billion, $1.2 billion, and $0.4 billion respectively. In addition, the Revenue Act of 1978 permits employers to establish educational assistance plans for the benefit of their employees. Payments under the plan, which may be used to pay for most educational programs, are not included in the employee's income. Deductions for educational assistance plans are estimated to result in a tax expenditure of $35 million in 1981.

Related programs.—A number of Federal programs are related to education, although their primary purpose is to meet other national needs and to serve other major missions. For example, veterans readjustments benefits provide assistance to eligible veterans attending school, and the health programs of the Federal Government support a substantial amount of biomedical education. Comprehensive Employment and Training Act (CETA) training activities are frequently conducted through State and local education agencies, and some CETA public service employment participants are employed in education agencies. CETA also provides special grants to be used by, or with the cooperation of, education agencies, to increase coordination between education and training and employment programs. The accompanying table shows major education-related programs that support other missions.

Training, Employment, and Other Labor Services

Programs that carry out the training and employment mission are designed to increase employment opportunities, mainly for the disadvantaged, and to increase their long-term employment and earnings. These programs attempt to correct deficiencies in labor markets by developing work skills, providing temporary employment and work experience, and improving the matching of workers and jobs. Other labor services include the regulation of employer-employee relations and the publication of labor statistics. The budget proposes $11.9 billion in outlays for these activities in 1981.

Training and employment.—Funding for training and employment activities has grown steadily over the years, including large temporary increases in 1977 and 1978 as part of the administration's economic stimulus program. With improvement in the economy, employment has increased by 9.4 million jobs since December 1976, the second largest 3-year increase in employment since World

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FEDERAL OUTLAYS FOR EDUCATION AND RELATED PURPOSES

(In millions of dollars)

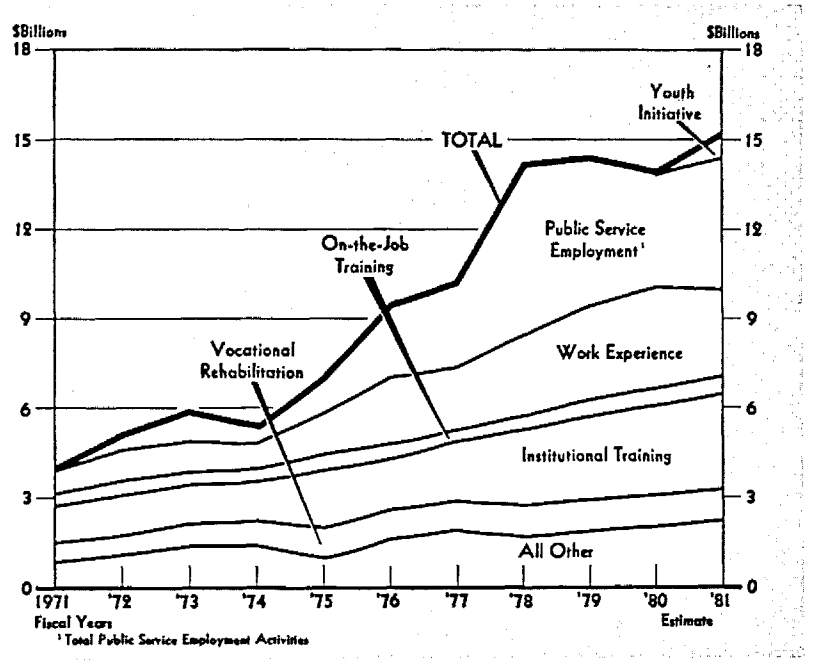
Level and program	1979 actual	1980 estimate	1981 estimate
Education outlays [1]	14,349	15,345	16,466
Related outlays supporting other major missions:			
Elementary and secondary:			
Child nutrition	3,014	3,465	3,225
Student grants, Social Security Administration	361	419	480
U.S. Forest Service, Agriculture	120	141	160
Military personnel	376	391	459
Veterans readjustment	284	241	244
Other	1,242	1,358	1,491
Subtotal, elementary and secondary	5,397	6,015	6,059
Higher education:			
Veterans readjustment benefits	2,120	1,757	1,535
Student grants, Social Security Administration	1,385	1,565	1,752
Defense service academies and ROTC	672	728	720
Health professions training	23	12	8
Research training, National Institutes of Health	143	171	168
Alcohol, Drug, and Mental Health Administration	92	95	94
Other	150	158	174
Subtotal, higher education	4,585	4,486	4,451
Adult and continuing education:			
Agriculture Extension Service	262	250	264
Veterans readjustment benefits	109	90	21
Student grants, Social Security Administration	137	157	175
Other	204	215	229
Subtotal, adult and continuing education	712	712	689
Training of Federal military employees:			
Defense and Coast Guard	523	555	576
Other:			
Comprehensive Employment and Training Act	806	677	878
International development assistance	37	38	44
Other	4	14	12
Subtotal, other	847	729	934
Total related outlays	**12,064**	**12,497**	**12,709**
Total outlays	**26,413**	**27,842**	**29,175**

[1] See national needs table at the beginning of this section.

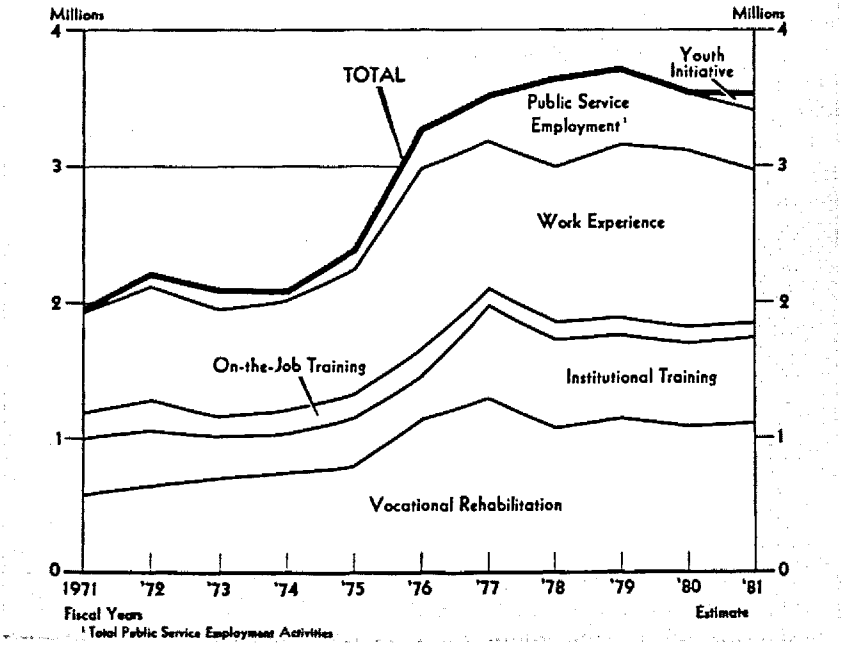
War II. Starting in 1980, funding for training and employment programs is being directed increasingly toward the disadvantaged and the long-term unemployed, with continuing improvements expected in program management. The administration is proposing new legislation to improve the targeting and content of programs addressing the special problems of youth.

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Outlays for Training and Employment Activities



Service Years for Training and Employment Activities



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An evaluation started after the enactment of the Comprehensive Employment and Training Act (CETA) in 1973 will soon produce preliminary data that will allow a comparison of the employment and earnings of federally supported training program participants before and after the training with the employment and earnings of similar people not in the programs. This will allow more accurate calculations of the benefits of various programs to participants.

The accompanying tables and charts provide information on trends in the level of training and employment services, on the distribution of services by type of service provided, and on the characteristics of participants in training and employment programs. They include all programs that are functionally classified as training and employment services, as well as programs with similar objectives in other subfunctions. Outlays for these other programs are shown in the table at the end of this section

DISTRIBUTION OF TRAINING AND EMPLOYMENT SERVICES BY TYPE OF SERVICE

(In percent)

Service	Outlays			Years of service		
	1979	1980	1981	1979	1980	1981
Public service employment	35	28	29	14	12	12
Work experience	22	24	19	34	36	31
On-the-job training	3	4	4	3	3	3
Institutional training	19	21	21	16	16	17
Vocational rehabilitation	7	8	8	31	30	31
Labor market services, and other	13	14	19	2	3	6

CHARACTERISTICS OF THE UNEMPLOYED, THE POOR, AND TRAINING AND EMPLOYMENT PROGRAM PARTICIPANTS [1]

	Unemployed workers			Poverty population [2]			Program participants		
	1975	1977	1979	1975	1977	1979	1975	1977	1979
Average number (millions)	8.0	6.9	6.2	16.1	17.0	16.9	2.4	3.5	3.8
Percent:[3]									
Age 21 or less	35	35	39	26	26	26	29	33	39
Female	44	48	49	62	63	63	58	48	52
Less than high school education	49	43	45	67	65	64	38	38	45
Low income	[4]21	[4]22	[4]22	100	100	100	71	65	73
Public assistance recipients	n.a.	n.a.	n.a	n.a.	n.a.	n.a.	42	23	33
Minority	19	22	23	30	30	30	40	36	40

[1] Unemployed and poor reported on a calendar year basis; program participants reported on a fiscal year basis.
[2] Data collected in March of year shown here; represents income of prior year. Source: Bureau of the Census data from the Current Population Survey.
[3] Program participant figures exclude summer employment programs for youth.
[4] Represents individuals living in poverty areas.
n.a. = Not available.

General training and employment programs.—Most training and employment programs are operated by State and local governments through grants under the Comprehensive Employment and Training Act (CETA). Legislation enacted in 1978, taking effect in

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1979 and 1980, provided new authority that increased the emphasis on permanent private sector jobs and assistance to the disadvantaged and the long-term unemployed. The law also introduced new requirements to improve program management. Outlays for general training and employment programs are expected to total $2.8 billion in 1981, almost $100 million more than in 1980.

The budget would continue general purpose grants (under CETA title II—ABC) to maintain 1980 service levels, providing an average of up to 400,000 years of service in 1981. The services provided include classroom and on-the-job training, work experience, and retraining for individuals who can move to jobs requiring greater skill or who lose their current jobs.

The ultimate success of structural employment and training programs can best be measured by long-term improvements in employment and earnings. Since most jobs are in the private sector, the administration moved in 1978 to redirect Federal employment and training programs toward private sector jobs. The 1978 amendments to CETA included the administration's proposed new private sector opportunities initiative, and the Revenue Act of 1978 created a new targeted jobs tax credit primarily for poor unemployed youth, as requested by the administration. Both place increased emphasis on assisting disadvantaged persons, including youth, to secure private sector jobs. Under the new private sector program, funds are provided through States and localities to improve the quality and quantity of private sector job placements. Uses of the funds include job development, training, placement, implementation of the targeted employment tax credit, and other services, such as on-the-job training, designed jointly with Private Industry Councils. Legislation is proposed to continue authority for this initiative through 1982.

The Federal Government also finances training and employment services outside of the State and local prime sponsor system for migrant and seasonal farmworkers whose mobility makes them difficult to serve, and for Indian tribes and groups, primarily because of their special Federal relationship. In addition, other services for groups such as displaced homemakers and older workers, research, other program support, and administration are funded separately.

Public service employment.—Two public service employment (PSE) programs under CETA provide temporary, federally subsidized employment for low-income, unemployed persons in public or nonprofit agencies, principally through grants to State and local governments. Outlays for PSE are estimated to be $4.4 billion in 1981.

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The public service employment program under CETA title II-D will provide about 250,000 jobs for low-income, long-term unemployed persons. The program requires substantial investments in training for participants who are thus better prepared for placement in permanent jobs after PSE. Outlays for title II-D are expected to be $2.4 billion in 1981.

The PSE program in title VI of CETA provides jobs for persons with up to 40% higher incomes and with shorter periods of unemployment than those in the program under title II-D. The 1980 appropriations provided by the Congress will reduce the number of jobs at the end of the year to a level of about 200,000. The budget proposes maintaining title VI at the 200,000 jobs level in 1981, with outlays of $2 billion.

Youth programs.—As part of the major initiative to help youth with the greatest need acquire basic work skills, the administration is proposing a redirection and enhancement of youth programs. Part of this program has been described in the preceding pages under elementary and secondary education. In training and employment, three programs started as part of the 1977 economic stimulus effort would be replaced. Two of them—the youth employment and training programs and the youth community conservation and improvement projects—would be combined and expanded under the proposal. A third, the purely experimental youth incentive entitlement pilot projects, is being phased out and lessons learned from it incorporated in the new initiative. Budget authority in 1981 would be $1,125 million, $300 million above the current services level of the programs to be replaced. Prime sponsors receiving grants under the new program would work closely with local school systems to provide the combination of training in basic skills and work experience that fits the need of each individual participant. Youngsters in schools receiving the new education aids could be helped to get jobs, preferably in the private sector. School-age dropouts could get subsidized jobs only if they participated in a training program designed to give them basic skills.

The older (18- through 21-year-old) out-of-school disadvantaged youth who cannot find and keep jobs are by far the worst-off group, since those who have serious post-school employment problems are most likely to be condemned to a lifetime of low and sporadic earnings. Prime sponsors would devote their greatest effort to them, concentrating on providing opportunities to learn basic skills, gain work discipline, develop specific skill training, and obtain private sector employment. Prime sponsors would design their programs in close cooperation with local industry to insure the job relevance of program activities and to increase the number of youth in the program who can get private sector jobs. Prime

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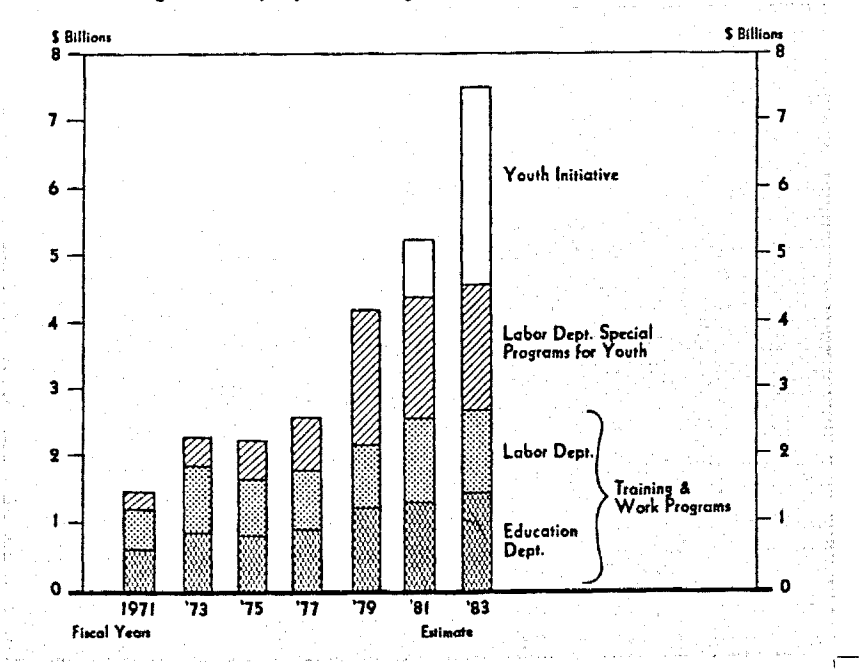
sponsors would work with local employers to develop objective job performance standards for program participants. Use of these standards would foster better program management and enable participants to develop credible training and work records that would be acceptable to future employers, paving the way for employment in the private sector.

Continued expansion of the Job Corps training program to 44,000 service years for youth, double the 1977 level, is proposed. Under the budget request, the summer youth employment program in 1981 would be maintained at the 1 million part-time jobs financed in 1979 and proposed for 1980. The planning and administration of this program would be closely integrated with the new youth program, easing the application and reporting burdens of prime sponsors. The Young Adult Conservation Corps, which provides work experience on public lands for youth from families in all income ranges, would be continued at the 1980 service level.

The private sector program and the new targeted employment tax credit will provide additional resources aimed at increasing the employment of youth in the private sector.

The accompanying chart covers these youth programs as well as other major related youth training and employment programs.

Youth Training and Employment Programs



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Older workers.—Funding is requested for the community service employment program for older Americans to continue to provide 52,500 job opportunties for low-income persons aged 55 and over with outlays of $263 million in 1981.

Work incentive (WIN) program.—This program helps persons receiving aid to families with dependent children (AFDC) find and retain jobs by providing training, work experience, subsidized jobs, intensive employment services, child care, and other supportive services. Private employers are encouraged to hire recipients through the WIN tax credit. WIN outlays for 1981 are estimated to be $385 million, a $20 million increase over 1980. An estimated 286,000 WIN participants will be hired in unsubsidized jobs.

Welfare reform employment program.—In 1979 the administration proposed a carefully designed set of essential reforms of welfare programs. Under this proposal, reforms in the level and delivery of cash assistance would be integrated closely with an employment and training strategy, the new employment tax credit, and revisions in the earned income tax credit (These proposals are also discussed in the income security function.) The proposal would ensure that individuals receiving public assistance have strong incentives to seek and retain permanent unsubsidized employment, and would provide work and training for principal earners in eligible families. The budget request assumes enactment of welfare reform in time for the substantial planning effort for training and employment services to begin in 1981. The new program will build on the existing CETA, work incentive, and tax credit authorities. Provision has been made in the contingency allowance for initial resource needs in 1981 and additional funding in subsequent years. To help prepare for implementation and to continue to learn more about how training and employment strategies affect welfare recipients and local labor markets, the budget requests $281 million in budget authority under general training and employment programs for continuation of large-scale research and demonstration projects begun in late 1979.

Federal-State employment service.—Job-matching services for workers and employers are provided free of charge by 2,400 State offices financed with Federal funds. The budget request maintains employment service operations at the 1980 level. An assessment of the results of computerized job-matching and redesign of automated procedures, begun in 1980, will continue in 1981.

Other labor services.—The Federal Government establishes and enforces standards affecting the relationship between employer and employees and between unions and their members. These activities include enforcement of the minimum wage and related laws, regu-

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lation of welfare and pension plans, supervision of labor-mangement relations, a new program of grants for labor-mangement committees, and regulation of the equal employment practices of Federal contractors. In addition, labor statistics and information on employment, unemployment, wages, prices, and productivity are collected and disseminated. Outlays for these services are estimated at $602 million in 1981. (Enforcement efforts for job safety and health are included in the health function, while those relating to job discrimination on the basis of race, age, or sex are covered in the administration of justice function.)

Tax expenditures.—The tax code provides incentives for employers to hire disadvantaged individuals and those receiving certain welfare benefits. Tax credits are also provided to encourage individuals with dependents to work by allowing tax credits for child care expenses.

The targeted employment credit was enacted in the Revenue Act of 1978. It encourages employers to hire disadvantaged youth ages 18 to 25, as well as Vietnam veterans, recipients of general assistance or supplementary security income, participants in cooperative education programs, certain ex-offenders, and handicapped individuals undergoing vocational rehabilitiation. The credit, equal to 50% of the first year and 25% of the second year wages, applies to the first $6,000 of each eligible employee's wages. It replaces the general, untargeted employment tax credit that was in effect in 1977 and 1978. The new credit is estimated to result in a tax expenditure of $0.3 billion in 1981.

The employment credit, for hiring employees under the WIN program or other AFDC recipients, was revised to make it similar to the targeted employment credit. This credit is estimated to result in a tax expenditure of $60 million in 1981.

Employment is also encouraged by a credit of 20% of child care expenses incurred to allow people with dependent children to work. The maximum credit is $200 for one child and $400 for 2 or more children. The revenue loss resulting from the child care credit is estimated to be $0.9 billion in 1981.

Training and employment-related programs.—A number of Federal programs are related to training and employment efforts, although their primary purpose is to meet other national needs and serve other missions. The following table shows major training and employment-related programs that support other major missions. The table does not include programs that are primarily economic development activities.

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TRAINING AND EMPLOYMENT OUTLAYS FOR OTHER MAJOR MISSIONS

(In millions of dollars)

Functional code	Agency	1979 actual	1980 estimate	1981 estimate
350	Agriculture	63	55	61
450	Housing and Urban Development	20	23	26
450	Interior	55	52	47
500	Education	1,223	1,656	2,296
500	Health and Human Services	1,047	671	282
600	Health and Human Services	142	151	151
700	Veterans Administration	629	542	460
750	Equal Employment Opportunity Commission	93	120	135
750	Justice	2	2	3
999	Various agencies	202	206	206
	Total	**3,475**	**3,478**	**3,666**

Social Services

The Federal Government provides grants to States for a variety of social services, primarily for the poor and other groups with special needs.

Grants to States for social and child welfare services.—Under title XX of the Social Security Act, grants are made to States for services to individuals and families to promote their independence and self-support and to reduce institutionalization where appropriate. States provide a broad array of services including family planning, preparation and delivery of meals, transportation, counseling, child care, and services to meet the special needs of the low-income, aged, handicapped, mentally retarded, alcoholics, and drug addicts. State and local government training of personnel for the social service field is also provided under title XX.

Legislation has been proposed to increase the limits on Federal payments under title XX to a total of $2.9 billion, beginning in 1980. This proposal would make permanent the $200 million increase in the regular ceiling enacted for 1979. The $200 million special child day care set aside enacted for 1979 would be extended through 1981. Specific appropriation authority is also requested for the territories of Guam, Puerto Rico, the Virgin Islands, and the Northern Mariana Islands. In addition, legislation is proposed to phase in a ceiling on State and local government training expenses at 4% of each State's allotment under title XX of the Social Security Act, the principal source of Federal social services funding. Special efforts will be made to improve the management and operations of the rapidly growing State and local training program.

Child welfare grants are made to the States for the care and protection of neglected, homeless, and abused children. The admin-

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istration has proposed legislation to significantly improve the scope and quality of services provided to children by the States, and to develop stronger procedural safeguards for the rights of children and their parents. This proposal is designed to:

- aid in reuniting children with their natural families whenever feasible;
- require more frequent monitoring of the status of children in foster care to assure that they are adopted or returned to their families as rapidly as possible;
- encourage the adoption of children who might otherwise remain in foster care for an extended period; and
- subsidize low-income families who want to adopt children.

Under these proposals, outlays for child welfare services are estimated to rise from $57 million in 1979 to $119 million in 1980, and $164 million in 1981.

Aid to the elderly.—Budget authority of $714 million is requested for programs serving older persons in 1981.

These programs are intended to prevent or delay institutionalization by enabling older persons to continue living in their homes and communities. Particular emphasis will be placed on serving those elderly who have the greatest economic and social need. Budget authority requested for nutrition projects is increased from $320 million in 1980 to $350 million in 1981, which will finance 410,000 daily meals for older Americans.

In addition, an increase of $33 million in budget authority, for a total of $280 million, is requested for other services to the elderly in 1981. This increase will aid in providing services for the elderly in all parts of every State, finance the development of at least one long-term care ombudsman program in each State, and help provide legal services for the elderly. Special efforts will also be made to meet the special needs of, and improve the delivery of services to, low-income, minority, rural, and disabled elderly.

Services for the developmentally disabled and other special groups.—Outlays for rehabilitation and related services to the developmentally disabled are estimated to be $63 million in 1981.

The administration supports legislation to provide grants of up to 3 years duration for service projects, demonstrations, and research on the problems of domestic violence. Budget authority of $10 million is requested for this activity in 1981.

Funds previously appropriated will be used for a White House Conference on Families and a White House Conference on Aging to be held in 1981, and for a White House Conference on Children and Youth to be held in 1982. Additional budget authority of $3 million is requested in 1981 for the White House Conference on Aging to complete its activities. Funds are requested to explore ways to

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provide services to meet the needs of special groups such as young runaways and Native Americans. To aid States and localities in improving their adoption and foster care systems, budget authority of $164 million is requested for 1981.

Budget authority of $964 million is requested for rehabilitation services and handicapped research in 1981, an increase of $33 million over the 1980 appropriation. These resources aid the approximately 1.8 million persons who have physical and mental disabilities and help them to become self-sufficient. Additional funds to rehabilitate recipients of the supplemental security income program and beneficiaries of the old-age survivors and disability insurance programs are classified in the income security function. In 1981, an increased number of experimental programs helping the disabled live independently will be undertaken and carefully evaluated. Increased budget authority is also requested for the National Institute for Handicapped Research in order to provide for a comprehensive and coordinated research plan to benefit handicapped individuals and to improve the distribution of information to the professional community.

Community services program.—Several social services activities are sponsored by the Community Services Administration's (CSA) community services program. The program also provides administrative support for about 900 local community action agencies. Budget authority of $550 million is requested for CSA programs, which will be directed toward:

- improving grantee performance levels by establishing a competitive grant program for community action agencies;
- conducting demonstration projects in areas such as family counseling, group homes, migrants, and rural housing; and
- increasing funding for successful community development corporations and enabling corporations to become administratively self-sufficient.

Domestic volunteer programs.—ACTION, the Federal Government's agency for volunteer programs, supports Volunteers in Service to America (VISTA) and the Foster Grandparent, Senior Companion, and Retired Senior Volunteer programs. ACTION will continue to emphasize planning and programming based on meeting the needs of the poor.

The budget proposes an increase of about 600 in the number of VISTA volunteers. In 1981, the VISTA program will reorder its priorities to place more emphasis on energy conservation, community development, and programs targeted to rural areas. All three older American volunteer programs would enroll more volunteers than in 1980. The major increase would be for an additional 1,000 senior companions providing long-term care to the elderly.

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The budget also requests increases for technical assistance grants and demonstration projects to explore alternative approaches to voluntary action in the private sector. Emphasis in these demonstrations will be placed on carrying out the goals of the administration's urban initiatives by concentrating projects in distressed urban areas. Outlays for ACTION's domestic programs are estimated to increase from $117 million in 1979 to $145 million in 1980 and $175 million in 1981.

Tax expenditures.—The provision of social services by a wide variety of private institutions is encouraged by the tax deductibility of contributions to those institutions. The tax expenditure for charitable contributions, other than to educational and health institutions, is expected to be $7.1 billion in 1981.

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HEALTH

National Needs Statement:

- Improve access to quality medical care and mental health services.
- Provide better insurance protection including coverage for catastrophic expenses.
- Restrain inflation in health care costs.
- Improve State and local health care systems.
- Acquire knowledge regarding the causes, prevention, and treatment of diseases and promote preventive measures by which good health can be maintained.
- Support education of students in the health professions, especially in primary care fields and placement of health workers in medically underserved areas.
- Improve consumer and workplace health and safety.

Federal involvement in promoting the Nation's health began with the establishment of the Public Health Service in 1798 to protect the Nation from contagious diseases brought into the country by seamen. The rapid growth in Federal support for the Nation's health care systems began in the mid-1960's when medicare and medicaid were established. Between 1966 and 1979, Federal health expenditures (including health-related programs classified in other functions) rose from $7.4 billion, 13% of national health expenditures, to $68 billion, 28% of national health expenditures.

Increased Federal involvement has dramatically improved the health care system, particularly by increasing access to medical care for the poor. Since the enactment of medicaid, for example, the poor have substantially increased their use of health services. In 1964 the poor made 7% fewer physician visits than the non-poor, whereas by 1976 they made 17% more physician visits. Federal assistance has also helped to eliminate the shortage of hospital beds and of health professionals in the United States.

Despite the accomplishments of this expanded Federal investment, significant problems of financing and access remain. Improved services to the poor and underserved, better health insurance, and health care cost containment are major national needs for the 1980's. Poor persons not covered by medicaid use medical care services at rates 22% lower than the rest of the population. Over 15 million Americans still lack health insurance. Nineteen million lack adequate coverage, and 46 million lack protection against catastrophic expenses. Although many advances have been

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made, improvements in the planning and management of health care are still needed, particularly for the poor and underserved.

Restraining inflation of health care costs is also a major national need. Excessive inflation in these costs hinders the ability of people to pay for needed health care, strains the national economy, and burdens the Federal budget. Health care expenditures in the United States have grown from 4.5% of gross national product (GNP) in 1955 to 9.1% of GNP in 1978. During the last 10 years, hospital costs—the largest component of health care costs—have grown almost 2½ times as fast as the consumer price index. Without hospital cost containment legislation or other major changes in the health system, national health expenditures are projected to reach 10.5% of GNP in 1985.

Many of our Nation's health problems can be prevented, and studies indicate that future improvements in our health are more likely to come from greater attention to disease and injury prevention than to their treatment.[1] Health research on the causes, prevention, and treatment of disease, and the promotion of preventive measures are critical components of the administration's health strategy for the 1980's. Federal actions focus on areas that are likely to improve health status, and reflect efforts to better link research and its practical application.

Since 1960, the Federal Government has spent about $18 billion to help increase the supply of health professionals, which has risen by 50%. The record of the last two decades is impressive in both the level of Federal support and the response of the Nation's health professions schools. As a result, there is and will continue to be an adequate—or excessive—supply in most of the major health professions. The Federal Government has begun to shift resources toward correcting geographic maldistribution and overspecialization of health professions. Since Federal support for health professions training has achieved its initial goal, Federal resources are being reallocated to address these new challenges.

To address these national health needs, the budget includes estimated outlays of $62.4 billion in 1981. The budget includes cost-saving proposals that would reduce outlays by $1.7 billion in 1981 and $3.6 billion in 1983. The budget provides major support for the following initiatives:

- *A national health plan*, effective in 1983, with a net increase of $24.1 billion in Federal costs[2] and an increase of $9.6 billion in mandated private sector expenditures. This plan would ensure that 155 million working Americans and their families have adequate private insurance protection. Public

[1] *Healthy People: Surgeon General's Report on Health Promotion and Disease Prevention* (August 1979).

[2] Included in the allowance for contingencies beginning in 1983. This proposal is discussed in greater detail in the Special Analyses volume of the budget documents.

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programs would cover current medicare and medicaid recipients and an additional 20 million poor and near-poor persons. Benefits would include catastrophic coverage and prenatal and infant care services for the entire population. The program would be financed and administered through a combination of mandated coverage by employers and a Federal-State health care program. The 1983 allowance reflects the impact of the national health plan on both outlays and receipts.

- *Improved access to health services especially for the poor and underserved.* Health financing proposals would expand medicaid eligibility to more than 2 million additional low-income children, youth, and expectant mothers. Proposed expansions of health services programs include new community health centers, new mental health service programs, and more National Health Service Corps professionals in medically-underserved areas.
- *Increased efforts to control inflationary growth in health care costs.* The budget presents policies to deal with excessive costs by reducing the overall rate of health care cost inflation—particularly through hospital cost containment legislation—and by making the Federal Government a more prudent and cost-conscious purchaser of services.
- *Administrative reforms of health planning requirements and services grants to improve the management of health programs.* These reforms will use demonstration projects as a vehicle for working with State and local entities.
- *Expanded efforts throughout the Federal Government to promote health and longevity and to prevent disease, illness, and injury.* Increased budget authority is recommended for health research and for health promotion and disease prevention programs. The Federal Government will support programs to reduce smoking, drug, and alcohol abuse.

These and other proposals are discussed in detail in the following sections on health care services, health research, education and training of the health care work force, and consumer and occupational health and safety.

Health care services.—The largest amount of Federal spending for national health needs is devoted to the mission of financing and providing health care services. Federal outlays for health care services classified in this mission are expected to rise from $51.6 billion in 1980 to $57.3 billion in 1981 and $73.9 billion in 1983, even with proposed savings legislation. Total Federal outlays for health care services, including activities in other missions of the budget, are estimated at $70 billion in 1981, of which 32% supports

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NATIONAL NEED: HEALTH

(Functional code 550; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Health care services:					
Medicare:					
Existing law	31,762	35,922	45,007	53,682	61,381
Proposed legislation	.....	.....	−17	−235	−101
Medicaid:					
Existing law	13,217	14,578	16,194	18,418	20,879
Proposed legislation	.....	34	298	549	676
Other health care services	3,793	4,105	4,485	4,889	5,374
Subtotal, health care services	48,772	54,640	65,968	77,303	88,209
Health research:					
National Institutes of Health research	3,006	3,220	3,371	3,625	3,909
Alcohol, Drug Abuse, and Mental Health Administration research	214	235	266	285	305
Other research programs	164	195	202	186	202
Subtotal, health research	3,383	3,651	3,838	4,096	4,415
Education and training of the health care work force:					
National Institutes of Health training	184	222	211	230	247
Health Resources Administration training	518	410	339	363	391
Alcohol, Drug Abuse, and Mental Health Administration training	115	114	112	112	120
Subtotal, education and training of the health care work force	817	747	662	706	759
Consumer and occupational health and safety:					
Consumer safety	635	663	708	701	719
Occupational safety and health	311	340	377	386	403
Subtotal, consumer and occupational health and safety	946	1,002	1,086	1,087	1,122
Deductions for offsetting receipts	−10	−8	−8	−8	−8
Total, budget authority	**53,908**	**60,033**	**71,546**	**83,184**	**94,497**

services to the poor and 58% supports services to the aged, including low-income aged.

Medicare and medicaid.—Medicare and medicaid outlays, which finance health care services for poor, disabled, and aged Americans, are estimated to be $53.2 billion in 1981. Medicaid outlays of $15.9 billion will finance care of 23 million poor Americans. Medicare outlays of $37.3 billion will provide services to 25 million aged and 3 million disabled Americans. These totals include a number of benefit improvements and reforms to restrain health costs.

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NATIONAL NEED: HEALTH—Continued

(Functional code 550; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Health care services:					
Medicare:					
Existing law	29,147	33,540	38,425	44,279	50,825
Proposed legislation	.....	1	−1,076	−1,927	−2,692
Medicaid:					
Existing law	12,491	14,220	15,575	17,833	20,222
Proposed legislation	.....	34	298	549	676
Other health care services	3,483	3,802	4,095	4,472	4,863
Subtotal, health care services	45,121	51,598	57,317	65,205	73,893
Health research:					
National Institutes of Health	2,698	2,969	3,137	3,388	3,658
Alcohol, Drug Abuse, and Mental Health Administration research programs	190	200	239	284	303
Other research programs	135	170	179	185	177
Subtotal, health research	3,023	3,338	3,555	3,858	4,138
Education and training of the health care work force:					
National Institutes of Health training	171	190	198	229	247
Health Resources Administration training	307	348	265	342	433
Alcohol, Drug Abuse, and Mental Health Administration training	105	114	96	117	119
Subtotal, education and training of the health care work force	583	652	559	689	799
Consumer and occupational health and safety:					
Consumer safety	603	645	658	684	701
Occupational safety and health	293	337	369	374	391
Subtotal, consumer and occupational health and safety	896	982	1,027	1,058	1,092
Deductions for offsetting receipts	−10	−8	−8	−8	−8
Total, outlays	**49,614**	**56,563**	**62,449**	**70,801**	**79,914**
MEMORANDUM—Attribution of Federal Financing Bank outlays					
Health care services	17	110	134	163	46

Benefit improvements.—Legislative proposals to expand medicare and medicaid services include the following:

- *Child health assurance program (CHAP).* Passage of the CHAP legislation would make an additional 2 million children and pregnant women eligible for medicaid, and improve services to currently eligible children.
- *Comprehensive clinic services.* The administration will propose legislation that would require States to reimburse community

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TOTAL FEDERAL HEALTH SERVICE OUTLAYS BY INCOME AND AGE GROUPS

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate
Poor persons:			
Aged (65 and over)	6,318	7,236	7,984
Other adults (19 to 64)	9,052	10,245	11,106
Children and youth (0 to 18)	2,955	3,323	3,602
Subtotal, poor	18,325	20,804	22,692
Non-poor persons:			
Aged (65 and over)	25,621	29,306	32,619
Other adults (19 to 64)	10,130	11,396	12,617
Children and youth (0 to 18)	1,956	2,140	2,402
Subtotal, non-poor	37,707	42,842	47,639
Total, all recipients:			
Aged (65 and over)	31,939	36,543	40,604
Other adults (19 to 64)	19,183	21,641	23,723
Children and youth (0 to 18)	4,911	5,463	6,004
Total, all recipients	**56,032**	**63,646**	**70,331**
Allocated to health (function 550)	(45,121)	(51,595)	(57,317)
Allocated to other national needs	(10,911)	(12,051)	(13,014)

health centers and other clinics not affiliated with hospitals for services provided to medicaid patients.

- *Disability.* The administration will continue to seek the liberalization of medicare and medicaid coverage for disabled beneficiaries.
- *Home health.* In an effort to encourage alternatives to nursing home placement, the administration proposes to eliminate the 3-day prior hospitalization requirement for home health services under medicare hospital insurance. An expansion of home health services under medicaid is also proposed to avoid placement of persons in an institution.
- *Outpatient psychiatric services.* The administration continues to support liberalizing medicare mental health benefits by reducing the beneficiary co-payment to the same level as for other medical services, and by raising the total amount that will be reimbursed by the program.
- *Medigap legislation.* Most medicare beneficiaries purchase medical insurance to supplement medicare coverage. The administration is proposing legislation to protect beneficiaries from overpriced, inadequate policies and deceptive sales practices. It would set up a voluntary program of certification for policies that supplement medicare and penalize insurers for misrepresentation of policies.

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- *Medicare enrollment in health maintenance organizations (HMOs).* Medicare costs in prepaid group practice are less than those in fee-for-service practice, and the difference between payments for these two kinds of medical practices represents savings to the Federal Government. The administration supports legislation that would share the Federal savings with medicare beneficiaries who enroll in HMOs, in the form of reduced cost sharing or additional preventive services.

OUTLAY IMPACT OF PROPOSED MEDICARE AND MEDICAID EXPANSIONS

(In millions of dollars)

	1981	1982	1983
Medicaid:			
Child health assurance program (CHAP)	403	650	860
Comprehensive clinic services	52	57	61
Disability initiative	4	15	28
Other expansions	35	51	53
Total, medicaid expansions	**494**	**773**	**1,002**
Medicare:			
Disability initiative	43	89	128
Home health	7	12	13
Outpatient psychiatric services	18	31	37
HMO enrollment	5	25	35
Other expansions	2	2	2
Total, medicare expansions	**75**	**159**	**215**

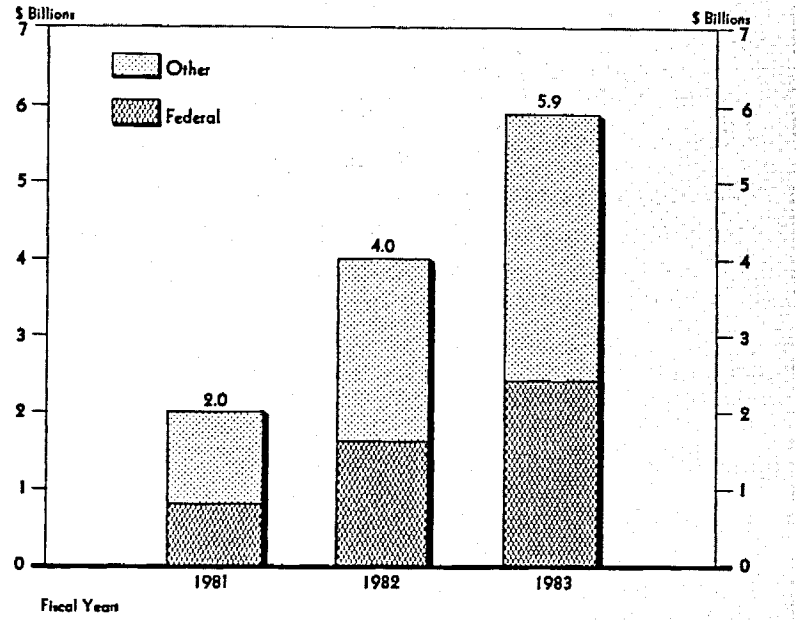
Restraining health care costs.—The most important action recommended to control health costs is passage of hospital cost containment legislation. The Congress failed to enact this essential piece of legislation proposed by the administration last year. Had hospital cost containment been enacted, Federal outlays would be approximately $1.3 billion lower in 1980 and 1981 than will now be the case. Enactment of hospital cost containment, effective October 1, 1980, would save the Federal Government an estimated $0.8 billion in 1981 and $4.8 billion from 1981 to 1983. The Nation as a whole would save $2.0 billion in 1981 and $11.9 billion from 1981 to 1983.

Legislation has also been proposed to place a national limit on capital investment in health care facilities. As an additional component of its cost containment strategy, the administration is requesting $10 million in 1981 budget authority for a new grant program to facilitate closure and conversion of unnecessary health facilities.

Other activities proposed in the budget to help control costs include continued support for State and local health planning agencies. Budget authority of $171 million is requested for this

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Savings From Hospital Cost Containment



activity in 1981. Health maintenance organizations have proven effective in reducing health costs, and the budget proposes $69 million in 1981 budget authority, $7 million over the 1980 level, for 343 federally supported HMOs.

Professional standards review organizations (PSROs), which were established to monitor unnecessary use of health services, are supported at a level of $195 million in 1981 obligations, up $51 million from 1980. Legislation is proposed to strengthen the Federal authority to establish PSRO and utilization review performance standards.

The 1981 budget also supports a number of other initiatives to insure that the Federal Government purchases services in the most cost-effective way. Total 1981 savings from these efforts are estimated at approximately $935 million of which about two-thirds requires legislation, while the remainder will be achieved through administrative changes in allowable reimbursements for hospitals and hospital-based physicians. In addition to these proposals, the administration places a high priority on obtaining authority for competitive award of contracts for administering the medicare program.

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HEALTH CARE COST CONTROL OUTLAYS

(In millions of dollars)

	1981 estimate	1982 estimate	1983 estimate
Programs to control health care costs:			
Health planning	167	170	170
Health maintenance organizations	39	50	56
Closure and conversion of facilities	2	4	5
Professional standards review organizations	143	154	165
Total, programs to control health care costs	**351**	**378**	**396**
Legislative savings proposals:			
Hospital cost containment	−780	−1,620	−2,390
Medicare as a supplement for the working aged	−170	−260	−295
Eliminate medicare nursing bonus	−191	−245	−305
Common audit for medicare and medicaid	−32	−32	−32
Hospital reimbursement for long-term care	−20	−30	−35
Financial penalty to deter abuse	−23	−23	−23
Social Security wage information to determine eligibility	−14	−15	−17
Competitive bid purchasing for equipment and services	−12	−18	−24
Other	−55	−75	−80
Subtotal, legislative savings	−1,297	−2,318	−3,201
Administrative savings proposals:			
Hospital reimbursement reform	−279	−309	−335
Reduced reimbursement for hospital-based physicians	−18	−44	−49
Other	−123	−13	−2
Subtotal, administrative savings	−418	−356	−386
Total, savings proposals	**−1,715**	**−2,674**	**−3,587**

Health planning and services grants reform.—The Department of Health and Human Services will undertake administrative reform of the Federal health planning and services system. The current health planning and services system requires 11 separate State plans, and includes 30 distinct grant programs. This fragmentation has contributed to gaps in service delivery, burdensome application requirements, and poor coordination of planning and management. New procedures will provide the basic framework for an integrated Federal/State/local system for budgeting and managing health services programs.

Grants will be made to State and local governments to demonstrate effective ways to coordinate primary care programs for the underserved. These grants will require performance agreements to assure delivery of primary health services to the poor and estab-

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lishment of standards for the cost of various services and for health measures such as immunization and reduced mortality rates.

Consolidation among the disparate planning requirements will improve the coordination of planning and decisionmaking. Both the planning and grant reforms will be phased in on a voluntary basis with State and local governments.

Other health care services.—Budget authority for health care programs other than medicare and medicaid is proposed to increase from $4.1 billion in 1980 to $4.5 billion in 1981.

HEALTH CARE SERVICES

(In millions of dollars)

Program	Budget authority		
	1979 actual	1980 estimate	1981 estimate
Medicare	31,762	35,922	44,990
Medicaid	13,217	14,612	16,492
Mental Health:			
Mental health services	318	348	380
Saint Elizabeths Hospital	80	89	98
Subtotal, mental health	398	437	478
Health Services:			
Community health centers	259	320	374
Maternal and child health	378	377	392
Family planning	135	165	177
National Health Service Corps	63	83	134
Public Health Service hospitals	172	173	165
Indian health service	569	623	679
Other health services	165	231	227
Subtotal, health services	1,741	1,972	2,148
Prevention	297	296	326
Alcohol and drug abuse	337	351	356
Health planning	152	167	171
Public Health Service management	282	256	255
Federal employees health benefits	606	627	758
Total, budget authority	**48,772**	**54,640**	**65,968**
(Total, outlays)	**(45,121)**	**(51,598)**	**(57,317)**

The administration has proposed the Mental Health Systems Act to restructure Federal support to States and communities for the development and delivery of comprehensive *mental health services.* This proposal reflects the recommendations of the President's Commission on Mental Health. To support this new initiative, a 1980 supplemental appropriation of $50 million in budget authority and $368 million in 1981 budget authority are requested. Total budget authority for State and community mental health services is proposed to increase from $348 million in 1980 to $380 million in 1981. Support to communities for mental health services in 1980 and

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1981 is expected to include about 40 new projects to initiate community-based services, 60 new comprehensive community mental health projects, 200 new projects to provide mental health services in general health care settings, and support for about 550 of the nearly 800 established community mental health centers. These centers will provide services to an estimated 3.6 million people in 1981. Through cooperative agreements with States, comprehensive support systems serving about one million chronically mentally ill persons will be improved.

Budget authority of $98 million in 1981 is requested to subsidize the delivery of mental health care at *St. Elizabeths Hospital*, which serves primarily District of Columbia residents. Legislation will be submitted to establish a public corporation—accountable to the Secretary of the Department of Health and Human Services and the Mayor of the District of Columbia—to manage the hospital.

The 1981 budget proposes to expand health services funding for high-priority underserved areas through the *community health centers* program and the *National Health Service Corps* (NHSC). A proposed $54 million increase in 1981 budget authority above the 1980 level of $320 million would support 886 community health centers serving over 5 million people. Budget authority for the NHSC services program is proposed to rise from $83 million in 1980 to $134 million in 1981. This will provide an increase of 1,708 NHSC professionals to a 1981 level of 4,528.

Budget authority of $679 million in 1981, an increase of $56 million from 1980, is requested to provide direct medical services or contract care to 750,000 *American Indians* and *Alaskan Natives* living on or near Federal reservations. Fifteen new facilities are scheduled to open in 1981. Federal funding for Indian health services has doubled since 1976, and increased fivefold since 1970.

The 1981 budget reflects the administration's commitment to effective and innovative *disease prevention, health promotion, and health education programs.* As a sequel to successful efforts in 1978 and 1979 to provide childhood immunizations to 90% of all children under age 15, a new initiative in 1981 will focus on eliminating measles. The 1981 budget also proposes a $10 million program for community water and rural school fluoridation, which is one of the most effective measures known for prevention of tooth decay.

The 1981 budget continues the expanded smoking and health program, including a $10 million community-based demonstration grant program designed to discourage smoking and alcohol abuse among youth. Support will continue in 1981 for the national public information program targeted at women and teenage smokers. A new $10 million formula grant program for States will be initiated in 1980 to support preventive health services addressing the five leading causes of disease and death in each State.

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Tax expenditures.—Federal tax laws help finance health care by allowing employees to exclude from their taxable income the insurance premiums paid by their employers. The revenue loss from this tax expenditure is estimated at $15.2 billion for 1981. Furthermore, individuals are permitted to itemize certain deductions for health care expenses and health insurance premiums. In 1981, the revenue loss from this tax expenditure is estimated at $4.1 billion. In addition, tax reductions for health-related charitable contributions are estimated at $1.6 billion in 1981. The national health plan includes proposals to expand the earned income tax credit and to increase the percentage of income above which medical expenses can be deducted.

Health research.—The budget proposes to increase budget authority for health research from $3.7 billion in 1980 to $3.8 billion in 1981. Outlays are estimated to increase from $3.3 billion in 1980 to $3.6 billion in 1981.

Health research at the National Institutes of Health (NIH) is the largest component of these activities. Budget authority is proposed to rise from $3.2 billion in 1980 to $3.4 billion in 1981. The request provides for support of 5,000 grants for new and continued research projects to increase the base of knowledge in health research, and will support a total of approximately 16,700 research project grants

FEDERAL OUTLAYS FOR HEALTH RESEARCH

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate
Cancer	840	869	908
Environmental health	341	399	449
Cardiovascular disease	280	288	298
Neurological and visual disease	274	339	368
Metabolic diseases	242	296	310
Infectious diseases	237	263	282
Mental health	232	286	295
Child health	49	58	65
Health services research and development	72	110	114
Population and family planning	86	91	95
Pulmonary diseases	79	81	86
Nutrition	99	116	130
Dental health	69	71	72
Aging	43	57	68
Research resources	269	263	248
Rehabilitation research and development	12	16	18
General medical sciences	219	243	292
Health statistics activities	49	53	50
Regulatory research and development	40	37	37
Other research and development	395	409	449
Total	**3,929**	**4,345**	**4,635**
Allocated to health (function 550)	(3,023)	(3,338)	(3,555)
Allocated to other national needs	(906)	(1,007)	(1,080)

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in 1981. This strategy reflects the adminstration's commitment to a stable funding base for NIH basic research activities. Approximately 50% of the budget authority requested for NIH is for research project grants.

In addition to NIH research funding, budget authority for research in mental health, alcohol, and drug abuse is proposed to increase from $235 million in 1980 to $266 million in 1981, an increase of nearly 55% over the 1977 level. The 1981 budget will expand basic and applied research in areas such as neurotransmitters and brain biochemistry, mental health treatment assessment, and biomedical factors in drug and alcohol abuse.

Budget authority of $202 million is requested for other research such as health services, health care financing, health statistics, and health care technology.

Federal outlays for health research, including outlays not in this function, are expected to increase from $4.3 billion in 1980 to $4.6 billion in 1981. The Federal Government provides approximately two-thirds of the total funds devoted to health research.

Education and training of the health care work force.—The Federal Government currently provides funding for nearly every health profession through one or more of about 60 separate programs. Projections indicate, however, that there is, and will continue to be, an adequate and perhaps excess supply of personnel in all the major health professions. For example, the Nation's supply of active physicians is expected to reach nearly 600,000 by 1990, an increase of 58% between 1975 and 1990. Moreover, student aid in the Department of Education has expanded rapidly, reducing the need for special programs for health professions training.

In recognition of these trends, the 1979 and 1980 budgets phased down general institutional support. They concentrated on alleviating the problems of geographic maldistribution through service commitment scholarships, and of overspecialization of medical practice through support of primary care training programs. This policy focus is continued in the 1981 budget. Total budget authority for training health professions in this mission is proposed to decline from $747 million in 1980 to $662 million in 1981.

SUPPLY OF ACTIVE HEALTH PROFESSIONALS

(Calendar years)

	1940 actual	1950 actual	1970 actual	1975 actual	1980 estimate	1990 estimate
Physicians	188,800	219,900	323,200	378,600	444,000	594,000
Dentists	75,800	79,200	102,200	112,000	126,200	154,500
Optometrists	10,500	14,800	18,400	19,900	22,000	26,700
Pharmacists	82,600	89,200	109,600	122,500	144,300	185,400
Podiatrists	6,000	6,400	7,100	7,300	8,700	12,500
Veterinarians	11,100	13,700	25,900	31,100	37,500	54,900

Source: "A Report to the President and Congress on the Status of Health Professions Personnel in the United States." (HEW, 1978.)

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Budget authority for National Health Service Corps scholarships, as distinguished from the services program, is proposed to increase to $96 million in 1981 to support an estimated 6,700 scholarships in 1981. Scholarship recipients agree to serve in health manpower shortage areas. While the NHSC scholarship program will remain the primary Federal mechanism for alleviating shortages in specific medically underserved areas, it is intended that the long-range need for NHSC assignees will be met increasingly by volunteers. Those obligated to service because of scholarships will serve only in areas where physicians are least likely to locate voluntarily.

In addition to the NHSC scholarship program, the 1981 budget continues support for other training programs, including those for nurse practitioners and physician assistants, and primary care and family medicine residencies. Special emphasis will be given to programs to strengthen minority health professions schools, expand assistance for disadvantaged students, and enhance the recruitment and retention of minorities and women into health professions careers. Service commitments to underserved areas and understaffed facilities are also proposed for all federally supported students in mental health professions.

Loan guarantees will continue to be available under the health education assistance loan program for students seeking financial assistance without a service commitment. It is estimated that new loan guarantees will total $40 million for the 1980–81 academic year.

Consumer and occupational health and safety.—Budget authority of $1.1 billion in 1981 is requested for the Federal mission of protecting consumers from unsafe and defective products, and workers from occupational hazards.

For *consumer safety* activities, budget authority is proposed to increase from $663 million in 1980 to $708 million in 1981. Funding will support research, dissemination of information, regulatory measures to protect consumers from unreasonable consumer product risks, and a laboratory facility for the Food and Drug Administration. The safety and efficacy of drugs and medical devices, the safety of foods, and reform of existing drug laws are also priorities of this administration.

The budget includes $377 million in budget authority to improve *occupational safety and health* in 1981. Research initiatives will be undertaken in 1981 to assess industrial safety technologies and begin the first national mining occupational health survey. Research on the exposure of miners to hazardous substances in metal and nonmetal mines will continue, and funding is requested for a new occupational safety and health research laboratory.

The Occupational Safety and Health Administration and the Mine Safety and Health Administration in the Department of

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Labor will continue to issue standards to eliminate working conditions that cause injuries, illness, or death. Increased technical support for developing and enforcing standards, including a new laboratory for the Mine Safety and Health Administration, is proposed. Inspections are expected to increase from 268,000 in 1979 to 306,000 in 1981. The Occupational Safety and Health Administration will increase grants to help private organizations train workers and employers to recognize and eliminate hazards.

CREDIT PROGRAMS—HEALTH

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate
Direct loans:			
New loans	75	136	163
Repayments, sales and adjustments (−)[1]	−26	−118	−144
Net loan outlays	49	18	19
Loan guarantees:			
New loans	48	217	268
Net loan guarantees[2]	5	181	229

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.

Health-related programs.—The Federal Government supports a number of health-related programs that are a part of other major functions. These programs meet other national needs, such as national defense, but are related to the health of the Nation's people. The following table shows 1981 outlays for these health-related programs.

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PROPOSED 1981 FEDERAL HEALTH AND HEALTH-RELATED OUTLAYS

(In millions of dollars)

Agency	Mission				Total
	Health care services	Health research	Training the health care work force	Protecting consumers and workers	
Health and Human Services	56,717	3,667	736	332	[1]61,443
Veterans	6,048	144	374	1	6,568
Defense	4,486	177	326	158	5,147
Agency contributions to employee health funds	2,589	.....	.....	.....	2,589
Labor	.....	.....	13	349	363
Agriculture	45	145	.....	411	601
Energy	.....	228	.....	11	239
Interior	38	.....	.....	61	99
Environmental Protection Agency	.....	84	.....	.....	84
State	31	5	11	43	90
National Science Foundation	.....	83	.....	.....	83
Transportation	33	5	6	33	77
National Aeronautics and Space Administration	.....	49	.....	11	61
Justice	43	.....	.....	1	44
Housing and Urban Development	31	.....	.....	14	45
Other agencies	271	48	29	97	445
Total	**70,331**	**4,635**	**1,495**	**1,522**	**[1] (77,976)**
Allocated to health (550)	(57,317)	(3,555)	(559)	(1,027)	[1](62,449)
Allocated to other national needs	(113,014)	(1,080)	(936)	(495)	(15,527)

[1] Includes offsetting receipts of —$8 million not allocated by mission.

Highlights of recent and proposed initiatives in these and other health-related activities are discussed in the special analysis presentation, "Improving the Nation's Health."

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INCOME SECURITY

National Needs Statement:

- Mitigate the loss of income people experience as a result of unemployment, retirement, disability, or death.
- Insure a reasonable income and adequate diet for all poor Americans, especially families with children, the elderly, and disabled who—even though they may be working—cannot provide for themselves.
- Help the poor meet problems arising from increasing energy costs.
- Promote decent and affordable housing for low-income individuals and families.
- Eliminate duplication and inequities in these programs and assure that they focus on those most in need.
- Administer these programs efficiently while preserving the dignity and independence of the beneficiaries.
- Aid the poor to work their way out of poverty, rather than fostering permanent dependence.

Income security is the largest and one of the most steadily growing functions in the Federal budget. In 1981 income security will comprise over 35% of total budget outlays, while 25 years earlier it was 14% of the total. In the last quarter of a century, Federal social insurance protection has been extended to virtually all Americans who are aged, poor, disabled, or unemployed. Growing income security outlays reflect the extension of this protection. Over that period total Federal budget outlays as a percentage of gross national product (GNP) grew by 5.2 percentage points: from 17.1% in 1956 to 22.3% in 1981. The income security portion of that total more than tripled—growing from 2.4% in 1956 to 8.0% in 1981. As the table below shows, this growth is dominated by the social security and unemployment programs. Over this period social security (the old-age, survivors, and disability insurance trust funds) grew at a rate roughly four times as fast as GNP. Unemployment assistance outlays, which vary with the unemployment rate, have fluctuated widely both in absolute amounts and as a percent of GNP. Other income security outlays have risen at a rate roughly three times as fast as GNP.

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INCOME SECURITY OUTLAYS AS A PERCENT OF GROSS NATIONAL PRODUCT

	1956 actual	1961 actual	1966 actual	1971 actual	1976 actual	1981 estimate
Social security	1.3	2.4	2.8	3.5	4.5	5.0
Unemployment assistance	.4	.9	.3	.6	1.2	.7
All other	.7	.9	.9	1.4	2.2	2.3
Total	2.4	4.2	4.0	5.4	7.9	8.0

While outlays in the income security function go mainly to needy individuals and families—the elderly, the disabled, the unemployed, and low-income families—the great bulk of such spending is not needs- or income-tested. In 1981, about 16% of the total function—equal to about 1.3% of GNP—will be needs tested, while most of the remainder is for payments such as retirement, disability insurance, and unemployment benefits.

Increases in the cost of income security programs come largely from an increase in the number of people receiving benefits, from legislated automatic cost-of-living increases, and from the higher initial benefits received by new beneficiaries of the social security system as a result of their work history. Most of the benefits are automatically available to those who meet qualification standards established in law. Therefore, outlays for these programs can be changed in a major way only through new legislation.

The 1981 budget proposals continue the President's policy to reform income security programs so that they better meet national needs and can be administered as efficiently and inexpensively as possible.

Administration proposals and initiatives in the income security area include:

- simplifying programs to ease access for beneficiaries and to increase administrative efficiency;
- reducing fraud and abuse, to promote public confidence and to insure that benefits reach intended beneficiaries;
- offsetting the effect of rising energy costs on low-income families;
- reforming the welfare system by establishing a national basic minimum level of assistance to families, increasing work opportunities and incentives for poor families, and providing fiscal relief to the States; and
- improving the short-term financing of the social security system.

A number of commissions and study groups have been appointed by the President to study social security and other retirement systems, including Federal employee, private, and State and local

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government systems, and to recommend changes in these systems to guarantee their long-term soundness.

Legislation is proposed to allow borrowing between social security trust funds. This will increase the ability of the system to respond to economic fluctuations without affecting the long-term soundness of the system.

Rising energy costs place particularly large burdens on low-income families. The administration is proposing a two-part effort to meet those problems. The first is a special cash energy allowance for those who receive supplemental security income. The second is energy crisis assistance grants to States for aid to low-income families.

In the food stamp program, fraud and error will be reduced by creating fiscal incentives for States to improve administration. Specifically, legislation is pending to require States with excessive error rates in administering food stamp benefits to share in the cost of such errors. A substantial increase in funding is proposed for the special supplemental food program for women, infants, and children (WIC) so that 300,000 more individuals can receive benefits. The budget assumes enactment of proposed legislation to reduce child nutrition subsidies for meals for children from middle- and upper-income families so that Federal resources may be better targeted on the neediest.

Sound financing is a major concern for the railroad retirement system and will require increased taxes coupled with a modest restructuring of future benefits. These steps will correct anomalies in the system and bring it more in line with social security benefits. The administration is proposing legislation to meet these problems.

All Federal retirement programs in this function and some public assistance benefits are related by law to changes in the cost of living, as measured by the consumer price index (CPI) or some other index. In this way, benefits are protected from erosion by inflation. Two consumer price indexes are published by the Bureau of Labor Statistics: the original index, which was designed to measure the purchasing power of the dollar for urban wage earners and clerical workers, and a new index, which covers all urban households. The new index covers about 80% of the population, double that of the original index. The administration has proposed legislation to shift to the more comprehensive all-urban index in measuring automatic cost-of-living increases for Federal programs linked to the CPI.

General retirement and disability insurance.—The greatest portion of income security outlays is dedicated to retirement and disability insurance programs. Except for special benefits to dis-

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abled coal miners, the beneficiaries themselves have been taxed during their working years to support the programs. Outlays for general retirement and disability insurance are estimated to increase from $125 billion in 1980 to $144 billion in 1981 because of:

- an automatic increase in benefits to keep pace with the cost of living;
- an increase in the number of aged and disabled persons eligible for benefits; and
- growth in earnings upon which the benefits are based.

Social security.—The largest single program in the budget is the old-age, survivors and disability insurance program. In 1981, this program is expected to pay benefits of $135 billion to 19.8 million retired workers, 2.9 million disabled workers and their 13.2 million dependents and survivors. More than 100 million workers and their employers are expected to pay $130 billion in payroll taxes during 1981 to cover these costs. The program offers basic protection against loss of earnings due to retirement, death or disability for 90% of the Nation's workers.

Since social security payments began 40 years ago, changes in the rate of economic growth, the participation of single and married women in the labor force, and the birth rate have profoundly affected the program. They have affected the level of benefits, the amount of taxes that could be anticipated, and the way taxes and benefits are distributed.

Recently, a number of commissions and study groups were appointed by the President and the Congress to examine and recommend ways that social security, and, in some cases, related social insurance and income assistance programs, should be adapted to reflect our understanding of future economic needs. The study groups are expected to report in 1980 and 1981. No major policy changes will be proposed in the social security program until these reports are available.

Experience with economic conditions has shown the need for more flexibility for financing the system in the short-term to permit it to respond to temporary economic changes. Legislation will be proposed to permit borrowing among the old-age and survivors insurance trust fund, the disability insurance trust fund and the health insurance trust fund. Under present law, reserves in one of these funds cannot be used to finance operations in another. Without such legislation, by 1983 there would be inadequate amounts in the old-age and survivors insurance trust fund and large balances in the disability and health insurance trust funds.

Last year, a number of changes were proposed by the administration to modify the social security disability insurance program. These changes would remove existing disincentives for beneficia-

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NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
General retirement and disability insurance:					
Social security (OASDI):					
Existing law	100,612	115,465	130,923	150,272	169,428
Proposed legislation	.....	.....	196	260	375
Railroad retirement:					
Existing law	4,201	4,440	4,769	5,134	5,405
Proposed legislation	.....	.....	274	285	289
Special benefits for disabled coal miners	1,820	1,925	1,961	1,836	1,903
Other	13	12	11	12	14
Subtotal	106,646	121,842	138,133	157,799	177,414
Federal employee retirement and disability:					
Retirement and disability	20,472	24,007	26,101	27,783	29,315
Federal employees workers' compensation	228	279	381	388	423
Subtotal	20,700	24,286	26,481	28,171	29,738
Unemployment compensation	15,516	16,940	19,351	23,044	23,845
Public assistance and other income supplements:					
Supplemental security income:					
Existing law	5,505	6,371	6,903	7,416	8,462
Proposed legislation	.....	.....	17	11	14
AFDC and other:					
Existing law	6,688	7,395	7,798	7,999	8,134
Proposed legislation	.....	−79	−249	−181	−164
Earned income tax credit	773	1,696	1,570	1,454	1,345
Food stamps	6,670	8,735	9,730	10,594	11,021
WIC food supplements:					
Existing law	570	758	925	976	1,026
Proposed legislation	.....	.....	46	70	75
School lunch and other nutrition programs:					
Existing law	3,326	4,103	4,483	4,908	5,334
Proposed legislation	.....	.....	−458	−497	−533
Housing assistance	24,780	27,725	33,488	40,758	41,716
Refugee assistance:					
Existing law	235	524	87	79	72
Proposed legislation	.....	.....	511	495	409
Low-income energy assistance:					
Existing law	189	1,597	.....	.....	.....
Proposed legislation	.....	.....	2,400	2,400	2,400
Other:					
Existing law	284	232	216	226	235
Proposed legislation	.....	4	18	3	.....
Subtotal	49,020	59,062	67,487	76,712	79,545
Deductions for offsetting receipts	−2	−2	−2	−2	−2
Total, budget authority	**191,880**	**222,127**	**251,451**	**285,725**	**310,540**

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NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
General retirement and disability insurance:					
Social security (OASDI):					
Existing law	102,595	117,927	137,020	154,623	172,682
Proposed legislation	.....	−14	−99	−328	−650
Railroad retirement:					
Existing law	4,279	4,748	5,227	5,269	5,967
Proposed legislation	.....	.....	−70	−102	−136
Special benefits for disabled coal miners	1,610	1,968	1,994	1,835	1,900
Other	8	12	12	12	13
Subtotal	108,492	124,641	144,084	161,308	179,776
Federal employee retirement and disability:					
Retirement and disability:					
Existing law	12,192	14,305	16,686	18,957	21,238
Proposed legislation	.....	.....	22	23	24
Federal employees workers' compensation	187	252	381	388	423
Subtotal	12,379	14,556	17,089	19,368	21,685
Unemployment compensation	10,742	15,610	18,752	17,445	15,645
Public assistance and other income supplements:					
Supplemental security income:					
Existing law	5,471	6,374	6,908	7,421	8,466
Proposed legislation	.....	.....	17	11	14
AFDC and other:					
Existing law	6,611	7,127	7,681	7,999	8,136
Proposed legislation	.....	−79	−249	−181	−164
Earned income tax credit	773	1,696	1,570	1,454	1,345
Food stamps	6,822	8,678	9,656	10,524	10,949
WIC food supplements:					
Existing law	542	735	860	909	950
Proposed legislation	.....	.....	43	65	70
School lunch and other nutrition programs:					
Existing law	3,423	3,955	4,240	4,736	5,143
Proposed legislation	.....	.....	−432	−478	−513
Housing assistance	4,367	5,318	6,606	7,984	9,401
Refugee assistance:					
Existing law	141	419	228	97	72
Proposed legislation	.....	.....	296	425	425
Low-income energy assistance:					
Existing law	186	1,660	.....	.....	.....
Proposed legislation	.....	.....	2,400	2,400	2,400
Other:					
Existing law	252	259	214	221	229
Proposed legislation	.....	.....	22	4	.....
Subtotal	28,586	36,143	40,060	43,591	46,923
Deductions for offsetting receipts	−2	−2	−2	−2	−2
Total, outlays	**160,198**	**190,948**	**219,982**	**241,710**	**264,028**

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NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
ADDENDUM					
Off-budget Federal entity:					
Pension Benefit Guaranty Corporation:					
Outlays	−38	−37	−44	−42	−42
MEMORANDUM					
Attribution of Federal Financing Bank outlays:					
Housing assistance	.....	1,557	−50	2,946	512

ries to return to gainful employment, strengthen administration of the program, and reduce costs. Depending on the resolution of differences between House and Senate versions, a disability reform bill could be enacted early in 1980. It would place new limits on the maximum amount a disabled beneficiary and family might receive in combined benefits, strengthen supervisory and technical review capacity of the Social Security Administration over the adjudicatory services, and provide better protection for disabled beneficiaries seeking to return to active employment.

Other legislation is being proposed, primarily of a technical nature, to facilitate the routine operation of the program and to mitigate obvious inequities. Most of these measures would have little or no effect on benefits costs. Items with budgetary signifiance include proposals to:

- permit retroactive benefits for surviving spouses who were unable to file a claim for widow(er)s benefits within the month in which the insured spouse died, provided the claim was filed in the immediate next month;
- continue offsetting worker's compensation benefits against social security benefits even after the social security beneficiary has converted from the disability insurance rolls to the old-age rolls at age 62; and
- begin to offset worker's compensation benefits when the social security beneficiary begins to receive both benefits rather than when the Secretary of Health and Human Services receives notice of receipt of worker's compensation.

Railroad retirement.—The Railroad Retirement Board, a Federal agency, administers benefits equivalent to social security as well as industry pensions for retired and disabled railroad employees, their dependents, and survivors. The industry pensions include an array of retirement, survivor, and disability benefits beyond those provided by social security. Benefit outlays are estimated to increase

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from $4.7 billion in 1980 to $5.2 billion in 1981 as a result of increased benefits. Higher benefits paid to the 1 million beneficiaries will more than offset the effect of an anticipated 2% decline of 21,000 beneficiaries between 1980 and 1981.

The Board's latest actuarial projections suggest that the industry pension fund is underfunded. Its cash balances are being rapidly depleted and would be inadequate by 1984. The budget reflects proposed legislation to ensure that the interests of current and future beneficiaries are protected by restoring the railroad industry pension fund to solvency. The proposals would increase pension revenues by 2% of railroad industry payroll chiefly by removing the ceiling on earnings subject to railroad retirement taxes. The proposal would also restrain the future growth in benefits, making them more like social security benefits. The administration invites railroad labor and management jointly to propose sound long-term financing of the industry pension fund without added Federal subsidies.

The industry component of the railroad retirement system provides windfall benefits to certain beneficiaries entitled to both social security and railroad retirement benefits. The general taxpayer has subsidized these benefits to railroad industry beneficiaries since 1976. The windfall subsidy, estimated in 1974 to require 25 level, annual $250 million appropriations, was re-estimated in 1976 and in 1979. The estimated cost of the windfall subsidy doubled in 5 years, and further increases are expected because the current Railroad Retirement Board estimates assume no price increases after 1980. The administration is again requesting an increase in the annual windfall appropriation from $313 million in 1980 to $350 million in 1981. At the same time, legislation is proposed to limit future Federal liability for this growing subsidy to $350 million annually for the remaining 20 appropriations.

Legislation is also proposed to simplify benefit computations, improve service to beneficiaries, and simplify administration.

Special benefits for coal miners.—Benefits are provided to coal miners disabled from pneumoconiosis (commonly known as "black lung") and their dependents and survivors. These benefits, which are adjusted automatically in relation to changes in the GS-2 Federal salary levels, are estimated to total $2.0 billion annually in 1980 and 1981.

The Department of Health and Human Services (HHS) administers $1 billion in benefits funded from general revenues that are paid to disabled coal miners and their dependents and survivors who filed for benefits between 1970 and 1973. In the HHS-administered component, an increase in average benefit levels will be offset by a decline in the number of beneficiaries from 440,000 in 1979 to 416,000 in 1980 and 391,000 in 1981.

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The Department of Labor receives black lung claims filed after 1973, and benefits are to be paid by the mine operator found responsible for the disability. In addition, the Black Lung Benefits Reform Act of 1977 provided for review by the Department of Labor of all claims denied by the Department of Health, Education, and Welfare for possible approval under new eligibility criteria. Benefit payments for eligible miners and survivors where no mine operator can be assigned responsibility, or where mine employment terminated before 1970, are paid from the black lung disability trust fund. This trust fund is financed by an excise tax on coal. Benefit payments are estimated at $829 million in 1980 and $772 million in 1981.

Other.—The President's Commission on Pension Policy, established to develop recommendations to the President on efficient and equitable retirement systems for American workers, is examining several subjects, including what constitutes an adequate standard of living upon retirement and the ability of the various retirement systems to meet the needs of the retired population. In addition, data are being collected on the financial condition of the various systems and their ability to provide promised benefits; on the cost of these benefits now and in coming decades; and on tax policy, capital formation and economic growth as they relate to pension policy.

Pension Benefit Guaranty Corporation.—The Pension Benefit Guaranty Corporation, an off-budget Federal entity, was established by the Employee Retirement Income Security Act of 1974 to protect the vested benefits of workers in covered pension plans that terminate. Employers with covered plans pay an annual premium of $2.60 per participant to cover the Corporation's costs of taking over terminated pension plans and paying benefits when due. Employers whose plans terminate are liable for the unfunded portion of vested retirement benefits to the extent it does not exceed 30% of their net worth. The Corporation's receipts are expected to exceed expenditures by $37 million in 1980 and $46 million in 1981. Under current law, the Corporation would be required to cover all terminating multiemployer plans on May 1, 1980. The budget estimates reflect pending legislation proposed last year to substitute a comprehensive program to prevent termination of multiemployer plans. Under the proposal, financially troubled multiemployer plans would have to take corrective actions to avoid near- or long-term insolvency. Should a plan become unable to pay the full level of guaranteed benefits, the insurance program would make loans to enable such benefits to be paid. Loans would not be available to plans that had not taken corrective action. This legislation is proposed to be effective on May 1, 1980.

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FEDERAL BENEFITS FOR THE AGED

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate
Cash benefits:			
Covered employment:			
Social security (OASI) members	68,991	79,541	91,121
Federal civilian employees	6,187	7,445	8,535
Railroad employees	3,198	3,461	3,726
Uniformed services members	832	967	1,107
Coal miners	1,128	1,376	1,345
Supplemental security income	1,685	1,774	1,832
Income-tested veterans pension	3,192	3,431	3,727
Subtotal, cash benefit outlays	85,213	97,995	111,393
In-kind benefits:			
Medicare	24,647	28,362	31,316
Medicaid	4,329	4,949	5,532
Food stamps	512	616	689
Subsidized public housing	1,634	2,044	2,515
Other in-kind	59	71	80
Subtotal, in-kind benefit outlays	31,181	36,042	40,132
Total, outlays	**116,394**	**134,037**	**151,525**
Allocated to income security (function 600)	(80,336)	(92,790)	(105,834)
Allocated to other national needs	(36,058)	(41,247)	(45,691)

Tax expenditures.—A variety of income exclusions, tax deferrals, and credits assist the aged, retired, and disabled. The exclusion from income subject to tax of all social security and most railroad retirement benefits without regard to an individual's income from other sources results in an estimated tax expenditure of $9.1 billion in 1981. The exclusion from income of benefits for the disabled results in an estimated tax expenditure of $2.5 billion in 1981. The tax expenditures resulting from the extra personal exemption for those over 64 and the blind, and from tax credits for the elderly will reduce 1981 receipts by an estimated $2.3 billion. The Revenue Act of 1978 significantly increased the level of tax expenditures going to elderly homeowners. The new provisions that allow a once-in-a-lifetime tax exemption on capital gains up to $100,000 on the sale of a principal residence will reduce tax collections by an estimated $0.6 billion in 1981.

Tax expenditures also provide incentives for employers to provide their workers with pensions and other benefits such as life and health insurance and supplemental unemployment compensation. Excluding the cost of these benefits from income results in an estimated tax expenditure of $16.7 billion in 1981. Acquiring life insurance is encouraged by the Government through exclusions from income of interest earned on policies that reduce premiums.

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This exclusion will result in an estimated 1981 tax expenditure of $3.9 billion.

Federal employee retirement and disability insurance.—Outlays for Federal civilian retirement and non-work-related disability insurance are estimated to increase from $15 billion in 1980 to $17 billion in 1981. These Federal programs are estimated to have 1.8 million beneficiaries in 1981. (Military retirement is discussed under national defense.)

The Department of Labor, through the Federal Employee Compensation Act program, provides tax-free cash and medical benefits to Federal employees or their survivors, for job-related injuries, illnesses, or deaths. Other Federal agencies subsequently reimburse the Department for payments made on behalf of their employees. About 47,500 workers with long-term disabilities or their survivors are expected to receive monthly payments in 1980 and about 48,200 are expected to receive them in 1981. Over $1 billion in benefits is expected to be paid in 1981. After reimbursements from other agencies, outlays are estimated to increase from $252 million in 1980 to $381 million in 1981.

There is evidence that the Federal employee workers compensation system is being misused. Consequently, legislation will be proposed to amend the Federal Employees Compensation Act to remove (1) incentives to file questionable claims; (2) disincentives for injured workers to return to work when they are medically able; and (3) inequities that now may provide greater compensation than a recipient would have received as a full-time employee. This legislation would encourage both employees and employers to participate fully in the return of injured workers to employment as soon as they can. The proposals include provisions designed to reduce fraud and to simplify the program. Such provisions would eventually produce savings in both compensation and administrative funds.

Unemployment compensation.—About 97% of wage and salaried employment in the United States is covered by unemployment compensation that provides support to individuals who are temporarily out of work and who are searching for jobs. This income to unemployed workers also helps support aggregate purchasing power during slack periods in the economy. It is estimated that an average of 2.9 million workers per week will receive unemployment benefits during 1980 and 3.4 million in 1981. Outlays for unemployment compensation are estimated to increase from $15.6 billion in 1980 to $18.8 billion in 1981 as a result of increases in wages on which benefits are based, and a rise in the projected average unemployment rate from 6.7% in 1980 to 7.4% in 1981.

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Tax expenditures.—Unemployment compensation benefits received by single persons with an annual income, including unemployment compensation, of under $20,000 (under $25,000 for married couples) are excluded from taxable income. The resulting tax expenditure is estimated at $3.1 billion in 1981.

Public assistance and other income supplements.—This mission includes programs that provide cash, food, and shelter for people in need. Groups eligible for such aid include families with dependent children, the aged, the blind, and the disabled. A major administration proposal for reform of the welfare system will provide significant improvements in welfare programs and in benefits for the needy.

Welfare reform.—The administration's welfare reform proposal, as contained in the jobs and cash assistance bills submitted to the Congress, is designed to (1) establish a national basic minimum level of assistance to families; (2) extend eligibility for cash assistance to two-parent families in all States; and (3) provide public jobs and training opportunities for the principal earner in those families under the program of aid to families with dependent children (AFDC) when he or she cannot find a private sector job. The earned income tax credit (EITC) would be expanded to increase incomes of working poor families, thus increasing the incentive to work and reducing welfare costs. The resources of the CETA program and tax credits will be relied on to provide opportunities for work and training before new funds are added. State and local governments will receive fiscal relief for welfare expenditures—including costs due to reform—as a result of both increased Federal matching rates for States' AFDC costs and funding to hold States harmless for certain increased welfare costs. Upon enactment, the administration will promptly seek financing to implement welfare reform. Estimates for welfare reform are covered by the allowance for contingencies in the budget.

Supplemental security income.—The supplemental security income (SSI) program, which is administered as well as financed by the Federal Government, provides cash assistance to needy aged, blind or disabled individuals. The basic Federal grant is supplemented by State payments in certain States.

The number of recipients was 4.2 million in 1979 and is expected to remain at that level through 1981. Federal outlays in 1981 are estimated to reach $6.9 billion, compared with $6.4 billion in 1980. The increased outlays result from automatic increases in the benefit payments to offset inflation.

The high error rates in the program's initial years have been markedly reduced. Much of this reduction is due to concentrating

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staff resources on error-prone cases, and extensively cross-checking benefits provided by other benefit programs. The Department of Health and Human Services intends to reduce further the number of errors without sacrificing equity or incurring substantial new program costs. For example, legislation has been proposed to shift to a system under which a recipient's eligibility and benefits would be determined by taking into consideration the past month's income rather than trying to forecast income as under current law.

AFDC and related programs.—The program of aid to families with dependent children (AFDC) assists States and localities in providing cash assistance to the needy. Federal outlays for these grants are estimated at $7.4 billion in 1981 compared with $7.0 billion in 1980 and $6.6 billion in 1979. The 1981 outlay increase results from moderate increases anticipated both in the number of AFDC families and in the average benefit payment. Errors and abuses are being combatted through closer cooperation between the States and the Department of Health and Human Services. In addition, vigorous management improvement efforts, such as welfare management and training institutes, are focusing on welfare administration in selected States. Child support payments are being collected from parents who are legally liable for such support. This results in a decrease in Federal, State, and local AFDC expenditures.

Legislation has been proposed to include stepparents' income in calculating AFDC eligibility and benefits, and to standardize allowable work expenses. These proposals, which are part of pending welfare reform proposals, will simplify administration and reduce costs. Legislation has also been proposed to revise the child support enforcement program by extending enforcement and collection activities to alimony, permitting access to wage information of the Social Security Administration, and not terminating AFDC eligibility before a regular pattern of support payments for the family can be established. Finally, legislation is being proposed to bar the discharge of child support obligations in bankruptcy proceedings.

Earned income tax credit.—Since 1975, the Federal Government has provided a tax credit for low-income workers that reduces the amount of income tax they are liable to pay. Where the credit amounts to more than the income taxes owed, the worker receives a check for the difference. Beginning in 1979, provision was made for the credit to be received in advance through additions to wages. In 1981 the outlays for these payments are estimated to be $1.6 billion. The cost of this program, including revenue losses and outlays is estimated to total $1.9 billion in 1981.

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Food stamps.—Food stamps allow needy Americans to buy food. Monthly allotments of stamps are provided for people based on their income and household size, and are adjusted periodically to reflect changes in food prices. Most recipients have incomes well below the national poverty level.

Food stamps will help to improve the diet of 20.4 million low-income people a month in 1981 at an annual cost of $9.7 billion. The Federal Government finances food stamp costs and shares half of the administrative costs with the States. States administer the actual distribution of food stamps.

The original Food Stamp Act of 1964 required that a recipient pay a portion of the value of food stamps. The amount to be paid by the recipient was dependent on income. The Federal Government then granted additional "bonus" food stamps. The requirement to pay a portion of the value of food stamps was eliminated in the Food Stamp Act of 1977—a change that helped people who could not afford the initial purchase. As a result of the elimination of the purchase requirement, significant increases in participation have occurred in rural areas and among the elderly poor. In the past year, an additional 1 million of the poorest families have joined the program.

Pending legislation is designed to improve the efficiency of administering food stamp benefits. Under current law, rewards are given to States that operate exemplary programs. Under the administration's proposal, States that fail to reduce high error rates will be liable for a portion of the benefits issued erroneously. Recent administrative improvements in calculating food stamp benefits will reduce food stamp costs by $85 million in 1981.

Legislative changes are also pending to allow States to adopt procedures to improve food stamp administration. One change would permit States to calculate food stamp eligibility on the basis of a recipient's past month's income rather than trying to forecast the next month's income. Another would allow States to require that certain food stamp households more frequently report their income. The pending legislation would also remove the specific 1981 food stamp authorization ceiling contained in the Food Stamp Act of 1977. Food stamp spending could then reflect annual appropriations based on current economic and social conditions.

Women, infants, and children (WIC).—The special supplemental food program for women, infants, and children has grown significantly since it was introduced in 1973 as a pilot program. Outlays have increased from $14 million in 1974 to $735 million in 1980 and will rise to an estimated $903 million in 1981. Over 2 million people—pregnant and lactating women, infants, and children

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under age 5—will receive food packages monthly. Recipients must be both economically and nutritionally needy.

WIC food packages consist of dietary supplements of milk, cheese, eggs, juices and other foods. Recent evidence suggests that WIC expenditures help improve the health of the recipients and minimize later medical costs. Both State and Federal costs for medicaid and special education are reduced by WIC. Efforts will be intensified to direct WIC benefits to people who live in areas of need, and to tailor WIC food packages carefully to the nutritional requirements of needy people.

School lunch and other nutrition programs.—A number of federally assisted programs subsidize meals to young people in schools, child care programs, summer camps, and similar institutions. Over 25 million children will receive these subsidies in 1981 at an estimated cost of $3.6 billion.

Legislation is proposed to better direct these subsidies to needy children. Included in the proposals are revised eligibility rules and reduced subsidies for higher income children. In schools that receive Federal subsidies for milk served during breakfast or lunch, subsidies for extra milk will be reduced for higher income students. In addition, the assessment, improvement, and monitoring system (AIMS) will be fully underway in 1981. As currently proposed, AIMS will assure that Federal payments for these activities are accurate and made in accordance with the law.

Surplus commodities and cash in lieu of commodities are also made available for use in nutrition programs for the elderly. In 1981 about 158 million meals will be subsidized at a cost of $76 million.

Housing assistance.—The Federal Government provides a broad range of economic assistance to support housing for our citizens. The emphasis of the direct expenditure programs administered by the Department of Housing and Urban Development (HUD) is on housing assistance, primarily rental subsidies, for low-income families and individuals. Outlays for these programs are estimated to grow by 24% in 1981 to $6.6 billion. HUD also provides operating subsidies for many subsidized housing projects; outlays for these subsidies are estimated to grow from $815 million in 1980 to $914 million in 1981.

The 1981 budget supports three major HUD housing programs:

- lower income rental assistance (section 8);
- construction of public housing; and
- homeownership assistance (section 235).

The emphasis of the first two programs is to improve conditions for low-income individuals and families. The administration plans to add 300,000 units under these programs for 1981, a 25% increase

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above the enacted 1980 program level. The third, section 235, program provides interest rate subsidies for low-income homeowners. The administration is stressing the use of this program to reduce forced relocation of lower income families.

Occupants of section 8 housing pay rentals equal to 15% to 25% of their family incomes. The Federal Government pays rental subsidies for the difference between the amounts the occupants pay and market rents. The Federal subsidy thus covers construction, financing, and operating costs over periods that range from 15 to 30 years.

There are currently 898,000 families being assisted by this program, and it is estimated that about 740,000 additional families will be assisted out of budget authority already available through 1980. For 1981, the section 8 program will consist of the following units:

- 114,700 new units at an average annual Federal cost of $5,235 each over 20-30 years;
- 23,300 substantially rehabilitated units at an average annual Federal cost of $6,125 each over 20-30 years;
- 40,000 moderately rehabilitated units at an average annual Federal cost of $4,200 each over 15 years; and
- 80,000 existing units that will each cost an estimated $3,000 per year over the 15-year contract period.

Currently, there are 1.1 million occupied units of public housing and another 157,000 units are scheduled for construction under budget authority already enacted. For 1981, the administration's proposed subsidized housing program would provide for an additional 42,000 units of public housing, including 4,000 units for Indians on reservations. These units would be constructed at an estimated average cost of $57,368 per unit, except for Indian housing that is estimated to cost $71,698 per unit. The average annual Federal costs for public housing, which reflect only the construction and financing costs, are estimated to be $5,340 per unit for traditional public housing and $6,790 for Indian housing over a 30-year period.

Tenants in public housing have low incomes and usually must pay up to 25% of their incomes for rent. Because rent revenues are insufficient to cover operating costs at more than 95% of the public housing projects, the Federal Government also provides operating subsidies for public housing at an estimated outlay cost of $811 million in 1981. The Federal Government also funds capital improvements to the existing stock of public housing units through a separate public housing modernization program. The administration is proposing a significant change in the public housing modernization program to address the deterioration of public housing units in some areas. In addition to the $1.0 billion in budget au-

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thority requested for the modernization program in 1981, the administration proposes that, beginning in 1980, local housing officials be allowed to use up to 50% of the appropriations for new public housing production to make major renovations and other repairs to badly deteriorated public housing projects in their areas.

The homeownership assistance program (section 235) provides a mortgage interest subsidy to households with incomes less than 95% of the median income in the area in which they live. This assistance reduces mortgage interest rates to 4%. In recent years, lower income families have faced forced relocation resulting from new or improved housing in their neighborhoods that they could no longer afford. The administration is expanding its efforts to use this program to alleviate the pressure toward forced relocation. Last year, the ceiling on the size of the mortgage that can be subsidized under this program was raised in designated neighborhoods for families in danger of being forced out of their neighborhoods by revitalization activities. For 1981, the administration proposes to make eligible for this program up to 5,000 families who are living in apartments being converted to condominium or cooperative ownership in areas affected by revitalization.

The budget also requests $41 million in 1981 budget authority for the troubled projects operating subsidy program. This program, enacted in 1979, is intended to maintain the solvency of financially troubled multifamily projects, thereby reducing FHA insurance claim payments, and help defray additional rent burdens for low-income tenants by providing subsidies for short-term operating cost and financing repairs. Projects receiving such assistance must improve their management to correct the conditions that produced the financial problems. Eligible State-aided projects that meet these and other Federal requirements also may receive assistance.

Other major forms of Federal support for the housing sector of the economy are tax expenditures and programs that provide and guarantee mortgage credit. The housing credit programs and related tax expenditures are discussed in the section on commerce and housing credit.

In addition, State and local governments have made increasing use recently of tax-exempt bonds to provide below market rate mortgages to their citizens. These bonds are estimated to cause a loss to the Treasury of $1.6 billion in 1981. If left unchecked, this loss could grow to nearly $10 billion by 1985. For this reason, the administration supports legislation to eliminate the use of mortgage revenue bonds for single family housing.

There are also tax expenditures generated through the financing of certain HUD subsidized housing programs. The most important of these involves the sale of tax-exempt financial instruments by State and local housing authorities to finance the construction of

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section 8 and public housing projects. With respect to public housing projects, the administration is proposing to phase out the use of this particular financing method and eventually end this tax expenditure by increasing direct Federal expenditures to sell the debt of local housing agencies to the Federal Financing Bank. This is expected to result in a $40 million increase in 1981 receipts.

CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Public housing operation and construction:			
Direct loans:			
New loans	278	302	302
Repayments, sales, and adjustments (−)	−268	−301	−302
Net loan outlays	9	1	*
Loan guarantees:			
New loans	9,451	10,000	10,825
Net loan guarantees	483	200	2,000
Assistance to refugees:			
Direct loans:			
New loans	*	.....	.....
Repayments, sales, and adjustments (−)	−1	−1	−1
Net loan outlays	−1	−1	−1
Off-budget Federal entity—Pension Benefit Guaranty Corporation:			
Direct loans:			
New loans	.....	.....	5
Repayments, sales, and adjustments (−)	.....	.....	.....
Net loan outlays	.....	.....	5

*$500 thousand or less.

Refugee assistance.—Last year, the President announced that 14,000 Indochinese refugees per month would be resettled in the United States during 1980, more than twice the previous rate. In light of recent developments in Southeast Asia, this commitment will continue in 1981. In addition, the resettlement of about 59,000 Soviet and other refugees is anticipated in 1981. The administration plans to request funds for a varied program designed to speed the assimilation of refugees into American society.

States are reimbursed by the Federal Government for their expenses in providing cash and medical assistance, social services, and English language and employment training to help integrate refugees into American society. In some areas with large concentrations of newly arrived refugees, school districts receive assistance through the Department of Education to offset the cost of educating Indochinese refugee children. Matching grants are also

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provided to several private voluntary organizations to aid in the permanent resettlement of Soviet and other refugees. Consistent with congressional appropriations action over the last 2 years, special assistance to States on behalf of Cuban refugees who arrived in the United States before 1978 is being gradually phased down. Outlays for the refugee assistance program are estimated to be $419 million in 1980 and $524 million in 1981.

The regular Federal costs of assistance associated with refugees participating in AFDC, medicaid, food stamps and other programs are included in each of those programs.

The administration has proposed the Refugee Act of 1979 to establish a permanent and systematic means to admit and assist refugees of special concern to the United States.

Low-income energy assistance.—To help offset the impact of rising fuel costs on low-income families, the administration proposed two energy-related income assistance programs for 1980. The first program, special energy allowances, provides cash assistance to recipients of the supplemental security income program and grants to States for aid designed by the Governor to best fit the circumstances of a given State. This aid can be in the form of cash assistance, fuel bill payments, or other in-kind assistance. The special energy allowances program has received funding of $1.2 billion for 1980 and a new authorization will be sought for $2.0 billion in 1981. The second program, energy crisis assistance, provides grants to States to help low-income families experiencing energy-related emergencies. Funding of $0.4 billion has been enacted for 1980 and the same amount is requested for 1981 with a State matching provision. The new 1981 programs would be financed by revenues from the windfall profit tax and administered by the Department of Health and Human Services.

Related programs.—There are a number of other programs that are related to income security, but their primary purpose is to meet other national needs and serve other major missions. The following table lists these income security-related programs that support other missions.

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FEDERAL OUTLAYS FOR INCOME SECURITY-RELATED BENEFITS SUPPORTING OTHER MAJOR MISSIONS

(In millions of dollars)

Department, agency, and program	Benefit outlays		
	1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services:			
Hospital insurance	19,898	22,747	24,894
Supplementary medical insurance	8,259	9,663	10,906
Medicaid	11,701	13,377	14,952
Public Health Service officers retirement	36	40	44
Total, Department of Health and Human Services	39,894	45,827	50,796
Veterans Administration:			
Disability and dependency and indemnity compensation	6,961	7,546	8,240
Veterans and survivors pensions	3,481	3,772	4,120
Life insurance (net subsidy)	549	551	569
Other veterans benefits	35	32	28
Total, Veterans Administration	11,026	11,901	12,957
Department of Defense—Military:			
Military retirement	10,279	11,941	13,677
Department of Transportation:			
Coast Guard retirement	174	206	232
Total, outlays	**61,373**	**69,875**	**77,662**

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VETERANS BENEFITS AND SERVICES

National Needs Statement:

- To meet the Nation's obligation to compensate veterans disabled while in military service for their loss of earning power.
- To provide medical care to veterans for disabilities incurred while in military service.
- To compensate the families of veterans who are killed in service or who die from service-related disabilities for the reduction in the family's earning power.
- To help veterans of wartime and draft service return to civilian life on a social and economic basis comparable to their peers who did not perform military duty.
- To provide psychological readjustment services and expanded training opportunities to Vietnam-era veterans with special needs.
- To provide financial assistance to needy veterans and their survivors.

The Federal Government's veterans benefits and services programs recognize and are intended to meet the special needs of veterans and their dependents and survivors that result from the sacrifices that veterans have made in military service to this country. Benefits compensate for loss of earnings resulting from service-related disabilities, provide medical care for physical and psychological disabilities suffered in military service, and assist in preparing returning veterans for civilian life. In addition, veterans benefits provide financial assistance to needy veterans of wartime service and to their survivors.

This administration has sponsored and implemented a number of improvements in veterans programs. Two of these improvements are particularly significant:

- *Reform of the pension program.* This reform, enacted in 1978, sharpened the focus of financial aid on truly needy veterans, while eliminating inequities in the previous program that allowed veterans in widely differing financial conditions to receive identical pensions. The pension reform legislation also introduced automatic annual cost-of-living increases in benefits.
- *Improvements in medical care.* The number of veterans served by medical facilities of the Veterans Administration (VA) has been increased and the quality of that care improved. These improvements have been achieved in part by reducing the

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length of hospitalization and increasing reliance on outpatient treatment.

The administration is proposing further improvements in veterans benefits and services for 1981. The budget reflects legislative proposals that provide:

- A 13.0% cost-of-living increase in compensation benefits for veterans with service-related disabilities.
- A 10% increase in GI bill educational benefits.
- A 2-year extension of the period of eligibility for certain readjustment benefits for needy and educationally disadvantaged Vietnam-era veterans.

The budget also reflects further changes necessary to provide health care for the growing number of elderly veterans. During the 1980's the number of veterans over age 65 is expected to increase by 127% as virtually all of the 27 million veterans of World War II pass this age milestone. In anticipation of this change in the age structure of the veteran population, VA's medical care and research activities will devote increasing attention to the problems of aging veterans.

This budget also provides, as a major initiative, substantially increased construction funds to maintain, renovate, modernize, and systematically replace aging VA medical structures in order to prevent deterioration of the physical facilities housing VA medical services.

At the same time, several cost-saving legislative proposals are also included in the budget. These proposals, which are described in more detail later, would help to offset the costs of the proposed improvements in veterans programs.

Outlays for veterans benefits and services are estimated to rise from $20.8 billion in 1980 to $21.7 billion in 1981. Outlays for veterans income security programs, primarily compensation and pensions, are expected to increase by $1.4 billion (11.8%) between 1980 and 1981, largely as a result of cost-of-living increases. In spite of the proposed 10% increase in GI bill benefits and extension of the period of entitlement for certain veterans, outlays for readjustment benefits are expected to decrease by $283 million (12.7%) over the same period because fewer veterans will be eligible for GI bill benefits. Outlays for the basic programs of hospital and medical care for veterans are proposed to increase by $175 million in 1981. Veterans housing programs are expected to produce negative outlays of $302 million in 1981 as a result of the sale of housing assets held by the Veterans Administration.

Income security for veterans.—In addition to Federal income security programs for the general population, such as social security, several programs help certain veterans and their survivors maintain their income when the veteran is disabled, aged, or deceased.

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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES

(Functional code 700; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation:					
Existing law	6,909	7,337	7,508	7,565	7,620
Proposed legislation	.....	.....	923	1,729	2,498
Non-service-connected pensions	3,555	3,734	4,074	4,260	4,386
Burial and other benefits	179	186	191	195	200
Insurance programs:					
National service life insurance trust fund	983	1,029	1,060	1,074	1,083
U.S. Government life insurance trust fund	38	36	34	32	30
All other insurance programs	6	5	1	5	5
Insurance program receipts	−458	−458	−445	−433	−422
Subtotal, income security for veterans	11,212	11,869	13,346	14,428	15,399
Veterans education, training, and rehabilitation:					
Existing law	2,510	2,279	1,822	1,446	1,187
Proposed legislation	.....	.....	193	165	121
Subtotal, education, training, and rehabilitation	2,510	2,279	2,015	1,611	1,307
Hospital and medical care for veterans:					
Medical care and hospital services:					
Existing law	5,374	5,855	6,155	6,465	6,767
Proposed legislation	.....	−45	−353	−394	−390
Construction	462	402	675	852	954
Medical administration, research, and other.	275	177	192	195	198
Subtotal, hospital and medical care	6,112	6,388	6,669	7,118	7,529
Other veterans benefits and services:					
Undistributed VA overhead and other:					
Existing law	638	638	657	658	661
Proposed legislation	.....	.....	−1	−1	−*
Non-VA support programs	28	34	32	32	32
Subtotal, other benefits and services	666	672	688	690	692
Deductions for offsetting receipts	−4	−3	−3	−3	−3
Total, budget authority	**20,495**	**21,205**	**22,716**	**23,844**	**24,926**

Outlays for this mission are estimated to increase from $11.7 billion in 1980 to $13.0 billion in 1981.

Service-connected compensation.—Monthly compensation payments are provided to veterans whose disabilities resulted from military service. The amount of the benefit depends on the degree to which average earnings of individuals with a particular disability are reduced. In addition, dependency and indemnity compensation payments are made to survivors of veterans who die from service-connected injuries. Recently enacted legislation increased compensation benefits by 9.9%, effective in October 1979.

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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES—Continued

(Functional code 700; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation:					
Existing law	6,743	7,411	7,471	7,540	7,616
Proposed legislation	.....	.....	846	1,662	2,434
Non-service-connected pensions	3,522	3,712	4,032	4,230	4,355
Burial and other benefits	177	185	190	195	200
Insurance programs:					
National service life insurance trust fund	785	803	931	966	999
U.S. Government life insurance trust fund	71	69	64	62	60
All other insurance programs	−60	−62	−54	−50	−52
Insurance program receipts	−458	−458	−445	−433	−422
Subtotal, income security for veterans	10,780	11,660	13,034	14,172	15,189
Veterans education, training, and rehabilitation:					
Existing law	2,760	2,226	1,750	1,370	1,121
Proposed legislation	.....	.....	193	165	121
Subtotal, education, training, and rehabilitation	2,760	2,226	1,943	1,534	1,241
Hospital and medical care for veterans:					
Medical care and hospital services:					
Existing law	5,159	5,926	6,101	6,406	6,765
Proposed legislation	.....	−45	−353	−394	−390
Construction	251	274	381	539	884
Medical administration, research, and other.	201	226	242	215	217
Subtotal, hospital and medical care	5,611	6,380	6,370	6,766	7,476
Veterans housing:					
Loan guaranty revolving fund	207	−32	−195	77	76
Direct loan revolving fund	−65	−175	−107	−68	−64
Other (HUD participation sales trust fund).	12	22	2	−3	−3
Subtotal, veterans housing	154	−184	−300	6	10
Other veterans benefits and services:					
Undistributed VA overhead and other:					
Existing law	598	654	655	656	658
Proposed legislation	.....	.....	−1	−1	−*
Non-VA support programs	29	32	32	32	32
Subtotal, other benefits and services	627	687	686	687	689
Deductions for offsetting receipts	−4	−3	−3	−3	−3
Total, outlays	**19,928**	**20,766**	**21,731**	**23,162**	**24,603**

* $500 thousand or less.

Legislation will be proposed to provide a 13.0% cost-of-living increase in compensation benefits, effective in October 1980. The estimates for subsequent years assume similar annual cost-of-living

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increases, based on the projected consumer price index. An estimated 2.6 million veterans and their survivors are expected to receive compensation benefits in each of the years 1980 through 1983.

Non-service-connected pensions.—Pensions are provided to needy wartime-service veterans who are aged or who have become disabled subsequent to their military service. Survivors of wartime-service veterans also may qualify for pension benefits based on demonstrated financial need. The Veterans and Survivors Pension Improvement Act of 1978 sharpened the focus of veterans pension benefits upon needy, non-service disabled veterans. The Act liberalized benefits for the neediest veterans and survivors, while correcting most of the inequities that existed in the previous program. The reform legislation did away with most earnings exclusions, which had allowed veterans in widely differing financial conditions to draw identical pensions, and provided that pension benefits be reduced dollar-for-dollar with increases in earnings. In addition, the reform legislation provided for automatic cost-of-living increases each July starting in 1979. In all, 2.1 million needy veterans and their survivors are expected to receive $4.0 billion in 1981, $4.2 billion in 1982 and $4.4 billion in 1983.

Burial and other benefits.—Families of deceased veterans who are buried in private cemeteries rather than VA National Cemeteries may receive allowances to apply toward the purchase of burial plots. Families of deceased veterans also receive burial benefits to assist in defraying veterans funeral expenses. Outlays for burial and other allowances are estimated to increase from $185 million in 1980 to $190 million in 1981.

Life insurance.—Insurance programs for veterans and their survivors will provide $31 billion of coverage on 4.5 million policies in 1981. The servicemen's group life insurance program for military personnel will provide $61 billion of coverage on 3.1 million policies. Policy loans against life insurance reserves are expected to remain steady at about $170 million in new loans in 1981.

Veterans education, training, and rehabilitation.—The GI bill provides education benefits ranging from college courses to vocational and on-the-job training. These benefits help eligible veterans make the transition from military to civilian life by helping them obtain the education they might have received had they not entered military service. Active duty servicemen and widows and children of veterans who have died or been totally disabled in military service also are eligible for these benefits. This budget proposes a 10% increase in GI bill educational benefits to help Vietnam-era veterans and eligible dependents and survivors continue to pursue their

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educational goals in spite of increased costs. In addition, this budget reflects legislation proposed last year that extends the period of eligibility from 10 to 12 years for certain Vietnam-era veterans who have less than a high school diploma or who require on-the-job training to find employment. Another proposal improves and modernizes the vocational rehabilitation services offered disabled veterans.

Those who enter military service after 1976 are eligible for the post-Vietnam-era education program, which allows them to set aside $50 to $75 from their monthly pay to finance future education. These amounts are matched by the government on a two-for-one basis and returned in education payments after they are discharged. Current authority for this program expires on December 31, 1981. The VA is currently conducting a study to determine whether to seek extension, and to evaluate changes in the program as it currently exists.

Over 65% of all Vietnam-era veterans have utilized GI bill benefits. The number of GI bill trainees will continue to drop in the future as the number of eligible veterans becomes smaller. In 1981, nearly 1.0 million GI bill trainees are expected to participate in the program, a reduction from 1.2 million in 1980. Thus, outlays for this mission are estimated to decline from $2.2 billion in 1980, to $1.9 billion in 1981, $1.5 billion in 1982, and $1.2 billion in 1983.

The administration continues to seek enactment of its pending legislative proposal to end payments for general flight training and correspondence courses, which do not promote the readjustment of veterans to civilian life. This proposal would reduce outlays by $56 million in 1981.

Hospital and medical care for veterans.—The Veterans Administration provides hospital and medical care to veterans by operating a nationwide medical care system. In 1981, it will operate 172 hospitals, 229 outpatient clinics, 97 nursing homes, and 16 domiciliary facilities. Outlays for medical programs are expected to be $6.4 billion in both 1980 and 1981. Savings from proposed legislation requiring reimbursement from health insurers for the treatment of non-service-connected disabilities are offset by higher outlays for existing programs.

Medical care and hospital services.—In 1981, the VA will continue to reorder its health care program to provide the most appropriate type of care and to accommodate the anticipated influx of World War II veterans, most of whom will reach age 65 during the decade beginning in 1980. Since these veterans become eligible for a wide variety of medical benefits under current eligibility criteria, the VA anticipates a rapid increase in the number of veterans in need of long-term and geriatric care. Increases in the cost of VA

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health care will be minimized through increased efficiencies. VA's medical care system will continue to recognize the needs of service-disabled veterans above all other demands for medical care. Efforts to improve the quality of medical care, especially for service-disabled veterans, will continue. Under the budget proposals, the research programs of the VA medical systems will grow modestly between 1980 and 1981, and training of health care professionals will continue, primarily through the affiliation of 136 VA hospitals with medical schools.

The Veterans Health Care Amendments of 1979 (P.L. 96-22) provided legislative authority to allow VA to contract with community halfway houses and other programs for a pilot drug and alcohol abuse treatment effort. That legislation also provided for the establishment of a program of psychological counseling and readjustment services for Vietnam-era veterans, and authorized the VA to set up a pilot program of preventive health care. The Veterans Health Program Extension and Improvement Act (Public Law 96-151), also enacted in 1979, authorized the VA to provide outpatient care to all veterans of World War I and to contract for private care for the treatment of medical emergencies. In addition, it extended certain expiring programs and authorized the Veterans Administration to put a limit on travel reimbursement to veterans being treated for non-service-connected disabilities.

The administration will continue to seek enactment of its proposal to obtain reimbursement from health insurers for the treatment of non-service-connected disabilities of insured veterans. This proposal recognizes that an insurer's obligation to premium-paying veterans is no different from its obligation to insured non-veterans and is expected to save $0.3 billion a year beginning in 1981. The administration will also continue to seek enactment of its proposal to terminate certain dental benefits. This is estimated to save $32 million in 1981 and decreasing amounts in future years.

Construction of hospital and extended care facilities.—Budget authority of $660 million is requested for VA construction in 1981, a record funding level. This is an increase of 67% over the 1980 request. The 1981 request recognizes the critical need for renovation and modification of many of the aging facilities in which VA medical services are provided. This includes funding for new nursing homes and new outpatient clinics. Finally, budget authority of $15 million is requested in 1981 for grants to States for construction of extended care facilities, permiting the establishment or repair of additional State veterans homes for the care of aging veterans.

Veterans housing.—VA mortgage loan guarantee and direct loan programs are expected to assist 364,680 veterans obtain mortgage

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CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Income security programs:			
Direct loans:			
New loans	172	168	167
Repayments, sales and adjustments (—)	—129	—116	—104
Net loan outlays	43	52	62
Education programs:			
Direct loans:			
New loans	9	9	9
Repayments, sales and adjustments (—)	—4	—6	—7
Net loan outlays	5	4	2
Housing programs:			
Direct loans:			
New loans	394	568	611
Repayments, sales and adjustments (—)[1]	—369	—683	—648
Net loan outlays	25	—115	—37
Loan guarantees:[2]			
New loans	7,375	9,524	9,584
Net loan guarantees	2,938	6,317	6,428

[1] Includes sales of direct loans.
[2] Includes guarantees of sales of direct loans.

loans totaling $19.9 billion in 1981. Sales of VA-held housing assets (VA mortgages) are expected to produce negative outlays of $302 million in 1981.

Other veterans benefits and services.—The Veterans Administration administers a national cemetery system for burial of eligible veterans, servicemen, and their survivors. Under administration policy, one large active national cemetery has been designated as the regional cemetery in each of the 10 Federal regions. New regional cemeteries are under construction in regions I, II, III and IX; existing cemeteries have been designated in regions VI, VII, VIII, and X. In addition, Fort Gilliam, near Atlanta, Ga., has been selected as the site of the Region IV National Cemetery and Fort Custer, Mich., has been selected as the site for Region V. The budget again provides $5 million in 1981 budget authority for grants for construction of State veterans cemeteries authorized in 1978.

Other VA expenditures include the cost of undistributed nonmedical program administration, both in VA headquarters and in field units. Outlays for these programs are estimated to be $687 million in 1980 and $686 million in 1981.

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Tax expenditures.—Veterans compensation and pension benefits are excluded from taxable income. The revenue losses from these exclusions in 1981 are estimated to be $1.1 billion and $55 million, respectively. GI bill benefits are also excluded from taxable income, which results in an estimated 1981 tax expenditure of $0.1 billion.

Related programs.—In addition to the assistance provided under the Federal Government's special programs for veterans, many veterans receive assistance from other income security, health, housing, education, training, employment, and social services programs supported by the Federal Government and available to the general population. Some of these programs have components specifically intended to assist veterans. For example, the Department of Labor has instituted a special program to aid disabled veterans in need of job placement and related services, with anticipated outlays of $24 million in 1981. The Department of Labor also takes steps to ensure that qualified veterans participate fully in the training and related services available under the Comprehensive Employment and Training Act. Firms holding Government contracts are required to list their job vacancies with the State employment service and are required to take affirmative action to employ Vietnam-era and handicapped veterans. There is also a program that provides special priority for the appointment of Vietnam-era veterans to positions within the Federal Government.

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ADMINISTRATION OF JUSTICE

National Needs Statement:

- Represent the interests of the public in civil litigation and on other legal matters.
- Maintain public order and enforce Federal statutes.
- Provide those accused of crimes with fair and prompt trials.
- Operate humane detention and corrections facilities for persons charged with or convicted of violating Federal laws.
- Assist in the improvement of State and local criminal justice systems.

Ours is a pluralistic society bound together by a body of laws and legal institutions that lend order and predictability to our lives. The Federal Government will spend $4.7 billion to provide for the equitable administration of justice in 1981, while States, counties, cities and towns will spend close to $25 billion.

The principal responsibility for maintaining order and administering the laws has always rested with State and local governments. Beginning in the late 1960's, however, the amount of Federal assistance extended to other levels of government to improve the administration of justice grew quite rapidly. Such assistance has included:

- participating in criminal investigations and prosecutions in cases in which the Federal Government and the States share concurrent jurisdiction;
- training State and local officials, providing technical assistance and services, maintaining national fingerprint records, and facilitating the exchange of information on criminal activities; and
- financing demonstration projects and grants to improve police departments, correctional institutions, judicial systems, and State planning capabilities.

Assistance to State and local governments was expanded principally because of widespread concerns about growing domestic disorders and violent street crime. Although the Federal Government is not directly responsible for maintaining order at the local level, it was recognized that local capabilities were inadequate and that State and local governments needed help to improve their criminal justice systems.

These circumstances have changed. Partly because of Federal programs, local authorities are far better trained and equipped to

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deal with all forms of crime than they were a decade ago. Equally important is the improved financial condition of States and municipalities. It is now possible to begin to reduce Federal expenditures and personnel resources devoted to State and local problems, and to increase resources for efforts targeted at Federal priorities that cannot be undertaken at the local level. This is a theme of the 1981 budget for the administration of justice.

A second theme relates to the setting of priorities on matters that are solely Federal in jursidiction. Zero-base budgeting techniques and improved management control systems now allow policy officials to identify tradeoffs between programs, which could not always be done using traditional budgeting procedures. For 1981, the administration's highest law enforcement priorities are foreign counterintelligence activities, reduction of organized crime, white collar crime, and traffic in narcotics and dangerous drugs, as well as the promotion of the integrity of public officials, and the protection of individual civil rights.

A third theme of the budget is an emphasis on efficiency and improved coordination among Federal institutions. Reorganizations have played a part, but in this area the administration's principal contribution to improving the machinery of government has been to reduce jurisdictional disputes and unproductive duplication of efforts by competing agencies.

Federal law enforcement activities.—The law enforcement mission is the most costly component of the administration of justice. In addition, law enforcement is a personnel-intensive activity and the President is committed to reducing the size of the Federal work force. Rigorous attention to national priorities has made it possible to propose an overall staff reduction of about 200 employees in 1981 without any appreciable loss in program effectiveness. Higher operating costs and especially increased fuel costs will more than offset the savings realized through staff reductions, but outlays are expected to increase by only $42 million or 1.9% over 1980—a significant achievement given recent very high rates of inflation.

The Federal Bureau of Investigation (FBI) enforces a broad range of criminal statutes, and for many years has worked closely with State and local authorities to support this mission. The budget contemplates some shifting of FBI personnel from programs that assist State and local governments to criminal activities that are solely the responsibility of the Federal Government, or to investigations that require the attention of the Federal Government because criminal activities cross jurisdictional lines. FBI staff targeted at organized crime, white collar crime, and foreign counterintelligence will increase by more than 200, while personnel assigned to general law enforcement training, forensic laboratory services, and

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NATIONAL NEED: ADMINISTRATION OF JUSTICE

(Functional code 750; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Federal law enforcement activities:					
General investigation (FBI)	584	614	637	649	658
Narcotics violation investigation (DEA)	194	202	209	215	222
Alcohol, tobacco and firearms investigation (ATF)	137	144	147	151	154
Border enforcement activities (Customs and INS)	753	795	822	838	854
Protection and other activities (Secret Service)	145	186	167	169	173
Other enforcement	252	280	310	322	333
Subtotal, Federal law enforcement activities	2,065	2,220	2,292	2,344	2,394
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation:					
Existing law	397	456	497	508	519
Proposed legislation	.....	.....	−3	−6	−6
Federal judicial activities	523	627	657	689	723
Representation of indigents in civil cases	270	300	321	344	368
Subtotal, Federal litigative and judicial activities	1,190	1,383	1,473	1,535	1,604
Federal correctional activities	339	327	355	363	373
Criminal justice assistance	656	496	582	625	671
Deductions for offsetting receipts	−17	−12	−12	−12	−12
Total, budget authority	**4,234**	**4,415**	**4,689**	**4,855**	**5,029**

the investigation of local crimes will decline by about 150. A one-time reduction of 300 clerical employees is planned; this temporary workforce was authorized 3 years ago for a special project related to fingerprint automation that is now completed. In addition, about 200 full-time clerical positions in the fingerprint identification division will be converted to part-time staff. This measure is intended to reduce the high employee turn-over rate by making these positions more attractive to others in the workforce. Outlays for the FBI are expected to increase by $20 million to $635 million in 1981 because of increased operating expenses.

The Drug Enforcement Administration (DEA) will continue to concentrate on the disruption of organized trafficking in the most dangerous drugs. Increased emphasis will be placed on the investigation of complex financial transactions in the drug trade, which often leads to the arrest of high-level drug dealers who have violated various conspiracy, racketeering, currency control, and tax laws. Crop destruction at the point of origin will remain a key component of the administration's drug strategy; this practice will help to

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NATIONAL NEED: ADMINISTRATION OF JUSTICE—Continued

(Functional code 750; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Federal law enforcement activities:					
General investigation (FBI)	586	615	635	649	658
Narcotics violation investigation (DEA)	185	200	206	214	221
Alcohol, tobacco and firearms investigation (ATF)	131	144	146	151	154
Border enforcement activities (Customs and INS)	730	797	814	838	854
Protection and other activities (Secret Service)	139	187	165	169	173
Other enforcement	221	281	301	318	328
Subtotal, Federal law enforcement activities	1,992	2,224	2,266	2,339	2,388
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation:					
Existing law	388	457	485	498	509
Proposed legislation	.....	.....	−3	−6	−6
Federal judicial activities	488	632	659	688	720
Representation of indigents in civil cases	254	300	329	346	364
Subtotal, Federal litigative and judicial activities	1,130	1,389	1,471	1,527	1,587
Federal correctional activities	337	348	357	380	384
Criminal justice assistance	710	580	618	676	651
Deductions for offsetting receipts	−17	−12	−12	−12	−12
Total, outlays	**4,153**	**4,530**	**4,699**	**4,910**	**4,999**

reduce the supply of dangerous substances that would otherwise have to be intercepted at the Nation's borders or searched out in the interior—both extremely costly, personnel-intensive operations. The 1981 budget, therefore, proposes only a small personnel increase for domestic enforcement and outlays of $206 million, $6 million more than in 1980.

For the Immigration and Naturalization Service (INS), The budget provides staff above 1979 levels to patrol the Nation's borders, facilitate the processing of refugees from Southeast Asia and Eastern Europe, and improve operations within the United States. However, the administration's proposals do not provide for the full border patrol increase authorized in the last session of the Congress because the administration does not believe that this increase would, by itself, make a significant contribution to border enforcement. Illegal immigrants are drawn to the United States by high wages, and there are no Federal restrictions against hiring those

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who are in the country illegally. Until the Select Commission on Immigration and Refugee Policy issues its report, which should assist in developing agreement on statutory changes to remove the incentives for illegal immigration, large budget increases for enforcement would be unproductive. The budget proposes outlays of $347 million in 1981, only $12 million more than in 1980.

Late last year the General Accounting Office criticized Federal agencies for inadequate coordination of border enforcement activities. Although this is a problem of long standing, there is considerable evidence of improvement. In 1977, the President's Reorganization Project addressed the problems of duplication of effort and lack of coordination between Federal border agencies. It was decided that organizational changes were not appropriate at that time. Nevertheless, the study and consultations encouraged the agencies to address coordination problems and find solutions short of reorganization.

Today, the level of cooperation between the several Federal agencies with border responsibilities is higher than ever before. The Customs Service and the INS are adopting joint "one-stop" inspection procedures that minimize delays to travelers and reduce the number of inspectors at ports-of-entry. They are also experimenting with shared radio communications systems and shared information systems. The El Paso Intelligence Center is now staffed 24 hours a day with representatives of 6 Federal agencies providing information on all aspects of drug smuggling. To curtail illegal drug distribution in the southeast, the administration has established a working group that includes the DEA, the Criminal Division of the Department of Justice, the Customs Service, the Coast Guard, and the Department of State. There is now close cooperation and coordination between Federal investigative agencies, the Criminal Division, the U.S. Attorneys, and the border interdiction forces.

It is not yet possible to identify precisely the total amount of Federal resources devoted solely to border enforcement. In the course of the next 12 months, the administration will work to develop this information.

High priority is assigned to combating fraud and waste in Government programs. Inspectors General are now in place in 14 major departments and agencies. In May 1979 the President created an executive group, chaired by the Attorney General, which brings the Inspectors General together in a concerted effort to develop more effective procedures and better trained personnel.

In late 1979, an office for civil rights policy was established within the Office of Management and Budget. This office now assists in examining agency budget submissions for civil rights enforcement programs. This should help to assure that a unified and cohesive civil rights policy emanates from all Federal agencies.

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It should also improve the coordination of civil rights activities within the Federal Government, result in more effective civil rights law enforcement, and reduce the administrative burden on industries and agencies that are subject to civil rights laws.

The responsibilities of the Equal Employment Opportunity Commission, which enforces statutory prohibitions against job discrimination, were recently expanded as the result of a reorganization of civil rights functions within the Federal Government. The budget proposes a staff increase for the Commission to improve coordination among agencies and the Federal Government's own equal employment opportunity program. Outlays are expected to increase from $120 million in 1980 to $135 million in 1981.

Civil rights enforcement activities of the Department of Health, Education, and Welfare are to be divided between two offices — one in the Department of Health and Human Services, and one in the new Department of Education. These offices will be responsible for enforcing statutes that prohibit discrimination by recipients of Federal funds. They will investigate complaints about discrimination, conduct periodic reviews, negotiate to secure compliance, initiate enforcement proceedings, and promote voluntary compliance. Due in part to expanded staffing, which will permit increased activities, 1981 budget outlays of the two offices are estimated at $74 million, or $6 million more than in 1980.

Resources devoted to civil rights that are classified in other functions are discussed in Special Analysis J in the Special Analyses volume of the budget.

Federal litigative and judicial activities.—The Department of Justice litigates all of the Federal Government's criminal cases and most civil cases, although the Department has only 22% of the Government's civilian lawyers. While the number of criminal cases has been dropping as prosecutors concentrate on a more select group of complex criminal activities (organized crime, white collar crime, illegal drug traffic, and public corruption), the number of civil case filings has ballooned. In response to this civil workload on the Department's litigators, the administration is following the recommendations of the President's Reorganization Project for improved coordination of litigation by the Department and delegation of litigating responsibilities for some civil cases to the general counsels of other Federal agencies.

Other administration proposals include:

- an increase in the Department's Criminal Division to staff new white collar crime enforcement units;
- an increase in the Department's Civil Rights Division to prosecute more criminal violations and coordinate efforts to pre-

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vent systematic discrimination in Federal assistance programs; and

- continued support for legislation to reduce the workload of the U.S. Marshals Service by shifting responsibility for the service of private process to the private sector.

Outlays for civil representation, criminal prosecution and the U.S. Marshals Service are expected to rise from $457 million in 1980 to $482 million in 1981.

Budget estimates from the judiciary are forwarded to the Congress without modification. The Administrative Office of the U.S. Courts has estimated outlays of $659 million in 1981 for the Supreme Court, the appellate and district courts, and other judicial activities—a 4% increase over current estimates for 1980. When inflation is taken into account, this represents a relative stabilization of budgetary resources.

The Bankruptcy Reform Act of 1978 established an independent system of bankruptcy courts and a pilot program to test the value of U.S. trustees. While bankruptcy proceedings cost the Federal Government $38 million in 1979, under the new system bankruptcy administration is expected to require outlays of $60 million in 1980 and $65 million in 1981.

The Legal Services Corporation funds local programs that provide free civil legal assistance to the poor. Corporation outlays have grown from $71 million in 1975 to an estimated $300 million in 1980. In 1981, outlays of $329 million are proposed for direct legal services, demonstration projects to serve institutionalized persons, and increased training for legal services lawyers and paralegals. Social services grants, general revenue sharing, and other Federal programs outside of the administration of justice function also provide funds that can be used, in part, for legal services. Because the primary obligation for legal services rests with the private bar, the administration will continue to encourage and coordinate fulfillment of these obligations.

Federal correction system.—The Federal Government is responsible for the care and custody of prisoners convicted of violating Federal laws as well as individuals charged with crimes and detained for trial or sentencing.

The Federal prison population is changing. In 1970, more people were in prison for auto theft than for any other crime. Today, those convicted of robbery and burglary lead the list, while drug offenses run a close second. The average daily population in 1970 was 20,687. The average daily population peaked in 1978 at 29,347, and since then has dropped to less than 24,000. This decline is attributed to: (1) the increased use of halfway houses, (2) shifts in prosecutorial policy resulting in fewer imprisonments, and (3)

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modifications in parole guidelines which have reduced incarceration times.

Because the prison population is smaller, and because reclassification efforts have identified many prisoners who can be held in less secure institutions, three penitentiaries can be closed—McNeil Island in 1981, Atlanta in 1984, and Leavenworth in 1985. Plans to construct two new facilities in Detroit and central California have been cancelled since the facilities are no longer needed. The Bureau of Prisons intends to open a new institution at Lake Placid and a new prison camp in central California to house some of the prisoners who will be displaced by the closing of the old penitentiaries.

Although the prison population is declining, inflation is driving up the costs of operations. In consequence, outlays for operating correctional facilities are expected to increase from $348 million in 1980 to $357 million in 1981.

Criminal justice assistance.—Early in this administration the President's Reorganization Project and the Department of Justice proposed a thorough reorganization of the Law Enforcement Assistance Administration. A new Office of Justice Assistance, Research and Statistics (OJARS) was approved by the Congress in 1979. The office will provide support and coordination for (1) a National Institute of Justice to conduct research into criminal subjects, (2) a Bureau of Justice Statistics to gather and disseminate statistics on criminal and civil matters and to assist State and local governments, and (3) a somewhat smaller Law Enforcement Assistance Administration to administer most grant programs. This organizational change will reduce paperwork and give cities and counties more direct control over the Federal funds they receive for criminal justice assistance. A new formula grant program will provide funds directly to States, cities, and counties, and a national priority grant program will encourage government and private nonprofit organizations to carry out programs that have proved to be effective in strengthening the criminal justice system.

Increased emphasis will be placed on programs for serious juvenile offenders administered by the Office of Juvenile Justice and Delinquency Prevention. Outlays for OJARS are expected to reach $607 million in 1981, compared to $570 million in 1980.

Related programs.—A number of agencies classified in other functions support the administration of justice. Over 100 agencies and regulatory commissions perform some type of law enforcement activity. About 30 Federal agencies, including the Departments of Agriculture and Labor, the Environmental Protection Agency, and most independent regulatory commissions have some litigation authority independent of the Department of Justice.

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CREDIT PROGRAMS—ADMINISTRATION OF JUSTICE

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estmate
Law enforcement assistance:			
Direct loans:			
New loans	32	3	.....
Repayments, sales and adjustments (—)	—20	—34	.....
Net loan outlays	11	—32	.....

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GENERAL GOVERNMENT

National Needs Statement:

- Provide for a legislative system that is responsive to the Nation's people.
- Provide effective and efficient central executive policy development and management.
- Insure accountability in the use of resources.
- Formulate tax and fiscal policies and conduct efficient and effective financial operation of the Federal Government.
- Provide essential internal government housekeeping services, including property and personnel management.

The general government function includes funding for a variety of entities that provide overall direction, policy and procedural guidance, funding, and resources management for the Federal Government. These include the legislative branch, the Executive Office of the President, and the agencies responsible for central tax collection, fiscal operations, personnel management, and property control and records management. It is the goal of the administration to improve the management and efficiency of finances, property, and personnel. To address national needs in general government the Federal Government will spend an estimated $4.9 billion in 1981. The budget includes proposals to:

- continue to monitor private sector wage and price actions along with Government actions and policies that may contribute to inflation;
- continue to improve cash management;
- expand efforts to identify individuals and companies that do not file tax returns;
- strengthen management control of contract administration and reduce opportunities for fraud and abuse; and
- improve productivity in the Federal Government and strengthen agency executive development.

Legislative functions.—By law, the budget estimates for the legislative branch are included in the President's budget without change. The legislative branch proposes to spend $1.1 billion in 1981 for the operation of the Congress, the General Accounting Office, the Library of Congress, and other programs.

Executive direction and management.—Outlays for the White House, the Executive Office of the President, and related activities are expected to be $109 million in 1981.

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NATIONAL NEED: GENERAL GOVERNMENT

(Functional code 800; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Legislative functions	925	1,086	1,065	1,106	1,099
Executive direction and management	84	103	112	112	115
Central fiscal operations:					
Collection of taxes	2,145	2,298	2,385	2,446	2,506
Other fiscal operations	286	354	387	431	457
Subtotal, central fiscal operations	2,431	2,652	2,772	2,877	2,963
General property and records management:					
Real property	21	*	.....	.....	.....
Personal property	163	157	158	160	163
Records management	78	90	87	88	90
Other	125	168	175	190	180
Subtotal, general property and records management	386	414	420	438	433
Central personnel management	133	150	156	159	162
Other general government:					
Territories:					
Existing law	183	210	161	166	180
Proposed legislation	.....	.....	22	22	22
Indian affairs	132	205	203	134	9
Treasury claims	198	296	152	152	152
Other	43	−53	15	230	49
Subtotal, other general government	556	658	553	705	412
Deductions for offsetting receipts	−120	−157	−132	−134	−135
Total, budget authority	**4,395**	**4,906**	**4,946**	**5,262**	**5,048**

* 500 thousand or less.

Special emphasis continues to be given to the President's anti-inflation program, which consists of voluntary wage and price guidelines that are designed to lower the rate of inflation without disrupting the economy. The Council on Wage and Price Stability will continue to monitor wage and price developments and will make recommendations to increase productivity and reduce inflation. Recently the President established his Commission on the Agenda for the Eighties. The Commission, which will remain at work into 1981, is charged with examining the problems, opportunities, and challenges that the Nation must face in the 1980's, as well as the fundamental social and economic questions that will be confronted.

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NATIONAL NEED: GENERAL GOVERNMENT—Continued

(Functional code 800; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
OUTLAYS					
Legislative functions	914	1,088	1,081	1,111	1,088
Executive direction and management	81	103	109	109	112
Central fiscal operations:					
Collection of taxes	2,079	2,296	2,378	2,436	2,496
Other fiscal operations	252	365	392	425	447
Subtotal, central fiscal operations	2,330	2,661	2,770	2,861	2,943
General property and records management:					
Real property	−70	−110	−10	40	30
Personal property	129	163	163	160	163
Records management	75	90	87	88	90
Other	101	166	174	191	178
Subtotal, general property and records management	235	309	414	479	460
Central personnel management	127	156	158	158	161
Other general government:					
Territories:					
Existing law	200	185	178	188	202
Proposed legislation	.....	.....	22	22	22
Indian affairs	135	216	210	132	7
Treasury claims	240	323	152	152	152
Other	12	3	−30	44	45
Subtotal, other general government	586	727	531	538	428
Deductions for offsetting receipts	−120	−157	−132	−134	−135
Total, outlays	**4,153**	**4,885**	**4,931**	**5,123**	**5,057**
MEMORANDUM—Attribution of Federal Financing Bank outlays					
General property and records management	90	43	98	−14	−18
Territories	−*	9	−38	−2	−10

*500 thousand or less.

Central fiscal operations.—The mission of central fiscal operations is to collect taxes and carry out certain other financial operations of the Federal Government. Outlays for central fiscal operations are estimated to increase by $109 million to $2.8 billion in 1981.

Most of the funds supporting this mission are spent on the collection of taxes by the Internal Revenue Service (IRS). This budget includes a substantial increase in IRS collections staff and includes proposals to make the collection of taxes more efficient and to improve Federal cash management.

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IRS plans to continue programs to improve compliance and assure that all taxpayers pay their fair share of the tax burden. These programs include:

- matching information documents, such as W-2 forms and interest and dividend statements, with individual income tax returns, and resolving discrepancies between the information documents and tax returns;
- developing a predictive model to improve detection of people who do not file returns;
- improving IRS use of data from financial institutions on currency transactions that exceed $10,000, and monitoring barter transactions to ensure they are reported; and
- exploring the feasibility of gathering information on interest derived from investment in certain money market and other debt instruments.

The collection of tax receipts will be accelerated by requiring that payments be made closer to the time the tax liability occurs. Widespread noncompliance by independent contractors would be mitigated through proposed legislation mandating a 10% withholding for certain compensation. At the same time, efforts will be made to reduce the filing burden on small employers.

These cash management initiatives, which are discussed in more detail in Part 4, will increase receipts by an estimated $4.5 billion in 1981. The revenue gain is expected to total $12.2 billion for 1981, 1982, and 1983.

General property and records management.—The General Services Administration (GSA) manages Federal real property, acts as a central procurement agent, and is the custodian of the Federal Government's historical records.

Real property.—This budget will permit the acquisition of 7.6 million square feet of office space and should satisfy the remaining high priority leasing needs of Federal agencies. The procurement of additional court facilities, required by enactment of the Omnibus Judgeship Act, will continue at an accelerated pace during 1981.

Personal property.—GSA is improving its procurement procedures through increased training and certification of procurement officers, centralization of procurement functions, identification of commodity managers, and expanded audit review. The agency is also taking steps to improve the administration of contracts and to eliminate fraud and abuse. It has begun an examination of the viability and efficiency of individual motor pools and the timing of vehicle replacement.

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Records management.—GSA stores Federal records, provides archival reference services, and preserves Federal historical records. A 1980 supplemental request for $3 million is being made to speed up the transfer of irreplaceable historical records from nitrate based film to safety film.

Central personnel management.—In 1978, comprehensive reforms of the Federal civil service system were enacted into law. The objectives were to (1) make Federal Government more efficient and responsive through a fundamental change in the management of Federal personnel, (2) improve administration of the Federal labor-relations program, and (3) safeguard merit systems against political and other abuses.

The 1980 budget reflected the major organizational changes in central personnel management that resulted from the reforms. The personnel management tasks previously performed by the Civil Service Commission became the responsibility of the Office of Personnel Management. Merit system review, investigation of reprisals against "whistle blowers," and employee appeals adjudication are now performed by the Merit Systems Protection Board.

In 1981 resources will be focused on carrying out and evaluating these reforms. Special emphasis will be placed on research, executive development, and improvement of productivity.

Other general government.—Other activities included in the general government function include payments of claims and judgments against the Federal Government, and funding for the Territories, Indian Affairs, and various commissions. Outlays are expected to decline from $727 million in 1980 to $531 million in 1981 largely because of abnormally high claims and judgments against the Federal Government in 1980. Most of these payments are for Indian land claim settlements.

Territories.—Outlays for governmental operations, construction projects, and Federal oversight in the Trust Territory of the Pacific Islands and the U.S. territories of Guam, American Samoa, the Virgin Islands and the Northern Marianas are estimated to be $200 million in 1981, an increase of $15 million from 1980. To provide incentives for increased territorial funding of local programs and projects, the budget proposes (1) a 50% Federal matching of territorial tax increases, and (2) 90%/10% Federal/territorial cost sharing for capital projects funded by the Department of Interior. In the past these projects were generally 100% federally financed. Also, budget authority of $18 million in 1981 is recommended to complete a major, 5-year construction program underway in the Trust Territory that will supply these Pacific Islands

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with a basic infrastructure of roads, docks, harbors, airports, and water, sewer, and electrical systems.

These programs are directly funded by the Department of the Interior's Office of Territorial Affairs. The territories receive grants and payments from other Federal agencies that are discussed elsewhere in the budget.

CREDIT PROGRAMS—GENERAL GOVERNMENT

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Loans to U.S. territories and other:			
Direct loans:			
New loans		2	1
Repayments, sales and adjustments (−)	−3	−2	−2
Net loan outlays	−3	1	−1
Loan guarantees:			
New loans		10	
Net loan guarantees	−*	9	−38

* 500 thousand or less.

Indian affairs.—The budget includes outlays of $216 million in 1980 and $210 million in 1981 for Indian affairs, most of which are annual payments to settle land claims in Alaska, and to pay Alaskan Natives mineral, oil, and gas royalties under the provisions of the Alaskan Native Claims Settlement Act of 1971. The 1981 land claim settlement payment to Alaska Natives is the last payment authorized by Section 6(a)(1) of the Act. The outlay decrease in 1981 for Indian Affairs stems from the elimination of special, one-time payments of $12 million made in 1980 to eastern Indians for land claim settlements. Partially offsetting the decrease are anticipated outlay increases for royalties paid to Alaskan Natives due to increased oil production flowing through the Trans-Alaska Pipeline. Funding for the work of the Navajo-Hopi Relocation Commission is proposed to remain constant.

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GENERAL PURPOSE FISCAL ASSISTANCE

National Needs Statement:

- Strengthen the Federal system by financial assistance to State and local governments.
- Enhance the capacities of State and local governments to finance essential public services, and cushion the fiscal impact of adverse economic conditions.
- Assist States and localities by providing monies in lieu of taxes on certain Federal lands.

General purpose fiscal assistance is financial aid to State and local governments without major restrictions or matching requirements. Recipients may use such aid to offset increasing costs, maintain service levels that would otherwise have been reduced, increase services, retire debt, or lower taxes. Its purpose is to reduce the inequalities in the ability of the various State and local governments to provide public services from the fiscal resources available to them. It is also a means of providing fiscal aid to those governments most in need, including those most affected by adverse economic conditions. The largest general purpose fiscal assistance program is general revenue sharing, the current authorization for which expires at the end of 1980.

General revenue sharing (GRS).—Under existing legislation, general revenue sharing will provide $6.9 billion to States and local governments in 1980. One-third will be allocated to States and two-thirds to nearly 39,000 local governments around the country.

The program was conceived as a means of:

- reducing red tape and increasing State and local control over the expenditure of Federal aid;
- raising funds from the relatively more productive and more equitable Federal tax system; and
- redistributing funds to reduce disparities in State and local fiscal capacities.

Since the inception of general revenue sharing in 1972, intergovernmental fiscal conditions have changed. The revenue generating ability of State and local tax systems, in the aggregate, has grown rapidly. In addition, State and local tax systems have become less regressive.

Despite these improvements, general purpose fiscal assistance remains necessary to provide aid to jurisdictions less able to meet

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NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

Major missions and programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
General revenue sharing:					
General revenue sharing payments to States and localities	6,855	6,855	6,855	6,855	6,855
Administration	7	6	7	7	7
Subtotal, general revenue sharing	6,862	6,861	6,862	6,862	6,862
Other general purpose fiscal assistance:					
Countercyclical and targeted fiscal assistance (proposed)	.....	375	1,000	1,000	525
Payments and loans to the District of Columbia	293	341	501	484	449
New York City loan guarantees (administrative expenses)	1	1	1	1	1
Payments to States from Forest Service receipts	241	279	320	331	376
Payments to States and counties from Federal land management activities	412	481	555	631	692
Payments to territories and Puerto Rico	471	394	362	364	366
Other	5	5	5	2	2
Subtotal, other general purpose fiscal assistance	1,422	1,876	2,745	2,813	2,411
Total, budget authority	**8,285**	**8,737**	**9,606**	**9,674**	**9,273**
OUTLAYS					
General revenue sharing:					
General revenue sharing payments to States and localities	6,848	6,863	6,857	6,855	6,855
Administration	7	6	8	7	7
Subtotal, general revenue sharing	6,854	6,869	6,864	6,862	6,862
Other general purpose fiscal assistance:					
Countercyclical and targeted fiscal assistance (proposed)	.....	250	1,000	1,000	525
Payments and loans to the District of Columbia	393	381	510	484	449
New York City loan guarantees (administrative expenses)	1	1	1	1	1
Payments to States from Forest Service receipts	241	279	320	331	376
Payments to States and counties from Federal land management activities	413	481	555	632	693
Payments to territories and Puerto Rico	464	402	362	364	366
Other	7	7	5	2	2
Subtotal, other general purpose fiscal assistance	1,518	1,801	2,753	2,813	2,412
Total, outlays	**8,372**	**8,670**	**9,617**	**9,675**	**9,274**

their service obligations. Disparities in the revenue-raising capacity of States and localities are substantial enough to warrant continued Federal efforts to redistribute resources. In addition, general

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purpose fiscal assistance is needed to ease the fiscal problems of localities facing decline, particularly during periods of national economic downturn.

The administration is proposing a 5-year reauthorization of general revenue sharing at 1980 levels. No changes are proposed in the allocation formula to States or the proportion of payments to State governments. Limited modifications in the allocation formula for aid to local governments are proposed to increase the share of payments to communities less able to pay for essential services from available resources.

The existing disparities in the fiscal capacities of both State and local governments are, in part, determined by legislation enacted at the State level. It is the States that bear the ultimate responsibility for improving and strengthening the fiscal condition of both States and localities. Their failure to do so, at least in some instances, could unfairly burden the residents of distressed communities or could risk transforming these governments into permanent dependents of the Federal Government.

To address this problem and to strengthen the fiscal partnership among all levels of government, revenue sharing payments to the States would be contingent upon their cooperation in a participatory process designed to identify and promote necessary changes to achieve a balancing of fiscal resources and service responsibilities among the governments of each State. To commence this process, each State would establish a broadly-based independent commission to assess disparities in access to fiscal resources of the governments within the State, to identify major problems, and to make appropriate recommendations for change. The commissions would also assess the fiscal management practices and make recommendations for improvements. States would be expected to act on these recommendations.

Other general purpose fiscal assistance.—These programs also provide funds with minimal restrictions to States and localities. Total outlays are estimated to increase from $1.7 billion in 1980 to $3.0 billion in 1981, largely because of the proposed countercyclical fiscal assistance program.

Countercyclical and targeted fiscal assistance.—The administration is working with the Congress to develop an acceptable countercyclical fiscal assistance program. The Senate has passed a bill very similar to the administration bill and the House is preparing to vote on an alternative proposal that was developed in consulta-

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tion with the administration. The estimates reflected in the budget are based on the administration proposal, which would trigger countercyclical payments when the national unemployment rate reaches 6½%.

In addition to countercyclical assistance, the administration continues to support legislation authorizing highly targeted fiscal assistance for 1980. This 1-year program would provide general purpose fiscal assistance to localities with high levels of unemployment and low economic growth. Payments to localities under this program would be offset by payments that might be made under the countercyclical fiscal assistance program.

Outlays under targeted and countercyclical fiscal assistance are estimated to be $250 million in 1980 and $1.0 billion in 1981.

Payments and loans to the District of Columbia.—The District of Columbia's operating budget is financed in part by annual payments from the Federal Government in recognition of the costs to the local government of the Federal establishment. The administration is requesting $361 million in budget authority for the Federal payment in 1981 and a supplemental of $52 million in 1980. Included in the request is $8 million for reimbursement of water and sewer charges in 1981, and $52 million in both 1980 and 1981 to pay the initial Federal contributions to the retirement funds for the District's police officers, firefighters, teachers, and judges under pension reform legislation enacted in 1979 with the support of the administration.

The 1981 request for the Federal payment was for the first time determined by use of a formula. The formula, proposed by the District of Columbia and modified by the administration, will be submitted for the Congress' consideration in proposed legislation. It is intended to make the determination of the size of the Federal payment more equitable and more predictable.

The District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the "Home Rule Act") authorized the city to issue short term notes on its own behalf. Accordingly, interest-free cash advances from the U.S. Treasury to the District will no longer be made after 1980. The 1981 estimates anticipate that the city will exercise its authority to borrow in the private market for short-term, cash management purposes. For long-term funding purposes, the 1981 budget requests budget authority of $166 million for Federal loans to fund capital improvements in the District. After 1981, it is expected that the District will have developed the capability to finance long-term bonding in the private market.

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Outlays for the District of Columbia are estimated to rise from $381 million in 1980 to $510 million in 1981 due to a requested increase in the Federal payment, an increase in loans for capital improvements, and a decrease in receipts.

New York City loan guarantees.—Under the New York City Loan Guarantee Act of 1978, the Secretary of the Treasury is authorized to guarantee up to $1,650 million of New York City obligations through June 30, 1982. During 1981, an estimated $300 million in standby guarantees will be made available.

These guarantees are contingent upon a number of conditions, including the required holding of the obligations by City or State employee pension funds, the balancing of the City's budget by the fiscal year ending June 30, 1982, and the City's payment of an annual guarantee fee of 0.5% to the Treasury. The loan guarantees are not included in the budget totals, but the related administrative costs are reflected.

Other payments.—Some jurisdictions receive payments from the Federal Government based on a percentage of receipts generated from the sale of timber, mineral leases, grazing permits, and other activities on Federal property and lands. Payments are also provided to local governments in lieu of taxes for certain Federal lands contained within their jurisdictions. The Departments of Interior and Agriculture will return an estimated $760 million in 1980 and $875 million in 1981 to State and local jurisdictions. In addition, Federal taxes and other revenues generated or collected in Guam, the Virgin Islands, and Puerto Rico by various Federal agencies are returned to these territories for their fiscal support.

Tax expenditures.—Major tax expenditures also provide fiscal assistance to States and localities. Interest income from most State and local government securities is not subject to Federal income tax. This exclusion allows these governments to borrow at lower interest rates. The cost of this tax expenditure for general purpose State and local debt alone is estimated at $6.5 billion in 1981. In addition, the deductibility of State and local taxes from gross income allows individuals who itemize deductions to offset some of their State and local taxes through reduced Federal taxes. This revenue loss is estimated to be $17.3 billion in 1981.

Corporations may also take a tax credit for income earned from doing business in United States possessions. This tax expenditure will produce an estimated revenue loss in 1981 of $0.9 billion.

Related programs.—In addition to general purpose fiscal assistance, the Federal Government supports States and localities

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CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate
Guarantees of New York City loans:			
Loan guarantees:			
New loans	500	250	.....
Net loan guarantees	500	226	−47
Loans to the District of Columbia:			
Direct loans:			
New loans	141	185	174
Repayments, sales and adjustments (−)	−22	−105	−26
Net loan outlays	118	81	148
Loan guarantees: Net loan guarantees	.....	−20	.....

through a large variety of Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to block grant programs, are designed to meet other national needs and to serve other major missions. Therefore they are not included as general purpose fiscal assistance, although they do provide, when taken together, a far larger source of State and local revenues. Total grants-in-aid directly paid to States and localities are estimated to rise from $88.9 billion in 1980 to $96.3 billion in 1981.

FEDERAL GRANT-IN-AID OUTLAYS BY FUNCTION

(In millions of dollars)

Function	1979 actual	1980 estimate	1981 estimate
National defense	94	77	57
Energy	183	472	660
Natural resources and environment	4,630	4,821	4,957
Agriculture	456	509	512
Commerce and housing credit	12	7	4
Transportation	10,438	11,513	12,260
Community and regional development	6,641	5,786	6,318
Education, training, employment, and social services	22,249	21,865	23,195
Health	14,377	16,209	17,817
Income security	14,740	18,364	20,298
Veterans benefits and services	86	86	82
Administration of justice	517	473	491
General government	202	194	214
General purpose fiscal assistance [1]	8,233	8,569	9,446
Total outlays	**82,858**	**88,945**	**96,312**

[1] These numbers differ slightly from total outlays for this function, because they exclude administrative expenses.

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INTEREST

Interest is the cost of borrowing or the income from lending money. The interest function includes both interest paid and interest received by the Federal Government. In 1980 and 1981, interest outlays are projected to grow substantially, rising by $10.8 billion and $3.9 billion, respectively. By 1981, outlays for the interest function are projected to be $67.2 billion.

INTEREST

(Functional code 900; in millions of dollars)

Programs	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Interest on the public debt[1]	59,837	73,300	79,400	82,000	83,600
Other interest:					
Interest on refunds of tax collections	358	698	708	600	610
Interest on loans to the Federal Financing Bank	−4,015	−6,085	−8,041	−9,754	−10,960
Other	−3,626	−4,584	−4,870	−4,862	−4,907
Subtotal, other interest	−7,283	−9,971	−12,203	−14,016	−15,258
Total, budget authority	**52,554**	**63,329**	**67,197**	**67,984**	**68,342**
OUTLAYS					
Interest on the public debt[1]	59,837	73,300	79,400	82,000	83,600
Other interest:					
Interest on refunds of tax collections	358	698	708	600	610
Interest on loans to the Federal Financing Bank	−4,015	−6,085	−8,041	−9,754	−10,960
Other	−3,624	−4,583	−4,870	−4,862	−4,907
Subtotal, other interest	−7,281	−9,970	−12,203	−14,016	−15,258
Total, outlays	**52,556**	**63,330**	**67,197**	**67,984**	**68,342**

[1] Includes interest paid on the public debt held by Government investment accounts.

Interest on the public debt.—This subfunction includes all interest paid on the public debt. The public debt consists of Treasury securities sold to the public and to trust and revolving funds within the Federal Government.

Estimates of interest on the public debt are highly sensitive to assumptions about interest rates. For purposes of developing budget estimates, interest rates are assumed—by convention—to fall as inflation declines. Under this convention, which is not meant to be a forecast, it is assumed that the 91-day bill rate will decline gradually from about 12%, the prevailing rate when the estimates were made, to an average of 10.5% in calendar year 1980 and 9.0% in calendar year 1981.

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Interest on the public debt is estimated to grow substantially in 1980. Much of this rise is due to an increase in average interest rates on Treasury securities resulting from the sharp rise in market interest rates in the fall of last year. Interest is projected to grow at a much slower rate in 1981 and 1982 due to smaller increases in debt outstanding and to assumed declines in interest rates.

Other interest.—This subfunction includes interest payments on tax refunds and interest collections from Federal agencies and the public. The largest item is collections from the off-budget Federal Financing Bank (FFB). In recent years, this off-budget Federal entity has become the major source of funds for many Government programs. The FFB borrows directly from the Treasury and uses those funds to purchase debt and financial assets guaranteed by various Government programs. It then pays interest to the Treasury on this borrowing. A more detailed discussion of the FFB and its operations is contained in Part 6 of this document. Part 6 also discusses borrowing by the Federal Government. Additional information on borrowing is contained in Special Analysis E, "Borrowing, Debt, and Investment," in the *Special Analyses* volume of the Budget.

Net interest.—A substantial portion of interest outlays is paid to Federal trust funds on securities held by these funds. Since the payment of interest is not made to the public but, rather, consists of offsetting transactions within the budget itself, these amounts are deducted from both budget authority and outlays before arriving at budget totals. As shown in the following table, net interest outlays—the interest function minus the interest received by trust funds—are projected to be $54.2 billion in 1981.

In addition, Federal Reserve Banks hold Government securities as part of their monetary function. The Federal Reserve Banks return most of the interest they receive on these securities back to the Treasury as miscellaneous budget receipts. This deposit of earnings is projected to be $10.9 billion in 1981. Deducting these receipts from net interest results in a net impact on the budget of $43.4 billion in 1981. The net impact of interest is the amount of interest that must be paid from receipts or additional borrowing to meet Federal financing requirements.

A tax expenditure arises from the optional deferral of interest income on U.S. savings bonds. Interest is normally taxed each year as it is credited, but the holder of savings bonds may defer paying the tax until the bond is redeemed. The revenue loss from this tax expenditure is estimated to be $250 million in 1981.

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NET INTEREST

(In millions of dollars)

	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Outlays for the interest function	52,556	63,330	67,197	67,984	68,342
Interest received by trust funds	−9,950	−11,539	−12,958	−14,094	−15,369
Net interest outlays	**42,606**	**51,791**	**54,239**	**53,890**	**52,973**
Deposit of earnings by the Federal Reserve System [1]	−8,327	−10,058	−10,876	−11,751	−12,936
Net impact [2]	**34,279**	**41,733**	**43,363**	**42,139**	**40,037**

[1] Shown as budget receipts.
[2] Net amount of interest to be paid from receipts, borrowing, or other means of financing.

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ALLOWANCES

Allowances are included in the 1981 budget to cover increases in compensation for Federal civilian agency employees, future initiatives, and unforeseen requirements that may arise. Pay allowances for the Department of Defense are included in the national defense function.

ALLOWANCES

(Functional code 920; in millions of dollars)

Program	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY					
Civilian agency pay raise	.....	.....	1,115	3,340	5,447
Contingencies for:					
Relatively uncontrollable programs	.....	.....	.....	.....	.....
National health plan	.....	.....	.....	.....	24,100
Other requirements [1]	.....	150	2,000	7,900	8,500
Total, budget authority	.....	**150**	**3,115**	**11,240**	**38,047**
OUTLAYS					
Civilian agency pay raises	.....	.....	1,070	3,251	5,318
Contingencies for:					
Relatively uncontrollable programs	.....	.....	.....	.....	.....
National health plan	.....	.....	.....	.....	24,100
Other requirements[1]	.....	100	1,500	6,500	7,100
Total, outlays	.....	**100**	**2,570**	**9,751**	**36,518**

[1] Includes welfare reform.

The administration has proposed comprehensive legislation to reform and improve Federal pay-setting procedures. The legislative proposal would broaden the principle of comparability and make certain structural changes to bring Federal compensation rates and practices more closely into line with those of the private and non-Federal governmental sectors. Both pay and benefits—rather than just pay—would be used to determine comparability. Compensation scales would be based on State and local government pay and benefits, as well as those for private industry. The Federal wage system for the blue collar workforce would be changed to improve comparability with prevailing local rates.

Consistent with the one-time adjustment required by the legislative proposal discussed above, allowances are included in the 1981 budget to cover an overall increase in pay of 6.2% for while collar and blue collar employees. A final decision on the level of the October 1980 pay increase will be made in the late summer after Presidential review of the recommendations of the President's Compensation Agent, the Federal Employees Compensation Council, and the Advisory Committee on Federal Compensation, and after a review of economic conditions at that time.

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The contingency allowance for relatively uncontrollable programs is assumed to be zero since outlays higher or lower than the budget estimates are assumed to be equally probable.

A separate allowance is included for the national health plan, which is proposed to start in 1983. The $24.1 billion allowance reflects the effect on the surplus or deficit. While most of the costs associated with the national health plan will show up on the outlay side of the budget, the proposal will also affect budget receipts. The health plan is discussed in the health function and in the presentation entitled "Improving the Nation's Health" in Section II of the *Special Analyses* volume of the Budget.

The contingency allowance for other requirements does not represent a compilation of a specific list of future needs, but is a rough estimate taking into account past experience of unanticipated requirements and possible future initiatives. Among the items covered by this contingency allowance are the costs associated with the welfare reform proposal, discussed in the income security function and the education, training, employment and social services function.

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UNDISTRIBUTED OFFSETTING RECEIPTS

Offsetting receipts (which are shown in detail in table 11 in Part 9 of the Budget) are generally deducted from outlays and budget authority at the function, subfunction, or agency level. In three instances, however, such payments are deducted from the budget totals as undistributed offsetting receipts. Payments for rents and royalties on the Outer Continental Shelf are extremely large and their inclusion in a particular function would distort the view of Federal program costs. Deductions for interest received by trust funds and for the payments that each agency makes as its share of employee retirement costs are included as part of this category to eliminate double counting of budget authority and outlays in order to reflect properly transactions with the public.

UNDISTRIBUTED OFFSETTING RECEIPTS

(Functional code 950; in millions of dollars)

Offsetting Receipts	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
BUDGET AUTHORITY AND OUTLAYS					
Employer share, employee retirement	−5,271	−5,919	−6,161	−6,354	−6,517
Interest received by trust funds:					
Existing law	−9,950	−11,539	−12,427	−13,429	−14,489
Proposed legislation	.....	.....	−531	−665	−880
Subtotal, interest received by trust funds	−9,950	−11,539	−12,958	−14,094	−15,369
Rents and royalties on the Outer Continental Shelf	−3,267	−4,800	−6,000	−6,000	−6,000
Total	**−18,488**	**−22,258**	**−25,119**	**−26,449**	**−27,886**

Employer share, employee retirement.—The payments by Federal agencies to various employee retirement funds are reflected as outlays of the agencies and as receipts of the respective retirement funds. Over 70% of these payments are to the civil service retirement fund. Most of the balance is paid to the social security trust funds.

Interest received by trust funds.—By law, most trust fund balances are invested in interest-bearing Federal securities. The interest outlays are included in interest on the public debt. The receipts collected by various trust funds are shown as undistributed offsetting receipts. Almost half of these interest collections are received by the civil service retirement and disability fund, and almost one-third are received by social security and medicare. Several proposals in the budget reduce estimated trust fund outlays. These outlay reductions increase trust fund balances and thereby increase trust fund investments in Treasury securities. The higher interest earn-

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ings on these investments are included in the estimates of interest received by trust funds.

Rents and royalties from the Outer Continental Shelf (OCS).— These estimates include cash bonuses received from the leasing of new OCS lands that have the promise of containing oil and gas. Annual rents on existing leases and royalties based on a percentage of the value of production are also included. The current estimates assume that four OCS sales will be conducted in 1980 and seven sales in 1981. Six sales are currently scheduled for 1982. No final decision will be made on any of these sales until environmental studies and other requirements under the National Environmental Policy Act have been completed.

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PART 6

PERSPECTIVES ON THE BUDGET

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PERSPECTIVES ON THE BUDGET

This part of the budget explains several topics that help place the budget in perspective:

- the relationship of budget authority to outlays;
- alternate budget proposals that would balance the budget in 1981;
- fiscal activities outside the Federal budget:
  - —outlays of off-budget Federal entities,
  - —Government-sponsored enterprises, and
  - —tax expenditures;
- Federal debt and the relationship of budget funds to changes in Federal debt;
- the difference between the initial budget estimate of outlays and the actual outlays of relatively uncontrollable programs for the last completed fiscal year; and
- the difference between the initial budget estimate of receipts and the actual receipts for the last completed fiscal year.

RELATIONSHIP OF BUDGET AUTHORITY TO OUTLAYS

The Congress must provide budget authority, generally in the form of appropriations, before Federal agencies can obligate the Government to make outlays. For 1981, $696.1 billion of new budget authority is proposed for those Federal agencies included in the budget. In addition, $24.2 billion in new budget authority is proposed for those Federal entities that are excluded from the budget.[1]

Of the total new budget authority proposed for budget agencies in 1981, $432.9 billion will require congressional action. New budget authority of $351.8 billion will be available through permanent authorizations under existing law. This consists mainly of trust fund receipts, which in most trust fund programs are automatically appropriated under existing law, and interest on the public debt, for which budget authority is automatically provided under a permanent appropriation enacted in 1847. Offsetting the gross new budget authority is $88.6 billion of deductions for offsetting receipts, which comprise transactions within the Government and proprietary income from the public. Almost all of the budget authority for off-budget Federal entities will be available under existing law.

[1] Budget authority is discussed further in Part 7 of this volume.

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BUDGET AUTHORITY

(In billions of dollars)

Description	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Available through current action by the Congress:					
Enacted and pending appropriations	360.1	378.5	.....	.....	.....
Proposed in this budget: [1]					
Appropriations	.....	.....	416.7	443.2	475.9
Supplemental requests	.....	15.4	.....	.....	.....
Rescission proposals	.....	−.1	.....	.....	.....
To be requested separately:					
Upon enactment of proposed legislation	.....	22.0	10.9	14.0	16.9
Allowances:					
Civilian agencies [2]	.....	.2	3.1	12.0	38.8
Department of Defense—Military [3]	.....	.....	2.1	8.1	12.5
Subtotal, available through current action by the Congress	360.1	416.0	432.9	477.3	544.3
Available without current action by the Congress (permanent authorizations): [4]					
Trust funds (existing law)	190.1	225.8	255.5	289.3	320.8
Interest on the public debt	59.8	73.3	79.4	82.0	83.6
Other	14.6	19.2	16.9	24.1	22.1
Subtotal, available without current action by the Congress	264.6	318.3	351.8	395.4	426.5
Deductions for offsetting receipts	−68.0	−80.2	−88.6	−97.6	−102.4
Total, budget authority	**556.7**	**654.0**	**696.1**	**775.1**	**868.5**
MEMORANDUM					
Budget authority for off-budget Federal entities:					
Available through current action by the Congress	*	*	*	*	*
Available without current action by the Congress	16.3	22.2	24.1	22.4	24.1
Total, off-budget Federal entities	16.3	22.2	24.2	22.4	24.1
Total, budget authority including off-budget Federal entities	573.1	676.2	720.2	797.5	892.5

* $50 million or less.

[1] Amounts for 1982 and 1983 are tentative planning targets.

[2] Includes allowances for civilian agency pay raises, contingencies, youth initiative (beginning in 1982), and national health insurance (beginning in 1983).

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

[4] Allowances for relatively uncontrollable programs with permanent authorizations are estimated at zero.

Not all of the new budget authority for 1981 will be obligated or spent in that year.[2]

- Budget authority for most trust funds arises from the authority of these funds to spend their receipts from special taxes and contributions and from Federal fund payments made to

[2] This subject is discussed more fully in a separate report, "Balances of Budget Authority," that is published by the Office of Management and Budget shortly after the budget is transmitted.

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these funds. Any balances of these receipts remain available to these trust funds indefinitely to finance benefits and other purposes specified by law.

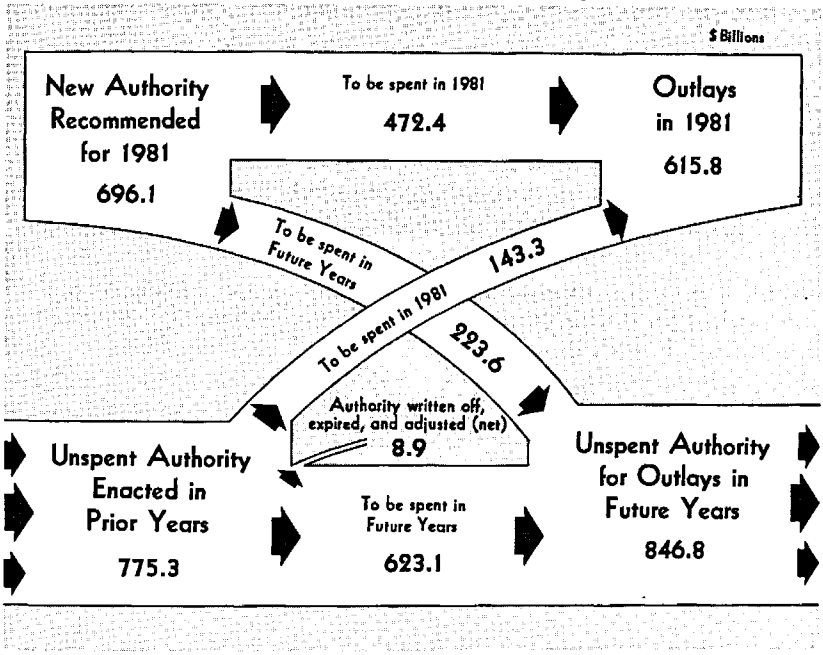
- Under longstanding budget policy, budget authority for most major construction and procurement projects covers the entire cost estimated when the projects are initiated, even though costs will be incurred and outlays made over a period extending beyond the fiscal year in which the budget authority is enacted. In the past, an exception to this policy has been made for water resource programs. The administration policy continues to be that funds for new water resource projects should cover the entire costs of the projects. No new water resource projects are proposed in this budget, but some will be proposed later after the independent review of projects by the Water Resources Council has been authorized by Congress.
- Government enterprises are occasionally given budget authority for general capital purposes that will be used over a period of years.
- Budget authority for the subsidized housing programs is equal to the Government's estimated maximum contractual obligation to pay subsidies under contracts, which may extend over periods of up to 40 years.
- Budget authority for long-term contracts covers the estimated maximum obligation of the Government. For example, budget authority for many direct loan programs provides financing for a number of years; budget authority for many insurance and loan guarantee programs consists of amounts to be used only in the event of defaults or other claims made upon the programs.

As a result of these factors, a substantial amount of budget authority carries over from one year to the next. Most of this is earmarked for specific uses and is not available for new programs; a small part may never be obligated or spent, because it is primarily for contingencies that do not occur or reserves that do not have to be used.

As shown in the chart on the next page, $143.3 billion of the outlays in 1981, 23% of the total, will be made from budget authority enacted in previous years. At the same time, $223.6 billion of the new budget authority proposed for 1981, which is 32% of the total amount proposed, will not lead to outlays until future years. The relationship between budget authority, obligations, and outlays is discussed further in Part 7 of the *Budget* and displayed in table 5 of Part 9.

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Relation of Budget Authority to Outlays—1981 Budget



Once budget authority is provided, the Congressional Budget and Impoundment Control Act requires that any available amounts withheld from use (without specific congressional authorization) must be reported to the Congress in rescission or deferral messages. The Congress may require these funds to be released by overturning the proposed deferral of budget authority or by not taking action on the proposed rescission.

ALTERNATE BUDGET PROPOSALS

In April 1979, the Congress enacted a new temporary limit on the Federal debt (Public Law 96-5). Included in the Act was a provision that "If a budget which is transmitted by the President to the Congress . . . would, if adopted, result in a deficit in fiscal year 1981 or in fiscal year 1982, the President shall also transmit alternate budget proposals which, if adopted, would not result in a deficit." This section outlines such alternative budget proposals, describes the difference between the budget and alternate budget proposals, and explains why the budget proposed by the President is clearly preferable to these alternatives.

This discussion emphasizes, as it must, tax and spending proposals alternative to those in the 1981 budget. No alternative budget policy, however, can be considered independently of economic conditions. This is particularly true for this budget.

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The 1981 budget proposed by the President includes a deficit of $15.8 billion, which is 60% lower than the deficit currently estimated for 1980. But, at the same time, this budget projects a mild economic downturn during calendar year 1980: a projection which has a considerable effect on the 1980 and 1981 budget deficits. In fact, as discussed in Part 2, if the economy were to perform strongly enough to keep the unemployment rate at its current level, the 1981 budget would be in surplus. This budget thus embodies prudent and responsible spending proposals, and a fiscal policy appropriate to our economic circumstances. An alternative, more restrictive fiscal policy would result in a deeper and more prolonged economic downturn.

As noted in Part 2, this budget is the third to be prepared using the zero-base budget review process. This process has allowed the administration to establish priorities that make the best use of the taxpayers' dollars. Reduction and cost saving proposals have been recommended where possible and emphasis has been placed on increasing the efficiency of existing programs.

To balance the budget in 1981, either taxes would have to be increased or Federal spending reduced below the restrained levels proposed in this budget, or a combination of both actions would be required. Increased taxes or decreased Federal spending would have secondary effects on the economy and therefore on other Federal programs. They would reduce real economic growth and employment and thereby reduce tax receipts and raise unemployment-sensitive spending. Consequently, tax increases or spending cuts in excess of $15.8 billion, the size of the deficit now estimated, would be needed to balance the budget. For purposes of this discussion, it has been estimated that $20 billion in tax increases or spending decreases would be required to produce a balanced budget in 1981.

The undesirable effects of actions to increase taxes or to reduce spending still further in 1981 can be explained best by discussing specific alternatives. A number of alternative ways to achieve a balanced budget are possible. The alternatives considered here involve both tax and spending choices.

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Tax choices.—The 1981 budget could be balanced by raising taxes through a surcharge on individual and corporate income taxes. To produce sufficient receipts to balance the 1981 budget, a surcharge of about 6% would be required. Such a surcharge would not, however, be in either the short-run or the long-run interest of our Nation. In the short-run, such an income tax increase would be likely to delay and weaken recovery from the downturn that is expected during the first half of this year. Unemployment would be increased, with little beneficial effect on inflation. From the longer run perspective, it is the goal of this administration to reduce tax burdens, not to increase them. A tax increase therefore moves in exactly the opposite direction from that planned by this administration and desired by the American people.

Another possible source of major tax receipts would be an increase in payroll taxes. It would be particularly inappropriate to raise payroll taxes beyond those increases already scheduled under current law. Such increases would have all of the disadvantages of increases in income taxes and, in addition, would raise business costs and thereby increase inflation.

Another policy that would increase receipts would be to further increase the administration's proposed windfall profit tax. This tax strikes a balance between providing adequate incentives to increase energy production and capturing windfall gains resulting from higher world oil prices and the policy of gradual decontrol of oil prices. Increases in windfall profit taxes substantially above those proposed by the administration would adversely affect production incentives.

Spending choices.—If achievement of a balanced budget irrespective of economic circumstances and national priorities were the administration's sole aim, an alternative to tax increases might be program reductions that would lead to lower spending. Obviously, such changes might be made in a variety of ways, however unacceptable. There could be a choice between a relatively few major changes or widespread, relatively small decreases.

The following are a few of the larger changes that could be considered:

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ALTERNATE BUDGET: OUTLAY REDUCTIONS IN MAJOR PROGRAMS

(In billions of dollars)

	1980	1981	1982	1983
Defense	.....	−2.2	−11.0	−20.0
The amount of these reductions represents the effect on defense outlays if no real growth were planned in obligational authority through 1983. Such a reduction would be completely unacceptable because the resulting defense levels would prevent the United States from achieving its fundamental national security objectives. We would be unable to (1) maintain our strategic forces as an effective deterrent to both nuclear and conventional warfare, (2) meet NATO commitments that increase defense efforts to prevent eventual Soviet military superiority, and (3) develop the overall force structure necessary to assure our national security now and in the future.				
Social security, veterans compensation and pensions, civil service and military retirement, public assistance, and other programs indexed to the Consumer Price Index	−1.1	−6.1	−10.3	−11.6
Under this option, inflation-related increases in retirement, veterans, and disability benefits would be limited to three-quarters of the adjustment that would otherwise be made through calendar year 1981. Such a change would be precipitous and inequitable and therefore unacceptable to this administration.				
General revenue sharing	.....	−5.1	−6.9	−6.9
General revenue sharing grants to States and localities could be terminated. Since the inception of this program in 1972, the fiscal condition of State and local governments, in the aggregate, has improved. Despite these improvements, however, general-purpose fiscal assistance is needed to redistribute aid to jurisdictions less able to meet their service obligations. Significant disparities in fiscal capacity among States and localities remain and are substantial enough to warrant continued Federal assistance.				
Federal pay increases	.....	−2.9	−3.0	−3.0
Defense	.....	(−1.8)	(−1.8)	(−1.8)
Civilian agencies and programs	.....	(−1.1)	(−1.1)	(−1.1)
This alternative would deny Federal pay increases that are scheduled for October 1980; the estimates for 1982 and 1983 assume that this reduction would not be made up in later years. Failure to provide this increase would inordinately concentrate restraint on public servants; in the long run such a policy would make Government less effective.				
Energy security initiatives	−1.9	−3.7	−5.2	−7.3
Low-income assistance	.....	(−2.4)	(−2.4)	(−2.4)
Energy supply and conservation	(−0.2)	(−0.6)	(−1.8)	(−3.5)
Transportation programs	(−0.1)	(−0.6)	(−1.0)	(−1.3)
Estimates of 1981 spending would be reduced significantly if the administration did not propose its energy security program. Such an action would be irresponsible in view of the current energy shortage, the long-run nature of the Nation's energy problems, and the need to assist low-income individuals facing dramatic increases in utility costs.				

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As an alternative to making reductions exclusively in major programs, some of the reductions listed above could be chosen together with a number of detailed reductions throughout the budget. The following is one such list but it should be noted that, by itself, it yields only one-fifth of the reduction required to balance the 1981 budget.

ALTERNATE BUDGET: SMALLER OUTLAY REDUCTIONS THROUGHOUT THE BUDGET

(In millions of dollars)

	1981	1982	1983
International affairs:			
Reductions in food aid, AID development programs, the economic support fund and contributions to the multilateral development banks.	−439	−130	−95
Reductions in Export-Import Bank direct loans	−15	−90	−60
Reductions in State Department programs	−71	−99	−89
Energy:			
Across-the-board reductions in supply and conservation programs (other than energy security programs)	−241	−290	−456
Delays in oil purchases for the Strategic Petroleum Reserve	−228	−808	−1,097
Agriculture: Reductions in operating support and construction funds for land grant colleges, grading and marketing services, and basic research	−24	−22	−22
Natural resources:			
Elimination of the Agricultural conservation program	−63	−190	−190
One-year reduction in construction of water resources projects	−100	.....	.....
Reduction in planned acquisition of park areas, other recreational lands, and endangered species habitats by the Land and Water Conservation Fund	−60	−30	−30
Reduction in basic operations of the Forest Service	−42	−57	−57
Reduction in EPA municipal wastewater facilities construction grants	−20	−30	−60
Other reductions (Park Service operations, nonconstruction activities of the Corps of Engineers, earthquake prediction research, urban recreation grants, historic preservation, saline water research and development, operation and maintenance activities of the Water and Power Resources Service, air and water quality grant programs, and river basin surveys)	−147	−122	−85
Highway trust fund: Maintenance of the 1981 program level at the same level as 1980 ($8.4 billion)	−60	−240	−80
Welfare reform: Cancellation of demonstration projects	−226	−271	−34
Public service jobs: Reduction of 25,000 jobs from planned levels	−248	−262	−278

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ALTERNATE BUDGET: SMALLER OUTLAYS REDUCTIONS THROUGHOUT THE BUDGET—Continued

(In millions of dollars)

	1981	1982	1983
Health:			
Elimination of funding for Public Health Service hospitals and clinics	−168	−165	−165
Delay of health services initiatives for 1 year	−55	−40	−10
Delay of benefit improvements for medicare and medicaid for 1 year	−564	.....	.....
Reduction in program level for drug abuse treatment services	−21	−70	−75
Reduction in program level for community health centers	−18	−31	−38
Elimination of adolescent health program	−6	−12	−18
Income security:			
Reduction of Federal housing subsidies for low-income tenants	−414	−801	−1,297
"Freeze" in deductions from gross income permitted for food stamp eligibility and benefit level determination	−110	−110	−110
Continuance of current level of special supplemental food programs for women and infant children (WIC)	−46	−70	−75
Veterans benefits and services:			
No increases in medical programs and benefits, construction, and other programs	−144	−146	−162
Elimination of proposed 10% rate increase in GI bill benefits	−180	−143	−115
LEAA block grant program: Elimination of grant assistance to State and local governments for criminal justice programs	−87	−214	−307
Mass transit operating assistance: Decrease in section 5 base tier formula grants below 1980 levels	−50	−5	.....

The reductions identified above are not included in this budget. Among their more significant effects would be:

- a disproportionate burden on veterans, the poor, the disadvantaged, the aged, and the mentally ill;
- delays in increasing energy supply and conservation that would be in direct conflict with the urgency of finding solutions to national energy problems;
- lack of an appropriate response on the part of the United States to international food and development needs;
- increased costs in future years for programs and projects (such as EPA construction grants) that can be postponed but not cancelled if national needs are to be met;
- abandonment of necessary efforts to preserve natural resources and to use our renewable resources; and
- termination of most Federal assistance to States, cities, and counties for criminal justice programs.

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Every effort has been made in the 1981 budget and in the previous budgets of this administration to eliminate unnecessary spending. Much of the savings this administration has proposed in the past has not been enacted by the Congress. In the 1980 budget, for example, the President proposed legislative actions that would have reduced 1980 outlays by $4.5 billion, including $1.7 billion for hospital cost containment. Of the total amount of savings proposed, the Congress completed action on legislation last session that reduced 1980 outlays by less than $500 million. Hospital cost containment legislation has still not been enacted, although this and a number of other savings proposals may be considered by the Congress during the current session. Prompt action on these proposals is needed.

In this budget, additional savings actions have been proposed. As is noted in Part 2, substantial operating efficiencies and cost reductions have been achieved and more are proposed. Substantial additional reductions cannot be achieved without further program reductions that would unavoidably cause important national needs to go unmet. For these reasons, the administration does not recommend that the reductions listed above be made.

Consideration of these alternative budget proposals is useful nonetheless because it illustrates the nature of the task that the President faces each year in his review of the budget. Indeed, he has already made a large number of difficult choices in order to arrive at the restrained 1981 budget.

These alternatives are not dissimilar from those the President faces every year. Most of the budget is composed of spending for national security and for programs that must be carried out under current law. To achieve significant reductions, the President must face a series of difficult tradeoffs. Should he propose budget cuts that harm millions of people, or should he risk reductions in national security, or both? It is not likely that the Congress or the public would accept precipitous reductions in either of these areas. Yet massive cuts in the remainder of the budget, which comprises less than 25% of the total, would almost certainly create an ineffective Government unacceptable to most.

The effort to restrain Government spending must be continuous and progress must occur incrementally over a period of time. Restraint cannot be accomplished by rhetorical statements or by general directions to eliminate waste, fraud, and abuse. It requires hard and unending efforts to determine the effectiveness of programs and to eliminate or change those that do not meet their objectives. Such changes must be accompanied by the difficult task of coping with the expectations and hopes of program supporters.

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The alternative approaches mentioned in this section may appear unpalatable. Indeed, all actions that would result in major budget reductions are unpalatable to someone. A President faces and makes these kinds of choices each year. This discussion of alternative proposals may increase understanding of the problems inherent in restraint and therefore help develop the support necessary to achieve more restraint in the future.

FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include a number of fiscal activities of the Federal Government that result in spending similar to budget outlays. One major exclusion, the outlays of off-budget Federal entities,[3] is discussed in some detail below. This is followed by a discussion of the Government-sponsored enterprises, which are outside the budget because of their private ownership.[4] Taxation and tax expenditures, which also have significant effects on the economy, are discussed subsequently. The regulation of economic activity can also have economic effects similar to budget spending by requiring the private sector to make expenditures for specified purposes, such as safety and pollution control. While important, these effects cannot be quantified satisfactorily at the current time and therefore are not discussed in this section.

Loan guarantees, which also allocate economic resources toward particular uses, provide credit to borrowers at more favorable terms than would otherwise be available in the private market. Beginning this year, the administration has established a set of budget-type controls on much of the Government's direct loan and loan guarantee activity. The credit control system and the estimated amounts of lending, including loan guarantees, are discussed in Parts 2 and 5 of this *Budget.*

Outlays of off-budget Federal entities.—Off-budget Federal entities are federally owned and controlled, but their transactions have been excluded from the budget totals under provisions of law.[5] Therefore, their fiscal activities are not reflected in either budget outlays or the budget surplus or deficit, appropriation requests for their programs are not included in the totals of budget authority for the budget, and their outlays are not subject to the ceilings set by the congressional budget resolutions. As shown in the table on page 340, the outlays of the off-budget Federal entities are added to the budget deficit to derive the total Government deficit that has to be financed by borrowing from the public or by other means.

[3] Financial statements for these entities are published in the *Appendix, Budget of the United States Government, Fiscal Year 1981.* See Part IV, "Off-Budget Federal Entities."

[4] For financial statements, see the *Appendix,* Part VI, "Government-Sponsored Enterprises."

[5] The Board of Governors of the Federal Reserve System (but not the Federal Reserve banks, which are privately owned) is a Federal organization. It is excluded from the budget and from this discussion.

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When off-budget outlays are financed by Treasury borrowing, the additional debt is subject to the statutory debt limit; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt.

The concept of the unified budget, currently used as a foundation for the budget of the Federal Government, was adopted beginning with the 1969 budget. It combined the administrative budget with the substantial trust fund transactions of the Federal Government. The first departure from the unified budget concept occured in August 1971, when the Export-Import Bank was excluded by statute from the budget. Further departures followed. The Postal Service fund, the Rural Telephone Bank, the lending transactions that became the Rural Electrification and Telephone revolving fund, and the Housing for the Elderly or Handicapped fund were removed from the budget. The Federal Financing Bank, the U.S. Railway Association, and the Pension Benefit Guaranty Corporation were established off-budget. The Exchange Stabilization Fund had always been outside the unified budget, although until 3 years ago it was classified as a deposit fund instead of an off-budget Federal entity.[6]

In the past 4 years the trend toward increasing the number of off-budget Federal entities has been reversed. The Export-Import Bank was returned to the budget by statute on October 1, 1976, and the Housing for the Elderly or Handicapped fund was returned to the budget by statute a year later. In 1978 Congress enacted legislation proposed by the administration to include in the budget the administrative expenses previously paid by the Exchange Stabilization Fund. The interest collections of the fund were put on-budget by administrative action at the same time, and in the current budget the actual profits and losses realized from foreign exchange transactions are being put on-budget.[7] To the extent feasible the budget outlays and deficits of previous years have been revised to include these three entities so that the series measuring budget transactions over time would be as consistent as possible. Legislation has also brought most of the transactions of the U.S. Railway Association into the budget. Almost all of the Association's current activity is for assistance to Conrail, and since the start of this program in 1976 the purchase of Conrail securities has been included in the budget by law.

[6] The Exchange Stabilization Fund conducts a cycle of operations similar to revolving funds. Consequently, its classification as a deposit fund was contrary to the normal definition of a deposit fund: an account that records amounts held by the Government as an agent for others or amounts held in suspense temporarily before being refunded or paid into some other fund.

[7] Because it is not practicable to forecast transactions in gold, foreign currency, and foreign investments, the budget will continue the past practice of not estimating profits and losses from foreign exchange transactions for the current and future years.

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Despite the exclusion of the off-budget entities from the budget, some of the outlays related to their operations are nonetheless included in the budget totals. The budget totals include the subsidy paid to the Postal Service fund and the administrative expenses of the Rural Electrification lending programs and the U.S. Railway Association. Moreover, while the budget authority and outlays of off-budget Federal entities are excluded from the budget totals, some of their activities are subject to Presidential and congressional review. For example, limits on the amount of new lending for the rural electrification program financed by the Rural Electrification and Telephone revolving fund are set annually by law; the outstanding debt and annual borrowing of the Postal Service are limited by statute; and the budget program of the Pension Benefit Guaranty Corporation is approved in an appropriation act.

As part of its energy program the administration has proposed to create an independent Energy Security Corporation outside of the budget in order to help private industry finance the development of oil substitutes. Although the Corporation is itself off-budget, its funding is to be included in the budget totals. The funds for carrying out the Corporation's activities are proposed to come from direct appropriations to the Treasury. The Treasury will make direct loans to the Corporation,[8] and the Treasury outlays for this purpose will be included in the budget totals. These budget outlays will at the same time count as income to the Corporation and, consequently, as offsets to the Corporation's own off-budget outlays. Since the Corporation will acquire funds only as needed, its net off-budget outlays will be approximately zero.[9]

Even though the exclusion of off-budget Federal entities from the budget results from provisions of law, the Congress has expressed concern about this practice. The Congressional Budget Act of 1974 calls for the Committees on the Budget of the House of Representatives and the Senate to study on a continuing basis those provisions of law that exclude any outlays of Federal entities from the budget and to report to their respective Houses their recommendations for terminating or modifying such provisions. In 1976, the House Budget Committee held hearings and then adopted a report recommending that the budget include the administrative expenses of the Exchange Stabilization Fund and the outlays of all other off-budget Federal entities except the Federal Financing Bank. At that time the Committee deferred judgment about the Federal Financing Bank.[10] The House Budget Committee subsequently supported

[8] In time, these loans will be repaid from windfall profit tax receipts.

[9] Any receipts of the Corporation will also be offsets to its outlays and will reduce its need to borrow from Treasury.

[10] House of Representatives, Committee on the Budget, *Off-Budget Activities of the Federal Government*, Report No. 94-1740 (1976); and *First Concurrent Resolution on the Budget—Fiscal Year 1978*, Report No. 95-189 (1977), pp. 11-12 and 135.

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legislation to include the Federal Financing Bank in the budget and renewed its recommendation to include the other off-budget entities.[11] The first and second congressional concurrent resolutions on the budget for 1980 recommended that a way be found within the congressional budget process to relate accurately the outlays of off-budget Federal entities to the budget.

Except for the Postal Service and the Pension Benefit Guaranty Corporation, the excluded outlays of the off-budget Federal entities are incurred for carrying out loan programs. These programs are of the same nature as the direct loan programs in the budget. The outlays of the off-budget loan programs are approximately equal to the difference between new loans disbursed and repayments of principal. For example, during 1981, new loans disbursed by the excluded programs are estimated to be $25.6 billion and repayments $8.9 billion, for an increase in loans outstanding of $16.6 billion. This is about the same as the estimated outlays of these programs, which are $16.5 billion. The difference is due to such factors as administrative expenses and interest paid and received.

Like direct loans in the budget, the loans of the off-budget entities are designed to allocate economic resources toward particular uses. Part 5 of the *Budget,* "Meeting National Needs: the Federal Program by Function," shows the outlays of the off-budget Federal entities by function and discusses some of their more significant activities.

OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

(In billions of dollars)

Off-budget Federal entity	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Federal Financing Bank	13.2	16.4	16.3	15.0	11.8
Rural Electrification and Telephone revolving fund	—*	.....	.....	.....	.....
Rural Telephone Bank	.1	.2	.1	.1	.2
Pension Benefit Guaranty Corporation	—*	—*	—*	—*	—*
Postal Service fund	—.9	.2	1.6	—.1	.9
U.S. Railway Association	.1	.1	.1	.1	.1
Energy Security Corporation	.....	.....	.....	.....	.....
Total	**12.4**	**16.8**	**18.1**	**15.1**	**12.9**

*$50 million or less.

As the table above shows, the Federal Financing Bank (FFB) accounts for most of the off-budget outlays. Among the other off-budget Federal entities, only the Postal Service fund in some years, such as 1981, has comparatively large outlays. The outlays of the

[11] House of Representatives, Committee on the Budget, *First Concurrent Resolution on the Budget—Fiscal Year 1979,* Report No. 95-1055 (1978), p. 23.

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Postal Service fund are calculated with an offset for the subsidy that it receives, included in the budget, which is mostly for public service costs and for revenue forgone from carrying certain mail at free or reduced rates. This subsidy is estimated to be $1.6 billion in 1981.

The FFB's outlays do not come from programs that the FFB operates itself. Instead, the FFB assists other programs within the Government by purchasing their debt securities or purchasing obligations that they have guaranteed. The outlays of the FFB include only its purchase of guaranteed obligations, not its purchase of Federal agency debt. An agency's outlays increase when it spends the proceeds of borrowing from the FFB, so FFB outlays must exclude this borrowing transaction in order to prevent double counting.

The FFB buys two types of guaranteed obligations, newly originated loans and loan assets. When the FFB buys newly originated guaranteed loans, it is FFB that makes the loan, with the loan being guaranteed by another agency. Thus, the newly originated guaranteed loans are converted into direct Federal loans outside the budget.

Loan assets are loans that an agency has made in the past. According to law, the category of loan assets also includes certificates of beneficial ownership issued by the Farmers Home Administration and Rural Electrification and Telephone revolving fund. These certificates are securities backed by loans that the agency continues to hold and service.[12]

The sales of loan assets are treated as offsets to the outlays of the agency that sells them, so if the selling agency is in the budget its loan asset sales reduce the amount by which the direct loans of Federal agencies add to budget outlays. When the FFB buys loan assets, it in effect converts direct loans that have already been made by another agency into off-budget direct loans of the FFB.

[12] The President's Commission on Budget Concepts recommended that the sale of such securities (also known as participation certificates) be treated as borrowing, since as a means of financing outlays there is no difference between an agency selling securities labeled "certificates of beneficial ownership," the same agency selling securities labeled "debt," and the Treasury selling securities labeled "debt." See *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), pp. 8, 47–48, and 54–55.

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ATTRIBUTION OF FEDERAL FINANCING BANK OUTLAYS

(In millions of dollars)

Description	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Outlays from direct loans, by agency or program:					
Farmers Home Administration: certificates of beneficial ownership	8,805	5,790	8,450	3,227	2,815
Rural Electrification and Telephone revolving fund:					
Certificates of beneficial ownership	586	760	845	945	801
New originations	1,735	3,400	3,900	4,397	5,978
Foreign military credit sales	1,293	2,420	1,990	2,270	1,020
Low rent public housing	.....	1,557	−50	2,946	512
Community development	5	162	264	247	56
Health maintenance organizations	20	114	138	168	51
Student Loan Marketing Association [1]	530	670	−215	90	375
Amtrak and other railroad programs	−25	305	241	235	−51
Export-Import Bank: export guarantees	.....	50	350	500	340
National Aeronautics and Space Administration	184	132	101	.....	.....
Small business investment companies	86	188	184	182	109
Tennessee Valley Authority: Seven States Energy Corporation	.....	684	16	.....	.....
Other	64	18	30	−50	−58
Subtotal, outlays from direct loans	13,282	16,249	16,244	15,157	11,949
Interest, transfer of surplus, and administrative expenses	−110	159	72	−140	−143
Total, FFB outlays	**13,172**	**16,408**	**16,316**	**15,017**	**11,806**

[1] Beginning in 1982, it is proposed that the activities attributed to the Student Loan Marketing Association be assumed by the Government Student Loan Association within the Department of Education.

The above table attributes FFB outlays to the agencies and programs that it assists by purchasing guaranteed loans and loan assets. FFB outlays attributed to an agency or program equal gross FFB loans (of either type) less repayments. The remainder of FFB outlays consists of administrative expenses, the transfer of surplus to the general fund, and interest paid on borrowings from Treasury, offset by interest received on its holdings of loans and debt. The attribution of FFB outlays by function is shown as a memorandum entry to the tables throughout Part 5, and a complete listing is given at the end of Part 8.

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As shown in this table on attributions, FFB assists a wide variety of programs by its purchases of guaranteed loans and loan assets. The largest part of FFB's outlays over the period as a whole, and in some years over half of its outlays, are attributable to its purchases of certificates of beneficial ownership from the Farmers Home Administration. Since the Farmers Home Administration is on-budget, these transactions decrease total budget outlays as well as the outlays of the Farmers Home Administration. The purchase of certificates of beneficial ownership from the off-budget rural electrification and telephone revolving fund explains the small size of this fund's outlays in the previous table on the outlays of off-budget entities. These transactions offset this fund's outlays and augment the outlays of the FFB.

The following table compares the outlays of the off-budget Federal entities with budget outlays.[13] The outlays of the entities that are now off-budget (which thus exclude the Export-Import Bank and Exchange Stabilization Fund) were negligible in 1973 but grew rapidly afterwards, as the Federal Financing Bank and other off-budget entities were created or shifted out of the budget. The outlays of the off-budget Federal entities equalled 2.5% of budget outlays in 1979 and are estimated to equal 3.0% in 1980 and 2.9% in 1981.

[13] The historical data for budget outlays include Federal entities that are now off-budget for any period when they were in the budget, and include Government-sponsored enterprises for periods when they had any Government ownership. The outlays of former off-budget entities are included in the budget totals for all years to the extent practicable.

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COMPARISON OF OUTLAYS FOR THE BUDGET, OFF-BUDGET FEDERAL ENTITIES, AND GOVERNMENT-SPONSORED ENTERPRISES

(In billions of dollars)

Fiscal year	Outlays			
	Federal Government [1]			Government-sponsored enterprises [2]
	Budget	Off-budget Federal entities	Total	
1960	92.2	.....	92.2	.4
1961	97.8	.....	97.8	—.3
1962	106.8	.....	106.8	1.1
1963	111.3	.....	111.3	.5
1964	118.6	.....	118.6	1.8
1965	118.4	.....	118.4	1.2
1966	134.7	.....	134.7	1.9
1967	158.3	.....	158.3	—2.9
1968	178.8	.....	178.8	1.7
1969	184.5	.....	184.5	4.3
1970	196.6	.....	196.6	9.6
1971	211.4	.....	211.4	*
1972	232.0	.....	232.0	4.4
1973	247.1	0.1	247.1	11.4
1974	269.6	1.4	271.1	14.5
1975	326.2	8.1	334.2	7.0
1976	366.4	7.3	373.7	4.6
TQ	94.7	1.8	96.5	2.3
1977	402.7	8.7	411.4	10.2
1978	450.8	10.3	461.2	25.6
1979	493.7	12.4	506.1	27.1
1980 estimate	563.6	16.8	580.3	16.4
1981 estimate	615.8	18.1	633.9	17.7
1982 estimate	686.3	15.1	701.4	[3]
1983 estimate	774.3	12.9	787.2	[3]

*$50 million or less.

[1] The 1972–77 and TQ data have been revised to include the Export-Import Bank and the Housing for the elderly or handicapped fund in the budget instead of with the off-budget Federal entities. The administrative expenses and interest collections of the Exchange Stabilization Fund are included in the budget beginning in 1976, and the actual profits and losses realized from foreign exchange transactions are included beginning in 1979. Comparable data are not available for earlier years.

[2] To prevent double counting, outlays of Government-sponsored enterprises exclude loans to other Government-sponsored enterprises and loans to or from Federal agencies and off-budget Federal entities.

[3] Not available.

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Government-sponsored enterprises.—Several Government-sponsored enterprises have been established and chartered by the Federal Government to perform specialized credit functions. The earlier enterprises were all created with partial or full Government ownership and with direct Government control, but, in time, they were converted to private ownership and some new enterprises were created as privately owned institutions. The rule governing the budget treatment of these enterprises was established in 1967 in accordance with a recommendation by the President's Commission on Budget Concepts. The Commission recommended that the budget exclude those Government-sponsored enterprises that are entirely privately owned. Since the enterprises carry out federally designed programs and receive benefits from their close association with the Government, the Commission recommended that financial statements of their operations be included in the budget documents.[14]

The Federal land banks and Federal home loan banks had both become entirely privately owned a number of years before the unified budget was adopted and therefore have always been excluded. The Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Intermediate Credit Banks became wholly privately owned by repaying their Federal equity capital late in calendar year 1968 and were accordingly removed from the budget for all later periods. The Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association (SLMA) were subsequently established with full private ownership. Under proposed legislation, however, the activities of SLMA will be assumed in 1982 by the Government Student Loan Association, a division within the Department of Education, and these activities will be included within the budget totals.

The Government-sponsored enterprises were all created to carry out loan programs, either lending their funds directly for specifically authorized purposes, or buying loans originated by the private groups that they were established to assist. Their loans primarily support housing, but also support agriculture and higher education. As shown in the preceding table, the outlays of the privately owned Government-sponsored enterprises have grown considerably—from relatively small amounts in the early 1960's to an average of $14.6 billion (equal to 3.6% of budget outlays) during 1975-79.

The operations of the Government-sponsored enterprises are not subject to the Federal budget review process, and the economic assumptions on which their estimates are based are not necessarily the same as the administration's economic forecast shown in Part 3. In 1981 these enterprises estimate that they will spend $17.7

[14] *Report of the President's Commission on Budget Concepts*, pp. 29-30.

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billion, an amount equal to 2.9% of budget outlays in that year. The following table shows the amounts of Government-sponsored loans outstanding and net loans (i.e., the change in loans outstanding) during 1978–81, in billions of dollars: [15]

	1978 actual	1979 actual	1980 estimate	1981 estimate
Loans outstanding, end of year	95.5	123.0	138.1	151.9
Net loans	25.0	27.5	15.1	13.8

Taxation and tax expenditures.—Taxation affects the economy not only by providing the Government with receipts, but also by changing the allocation of resources among private uses and the distribution of income and wealth among individuals. These effects are caused by the structural characteristics of each different tax—for example, by the rate schedules, exemptions, deductions, and exclusions of the individual income tax—and by the magnitude of each tax. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays.

Some features of the tax structure are called "tax expenditures" and receive special attention in the budget. Tax expenditures are defined as revenue losses under the individual and corporation income taxes that are attributable to a special exclusion, exemption, or deduction from gross income or to a special credit, preferential tax rate, or deferral of tax liability.

Tax expenditures are one means by which the Federal Government pursues its objectives and in almost all cases can be viewed as alternatives to other instruments of Government policy, such as outlays, loan guarantees, regulations, and provisions of the tax law aside from those that give rise to tax expenditures. The objectives of tax expenditures are varied. Nearly all are intended either to encourage particular economic activities or to reduce the tax liabilities of taxpayers in special circumstances. Among the economic activities encouraged are investment, homeownership, State and local government borrowing, and support of charities; among the persons with reduced tax liabilities are many of the aged and unemployed and taxpayers with high medical expenses.

Tax expenditures ordinarily result from permanent legislation and therefore, unlike much of the budget, are not submitted to the Congress each year and do not routinely receive a formal and systematic annual review. Some tax expenditures and many other provisions of tax law were, nonetheless, reviewed by the administration and the Congress during the 2 years of work that led to the Revenue Act of 1978. The Treasury Department and the Office of

[15] To prevent double counting in adding Government-sponsored loans to Federal direct loans and loan guarantees, excludes loans from one Government-sponsored enterprise to another, loans from the Federal Government, and guaranteed loans acquired.

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Management and Budget reviewed a number of major tax expenditure provisions in connection with the review of this budget, particularly those provisions related to housing and energy.

The Congressional Budget Act requires that the estimated levels of tax expenditures be presented each year in the budget that the President submits to the Congress and in the reports of the Senate and House Budget Committees to their respective Houses on the proposed congressional budget resolutions. This is intended to encourage regular examination of tax expenditures by the administration, the Congress, and the public. The provisions of the income tax law other than those that result in tax expenditures, although they can also affect the allocation of resources and the distribution of income, do not receive either an annual, systematic review or the kind of budget presentation mandated for tax expenditures; nor do taxes other than the individual and corporation income taxes receive such a review. However, tax expenditures, other provisions of the income tax, and other tax laws are generally all reviewed whenever fiscal policy decisions are considered regarding the overall level of tax receipts.

The classification of certain provisions of law as resulting in tax expenditures requires some standard against which the law can be compared. Deviations of the law from this standard—sometimes called the "normal tax structure"—are deemed to cause tax expenditures. The "normal tax structure" used for the individual income tax includes those provisions that exist under current law for graduated rate schedules, personal exemptions, and standard deductions. Thus, under current definition, these characteristics of the tax structure do not generate tax expenditures.

The normal tax structure is not defined in the tax code. The concept that is used has evolved from various congressional and public reviews of the tax system focusing on the definitions of the income tax base and on the rates applied to that base. A different standard might exclude personal exemptions and standard deductions and thus classify these provisions as resulting in tax expenditures; or, a different standard might integrate the individual and corporation income taxes, but the analysis in this budget regards the separate taxation of individuals and corporations as part of the normal tax structure. The provisions of tax law that are not defined as resulting in tax expenditures deserve as much scrutiny as the provisions that are, since they also have resource allocation and income distribution effects.

Tax expenditures are presented at two places in the budget. Part 5, "Meeting National Needs: the Federal Program by Function," discusses the most important tax expenditures in each functional category, together with outlays and loan guarantees, in order to describe more fully the effects of governmental policy toward meeting each national need. Special Analysis G, "Tax Expenditures,"

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discusses the concept of tax expenditures and presents a complete list of tax expenditure estimates for individuals and corporations in 1979-81.[16] [17]

The figures shown for tax expenditures are necessarily estimates for past years as well as future ones, since they compare actual tax receipts with what tax receipts would have been if the tax law had been different. The method of estimation is to assume that only the tax provision in question is removed and that taxpayer behavior and all other characteristics of the tax system remain the same. If removing a particular provision would increase taxable income, as in most cases, the tax expenditure is then estimated as the increase in taxable income multiplied by the appropriate tax rate.

The size of a particular tax expenditure depends not only on the tax provision in question but also on the interaction of this provision with the rest of the tax structure. The income tax changes enacted in 1978, as an example, automatically decreased many tax expenditures below what they otherwise would have been, since they reduced the tax rate schedules and raised standard deductions and personal exemptions. The reduction in the tax rate schedules decreased the amount of receipts that would be gained by repealing deductions and exclusions, because lower tax rates would be applied to the increase in taxable income; the higher standard deductions decreased the number of taxpayers itemizing deductions, thereby lowering tax expenditures for deductions, particularly those taken disproportionately by low-income taxpayers; and the higher standard deductions and personal exemptions decreased the taxable income and marginal tax rates of individual taxpayers, thereby reducing the receipts that would be gained by repealing deductions and exclusions.

The interaction among tax provisions means that special calculations are generally needed to add tax expenditures together. For example, if more than one exclusion from individual income were ended, the gain in receipts would generally be greater than the sum of the separate tax expenditures, because some taxpayers would move into higher tax rate brackets. If more than one personal deduction were ended, the gain in receipts would generally be smaller than the sum of the separate tax expenditures, because some taxpayers would switch to the standard deduction. According to a special calculation made by Treasury, if all itemized deductions resulting in tax expenditures were eliminated, the gain in

[16] See *Special Analyses, Budget of the United States Government, Fiscal Year 1981.* The presentation in the special analysis meets the requirement in the Congressional Budget Act that tax expenditures be set forth in the budget.

[17] The role of certain tax expenditures as a form of credit assistance is discussed in Special Analysis F, "Federal Credit Programs."

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receipts in 1981 would be $44.5 billion. In comparison, the sum of the separate tax expenditures is $58.9 billion. Consequently, except for a few special calculations, adding together separate tax expenditures would be misleading, and they are not generally added together in this budget. Where tax expenditures for both individuals and corporations result from the same provision, however, such as the investment tax credit, the interaction is negligible and the two estimates may meaningfully be added.

Even aside from these interaction effects, budget receipts would not necessarily be raised by the total amount of a group of tax expenditures if all the tax expenditure provisions were removed together. Tax expenditures and other provisions of tax law have frequently been changed together or viewed as substitutes for one another. Furthermore, a direct outlay may be substituted for a tax expenditure. Thus, an aggregation of tax expenditures that did take interaction into account would indicate the total resources available for some combination of cutting tax rates, increasing outlays, or reducing the deficit. The overall effects on resource allocation and income distribution from removing the tax expenditure provisions would therefore depend on the particular decisions made as to which changes in tax rates and outlays—out of a limitless number of alternatives—were used to compensate for their removal.

As discussed in Part 4, "Budget Receipts," the principal tax change proposed in this budget is the windfall profit tax, which was initially proposed last year and is now in conference committee to resolve the differences between the versions passed by the Senate and the House. Since this is an excise tax, it does not itself give rise to tax expenditures. As a related part of the same program, however, the administration proposes to reduce the gross income base for calculating percentage depletion by the amount of the windfall profit. This would decrease the tax expenditure from percentage depletion.

The proposal for a windfall profit tax has been accompanied by several tax expenditure proposals designed to stimulate energy conservation and production. They supplement the tax expenditure and other incentive provisions in the Energy Tax Act of 1978, which were discussed in last year's *Budget.* Credits would be allowed against income tax for woodburning stoves and for builders who use passive solar technology in the construction of new residences and commercial buildings. Income tax credits would also be given to producers of natural gas from unconventional sources, such as tight sands. A further energy incentive, though not a tax expenditure, is the proposal to extend to the year 2000 the exemption of gasohol from the Federal excise tax on gasoline and diesel fuels.

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The administration also supports the proposal to restrict the use of tax-exempt bonds for mortgage financing. This proposal would reduce the tax expenditure arising from the exemption of interest on State and local securities. The use of tax-exempt bonds would be banned for owner-occupied housing, and its use for multifamily housing projects would be limited to projects with a sufficient proportion of low-income residents. Enactment of this proposal would halt an abuse of the tax-exempt borrowing privilege and would stem a great potential loss in tax receipts.

BUDGET FUNDS AND THE FEDERAL DEBT

The budget consists of two major groups of funds: Federal funds and trust funds.[18]

The Federal funds are derived mainly from taxes and borrowing and are used for the general purposes of the Government. Most of these funds are not restricted by law to any specific Government program. The trust funds, on the other hand, collect certain taxes and other receipts for specified purposes, such as paying social security and unemployment insurance benefits.

BUDGET TOTALS BY FUND GROUP

(In billions of dollars)

	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Budget receipts:					
Federal funds	316.4	347.8	383.2	438.3	515.5
Trust funds	189.6	222.2	265.1	307.0	340.7
Interfund transactions	−40.1	−46.2	−48.3	−54.2	−57.3
Total, budget receipts	465.9	523.8	600.0	691.1	798.8
Budget outlays:					
Federal funds	362.4	405.7	429.7	480.2	543.6
Trust funds	171.3	204.1	234.3	260.3	288.1
Interfund transactions	−40.1	−46.2	−48.3	−54.2	−57.3
Total, budget outlays	493.7	563.6	615.8	686.3	774.3
Budget surplus or deficit (−):					
Federal funds	−46.1	−57.8	−46.5	−41.9	−28.1
Trust funds	18.3	18.1	30.8	46.7	52.6
Total, budget surplus or deficit (−)	**−27.7**	**−39.8**	**−15.8**	**4.8**	**24.5**
Memorandum:					
Deficit (−), off-budget Federal entities[1]	−12.4	−16.8	−18.1	−15.1	−12.9
Total, surplus or deficit (−) including off-budget Federal entities	−40.2	−56.5	−33.9	−10.3	11.7

[1] All off-budget Federal entities are revolving funds; income is offset against expenditure to derive net outlays. Hence, no adjustments are made to receipts when on and off-budget totals are consolidated. Virtually all off-budget outlays would be classified as Federal funds outlays if they were included in the budget.

[18] Data for Federal funds and trust funds are presented in Special Analysis C, "Funds in the Budget," in *Special Analyses, Budget of the United States Government, Fiscal Year 1981.*

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The budget includes the receipts and outlays of both the Federal funds and the trust funds and, as shown in the table on the previous page, deducts the various transactions that occur between them. The budget totals for receipts and outlays therefore generally display the net transactions of the Federal Government with the public. The budget does not, however, include the transactions of the Federal Financing Bank and the other off-budget Federal entities, which have been excluded from the budget under provisions of law. Were they to be included in the budget, virtually all of their transactions would be classified in the Federal funds group.

BUDGET FINANCING AND CHANGE IN DEBT OUTSTANDING [1]

(In billions of dollars)

Description	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Budget surplus or deficit (—)	—27.7	—39.8	—15.8	4.8	24.5
Deficit (—) of off-budget Federal entities	—12.4	—16.8	—18.1	—15.1	—12.9
Total, surplus or deficit (—)	—40.2	—56.5	—33.9	—10.3	11.7
Means of financing other than borrowing from the public:					
Decrease or increase (—) in cash and monetary assets	2.1	10.1	.....	.....	.....
Increase or decrease (—) in liabilities for:					
Checks outstanding, etc	.7	.3	—.3	.....	.....
Deposit fund balances	2.7	.9	.6	.....	.....
Seigniorage on coins	1.0	1.0	.4	1.0	1.1
Total, means of financing other than borrowing from the public	6.5	12.2	.8	1.0	1.1
Total, requirements for borrowing from the public	—33.6	—44.3	—33.1	—9.3	12.7
Change in debt held by the public	33.6	44.3	33.1	9.3	—12.7
Change in Federal agency investments in Federal debt:					
Federal funds	3.4	1.4	1.6	.....	.....
Trust funds [2]	15.6	13.8	13.8	24.0	29.0
Off-budget Federal entities	.7	—.4	—1.9	.....	.....
Total, change in Federal agency investments in Federal debt	19.7	14.8	13.4	24.0	29.0
Change in gross Federal debt	53.3	59.1	46.5	33.2	16.2

[1] Several amounts have been assumed to be zero in 1982 and 1983 because they are usually small and cannot be estimated accurately.
[2] Estimates for 1982 and 1983 are equal to the total trust fund surplus less the surplus of the Energy security trust fund.

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Thus, as shown in the preceding table, the combined deficit or surplus of the budget and the off-budget entities is the principal determinant of the change in the Federal debt held by the public.[19] The budget and off-budget deficits, together with the other factors noted in this table, are estimated to increase the Federal debt held by the public from $644.6 billion at the end of 1979 to $722.0 billion at the end of 1981—a $77.4 billion increase over the 2 years. Debt beyond the budget year is projected on the basis of the assumptions for the economy and the tentative long-range planning base that are explained in Part 3 of this volume. Debt held by the public is projected to rise in 1982, due to the deficit of the off-budget Federal entities, but to fall in 1983 because of a large budget surplus.

Gross Federal debt is the sum of the debt held by the public and the debt held by the Government itself, which includes such investments as the Treasury debt held by the social security and other trust funds. At the end of 1981 gross Federal debt is estimated to be $939.4 billion, of which internally held debt is $217.4 billion. Thus, gross Federal debt is much larger than the Federal debt held by the public.

Gross Federal debt is estimated to rise by $46.5 billion during 1981. As indicated in the lower section of the preceding table, $13.4 billion of this increment will be held by trust funds and other Federal agencies, reflecting mainly the investment of trust fund surpluses in Treasury debt. The Federal funds deficit and the deficit of off-budget Federal entities have ordinarily been the principal determinants of the change in gross Federal debt.

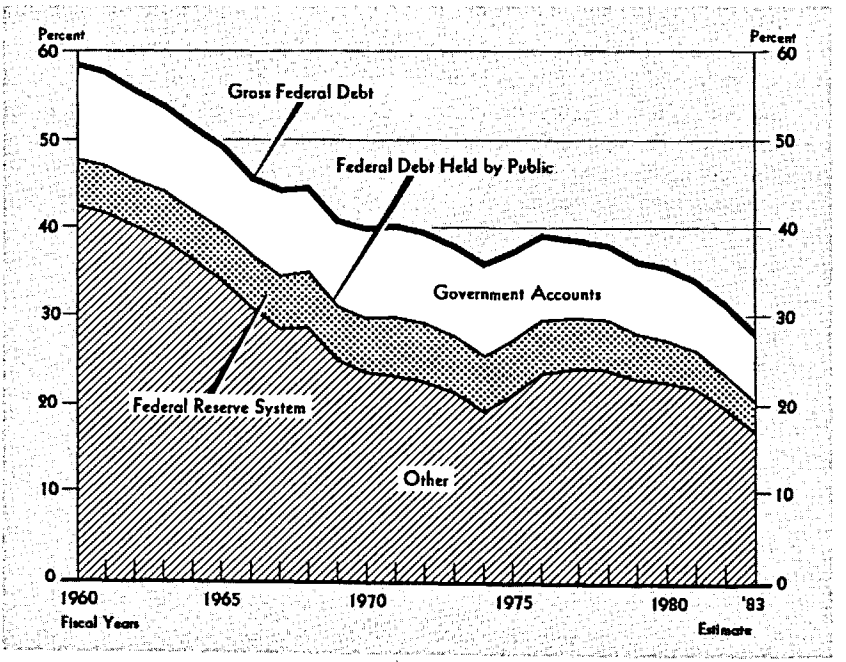
The gross Federal debt consists almost entirely of securities issued by the Treasury Department. However, a few Government agencies are authorized to issue their own debt instruments to the public or to other Government agencies and funds. These securities are part of the gross Federal debt. At the end of 1979 the public held $5.8 billion of agency debt. This debt is expected to fall by small amounts each year as existing agency debt matures and most new agency borrowing is from the Federal Financing Bank (FFB). The FFB finances its purchases of agency debt by borrowing from Treasury, which in turn borrows from the public. To prevent double counting, FFB's holdings of agency debt are not included in gross Federal debt.

[19] Table 9 in Part 9 of this volume contains more detail on budget financing through 1981 and shows the levels of debt from 1978 to 1981. Federal debt is discussed further in Special Analysis E, "Borrowing, Debt, and Investment," in *Special Analyses, Budget of the United States Government, Fiscal Year 1981.*

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As shown in the following chart, the debt held by the public was equal to more than 40% of GNP in the early 1960's, and gross Federal debt was equal to more than 50%. Both proportions declined steadily through 1974. Because of the successive large deficits induced by the 1974–75 recession and its aftermath, Federal debt as a proportion of GNP then rose. Federal debt held by the public increased from a postwar low of 25% in 1974 to 30% in 1977, but has declined since then and is estimated to decline further to 26% in 1981 and to still lower proportions in the following 2 years.

Federal Debt as a Percent of GNP



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FEDERAL FUNDS FINANCING AND CHANGE IN DEBT SUBJECT TO LIMIT

(In billions of dollars)

Description	1979 actual	1980 estimate	1981 estimate
Federal funds surplus or deficit (−)	**−46.1**	**−57.8**	**−46.5**
Deficit (−) of off-budget Federal entities	**−12.4**	**−16.8**	**−18.1**
Total, amount to be financed	−58.5	−74.6	−64.6
Means of financing other than borrowing:			
Decrease or increase (−) in cash and monetary assets	2.1	10.1	.....
Increase or decrease (−) in liabilities for:			
Checks outstanding, etc	3.5	−1.1	−.2
Deposit fund balances	2.7	.9	.6
Seigniorage on coins	1.0	1.0	.4
Uninvested trust fund surplus [1]	.....	5.7	17.0
Total, means of financing other than borrowing	9.3	16.6	17.8
Decrease or increase (−) in Federal funds and off-budget entity investments in Federal debt	−4.1	−1.0	.3
Increase or decrease (−) in Federal funds and off-budget entity debt not subject to limit	−1.6	−.5	−.5
Total, requirements for borrowing subject to debt limit	−54.9	−59.6	−47.1
Change in debt subject to limit	**54.9**	**59.6**	**47.1**

[1] Energy Security Trust Fund only.

Almost all Treasury debt issues are covered by a statutory debt limit, though most borrowing by Federal agencies other than the Treasury is excluded from this limit. The ceiling on the debt subject to limit is $879 billion through May 31, 1980. To permit the Federal Government to meet its obligations, this ceiling will have to be extended and raised.

Debt subject to the general statutory limit, like gross Federal debt, includes debt held internally within the Government, such as the Treasury issues held by the social security trust funds. Debt subject to the statutory limit is therefore much larger than the debt held by the public and is nearly as large as gross Federal debt. It is a little less than gross Federal debt primarily because of the exclusion of most agency debt from the general statutory limitation.

Since trust fund surpluses for the most part have been invested in debt securities included under the general statutory limit, the Federal funds deficit and the deficit of off-budget Federal entities

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must normally be financed primarily by selling Federal debt; and this debt is almost entirely subject to the statutory limit. As shown in the preceding table, the Federal funds deficit plus the off-budget deficit was $58.5 billion in 1979, and the increase in debt subject to statutory limit was $54.9 billion. Thus, these deficits approximately accounted for the increase in the debt subject to limit. The surplus of the proposed energy security trust fund will not be invested in Federal debt, however, and thus will be available to finance Federal funds and off-budget outlays without an increase in debt subject to limit (and without an increase in gross Federal debt). Thus, in 1981 the estimated increase in debt subject to limit is substantially less than the total deficit of the Federal funds and off-budget Federal entities.

A large part of the Federal funds deficit—and, therefore, a large part of the growth in debt subject to limit—is associated with transactions between Federal funds and trust funds. These transactions consist primarily of Federal funds payments to trust funds. These payments include interest paid on Treasury debt securities held by trust funds; the employer share of employee retirement payments; the Federal payment to finance the unfunded liability of the civil service retirement fund; and other payments, which are primarily to social insurance trust funds, such as the Federal Government's contribution for supplementary medical insurance. The trust fund payments to Federal funds are relatively small.

BUDGET SURPLUS OR DEFICIT (—) BY FUND GROUP [1]

(In billions of dollars)

Description	1979 actual	1980 estimate	1981 estimate	1982 estimate	1983 estimate
Federal funds:					
Transactions with the public [2]	—14.8	—24.0	—6.5	3.0	19.1
Transactions with trust funds	—31.2	—33.9	—40.0	—44.9	—47.3
Total	—46.1	—57.8	—46.5	—41.9	—28.1
Trust funds:					
Transactions with the public [2]	—12.9	—15.8	—9.3	1.8	5.4
Transactions with Federal funds	31.2	33.9	40.0	44.9	47.3
Total	18.3	18.1	30.8	46.7	52.6
Budget total:					
Federal funds	—46.1	—57.8	—46.5	—41.9	—28.1
Trust funds	18.3	18.1	30.8	46.7	52.6
Total	**—27.7**	**—39.8**	**—15.8**	**4.8**	**24.5**

[1] For purposes of this analysis, payments from Federal funds to the general revenue sharing trust fund are treated as transactions with the public instead of transactions with a trust fund; and the corresponding payments from the general revenue sharing trust fund to the public are accordingly omitted. This is because the general revenue sharing trust fund has no independent source of funding, and serves only as a channel through which a Federal funds payment is made to the public.

[2] Includes some incidental transactions with off-budget Federal entities.

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The cumulative Federal funds deficit from 1970 through 1979 was $410.9 billion, of which $199.4 billion was attributable to transactions with trust funds and the remaining $211.5 billion was attributable to transactions with the public. The Federal funds group can have a deficit at the same time as there are surpluses in the budget and in the transactions of the Federal funds group with the public. This occurred in 1969 and is projected to occur again in 1982 and 1983. The net transactions of the Federal funds with the public and with the trust funds are shown in the preceding table in comparison with the budget surplus or deficit.

RECONCILIATION OF RELATIVELY UNCONTROLLABLE OUTLAYS AND OF RECEIPTS

The Congressional Budget Act requires that the budget contain two reconciliations between the initial budget estimates and the actual amounts for the last completed fiscal year: a reconciliation of the differences in relatively uncontrollable outlays by major program, and a reconciliation of the differences in receipts by major source. These comparisons are made in the following two sections for the 1979 budget, which was submitted in January 1978 for the fiscal year beginning on October 1, 1978.

Reconciliation of relatively uncontrollable outlays.—Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statute or by contract or other obligations. These outlays generally depend on factors that are beyond administrative control under existing law at the start of the fiscal year. For example, the definition of beneficiaries eligible for programs like medicaid and social security is established by law, and usually can be altered only by a change in the law. Prior-year contracts and obligations are also legally binding.

The amounts estimated in the budget for relatively uncontrollable outlays may differ from the actual outlays that are subsequently realized for a number of reasons. For example, legislation may change benefit rates or coverage; the actual number of beneficiaries may differ from the number estimated; and economic conditions (such as the interest rates) may differ from what was assumed in making the estimates.

Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, for which outlays are generally mandated by law; and payments from prior-year contracts and obligations, for which outlays are required because of previous action, such as entering into contracts. In accordance with the definition of uncontrollable outlays, these budget estimates do not include the effect of proposed legislation. In cases where legis-

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lation was enacted that significantly affected relatively uncontrollable outlays in 1979, it is identified in the discussion below.

The following table shows the differences between actual outlays for relatively uncontrollable programs for 1979 and the amounts estimated in the 1979 budget. The list of programs in this table is the same as table 15 (Controllability of Budget Outlays) in Part 9 of this year's *Budget.*

RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1979

(In billions of dollars)

Relatively uncontrollable under present law	January 1978 estimate (existing law)	Change	Actual
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	107.8	−1.1	106.7
Federal employees retirement and insurance [1]	29.0	.9	30.0
(Military retired pay)	(10.1)	(.2)	(10.3)
(Other) [1]	(18.9)	(.8)	(19.7)
Unemployment assistance	11.8	−1.1	10.7
Medical care	42.1	−.5	41.6
Assistance to students [1 2]	2.7	.1	2.8
Housing assistance	4.3	−*	4.2
Food and nutrition assistance [2]	8.6	1.2	9.8
Public assistance and related programs [1 3]	16.5	−.1	16.4
All other relatively uncontrollable payments for individuals [1]	2.0	.7	2.7
Subtotal, payments for individuals	225.0	−.1	224.9
Net interest	39.9	2.7	42.6
General revenue sharing	6.9	−*	6.8
Farm price supports (CCC)	4.5	−.8	3.7
Other open-ended programs and fixed costs [1]	9.5	−1.5	8.0
Total, open-ended programs and fixed costs	285.8	.3	286.1
Outlays from prior-year contracts and obligations:			
National defense	33.8	−2.9	30.9
Civilian programs	55.7	−6.6	49.1
Total, outlays from prior-year contracts and obligations	89.5	−9.5	80.0
Total, relatively uncontrollable outlays	**375.3**	**−9.2**	**366.1**

*$50 million or less.

[1] This subcategory now contains elements that were previously classified in the veterans benefits grouping.

[2] This is a new subcategory within payments for individuals.

[3] Revised to treat earned income credit payments in excess of the tax liability otherwise owed as outlays instead of tax refunds.

In the aggregate, outlays for relatively uncontrollable programs were $366.1 billion, which is $9.2 billion lower than estimated. Outlays for open-ended programs and fixed costs were $0.3 billion higher, and outlays from prior-year contracts and obligations were $9.5 billion lower.

Open-ended programs and fixed costs consist mainly of benefit programs, grants, and subsidies for which eligibility is automatic or fixed by law; interest payments; farm price supports; and payments

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for the legislative and judicial branches, which the President must—by law—include in the budget as submitted and without change.

Payments for individuals is a grouping of Federal budget outlays that are essentially income transfers rather than payments for direct Federal operations. Total payments for individuals, taking all subcategories together, were 79% of all open-ended programs and fixed costs in 1979. Actual outlays for this grouping were $0.1 billion lower than estimated. This was caused by differences between actual and assumed economic conditions and beneficiary numbers, and by the enactment of legislation.

In 1979 the subcategories within payments for individuals were changed in order to make them more meaningful. All changes in these subcategories are identified in the text below.[20]

Outlays for social security retirement and disability and for railroad retirement were $1.1 billion lower than estimated. Over 75% of this difference is due to an unexpected decrease in the number of applications for disability insurance benefit awards. There were 5.2 million disability insurance beneficiaries forecasted while the actual number was 4.9 million. This difference was in part due to lower unemployment rates than assumed, which gave more opportunity for severely disabled persons to find and retain jobs, and in part due to stricter screening in the award of disability benefits.

Actual outlays for Federal employee retirement and disability insurance programs were $0.9 billion above the budget estimate. These programs primarily consist of military retired pay, civilian employee retirement and disability (largely civil and foreign service), and veterans service-connected compensation (which previously had been in a separate category). Except for veterans compensation, these benefits are indexed to the consumer price index. Outlays for the indexed programs exceeded the budget estimates by nearly $0.3 billion largely because of higher than anticipated cost-of-living increases. The original estimates assumed consumer price index increases of 2.9% in September 1978 and 3.1% in March 1979, while the actual increases were 4.9% and 3.9%, respectively. Actual spending for veterans service-connected compensation was $0.6 billion higher than estimated due to the enactment of the Veterans Disability Compensation and Survivors Benefits Act of 1978. This legislation increased compensation for disabled veterans and their survivors by 7.3% beginning October 1, 1978.

Outlays for unemployment compensation programs were $1.1 billion lower than estimated largely due to lower than anticipated

[20] These changes are discussed in greater detail in the OMB technical staff paper entitled *Payments for Individuals*, which is available on request. These changes do not affect the total outlay figure for open-ended programs and fixed costs.

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unemployment. The unemployment rate for fiscal year 1979 was 5.8%, compared to the budget forecast of 6.0%.

Outlays for medical care were $0.5 billion lower than estimated. The hospital insurance component of medicare accounts for most of this difference. In response to the administration's proposal for hospital cost containment, the hospital industry initiated its own program to control costs, which reduced medicare spending. Outlays for supplementary medical insurance were somewhat lower than estimated, and outlays for medicaid were higher.

Assistance to students is a new subcategory in open-ended programs and fixed costs arising from the reclassification of payments for individuals. It mainly consists of GI bill benefits. Actual outlays were $0.1 billion higher than estimated due to unexpectedly high enrollment.

Outlays for food and nutrition assistance, another new subcategory of payments for individuals, were $1.2 billion higher than estimated. The food stamp program accounts for $1.1 billion of this difference. The 1977 Food Stamp Act increased participation in that program more quickly and to higher levels than anticipated, and the average monthly bonus per beneficiary was higher than expected due to food price increases and higher participation by poorer families. In addition, outlays for child nutrition programs were higher because more meals were served than had been assumed.

Public assistance and related programs include public assistance, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays were $0.1 billion below the initial estimate. Lower than estimated outlays in the first three programs were largely offset by legislated benefit improvements for veterans pensions.

Uncontrollable outlays for all other payments for individuals were $0.7 billion higher than estimated. Amendments to the Federal Coal Mine Health and Safety Act, enacted in March of 1978, account for most of this difference. The amendments removed certain eligiblity restrictions and made it easier for applicants to qualify for black lung benefits. Increased access to benefits, and, to a lesser extent, the administrative costs associated with complying with these reforms, account for almost the full increase.

Net interest outlays were $2.7 billion above the budget estimate. Interest on the public debt was $3.7 billion higher due to significantly higher interest rates than were assumed. The budget estimate assumed a 6.1% interest rate on 91-day Treasury bills for 1979 while the actual 91-day rate averaged 9.3%. The effect of higher interest rates on 1979 outlays more than offset the effect of lower-than-projected borrowing in 1979. Borrowing requirements were $6.7 billion lower than estimated in 1978 and $32.9 billion

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lower in 1979. Interest received by trust funds, which is offset against interest costs to reflect transactions with the public, was $0.9 billion higher than the budget estimate.

Actual outlays for general revenue sharing virtually matched the original estimate since the amounts are specified by the law, which authorizes the program through September 30, 1980.

Farm price supports were $0.8 billion lower than estimated. Greater export demand than anticipated resulted in higher average prices for wheat and feed grains, and reduced the need for support payments.

Other open-ended programs and fixed costs were $1.5 billion below the original budget estimates. Outlays for the foreign military sales trust fund were $1.7 billion lower than anticipated, largely because contracts for the sale of military equipment to Iran were cancelled. Outlays of the multilateral development banks were $0.2 billion lower than estimated. Slower than anticipated disbursements of loans explains this difference, in part. These overestimates were partially offset by higher than anticipated outlays for social service grants and for prior-year claims arising from social service grants.

Outlays for prior-year contracts and obligations were $9.5 billion lower than estimated. National defense outlays for prior-year contracts and obligations were $2.8 billion below the budget estimate largely due to a technical change in the accounting method used to record unexpended balances for military construction. This change more than offset military procurement outlays in this category, which were higher than estimated.

Civilian program outlays for prior-year contracts and obligations were $6.6 billion lower than estimated. Major shortfalls occurred in programs administered by the Departments of Housing and Urban Development, Energy, Transportation, Health and Human Services, and Commerce. These programs account for $5.4 billion of the difference between actual and estimated outlays for prior-year contracts and obligations of civilian programs.

Programs administered by the Department of Housing and Urban Development (HUD) account for $2.1 billion of the overestimate in civilian programs in this category. Accurate estimation is made more difficult by the volatile nature of mortgage sales and their dependence on market conditions. Outlays for HUD's tandem mortgage purchase programs were significantly lower than estimated because mortgage sales (an offset to outlays) were higher.

Of the total difference between actual and estimated outlays for prior-year contracts and obligations of civilian programs, $1.3 billion is attributable to Department of Energy programs. Outlays for prior-year contacts and obligations of Department of Transportation programs were $1.2 billion lower than estimated. Over $0.8

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billion of this was due to the Urban mass transportation trust fund. Programs in this category administered by the Department of Health and Human Services were overestimated by $0.5 billion. The $0.4 billion overestimate for Commerce Department programs in this category can be attributed to the local public works program and the Economic development revolving fund.

The remaining $1.2 billion in the overestimate of outlays for civilian prior-year contracts and obligations is attributable to small differences divided among numerous other Federal agencies.

Reconciliation of actual and estimated receipts.—As shown in the following table, receipts for 1979 were $465.9 billion, $25.5 billion greater than the January 1978 estimate of $440.5 billion. Differences in tax law from the legislation proposed in the budget increased receipts by $18.9 billion, while higher than anticipated incomes and changes in collection patterns and effective tax rates account for the remaining increase of $6.5 billion.

COMPARISON OF FISCAL YEAR 1979 RECEIPTS

(In billions of dollars)

	January 1978 estimate	Change from 1978 estimate	Actual
Individual income taxes	[1] 191.0	26.9	217.8
Corporation income taxes	62.5	3.2	65.7
Social insurance taxes and contributions	141.9	—.3	141.6
Excise taxes	25.5	—6.7	18.7
Estate and gift taxes	6.1	—.7	5.4
Customs duties	6.4	1.0	7.4
Miscellaneous receipts	7.2	2.0	9.2
Total	**[1] 440.5**	**25.5**	**465.9**

[1] Revised to treat earned income credit payments in excess of the tax liability otherwise owed as outlays instead of tax refunds.

In the 1979 budget, the administration proposed permanent individual and corporation income tax reductions, generally effective October 1, 1978, as well as a number of simplifications and reforms, generally effective January 1, 1979. Together, these proposals were estimated to decrease 1979 receipts $31.8 billion.[21] The President's proposed national energy plan, which contained several tax provisions to provide incentives to conserve energy and to convert energy use away from oil and natural gas toward other fuels, was estimated to increase 1979 receipts by $1.1 billion. Other proposals reduced estimated receipts by $1.9 billion. They included repeal of the tax on telephone services; a reduction in the Federal unemployment insurance tax rate; an excise tax on crude oil to create a fund

[21] In comparison to the extension of the temporary tax provisions of the Tax Reduction and Simplification Act of 1977, which were scheduled to expire December 31, 1978, these proposals reduced receipts $23.5 billion in 1979.

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to pay damages and cleanup costs of oil pollution; a 2-percentage-point reduction in the tax on airplane passenger tickets and air-freight; payments by the Federal Reserve System of interest on member bank deposits; and an increase in the charge for migratory bird hunting stamps. Together, the proposals in the 1979 budget reduced estimated receipts by $32.6 billion.

During 1978, three major acts were passed that reduced 1979 receipts by $13.5 billion: the Revenue Act of 1978, the Energy Tax Act of 1978, and the Foreign Earned Income Act of 1978. The Revenue Act of 1978, which was enacted November 6, 1978, reduced taxes for individuals and corporations, generally effective January 1, 1979, and included several of the administration's tax reform proposals. Together, the provisions of this Act reduced 1979 receipts by $11.9 billion.[22] The Energy Tax of 1978, which contained several provisions designed to reduce our energy problems, and the Foreign Earned Income Act of 1978, which altered the tax treatment of income earned abroad, reduced 1979 receipts by $1.0 billion and $0.6 billion, respectively.

Other enacted legislation increased 1979 receipts by a net amount of $0.2 billion: the Black Lung Benefits Revenue Act, which levied a tonnage tax on coal to finance benefits for disabled coal miners; the Highway Revenue Act, which exempted qualified taxicabs from the Federal gasoline tax; the Outer Continental Shelf Lands Act, which levied a tax on crude oil obtained from the Outer Continental Shelf to create a fund to pay damages and clean-up costs of oil pollution; the Customs Procedural Reform Act, which raised the amount of duty free imports allowed Americans returning from abroad; and the Migratory Bird Hunting Stamp Act, which increased the charge for migratory bird hunting stamps.

An increase in sugar import fees and the waiver of import duties and fees on crude oil and petroleum products, which were accomplished by administrative action, reduced 1979 receipts by a net $0.3 billion.[23]

Individual income taxes were $217.8 billion in 1979, $26.9 billion greater than the original budget estimate. As shown in the following table, legislated tax reductions, which were less than those proposed by the administration, increased receipts above the estimate by a net amount of $21.7 billion. Higher than anticipated personal incomes and an underestimate of collections increased individual income tax receipts by an additional $5.2 billion.

[22] In comparison to the extension of the temporary tax provisions of the Tax Reduction and Simplification Act of 1977, this Act reduced 1979 receipts $4.4 billion.

[23] Pursuant to Presidential Proclamation 4655, fees and customs duties on imported crude oil and petroleum products have been waived by the Secretary of Energy through June 30, 1980. As of the time this budget was completed, no determination had been made as to whether the authority granted under Proclamation 4655 would be extended beyond June 30, 1980, and this budget includes, for periods beyond that date, revenues received from such import fees and customs duties.

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RECONCILIATION OF ACTUAL 1979 RECEIPTS WITH THE JANUARY 1978 ESTIMATES

(In billions of dollars)

	January 1978 estimate	Inaction on legislative proposals	Enacted legislation and administrative actions	Technical adjustments and revised incomes	Actual receipts
Individual income taxes	[1] 191.0	[2] 31.1	[3] —9.4	5.2	217.8
Corporation income taxes	62.5	[2] 7.5	[3] —4.0	—.3	65.7
Social insurance taxes and contributions	141.9	.6	.....	—.9	141.6
Excise taxes	25.5	—6.8	.1	*	18.7
Estate and gift taxes	6.1	.....	.....	—.7	5.4
Customs duties	6.4	.....	—.2	1.2	7.4
Miscellaneous receipts	7.2	.2	—.1	2.0	9.2
Total	**[1] 440.5**	**32.6**	**—13.6**	**6.5**	**465.9**

*$50 million or less.

[1] Revised to treat earned income credit payments in excess of the tax liability otherwise owed as outlays instead of tax refunds.

[2] In comparison to the extension of the temporary tax provisions of the Tax Reduction and Simplification Act of 1977 which were scheduled to expire December 31, 1978, inaction on these proposals increased individual income taxes and corporation incomes by an estimated $23.9 billion and $6.4 billion, respectively.

[3] In comparison to the extension of the temporary tax provisions of the Tax Reduction and Simplification Act of 1977, these enacted tax changes reduced individual income taxes and corporation income taxes by $2.9 billion and $3.0 billion, respectively.

Corporation income tax receipts were $65.7 billion in 1979, $3.2 billion greater than the January 1978 estimate of $62.5 billion. Substitution of the Revenue Act of 1978 and the Energy Tax Act for the January 1978 proposals increased corporation income taxes by $3.5 billion. Different effective tax rates, collection patterns, and economic conditions than assumed in January 1978 reduced receipts by $0.3 billion.

Social insurance taxes and contributions in 1979 were $0.3 billion less than the January 1978 estimate. Higher employment taxes and contributions, largely due to higher than anticipated wages and salaries, increased receipts by $0.5 billion; and an increase in contributions for other insurance and retirement programs raised receipts by $0.2 billion. This increase was more than offset by lower than anticipated unemployment insurance tax receipts of $0.9 billion. Inaction on a proposal to reduce the Federal unemployment insurance tax rate from 0.7% to 0.5% effective January 1, 1979, increased unemployment tax receipts by $0.6 billion. However, State taxes deposited in the Treasury to finance unemployment benefits were lower than estimated by $1.5 billion.

The $6.7 billion shortfall in excise tax receipts is due almost entirely to inaction on the administration's proposed national energy plan.

Estate and gift taxes were $0.7 billion below the January 1978 estimate, and customs duties were $1.0 billion higher. Increased imports of steel, automobiles, and electronic products are largely responsible for the higher customs duties.

An increase in miscellaneous receipts of $2.0 billion is in large part due to a $2.0 billion underestimate of deposits of earnings by the Federal Reserve System. Significantly higher interest rates than were assumed in the budget account for almost all of this underestimate.

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PART 7

THE BUDGET SYSTEM AND CONCEPTS

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THE BUDGET SYSTEM AND CONCEPTS

The budget system of the U.S. Government supports decisionmaking and management of programs in relation to the requirements of the Nation, effective financial control, and accountability for the use of Federal resources.

THE BUDGET PROCESS

The budget process has four main phases: (1) executive formulation and transmittal; (2) congressional action; (3) budget execution and control; and (4) review and audit. Each of these phases is interrelated with the others.

Executive formulation and transmittal.—The budget sets forth the President's financial plan and indicates his priorities for the Federal Government. The President's transmittal of his budget to the Congress early in each calendar year is the climax of many months of planning and analysis throughout the executive branch. Formulation of the 1981 budget began in the spring of 1979, although general goals were set earlier.

The budget is formulated in the context of a 3-year budget planning and tracking system. The budget planning horizon covers the 2 years following the budget year and integrates long-range planning into the executive budget cycle. This multiyear budget planning system requires that broad fiscal goals and agency spending targets beyond the budget year be established during the budget planning process.

During the period when a budget is being formulated in the executive branch, there is a continual exchange of information, proposals, evaluations, and policy decisions among the President, the Office of Management and Budget (OMB) and other Executive office units, and the various Government agencies. Decisionmaking in the budget process is facilitated by the use of zero-base budgeting, a management process that provides for an in-depth evaluation of all proposed and existing programs and activities in conjunction with planning and budgeting.

In the spring, agency programs are evaluated, policy issues are identified, and budgetary projections are made, giving attention both to important modifications and innovations in programs and to alternative long-range program plans. These budgetary projections, including projections of estimated receipts prepared by the Department of the Treasury, are then presented to the President

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for his consideration, and the major issues are discussed. At about the same time, the President receives projections of the economic outlook that are prepared jointly by the Council of Economic Advisers, OMB, and the Departments of Commerce, Labor, and the Treasury.

Following a review of these projections, the President establishes general budget and fiscal policy guidelines for both the fiscal year that will begin about 15 months later and for the 2 years beyond. General policy directions and planning ceilings are then given to the agencies to govern the preparation of their budget requests.

Throughout the fall and early winter the executive branch is involved in the development of the President's budget. Current services estimates are also prepared to provide the Congress with a basis for the review of the President's budget. These estimates are projections of budget authority and outlays required to continue Federal programs and activities in the upcoming fiscal year without policy changes from the fiscal year in progress at the time the estimates are transmitted. The Congressional Budget Act of 1974 requires that these estimates be transmitted to provide the Congress with early information on projected costs of current programs. For the first 2 years after the requirement became effective, they were transmitted in November. However, it was generally agreed that the estimates transmitted at that time did not provide a suitable basis for review, since the underlying assumptions changed before the budget was transmitted. As a result, the comparability of the current services and the budget estimates was lessened significantly. Consequently, the current services estimates are now transmitted with the President's budget.

The primary phase of the budget process involves the formulation and preparation of the President's budget for transmittal to the Congress. Budget determinations are developed after detailed reviews of the agency zero-base budget requests and the Government-wide OMB ranking of zero-base decision packages falling at the margin of approved agency totals. These determinations are then discussed with the agencies and revised as a result of later Presidential decisions. Fiscal policy issues—relating to total budget outlays and receipts—are reexamined. Consistent with the multiyear budget planning system, the effects of budget decisions on budget authority and outlays in the years that follow are also considered and are explicitly taken into account. Thus, the budget formulation process involves the simultaneous consideration of the resource needs of individual programs, and the total outlays and receipts that are appropriate in relation to current and prospective economic conditions. The budget reflects the results of both of these considerations.

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Congressional action.—The Congress can act to approve, modify, or disapprove the President's budget proposals. It can change funding levels, eliminate proposals, or add programs not requested by the President. It may also act upon legislation determining taxes and other means of increasing or decreasing receipts.

In making appropriations, the Congress does not normally vote on the level of outlays directly, but rather on budget authority. The Congress first enacts legislation that *authorizes* an agency to carry out a particular program and, in some cases, includes limits on the amount that subsequently can be appropriated for the program. Many programs are authorized for a specified number of years or indefinitely; other programs, such as most education and health programs, nuclear energy programs, space exploration, defense procurement, foreign affairs, and some construction programs, require annual authorizing legislation.

Provision of *budget authority* is usually a separate, subsequent action. Generally, budget authority becomes available each year only as voted by the Congress in appropriation acts. However, in a significant number of cases the Congress has voted permanent budget authority, under which funds become available annually without further congressional action. Most trust fund appropriations are permanent, as are a number of Federal fund appropriations, such as the appropriation to pay interest on the public debt.

Congressional review of the budget begins when the President transmits his budget estimates to the Congress within 15 days after the start of each new session in January, as required by law. Under the procedures established by the Congressional Budget Act of 1974, the Congress considers budget totals before completing action on individual appropriations. The act requires that each standing committee of the Congress submit reports on budget estimates to the House and Senate Budget Committees by March 15; and that the Congressional Budget Office submit a fiscal policy report to the two budget committees by April 1. The Congress then adopts, no later than May 15, the first concurrent budget resolution to guide the Congress in its subsequent consideration of appropriations and revenue measures. The first budget resolution which is required to be adopted by May 15, sets targets for total receipts and for budget authority and outlays, in total and by function.

Congressional consideration of requests for appropriations and for changes in revenue laws occurs first in the House of Representatives. The Appropriations Committee, through its subcommittees, studies the proposals for appropriations and examines in detail each agency's performance. The Ways and Means Committee reviews proposed revenue measures. Each committee then recommends the action to be taken by the House of Representatives.

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When the appropriation and tax bills are approved by the House, they are forwarded to the Senate, where a similar review process is followed. In case of disagreement between the two Houses of the Congress, a conference committee (consisting of Members of both bodies) meets to resolve the differences. The report of the conference committee is returned to both Houses for approval. When the measure is agreed to, first in the House and then in the Senate, it is ready to be transmitted to the President in the form of an enrolled bill, for his approval or veto.

After action has been completed on all money bills, the Congress adopts a second concurrent resolution containing a budget *ceiling* on total budget authority and outlays, and a *floor* for budget receipts. This resolution, which is supposed to be adopted by September 15, may retain or revise the levels set earlier in the year, and can include directives to the appropriations committees and to other committees to recommend changes in budget authority and outlays. Similarly, the second resolution may direct the appropriate committees to recommend changes in budget receipts or in the statutory limit on the public debt. Changes recommended by various committees pursuant to the second budget resolution are to be reported in a reconciliation bill (or resolution, in some cases) on which the Congress is supposed to complete action by September 25, a few days before the new fiscal year commences on October 1.

After the Congress completes action on the reconciliation bill or resolution, it may not consider any spending or revenue legislation that would breach the totals specified in the second resolution. The Congress may, however, adopt a new budget resolution changing the levels set by the second resolution.

If action on appropriations is not completed by the beginning of the fiscal year, the Congress may enact a "continuing resolution" to provide authority for the affected agencies to continue operations usually until their regular appropriations are enacted.

Budget execution and control.—Once approved, the President's budget, as modified by the Congress, becomes the financial plan for the operations of each agency during the fiscal year. Under the law, most budget authority and other budgetary resources are made available to the agencies of the executive branch through an apportionment system. The Director of OMB apportions (distributes) appropriations and other budgetary resources to each agency by time periods (usually quarters) or by activities. Obligations may not be incurred in excess of the amount apportioned. The objective of the apportionment system is to ensure the effective and orderly use of available resources and to preclude the need for additional or supplemental appropriations to meet unforeseen requirements.

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Nonetheless, changes in laws or other factors may indicate the need for additional appropriations during the year, and supplemental requests may have to be sent to the Congress. On the other hand, reserves may be established under the Antideficiency Act to provide for contingencies or to effect savings made possible by or through changes in requirements or greater efficiency of operations. Amounts may also be withheld from obligation for policy or other reasons, but all amounts withheld must be reported for Congressional review pursuant to the Impoundment Control Act of 1974.

Whenever the President determines that all or part of any budget authority provided by the Congress will not be required to carry out the full objectives or scope of a program for which it was provided, or that such budget authority should be rescinded for fiscal policy or other reasons, a special message is transmitted by the President to the Congress requesting a rescission of the budget authority. The budget authority proposed by the President for rescission must be made available for obligation unless both the House and the Senate pass a rescission bill within 45 days of continuous session after receiving the President's message.

Whenever the President determines that the use of budget authority provided by the Congress should be deferred (that is, temporarily withheld from obligation), the President transmits a special message to the Congress on such deferrals. Either House may, at any time, pass a resolution disapproving this deferral of budget authority, thus requiring that the funds be made available for obligation. When no congressional action is taken, deferrals may remain in effect until, but not beyond, the end of the fiscal year. If the funds remain available beyond the end of a fiscal year and continued deferral of their use is desired by the President, he must transmit a new special message to the Congress.

Review and audit.—This is the final phase in the budget process. The individual agencies are responsible for assuring—through their own review and control systems—that the obligations they incur and the resulting outlays follow the provisions of the authorizing legislation and appropriations, as well as other laws and regulations relating to the obligation and expenditure of funds. Agencies are assisted in this responsibility by their audit staffs. In the case of 15 major departments and agencies, audit activities are directed by statutory Inspectors General, appointed by the President. OMB reviews program and financial reports and keeps abreast of agency programs and the effort to attain program objectives.

In addition, the General Accounting Office (GAO), as an agent of the Congress, regularly audits, examines, and evaluates Government programs. Its findings and recommendations are made to the

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Congress, to OMB, and to the agencies concerned. The GAO also monitors the executive branch's reporting of special messages on proposed rescissions and deferrals. The GAO reports any items not reported by the executive branch and any differences that it may have with the classification (as a rescission or deferral) of withholdings included in special messages transmitted by the President. The GAO may bring civil action to obtain compliance should the President fail to report withholdings of budget authority in accordance with the Impoundment Control Act of 1974.

COVERAGE OF THE BUDGET TOTALS

Agencies and programs.—The budget totals cover agencies and programs (including Government corporations) owned by the Federal Government, no matter how funded, except for the following off-budget Federal entities:

Rural electrification and telephone revolving fund
Rural Telephone Bank
Board of Governors of the Federal Reserve System
Pension Benefit Guaranty Corporation
Postal Service fund
United States Railway Association [1]
Federal Financing Bank
Energy Security Corporation [2]

The off-budget Federal entities listed above are discussed in Part 6 of the Budget. Schedules and financial statements are presented in Part IV of the Budget Appendix. Except for the Federal Reserve Board, these data are also presented in selected tables throughout the budget documents. The budget totals do not include transactions of privately owned, Government-sponsored enterprises, such as the Federal land banks and Federal home loan banks. However, privately owned Government-sponsored enterprises are discussed in Part 6 of the Budget, and financial statements are presented in Part VI of the Budget Appendix.

Functional classification.[3]—The functional classification arrays budgetary data according to the major purpose served by the unit being classified. In accordance with the Congressional Budget Act of 1974, the Congress must pass resolutions establishing budget targets by these functional categories.

[1] Investments in Conrail securities, which comprise almost all of the Association's activity after 1977, are included in the budget.

[2] Budget authority and outlays for the Corporation will not be included in the budget totals. However, the cash requirements of the Corporation will be met by loans from the Secretary of the Treasury. Such loans will be financed by appropriations to the Secretary, and thus be reflected as budget authority and outlays within the budget totals. It is proposed that these loans be repaid by proceeds of the windfall profits tax.

[3] A discussion of this subject is also found in Part 5 of this volume.

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The following criteria are used in establishing and in assigning activities to functional categories:

- A function must have a common end or ultimate purpose addressed to an important national need. (The emphasis is on what the Federal Government seeks to accomplish rather than the means of accomplishment, what is purchased, or the clientele or geographic area served.)
- A function must be of continuing national importance and the amounts attributable must be significant.
- Each basic unit of classification (generally the appropriation or fund account) is classified into the single best or predominant purpose and assigned to only one function. However, when an account is large and serves more than one major purpose, it may be subdivided into two or more subfunctions.
- Activities and programs are normally classified by common purpose (or function) regardless of which agencies conduct the activities.

National needs presentation.—Section 601 of the Congressional Budget Act of 1974 requires that the budget for each fiscal year shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of—

(1) a detailed structure of national needs which shall be used to reference all agency missions and programs;

(2) agency missions; and

(3) basic programs.

The functional presentation of the budget is used to meet the national needs requirement. While national needs and agency missions were not specified, as such, in earlier budgets, the thrust of the budget functional classification has always been to summarize what the Government is doing, or expects to do, in terms of the ultimate purpose that the Government programs are designed to serve. To meet the requirement of law for a national needs presentation, the budget functional classification was refined to focus more sharply on the end purposes and accomplishments, and further refinements in the classification are made as circumstances warrant. Each major function is described in the context of national needs being served, and subfunctions are described in the context of major missions devoted to serving national needs. This is in keeping with the act, which states:

> "To the extent practicable, each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations, and shall relate its programs to agency missions."

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In the national needs presentation, Federal programs are discussed in terms of national needs and the functional classification. In this context, a single program may be identified as serving several national needs even though classified in a single function. For example, medicare, primarily a health program, is identified as meeting the national need for improved health care. However, it also provides a form of income security by paying for medical bills and, hence, can also be identified as meeting the national need for income security. A discussion of Federal programs based solely on the functional classification system would have been limited to discussion of each program, classified by major purposes served, in only one category.

The national needs presentation can be found in Part 5 ("Meeting National Needs: the Federal Program by Function").

Types of funds.—Agency activities are financed through Federal funds and through trust funds, both of which are included in the budget.

Federal funds are of several types. The *general fund* is credited with receipts not earmarked by law for a specific purpose, and is charged with payments from appropriations and from general borrowing. *Special funds* contain Federal receipts earmarked for specific purposes, other than for carrying out a cycle of operations. *Public enterprise* (revolving) *funds* finance a cycle of business-type operations in which outlays generate collections, primarily from the public. *Intragovernmental funds*, including revolving, management, and consolidated working funds, facilitate financing operations within and between Government agencies and are credited with collections from other Government accounts. Intragovernmental revolving funds, are credited with collections earmarked by law to carry out a cycle of business-type operations within and between Government agencies.

Trust funds are established to account for receipt and expenditure of monies by the Government for use in carrying out specific purposes and programs in accordance with the terms of a trust agreement or statute. These monies are not available for the general purposes of the Government. Within the category of trust funds there is a special subcategory of *trust revolving funds* that are credited with collections earmarked by law to carry out a cycle of business-type operations.

Current expense and capital investment.—The budget includes spending for both current operating expenses and capital investment, such as the purchase of lands, structures, and equipment. It also includes capital investment in the form of lending and the purchase of investments. These categories of outlays are discussed in Special Analysis D.

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BUDGET AUTHORITY AND RELATED TRANSACTIONS

Budget authority.—Government agencies—whether or not they are included in the budget totals—are permitted to enter into obligations requiring either immediate or future payment of money only when they have been granted authority to do so by law. This authority is usually provided as budget authority; however, collections specifically authorized to be credited to appropriation and fund accounts, while not scored as budget authority, are also available for obligation.

Budget authority permits *obligations* to be incurred. The amounts of budget authority requested are determined by the nature of the programs or projects being funded.

For activities for which the cost depends upon the program level planned for a fiscal year, the amount of budget authority requested covers the obligations expected to be incurred during the year. Most of these Federal activities, such as operations and maintenance, entitlement programs, and continuing research programs are fully funded on an annual basis.

For most projects that are separate and distinct units, particularly direct Federal major procurement and construction projects, "full funding" is requested. That is, funds are requested to cover the entire cost to complete the project at the time it is initiated, regardless of the expected time of completion.

Budget authority usually takes the form of *appropriations,* which permit obligations to be incurred and payments to be made. Some budget authority is in the form of *contract authority,* which permits obligations in advance of appropriations and therefore requires a subsequent appropriation or the collection of receipts to "liquidate" (pay) these obligations. There is also *authority to borrow;* such budget authority permits obligations to be incurred and these obligations to be liquidated (paid) using funds that are borrowed, generally from the Treasury.

Since January 1976, it has not been in order for either House of the Congress to consider any bill, with certain exceptions, that provides new borrowing or contract authority unless that bill also provides that such new spending authority will be effective only to the extent or in such amounts as are provided in appropriations acts.

Most appropriations for current operations are made available for obligation only during a specified fiscal year *(annual appropriations).* Some are for a specified longer period *(multiple-year appropriations).* Others, including most of those for construction, some for research, and many trust fund appropriations, are made available for obligation until the amount appropriated has been expend-

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ed or until the objectives have been attained *(no-year appropriations).*

When budget authority is made available by the Congress for a specific period of time, any part that is not used for obligations during that period expires and cannot be used later. *Reappropriations*—congressional actions to continue availability of unobligated amounts that have expired or would otherwise expire—are counted as budget authority in the year in which the availability is extended, i.e., the year for which the appropriation action is taken.

A *rescission* is a legislative action that cancels new budget authority or unobligated balances prior to the time the authority would otherwise have expired. Rescissions are offset against new budget authority in arriving at the total of budget authority for each year. A *deferral* is an executive branch action or inaction—including the establishment of reserves under the Antideficiency Act—that effectively delays the obligation or expenditure of funds.

Most authority to obligate funds is enacted by the Congress in or immediately preceding the fiscal year in which it becomes available (*current authority*). Most current authority is granted year by year. Some budget authority in Federal funds and most budget authority in trust funds becomes available from time to time as the result of previously enacted legislation and does not require current action by the Congress (*permanent authority*). Such authority is "current" in the first year in which it is provided and "permanent" in succeeding years.

The amount of budget authority is usually stated specifically in the legislation that makes it available *(definite authority).* In some cases the amount is left indefinite, to be determined by subsequent circumstances *(indefinite authority).* Examples of the latter type are the appropriation for interest on the public debt, and the trust fund appropriation equal to receipts under the Federal Insurance Contributions Act (social security). Indefinite budget authority is recorded in the amount of receipts collected or estimated to be collected each year in the case of trust funds, and in the amount needed to finance obligations incurred or estimated to be incurred in the case of contract authority and authority to borrow.

Obligations incurred.—Following the enactment of budget authority, obligations are incurred by Government agencies. Such obligations include the current liabilities for salaries and wages, certain contractual services, and interest; contracts for the purchase of supplies and equipment, construction and the acquisition of land; contracts to make loans; and other contractual arrangements requiring the payment of money.

Outlays.—Obligations generally are liquidated by the issuance of checks or the disbursement of cash; such payments are called

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outlays. In lieu of issuing checks, obligations may also be liquidated (and outlays occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding). Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year. Such outlays, therefore, flow in part from unexpended balances of prior year budget authority and in part from budget authority provided for the year in which the money is spent.[4] Total budget outlays are stated net of offsetting collections (see collections below), and exclude outlays of off-budget Federal entities. Payments for tax credits in excess of tax liabilities are treated as outlays rather than as an adjustment to budget receipts.

Balances of authority.—Not all budget authority enacted for a fiscal year is obligated and paid out in the same year. The *obligated* balance is that portion of the budget authority that has been obligated but not yet paid. For example, in the case of salaries and wages, 1 to 3 weeks elapse between the time of obligation and the time of payment. In the case of major procurement and construction, up to several years may elapse. Obligated balances of budget authority are carried forward until the obligations are subsequently paid. In addition, in multiple-year or no-year accounts, budget authority that is still available for obligation *(unobligated balances)* may be carried forward for obligation in the following year.[5]

Therefore, a change in the amount of budget authority for a given year does not necessarily result in a similar change in either the obligations incurred or the budget outlays of that same year. A change in budget authority in any one year may have an effect on obligations for 2 or more years, and may affect budget outlays for an even longer period.

Allocations between agencies.—In some cases, an agency may share in the administration of a program for which appropriations are made to another agency or to the President. This is made possible by the establishment of allocations from the "parent" account; that is the account to which the appropriation was made. Obligations incurred through such allocations are included with the parent account in the *Budget* (without separate identification) and in the *Budget Appendix* (where the total obligations of each participating agency are identified separately under the parent account).

Limits on Federal credit programs.—Generally, separate limitations on the amount of direct loans and on loan guarantees are

[4] This process is depicted on the chart, "Relation of Budget Authority to Outlays—1981 Budget," which is in Part 6 of this volume.

[5] Additional information on balances of budget authority is provided in a separate report, "Balances of Budget Authority," which is prepared by OMB shortly after the budget is transmitted.

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proposed for enactment in the appropriations language related to the budget accounts that support such programs. The limitations apply to the amount of obligations to be incurred for direct loans and the amount of commitments made for loan guarantees during the year. A commitment for a loan guarantee is made when the Government enters into a guarantee agreement to become effective at such time as the lender meets stipulated preconditions. The disbursement of a direct loan (an outlay) or the actual guarantee of a loan (a contingent liability) may occur in a fiscal year subsequent to the obligation or commitment, respectively. The limitations on direct loans apply to the principal amount of the loan involved. In the case of loan guarantees, only the amount of the Government's contingent liability, which may be less than the full amount of the loan, is subject to the limitation.

COLLECTIONS

In general.—Amounts collected during the year are classified into two major categories:

- *Budget receipts,* which are compared with total outlays in calculating the budget surplus or deficit.
- *Offsetting collections,* which are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred.

Budget receipts.—These are collections from the public that result from the exercise of the Government's sovereign or governmental powers and from contributions paid by voluntary participants in certain Federal social insurance programs. These collections, also called *governmental receipts,* consist primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts.

Offsetting collections.—These are collections from other Government accounts or from transactions with the public that are of a business-type or market-oriented nature. They are classified into two major categories: *collections credited to appropriation or fund accounts* and *offsetting receipts* (that is, amounts deposited in receipt accounts). In general, the distinction between these two major categories is that, normally, collections credited to appropriation or fund accounts can be used without further appropriation action by the Congress, whereas funds in receipt accounts cannot be used without being appropriated.

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Collections credited to appropriation or fund accounts occur in two circumstances:

- *Reimbursements.*—When authorized by law, amounts collected for materials or services furnished (for example, advances received from the public to pay expenses of providing information under the Freedom of Information Act) are treated as reimbursements to appropriations. These collections are netted in determining outlays from such appropriations.
- *Revolving funds.*—In the three types of revolving funds—public enterprise, intragovernmental, and trust revolving—collections are netted against spending and outlays are reported as the net amount.

Offsetting receipts generally are deducted from budget authority and outlays by function or subfunction, and by agency. Offsetting receipts are subdivided into two categories, as follows:

- *Proprietary receipts from the public.*—These are collections from the public—deposited in receipt accounts of the general fund, special funds, or trust funds—that arise out of the business-type or market-oriented activities of the Government (for example, loan repayments, interest, sale of property and products, charges for nonregulatory services, and rents and royalties). Such collections are not counted as budget receipts, and, with one exception, are offset against total budget authority and outlays by agency and by function. The exception consists of receipts from rents and royalties from Outer Continental Shelf lands that are deducted from total budget authority and outlays for the Government as a whole rather than from any single agency or function.
- *Intragovernmental transactions.*—These are payments into receipt accounts from Federal appropriation or fund accounts. They are treated as an offset to budget authority and outlays, rather than as a budget receipt. Intragovernmental transactions may either be *intrabudgetary* (where the payment and receipt both occur within the budgetary universe) or result from *receipts from off-budget Federal entities* in those cases where the payment is made by a Federal entity whose funds are excluded from the budget totals. Normally, intragovernmental transactions are deducted from both the outlays and the budget authority for the agency receiving the payment. However, in two cases intragovernmental transactions are not deducted from the figures of any agency or function. Instead, intragovernmental transactions that involve agencies' payments (including payments by off-budget Federal entities) as employers into employee retirement trust funds and the payment of interest to nonrevolving trust funds appear as special

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deduct lines in computing total budget authority and outlays for the Government.

Intrabudgetary transactions are subdivided into three categories: (1) *interfund transactions,* where the payment is from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) *Federal intrafund transactions,* in those cases where the payment and receipt both occur within the Federal fund group; and (3) *trust intrafund transactions,* in those cases where the payment and receipt both occur within the trust fund group.

OTHER TRANSACTIONS

Borrowing and repayments.—Borrowing and debt repayments are not treated as receipts or outlays; if they were, the budget could be balanced simply by borrowing. This rule applies both to borrowing in the form of public debt securities and to specialized forms of borrowing—such as the sale of agency securities, and the sale of certificates representing participation in a pool of loans. However, some transactions that otherwise would be treated as borrowing are required by law to be treated as a sale of assets. This results in collections being credited to an appropriation or fund account with a corresponding reduction in outlays.

Exercise of the monetary power.—Seigniorage is the profit from coining money; it is the difference between the value of coins as money and their cost, including the cost of manufacturing. Seigniorage on coins arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from receipts and treated as a means of financing a budget deficit, or as a supplementary amount to be applied to reduce debt or to increase the cash in Treasury in the years of a budget surplus. The increment (profit) resulting from the revaluation of gold as a monetary asset is treated like seigniorage. Prior to the 1980 budget, the profit from the sale of gold was treated as a proprietary receipt. However since the value of gold is determined by its value as a monetary asset rather than as a commodity, the budget now treats all of the profits on gold sales as a means of financing rather than as an offsetting collection; this change was made retroactively in the historical budget data.

Liabilities in deposit fund accounts.—Certain accounts outside the budget, known as deposit funds, are established to record amounts held in suspense temporarily, or held by the Government as agent for others (for example, savings accounts for military personnel, State and local income taxes withheld from Federal employees' salaries, and payroll deductions for the purchase of

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savings bonds by civilian employees of the Government). Such transactions affect Treasury's cash balances even though they are not a part of the budget. Increases in the accounts from year to year serve as a means of financing.

Exchange of cash.—The Government's deposits with the International Monetary Fund (IMF) are considered to be similar to cash assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not in itself considered a receipt or an outlay, borrowing or lending. In a similar manner, the holdings of foreign currency by the Exchange stabilization fund (ESF) are considered to be cash assets. Changes in these holdings are outlays only to the extent there is a realized loss, and offsetting collections only to the extent there is a realized profit on the exchange.

BASIS FOR BUDGET FIGURES

In general.—Outlays are stated in terms of checks issued, including cash paid in lieu of checks, net of offsetting collections received. The accrual basis is generally used for interest on the public debt held by private investors; however, interest on the public debt held by trust and other Government accounts is stated on a cash basis. When debt securities are issued at a discount (or at a premium), the difference between the sales price and the redemption value is treated as interest and is accrued evenly over time in the account that issued the securities.

Data for 1979.—The 1979 column of this budget generally presents the actual transactions and balances as recorded in agency accounts and as summarized in the central financial reports prepared by the Department of the Treasury.

Data for 1980.—Most of the regular appropriation acts for 1980 have been enacted. (The Legislative Branch appropriation bill was enacted by reference in the first 1980 continuing resolution.) However, funding for activities covered by the Foreign Assistance, and Labor, Health, Education, and Welfare appropriation bills was provided in a continuing resolution, which is effective through September 30, 1980. Ongoing activities (with the exception of the Federal Trade Commission) for which funding was not included in appropriation bills because of a lack of authorizing legislation were also provided funding by the same 1980 continuing resolution. The expiration of the authority for the Federal Trade Commission is March 15, 1980. Supplemental appropriations will be required in certain cases for various pay raises, including those of October 1979 and additional amounts requested to meet previously unforeseen program costs.

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Where the word "enacted" is used with reference to 1980, as in tables 1 and 5 of Part 9 of the *Budget,* the amount represents budget authority already voted by the Congress. In the case of indefinite appropriations, the enacted sums include the amounts likely to be required. Where the word "estimate" is used, the amounts include enacted budget authority and requested supplementals.

Data for 1981.—This budget is complete as to the estimates for 1981. Part I of the *Budget Appendix* generally includes the proposed appropriation language for the various items identified in the budget. However, in some instances, estimates are included in the budget schedules without appropriation language for 1980 and 1981. For these, proposed legislation may be required, or the estimated amounts will be requested later when the requirements are known. In certain tables of the budget, these items for later transmittal and the related outlays are separately identified. Estimates of the total requirements for 1980 and 1981 include both the amounts formally requested and the amounts planned for later transmittal.

Data for 1982 and 1983.—To place emphasis on longer term objectives and plans consistent with the multiyear budget planning system, this budget presents 1982 and 1983 estimates. The data for 1982 and 1983 often reflect specific Presidential policy determinations and are shown in a number of budget tables.

Allowances.—Lump sum allowances are included in the tables to cover possible additional changes, such as civilian pay increases and contingencies. The allowance for civilian agency pay raises includes an estimate of the additional amounts that will be required for pay raises anticipated in October 1980 for employees of civilian agencies of the Government. A separate allowance for pay raises is shown for the military and civilian employees of the Department of Defense and is included in its figures. These increases could not be reflected in the various program appropriation requests since the applicable detailed amounts have not yet been determined.

The allowance for contingencies is shown separately as required by the Congressional Budget Act. The estimates for relatively uncontrollable programs are zero because the probability of net decreases or net increases for such programs is believed to be equal. The allowances for other requirements contains estimates for potential requirements related to existing programs and for the possible enactment of legislation not specifically provided for in the budget, including welfare reform legislation. In a similar manner, allowances are shown for the Department of Defense. A separate

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allowance in the education, training, employment, and social services function is provided, beginning in 1982, for the President's youth initiative. Beginning in 1983 a separate allowance is provided for national health insurance.

Budget authority and outlays included in the allowance section are never appropriated as undistributed allowances. These allowances merely indicate the estimated budget authority and outlays that may be requested subsequently.

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PART 8

THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT

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EXPLANATORY NOTE

This tabulation contains information on budget authority (BA) and outlays (O) for each appropriation and fund account. The budget authority in this tabulation takes account of certain transfers between appropriations. All budget authority items are definite appropriations except where otherwise indicated. Also, budget authority and outlay data for off-budget Federal entities are presented at the end of this table. In addition, there is an attribution of Federal Financing Bank (FFB) outlays to the accounts, programs, and agencies that are provided credit services by the FFB.

Functional code numbers are shown for each account as a cross reference to summary tables 12 and 13 in Part 9, where the amounts are presented by functional classification. Types of funds in the budget and the deduct entries at the end of each chapter of this tabulation are explained in Part 7.

Congressional action in the appropriation process occasionally takes the form of a limitation on the use of a trust fund or other fund, or of an appropriation to liquidate contract authority. Amounts for such items which do not provide budget authority, are included here in parentheses and identified in the stub column, but are not included in the totals.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)

Account and functional code		1979 actual	1980 estimate	1981 estimate
Legislative Branch				
Senate				
Federal funds				
General and Special Funds:				
Compensation and mileage of the Vice President and Senators 801				
Appropriation, current	BA	**6,541**	**6,827**	**7,310**
Outlays	0	6,425	6,882	7,310
Expense allowances of the Vice President, President Pro Tempore, Majority and Minority Leaders and Majority and Minority Whips 801				
Appropriation, current	BA	**60**	**45**	**45**
Outlays	0	28	45	45
Salaries, officers and employees 801				
Appropriation, current	BA	**132,261**	**125,759**	**135,948**
			D **8,058**	
Outlays	0	110,650	146,862	135,948
Office of the Legislative Counsel of the Senate 801				
Appropriation, current	BA	**893**	**899**	**961**
			D **36**	
Outlays	0	800	975	961
Office of Senate Legal Counsel 801				
Appropriation, current	BA	.....	**350**	**500**
Outlays	0	.....	350	500
Senate policy committees 801				
Appropriation, current	BA	**1,750**	**1,462**	**1,562**
			D **100**	
Outlays	0	1,248	1,776	1,562
Automobiles and maintenance 801				
Appropriation, current	BA	**64**	**65**	**70**
Outlays	0	59	65	70
Inquiries and investigations 801				
Appropriation, current	BA	**39,086**	**32,600**	**36,000**
			D **1,725**	
Outlays	0	27,342	38,938	36,000
Folding documents 801				
Appropriation, current	BA	**143**	**109**	**117**
			D **8**	
Outlays	0	84	142	117
Miscellaneous items 801				
Appropriation, current	BA	**34,673**	**39,195**	**30,776**
			D **2**	
Outlays	0	22,601	45,552	30,776
Postage stamps 801				
Appropriation, current	BA	**8**	**7**	**7**
Outlays	0	6	7	7
Stationery (revolving fund) 801				
Appropriation, current	BA	**39**	**40**	**40**
Outlays	0	−4	82	40
Congressional use of foreign currency, Senate 801				
Appropriation, current	BA	**400**	.....	.....
Outlays	0	206	194	.....
Public Enterprise Funds:				
Senate restaurant fund (revolving fund) 801				
Outlays	0	62	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.					
Senate—Con.					
Recording studio (revolving fund)	801				
Outlays		0	−48	.....	.....
Senate barber shops (revolving fund)	801				
Outlays		0	−5	.....	.....
Total Federal funds Senate		BA	215,918	217,287	213,336
		0	169,454	241,870	213,336
House of Representatives					
Federal funds					
General and Special Funds:					
Compensation of Members	801				
Appropriation, current		BA	**27,699**	**27,690** **D 1,523**	**29,254**
Outlays		0	27,403	29,213	29,254
Mileage of Members	801				
Appropriation, current		BA	**210**	**210**	**210**
Outlays		0	187	210	210
House leadership offices	801				
Appropriation, current		BA	**2,222**	**2,222** **D 143**	**2,365**
Outlays		0	1,966	2,143	2,128
Salaries, officers and employees	801				
Appropriation, current		BA	**29,479**	**29,613** **D 1,951**	**32,927**
Outlays		0	28,457	28,603	29,634
Committee employees	801				
Appropriation, current		BA	**24,705**	**24,705** **D 1,700**	**27,000**
Outlays		0	23,924	25,624	25,624
Committee on Appropriations (Studies and Investigations)	801				
Appropriation, current		BA	**2,904**	**2,950** **D 20**	**2,856**
Outlays		0	2,432	2,695	2,570
Committee on the Budget (Studies)	801				
Appropriation, current		BA	**261**	**277**	**245**
Outlays		0	151	249	220
Office of the Law Revision Counsel	801				
Appropriation, current		BA	**449**	**465** **D 28**	**510**
Outlays		0	455	474	459
Office of the Legislative Counsel	801				
Appropriation, current		BA	**1,939**	**1,987** **D 99**	**2,097**
Outlays		0	1,472	1,887	1,887
Members' clerk hire	801				
Appropriation, current		BA	**117,791**	**118,308** **D 8,500**	**126,808**
Outlays		0	115,991	124,612	124,612

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.				
House of Representatives—Con.				
Allowances and expenses 801				
Appropriation, current	BA	**60,741**	**62,377** [A] 7,426 [C] 1,029	**73,152**
Outlays	0	62,223	59,080 [A] 7,426	65,837
Stationery (revolving fund) 801				
Outlays	0	76	76	76
Special and select committees 801				
Appropriation, current	BA	**46,762**	**42,100** [D] 2,055	**46,500**
Outlays	0	38,908	42,000	41,850
Congressional use of foreign currency, House of Representatives 801				
Appropriation, current	BA	**800**	.....	.....
Outlays	0	477	.....	.....
Public Enterprise Funds:				
House of Representatives restaurant fund (revolving fund) 801				
Outlays	0	−354	−354	−354
Recording studio (revolving fund) 801				
Outlays	0	−19	−19	−19
Beauty shop (revolving fund) 801				
Outlays	0	−20	−20	−20
House barber shops (revolving fund) 801				
Outlays	0	−7	−7	−7
Office of the attending physician (revolving fund) 801				
Outlays	0	−1	−1	−1
Total Federal funds House of Representatives	BA	**315,962**	**337,378**	**343,924**
	0	303,721	323,891	323,960
Joint Items				
Federal funds				
General and Special Funds:				
Joint Economic Committee 801				
Appropriation, current	BA	**2,353**	**2,749** [D] 116	**2,150**
Outlays	0	1,773	3,694	2,150
Joint Committee on Printing 801				
Appropriation, current	BA	**716**	**864**	**794**
Outlays	0	688	1,267	794
American Indian Policy Review Commission 801				
Outlays	0	3	.....	.....
Statements of appropriations, Senate 801				
Appropriation, current	BA	**6**	**13**	**13**
Outlays	0	.....	13	13
Joint Committee on Taxation 801				
Appropriation, current	BA	**2,375**	**2,455** [D] 134	**2,670**
Outlays	0	2,290	2,478	2,403

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.					
Joint Items—Con.					
Office of the Attending Physician	801				
Appropriation, current		BA	**465**	**459**	**504**
Outlays		0	429	413	454
General expenses, Capitol police	801				
Appropriation, current		BA	**750**	**810**	**834**
Outlays		0	599	729	751
Capitol Police Board	801				
Appropriation, current		BA	**1,421**	**1,263**	**1,352**
Outlays		0	1,372	1,137	1,217
Education of pages	801				
Appropriation, current		BA	**217**	**220**	**258**
Outlays		0	196	220	258
Official mail costs	801				
Appropriation, current		BA	.....	**50,707**	**36,633**
Outlays		0	37,870	50,707	36,633
Capitol Guide Service	801				
Appropriation, current		BA	**593**	**613** [D]**42**	**664**
Outlays		0	527	655	664
Statements of appropriations, House of Representatives	801				
Appropriation, current		BA	**6**	**13**	**13**
Outlays		0	.....	7	7
Total Federal funds Joint Items		BA	**8,902**	**60,458**	**45,885**
		0	45,747	61,320	45,344
Congressional Budget Office					
Federal funds					
General and Special Funds:					
Salaries and expenses	801				
Appropriation, current		BA	**11,368**	**12,117** [D]**414**	**13,544**
Outlays		0	10,139	12,000	13,100
Architect of the Capitol					
Federal funds					
General and Special Funds:					
Office of the Architect of the Capitol: Salaries	801				
Appropriation, current		BA	**2,490**	**2,836** [C]**30** [D]**142**	**3,401**
Outlays		0	2,278	2,998	3,394
Contingent expenses	801				
Appropriation, current		BA	**210**	**210**	**210**
Outlays		0	207	443	210
Capitol buildings	801				
Appropriation, current		BA	**6,380**	**7,394** [C]**226** [D]**82**	**8,675**
Outlays		0	6,842	8,029	8,681

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.				
Architect of the Capitol—Con.				
Capitol grounds 801				
Appropriation, current	BA	**2,644**	**4,062** [C] **100** [D] **7**	**2,243**
Outlays	0	2,780	3,466	2,781
West central front of the Capitol 801				
Outlays	0	181	254	.....
Master plan for future development of the Capitol grounds and related areas 801				
Outlays	0	77	103	.....
Acquisition of property as an addition to the Capitol grounds 801				
Outlays	0	.....	36	.....
Senate office buildings 801				
Appropriation, current	BA	**11,263**	**10,983** [C] **498**	**13,496**
Outlays	0	11,577	13,818	12,170
Construction of an extension to the New Senate Office Building 801				
Appropriation, current	BA	.....	**52,583**	.....
Outlays	0	16,527	22,402	32,504
Extension of additional Senate Office Building site 801				
Outlays	0	.....	78	.....
Acquisition of property as a site for parking facilities for the United States Senate 801				
Outlays	0	.....	6	.....
Plans for garage and related facilities for the United States Senate 801				
Outlays	0	.....	49	.....
Senate garage 801				
Appropriation, current	BA	**171**	**196** [C] **10**	**186**
Outlays	0	166	206	189
House office buildings 801				
Appropriation, current	BA	**20,843**	**18,484** [C] **700**	**18,010**
Outlays	0	20,157	22,561	18,620
Acquisition of property, construction, and equipment, additional House Office Building 801				
Outlays	0	.....	81	.....
Installation of solar collectors in House office buildings 801				
Appropriation, current	BA	**1,500**	.....	.....
Outlays	0	.....	1,300	200
Capitol Power Plant 801				
Appropriation, current	BA	**13,355**	**14,181** [C] **125**	**17,629**
Outlays	0	11,149	14,427	17,514
Expansion of facilities, Capitol Power Plant 801				
Outlays	0	19	228	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.				
Architect of the Capitol—Con.				
Modifications and enlargement, Capitol Power Plant 801				
Outlays	0	4,096	3,434	6,027
Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped 801				
Outlays	0	143	937	1,000
Structural and mechanical care, Library buildings and grounds 801				
Appropriation, current	BA	**2,942**	**4,410** [C] **174**	**11,437**
Outlays	0	2,428	5,100	11,460
Library of Congress James Madison Memorial Building 801				
Outlays	0	14,397	8,328	3,676
Total Federal funds Architect of the Capitol	BA	**61,798**	**117,433**	**75,287**
	0	93,024	108,284	118,426
Library of Congress				
Federal funds				
General and Special Funds:				
Salaries and expenses 503				
Appropriation, current	BA	**94,182**	**102,380** [C] **379** [D] **4,600**	**110,895**
Outlays	0	89,039	112,296	110,571
Copyright Office: Salaries and expenses 376				
Appropriation, current	BA	**8,622**	**9,251** [D] **781**	**10,612**
Outlays	0	8,479	10,636	10,574
National Commission on New Technological Uses of Copyrighted Works: Salaries and expenses 376				
Outlays	0	43	14	.....
Congressional Research Service: Salaries and expenses 801				
Appropriation, current	BA	**25,553**	**27,090** [D] **1,600**	**31,589**
Outlays	0	24,607	29,081	31,673
Books for the blind and physically handicapped: Salaries and expenses 503				
Appropriation, current	BA	**34,736**	**34,337** [C] **13** [D] **183**	**35,290**
Outlays	0	27,693	42,495	34,829
Collection and distribution of library materials (special foreign currency program) 503				
Appropriation, current	BA	**3,860**	**3,563** [D] **17**	**3,980**
Outlays	0	3,246	4,369	4,073

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.				
Library of Congress—Con.				
Furniture and furnishings 503				
Appropriation, current	BA	**7,694**	**870**	**4,160**
Outlays	0	4,306	21,845	4,511
Payments to copyright owners 376				
Appropriation, permanent, indefinite	BA	**15,195**	**17,293**	**17,280**
Outlays	0	−663	21,808	17,266
Oliver Wendell Holmes devise fund 503				
Appropriation, permanent, indefinite	BA	**3**	**23**	**3**
Outlays	0	12	25	20
Intragovernmental Funds:				
Consolidated working fund 503				
Outlays	0	−205	−1,877	1,433
Trust funds				
Gift and trust fund accounts 503				
Appropriation, permanent, indefinite	BA	**6,630**	**5,882**	**5,082**
Outlays	0	6,069	5,339	4,441
Total Federal funds Library of Congress	BA	**189,845**	**202,380**	**213,809**
	0	156,557	240,692	214,950
Total Trust funds Library of Congress	BA	**6,680**	**5,882**	**5,082**
	0	6,069	5,339	4,441
Government Printing Office				
Federal funds				
General and Special Funds:				
Printing and binding 801				
Appropriation, current	BA	**11,476**	**13,646**	**22,145**
Outlays	0	12,774	13,398	21,550
Congressional printing and binding 801				
Appropriation, current	BA	**73,961**	**74,500**	**89,978**
Outlays	0	65,203	76,434	81,400
Office of Superintendent of Documents: Salaries and expenses 806				
Appropriation, current	BA	**23,613**	**23,000** **[A] 790** **[D] 401**	**26,200**
Outlays	0	23,547	23,265 [A] 600	26,062 [A] 190
Acquisition of site and general plans and designs of buildings 806				
Appropriation, current	BA	.....	.....	**20,869**
Outlays	0	.....	.....	20,869
Project planning 806				
Outlays	0	.....	41	.....
Intragovernmental Funds:				
Government Printing Office revolving fund 806				
Outlays	0	11,908	−2,047	−2,050
Total Federal funds Government Printing Office	BA	**109,050**	**112,337**	**159,192**
	0	113,432	111,691	148,021

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.					
General Accounting Office					
Federal funds					
General and Special Funds:					
Salaries and expenses	801				
Appropriation, current		BA	**185,906**	**200,300**	**218,070**
				[D] **8,767**	
Outlays		O	179,613	207,466	216,426
United States Tax Court					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**8,803**	**9,391**	**10,397**
				[D] **360**	
Outlays		O	8,388	9,681	10,353
Construction	752				
Outlays		O	221	5	.....
Trust funds					
Tax Court judges survivors annuity fund	602				
Appropriation, permanent, indefinite		BA	**109**	**123**	**128**
Outlays		O	49	59	59
Total Federal funds United States Tax Court		BA	**8,803**	**9,751**	**10,397**
		O	8,609	9,686	10,353
Total Trust funds United States Tax Court		BA	**109**	**123**	**128**
		O	49	59	59
Other Legislative Branch Agencies					
Federal funds					
General and Special Funds:					
Commission on Security and Cooperation in Europe: Salaries and expenses	801				
Appropriation, current		BA	**521**	**264**	**450**
Outlays		O	356	415	471
Botanic Garden: Salaries and expenses	801				
Appropriation, current		BA	**1,448**	**1,464**	**2,092**
				[C] **70**	
Outlays		O	1,440	1,528	1,885
Copyright Royalty Tribunal: Salaries and expenses	376				
Appropriation, current		BA	**805**	**471**	**490**
				[D] **19**	
Outlays		O	499	488	489
Cost-Accounting Standards Board: Salaries and expenses	801				
Appropriation, current		BA	**1,850**	**1,300**	**961**
Outlays		O	1,063	1,280	1,004

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.					
Other Legislative Branch Agencies—Con.					
Temporary Commission on Financial Oversight of the District of Columbia: Salaries and expenses	801				
Appropriation, current		BA	7,500	500	
				[A] 6,500	
Outlays		O	5,130	5,040	942
				[A] 1,500	[A] 3,500
Office of Technology Assessment: Salaries and expenses	801				
Appropriation, current		BA	9,700	11,000	14,200
				[D] 284	
Outlays		O	9,211	11,097	14,273
Trust funds					
Office of Technology Assessment: Contributions and donations	801				
Appropriation, permanent, indefinite		BA	6	5	5
Outlays		O	.....	5	5
Total Federal funds Other Legislative Branch Agencies		BA	21,824	21,872	18,193
		O	17,699	21,348	22,564
Total Trust funds Other Legislative Branch Agencies		BA	6	5	5
		O	.....	5	5
Summary					
Federal funds:					
(As shown in detail above)		BA	1,129,376	1,300,494	1,311,637
		O	1,097,995	1,338,248	1,326,480
Deductions for offsetting receipts:					
Intrafund transactions	803	BA	*—726*	*—700*	*—700*
		O			
	902	BA	*—548*	*—1,316*	*—1,283*
		O			
Proprietary receipts from the public	376	BA	*—14,651*	.....	.....
		O			
	503	BA	*—716*	*—597*	*—648*
		O			
	801	BA	*—7,019*	*—6,510*	*—6,525*
		O			
Total Federal funds		BA	1,105,716	1,291,371	1,302,481
		O	1,074,335	1,329,125	1,317,324
Trust funds:					
(As shown in detail above)		BA	6,795	6,010	5,215
		O	6,118	5,403	4,505
Deductions for offsetting receipts:					
Proprietary receipts from the public	503	BA	*—3,713*	*—3,700*	*—3,700*
		O			

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Legislative Branch—Con.				
Summary—Con.				
902	BA			
	0	*—180*	*—180*	*—180*
Total Trust funds	BA	**2,902**	**2,130**	**1,335**
	0	2,225	1,523	625
Total Legislative Branch	BA	**1,108,618**	**1,293,501**	**1,303,816**
	0	1,076,560	1,330,648	1,317,949
The Judiciary				
Supreme Court of the United States				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**9,690**	**10,250**	**11,140**
			D 466	
Outlays	0	8,165	10,486	10,840
Care of the buildings and grounds 752				
Appropriation, current	BA	**1,475**	**2,157**	**1,526**
			C 48	
Outlays	0	1,571	2,550	1,888
Total Federal funds Supreme Court of the United States	BA	**11,165**	**12,921**	**12,666**
	0	9,736	13,036	12,728
Court of Customs and Patent Appeals				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**1,121**	**1,719**	**1,839**
			D 93	
Outlays	0	1,081	1,771	1,838
Customs Court				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**3,095**	**4,850**	**5,036**
			D 241	
Outlays	0	2,999	4,976	5,040
Court of Claims				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**3,570**	**5,230**	**5,598**
			D 239	
Outlays	0	3,374	5,348	5,591

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
The Judiciary—Con.					
Courts of Appeals, District Courts, and other Judicial Services					
Federal funds					
General and Special Funds:					
Salaries of judges	752				
Appropriation, current		BA	**41,458**	**48,500** D 6,300	**54,852**
Outlays		0	38,972	54,261	54,840
Salaries of supporting personnel	752				
Appropriation, current		BA	**175,495**	**195,700** D 13,428	**216,688**
Outlays		0	169,176	207,320	215,688
Defender services	752				
Appropriation, current		BA	**24,800**	**26,000**	**26,000**
Outlays		0	21,607	26,463	26,554
Fees of jurors and commissioners	752				
Appropriation, current		BA	**24,750**	**34,000**	**36,937**
Outlays		0	28,844	35,783	36,910
Travel and miscellaneous expenses	752				
Appropriation, current		BA	**35,514**	**37,800**	**42,034**
Outlays		0	31,447	41,859	41,634
Salaries and expenses of magistrates	752				
Appropriation, current		BA	**19,441**	**22,000** D 1,136	**23,851**
Outlays		0	18,539	22,827	23,804
Bankruptcy courts, salaries and expenses	752				
Appropriation, current		BA	**36,658**	**58,500** D 3,061	**65,299**
Outlays		0	38,117	60,335	65,117
Services for drug dependent offenders	752				
Appropriation, current		BA	.....	**3,500**	**3,645**
Outlays		0	.....	3,150	3,630
Space and facilities	752				
Appropriation, current		BA	**106,900**	**117,500**	**126,364**
Outlays		0	90,434	115,245	125,038
Furniture and furnishings	752				
Appropriation, current		BA	**4,200**	.....	.....
Outlays		0	.....	2,200	2,000
Speedy trial planning	752				
Outlays		0	77	193	224
Pretrial services agencies, The Judiciary	752				
Appropriation, current		BA	**5,000**	.....	.....
Outlays		0	3,935	3,039	564
Special rail reorganization court	752				
Outlays		0	110	287	1,489
Total Federal funds Courts of Appeals, District Courts, and other Judicial Services		BA	**474,216**	**567,425**	**595,670**
		0	441,258	572,962	597,492

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
The Judiciary—Con.					
Administrative Office of the United States Courts					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**12,899**	**15,100**	**16,906**
				D 747	
Outlays		0	12,349	15,621	16,795
Intragovernmental Funds:					
Consolidated working fund	752				
Outlays		0	32	.....	.....
Total Federal funds Administrative Office of the United States Courts		BA	**12,899**	**15,847**	**16,906**
		0	12,381	15,621	16,795
Federal Judicial Center					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**8,279**	**8,500**	**9,376**
				D 202	
Outlays		0	8,495	8,540	9,199
Bicentennial Expenses, The Judiciary					
Federal funds					
General and Special Funds:					
Bicentennial activities	806				
Outlays		0	113	135	138
Judiciary Trust Funds					
Trust funds					
Judicial survivors' annuities fund	602				
Appropriation, permanent, indefinite		BA	**7,029**	**8,210**	**9,400**
Outlays		0	1,920	2,260	2,300
Summary					
Federal funds:					
(As shown in detail above)		BA	**514,345**	**617,267**	**647,091**
		0	479,437	622,389	648,821
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA			
		0	*—1,641*	*—1,648*	*—1,648*
	902	BA			
		0	*—52*	*—60*	*—65*
Total Federal funds		BA	**512,652**	**615,559**	**645,378**
		0	477,744	620,681	647,108

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
The Judiciary—Con.				
Summary—Con.				
Trust funds:				
(As shown in detail above)	BA	7,029	8,210	9,400
	O	1,920	2,260	2,300
Total The Judiciary	BA	519,681	623,769	654,778
	O	479,664	622,941	649,408
Executive Office of the President				
Compensation of the President				
Federal funds				
General and Special Funds:				
Compensation of the President 802				
Appropriation, current	BA	250	250	250
Outlays	O	250	250	250
The White House Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	17,163	18,210	20,627
			[D]763	
Outlays	O	15,909	18,855	20,526
Executive Residence at the White House				
Federal funds				
General and Special Funds:				
Operating expenses 802				
Appropriation, current	BA	2,683	2,957	3,204
			[C]81	
			[D]72	
Outlays	O	2,667	3,110	3,204
Official Residence of the Vice President				
Federal funds				
General and Special Funds:				
Operating expenses 802				
Appropriation, current	BA	129	233	168
Outlays	O	119	214	183
Special Assistance to the President				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	1,315	1,404	1,551
			[D]66	
Outlays	O	1,207	1,426	1,510

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Executive Office of the President—Con.				
Council of Economic Advisers				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	2,042	2,075	2,197
			D 27	
Outlays	0	1,822	2,296	2,193
Council on Environmental Quality and Office of Environmental Quality				
Federal funds				
General and Special Funds:				
Council on Environmental Quality and Office of Environmental Quality 802				
Appropriation, current	BA	3,026	3,126	3,436
Outlays	0	2,955	3,126	3,436
Intragovernmental Funds:				
Consolidated working fund 802				
Outlays	0	1,296	702	.....
Total Federal funds Council on Environmental Quality and Office of Environmental Quality	BA	3,026	3,126	3,436
	0	4,251	3,828	3,436
Council on International Economic Policy				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Outlays	0	−1	.....	.....
Council on Wage and Price Stability				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	4,502	8,483	.....
				K 9,770
			B 516	
			D 464	
Outlays	0	3,084	9,362	9,845
			B 491	B 25
Domestic Policy Staff				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	2,544	2,600	2,968
			D 122	
Outlays	0	2,757	2,815	2,984

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Executive Office of the President—Con.					
National Security Council					
Federal funds					
General and Special Funds:					
Salaries and expenses	802				
Appropriation, current		BA	3,525	3,557 D 101	3,725
Outlays		0	3,451	3,650	3,725
Office of Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	802				
Appropriation, current		BA	7,462	7,920 D 185	12,116
Outlays		0	6,914	7,302	10,930
Office of Management and Budget					
Federal funds					
General and Special Funds:					
Salaries and expenses	802				
Appropriation, current		BA	29,044	32,400 D 1,499	32,478
Outlays		0	26,871	32,205	31,004
Office of Federal Procurement Policy: Salaries and expenses	802				
Appropriation, current		BA	3,000	3,000	2,700
Outlays		0	3,042	3,000	2,700
Summary					
Federal funds:					
(As shown in detail above)		BA	32,044	36,899	35,178
		0	29,913	35,205	33,704
Deductions for offsetting receipts:					
Proprietary receipts from the public	802	BA			
		0	*—125*	.....	.....
Total Office of Management and Budget		BA	31,919	36,899	35,178
		0	29,788	35,205	33,704
Office of Science and Technology Policy					
Federal funds					
General and Special Funds:					
Salaries and expenses	802				
Appropriation, current		BA	2,496	2,625 D 87	2,948
Outlays		0	3,097	3,000	3,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Executive Office of the President—Con.					
Office of the United States Trade Representative					
Federal funds					
General and Special Funds:					
Salaries and expenses	802				
Appropriation, current		BA	**2,707**	**8,158**	**9,271**
				[D] **260**	
Outlays		0	3,035	8,168	9,009
Special Action Office for Drug Abuse Prevention					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Outlays		0	196	134	.....
Special fund for drug abuse	554				
Outlays		0	1,044	138	.....
Total Federal funds Special Action Office for Drug Abuse Prevention		0	1,240	272	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**81,888**	**101,241**	**107,409**
		0	79,715	100,244	104,524
Deductions for offsetting receipts:					
Proprietary receipts from the public	802	BA			
		0	*—125*	.....	.....
Total Executive Office of the President		BA	**81,763**	**101,241**	**107,409**
		0	79,590	100,244	104,524
Funds Appropriated to the President					
Appalachian Regional Development Programs					
Federal funds					
General and Special Funds:					
Appalachian regional development programs	452				
Appropriation, current		BA	**378,700**	**356,500**	**170,000**
					[K] **198,800**
Outlays		0	303,046	300,800	331,000
Public Enterprise Funds:					
Appalachian housing fund	452				
Outlays		0	1,291	1,200	747
Total Federal funds Appalachian Regional Development Programs		BA	**378,700**	**356,500**	**368,800**
		0	304,337	302,000	331,747

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.					
Disaster Relief					
Federal funds					
General and Special Funds:					
Disaster relief	453				
Appropriation, current		BA	**386,772**	**193,600**	**375,570**
				[4] **314,000**	
Outlays		0	276,992	241,397	250,226
				[4] 136,000	[4] 178,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**386,772**	**507,600**	**375,570**
		0	276,992	377,397	428,226
Deductions for offsetting receipts:					
Proprietary receipts from the public	450	BA	.....	*—300*	*—300*
		0			
	902	BA	.....	*—22*	*—22*
		0			
Total Disaster Relief		BA	**386,772**	**507,278**	**375,248**
		0	276,992	377,075	427,904
Energy Security Programs					
Trust funds					
Energy security trust fund:					
(Energy supply)	271				
(Appropriation, current)		BA		[1] **146,500**	[1] **266,000**
(Outlays)		0		[1] 140,375	[1] 245,875
(Energy conservation)	272				
(Appropriation, current)		BA		[1] **111,000**	[1] **415,000**
(Outlays)		0		[1] 14,450	[1] 378,650
(Energy emergency preparedness)	274				
(Appropriation, current)		BA		[1] **8,600**	[1] **15,100**
(Outlays)		0		[1] 3,100	[1] 11,200
(Ground transportation)	401				
(Appropriation, current)		BA		[1] **1,276,000**	[1] **1,500,000**
(Outlays)		0		[1] 100,000	[1] 617,000
(Public assistance and other income supplements)	604				
(Appropriation, current)		BA		[1] **1,600,000**	[1] **2,400,000**
(Outlays)		0		[1] 1,600,000	[1] 2,400,000
Total Energy security trust fund		BA	.....	**3,142,100**	**4,596,100**
		0	.....	1,857,925	3,652,725
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			[1] *—8,800*
		0			
Total Federal funds		BA	.....	.....	**—8,800**
		0	.....	.....	—8,800

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.				
Energy Security Programs—Con.				
Trust funds:				
(As shown in detail above)	BA		3,142,100	4,596,100
	0		1,857,925	3,652,725
Total Energy Security Programs	BA		3,142,100	4,587,300
	0		1,857,925	3,643,925
Unanticipated Needs				
Federal funds				
General and Special Funds:				
Unanticipated needs 802				
Appropriation, current	BA	1,450	1,000	1,000
Outlays	0	1,029	1,293	1,000
Expenses of Management Improvement				
Federal funds				
General and Special Funds:				
Expenses of management improvement 802				
Outlays	0		427	
Foreign Assistance				
International Security Assistance				
Federal funds				
General and Special Funds:				
Military assistance 152				
Appropriation, current	BA	83,375	110,200	[K] 105,000
Reappropriation	BA	125,800		
Outlays	0	139,641	195,000	150,000
International military education and training 152				
Appropriation, current	BA	27,900	28,400	[K] 32,500
Reappropriation	BA	5,705		
Outlays	0	27,522	25,500	27,600
Military assistance, South Vietnamese Forces 152				
Outlays	0	—2	500	
Foreign military credit sales 152				
Appropriation, current	BA	1,024,500	659,000	[K] 714,000
			[B] 10,000	
Outlays	0	640,259	540,000	515,000
Assistance for relocation of facilities in Israel 152				
Appropriation, current	BA	800,000		
Contract authority, permanent, indefinite	BA		235,556	
Outlays	0	31,300	411,000	318,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.					
Foreign Assistance—Con.					
International Security Assistance—Con.					
Economic support fund	151				
Appropriation, current		BA		[B] 100,000 [W] 80,000	
Indefinite		BA	2,281,500	1,927,000	..... [K] 2,080,500
Reappropriation		BA	.....	23,953	.....
Outlays		0	1,728,773	1,857,000 [B] 100,000 [W] 50,000	1,994,000 [W] 30,000
Peacekeeping operations	151				
Appropriation, current, indefinite		BA	27,243	21,100	..... [K] 25,000
Reappropriation		BA	11,758	.....	.....
Outlays		0	25,940	33,000	32,000
Public Enterprise Funds:					
Liquidation of foreign military sales fund	152				
Outlays		0	—1,849	—2,300	—1,837
Trust funds					
Advances, foreign military sales	155				
Contract authority, permanent, indefinite		BA	6,217,758	9,000,000	9,500,000
Liquidation of contract authority, permanent			(8,544,542)	(8,300,000)	(9,500,000)
Outlays		0	7,110,679	9,500,000	9,500,000
Summary					
Federal funds:					
(As shown in detail above)		BA	4,387,781	3,195,209	2,957,000
		0	2,591,584	3,209,700	3,064,763
Deductions for offsetting receipts:					
Proprietary receipts from the public	152	BA	*—246,505*	*—245,000*	*—245,000*
		0			
	902	BA	*—72,037*	*—75,000*	*—75,000*
		0			
Total Federal funds		BA	4,069,239	2,875,209	2,637,000
		0	2,273,042	2,889,700	2,744,763
Trust funds:					
(As shown in detail above)		BA	6,217,758	9,000,000	9,500,000
		0	7,110,679	9,500,000	9,500,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	155	BA	*—8,544,542*	*—8,300,000*	*—9,500,000*
		0			
Total Trust funds		BA	—2,326,784	700,000	.....
		0	—1,433,863	1,200,000	.....
Total International Security Assistance		BA	1,742,455	3,575,209	2,637,000
		0	839,179	4,089,700	2,744,763

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.				
Foreign Assistance—Con.				
International Development Assistance				
Multilateral Assistance				
Federal funds				
General and Special Funds:				
Contribution to the International bank for reconstruction and development 151				
Appropriation, current	BA	**163,079**	**825,777**	**20,000**
Outlays	0	16,298	82,578	20,000
Contribution to the International development association 151				
Appropriation, current	BA	**1,258,000**	**1,092,000**	.....
				[K] **1,080,000**
Outlays	0	375,621	500,000	571,600
Contribution to the International finance corporation 151				
Appropriation, current	BA	**40,045**	**33,448**	.....
Outlays	0	25,599	22,299	22,299
Contribution to the Inter-American development bank 151				
Appropriation, current	BA	**763,728**	**869,556**	**143,023**
				[K] **226,547**
Outlays	0	235,711	267,000	250,921
Contribution to the Asian development bank 151				
Appropriation, current	BA	**265,000**	**371,077**	**25,196**
				[K] **111,250**
Outlays	0	29,369	51,664	77,974
Contribution to the African development fund 151				
Appropriation, current	BA	**25,000**	**41,667**	.....
				[K] **41,667**
Outlays	0	.....	2,000	4,800
Contribution to the African development bank 151				
Appropriation, current	BA			[K] **17,987**
Outlays	0	.....	.....	17,987
Payment to the International Fund for Agricultural Development 151				
Outlays	0	.....	20,000	40,000
International organizations and programs 151				
Appropriation, current	BA	**260,000**	**261,640**	.....
				[K] **244,050**
Outlays	0	200,102	243,365	246,503
Total Federal funds Multilateral Assistance	BA	**2,774,852**	**3,495,165**	**1,909,720**
	0	882,700	1,188,906	1,252,084
Bilateral Assistance				
Federal funds				
General and Special Funds:				
Functional development assistance program 151				
Appropriation, current	BA	**1,132,000**	**1,218,680**	.....
				[K] **1,414,202**
Outlays	0	837,449	881,227	1,017,410

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.				
Foreign Assistance—Con.				
International Development Assistance—Con.				
Sahel development program 151				
Appropriation, current	BA	75,000	100,000	[K] 113,442
Outlays	O	15,923	34,482	52,066
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current	BA		[A] 1,020	
Indefinite	BA	25,676	25,676	25,296
Outlays	O	25,676	25,676 [A] 1,020	25,296
American schools and hospitals abroad 151				
Appropriation, current, indefinite	BA	25,000	20,000	[K] 15,000
Outlays	O	26,047	18,032	17,820
International disaster assistance 151				
Appropriation, current	BA	37,157	71,800	[K] 25,000
Reappropriation	BA	9,634		
Outlays	O	53,987	77,305	43,077
Operating expenses of the International Development Cooperation Agency 151				
Appropriation, current	BA	252,500	263,000 [D] 8,587	[K] 293,800
Outlays	O	229,810	269,794	285,161
Institute for Scientific and Technological Cooperation 151				
Appropriation, current	BA		23,750	[K] 95,000
Outlays	O		7,000	32,000
Miscellaneous appropriations 151				
Outlays	O	20,958	20,209	13,018
Public Enterprise Funds:				
Development loans—revolving fund 151				
Outlays	O	20,524	33,427	13,537
Housing and other credit guaranty programs 151				
Outlays	O	2,787	2,764	2,790
Overseas Private Investment Corporation 151				
Outlays	O	—64,132	—55,706	—51,827
Inter-American Foundation 151				
Appropriation, current, indefinite	BA	10,000	15,964	17,000
Outlays	O	9,829	14,724	16,512
Intragovernmental Funds:				
Advance acquisition of property—revolving fund 151				
Outlays	O	286		
Office of the Inspector General of Foreign Assistance 151				
Outlays	O		139	
Consolidated working fund 151				
Outlays	O	—3		

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.					
Foreign Assistance—Con.					
International Development Assistance—Con.					
Trust funds					
Miscellaneous trust funds	151				
Appropriation, permanent, indefinite		BA	**27,205**	**21,674**	**25,000**
Outlays		0	26,981	21,674	25,000
Total Federal funds Bilateral Assistance		BA	**1,566,967**	**1,748,477**	**1,998,740**
		0	1,179,141	1,330,093	1,466,860
Total Trust funds Bilateral Assistance		BA	**27,205**	**21,674**	**25,000**
		0	26,981	21,674	25,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**4,341,819**	**5,243,642**	**3,908,460**
		0	2,061,841	2,518,999	2,718,944
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*—854*	*—294*	*—294*
	151	BA			
		0	*—314,388*	*—327,673*	*—373,867*
	902	BA			
		0	*—270,616*	*—363,925*	*—393,869*
Total Federal funds		BA	**3,755,961**	**4,551,750**	**3,140,430**
		0	1,475,983	1,827,107	1,950,914
Trust funds:					
(As shown in detail above)		BA	**27,205**	**21,674**	**25,000**
		0	26,981	21,674	25,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA			
		0	*—27,204*	*—21,674*	*—25,000*
Total Trust funds		BA	**1**	.....	.....
		0	—223	.....	.....
Total International Development Assistance		BA	**3,755,962**	**4,551,750**	**3,140,430**
		0	1,475,760	1,827,107	1,950,914
International Narcotics Control Assistance					
Federal funds					
General and Special Funds:					
International narcotics control	151				
Appropriation, current		BA	**38,500**	**48,758**	.....
					[K] **38,613**
Outlays		0	46,702	40,543	42,448

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.					
Foreign Assistance—Con.					
Contingencies					
Federal funds					
General and Special Funds:					
President's foreign assistance contingency fund	151				
Appropriation, current, indefinite		BA	3,000	.....	.....
Outlays		0	3,031	1,470	.....
Total Federal funds Foreign Assistance		BA	7,866,700	7,475,717	5,816,043
		0	3,798,758	4,758,820	4,738,125
Total Trust funds Foreign Assistance		BA	−2,326,783	700,000	.....
		0	−1,434,086	1,200,000	.....
Peace Corps					
Federal funds					
General and Special Funds:					
Operating expenses	151				
Appropriation, current		BA	99,179	105,000	118,800
				[D]795	
Outlays		0	93,900	103,865	115,552
Trust funds					
Miscellaneous trust funds	151				
Appropriation, permanent, indefinite		BA	.....	481	248
Outlays		0	92	248	248
Summary					
Federal funds:					
(As shown in detail above)		BA	99,179	105,795	118,800
		0	93,900	103,865	115,552
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*−9*	*−55*	*−55*
Total Federal funds		BA	99,170	105,740	118,745
		0	93,891	103,810	115,497
Trust funds:					
(As shown in detail above)		BA	.....	481	248
		0	92	248	248
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA			
		0	.....	*−370*	*−140*
Total Trust funds		BA	.....	111	108
		0	92	−122	108
Total Peace Corps		BA	99,170	105,851	118,853
		0	93,983	103,688	115,605

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.					
International Commodity Agreements					
Federal funds					
General and Special Funds:					
Contributions to international buffer stocks	155				
Appropriation, current		BA			[K] 88,000
Outlays		0			[K] 5,000
Israel-United States Binational Agreements					
Federal funds					
General and Special Funds:					
Israel-United States binational agricultural research and development fund	352				
Appropriation, current		BA	**40,000**	.....	.....
Outlays		0	40,000	.....	.....
Petroleum Reserves					
Federal funds					
General and Special Funds:					
Petroleum reserves:					
(Energy supply)	271				
(Outlays)		0	67,568	161,442	.....
Summary					
Federal funds:					
(As shown in detail above)		0	67,568	161,442	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*—525,208*	*742,680*	.....
Total Petroleum Reserves		BA	**—525,208**	**742,680**	.....
		0	—457,640	904,122	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**9,677,201**	**9,458,504**	**7,856,243**
		0	5,486,984	6,717,136	6,707,680
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*—863*	*—349*	*—349*
	151	BA			
		0	*—314,388*	*—327,673*	*—373,867*
	152	BA			
		0	*—246,505*	*—245,000*	*—245,000*
	271	BA			
		0	*—525,208*	*742,680*	.....
		BA			
		0			[J] *—8,800*
	450	BA			
		0	.....	*—300*	*—300*
	902	BA			
		0	*—342,653*	*—438,947*	*—468,891*
Total Federal funds		BA	**8,247,584**	**9,188,915**	**6,759,036**
		0	4,057,367	6,447,547	5,610,473

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President—Con.					
Summary—Con.					
Trust funds:					
(As shown in detail above)		BA	**6,244,963**	**12,164,255**	**14,121,348**
		0	7,137,752	11,379,847	13,177,973
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA			
		0	*—27,204*	*—22,044*	*—25,140*
	155	BA			
		0	*—8,544,542*	*—8,300,000*	*—9,500,000*
Total Trust funds		BA	**—2,326,783**	**3,842,211**	**4,596,208**
		0	—1,433,994	3,057,803	3,652,833
Total Funds Appropriated to the President		BA	**5,920,801**	**13,031,126**	**11,355,244**
		0	2,623,373	9,505,350	9,263,306
Department of Agriculture					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Office of the Secretary	352				
Appropriation, current		BA	**4,396**	**4,470** **[D] 409**	**5,249**
Outlays		0	4,366	4,770	5,139
Departmental Administration					
Federal funds					
General and Special Funds:					
Departmental administration	352				
Appropriation, current		BA	**19,029**	**19,457** **[C] 22** **[D] 1,086**	**23,761**
Outlays		0	19,364	20,166	23,305
Intragovernmental Funds:					
Working capital fund	352				
Outlays		0	14,174	.....	.....
Miscellaneous consolidated working funds	352				
Outlays		0	15,872	.....	.....
Total Federal funds Departmental Administration		BA	**19,029**	**20,565**	**23,761**
		0	49,410	20,166	23,305
Office of the Inspector General					
Federal funds					
General and Special Funds:					
Office of the Inspector General	352				
Appropriation, current		BA	**32,130**	**34,474** **[D] 1,223** **[G] 477**	**38,584**
Outlays		0	32,487	35,557	37,955

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Office of the General Counsel				
Federal funds				
General and Special Funds:				
Office of the General Counsel 352				
Appropriation, current	BA	**10,598**	**11,000** [D] **696**	**12,162**
Outlays	0	10,199	11,492	11,957
Science and Education Administration				
Federal funds				
General and Special Funds:				
Agricultural research 352				
Appropriation, current	BA	**343,329**	**369,920** [C] **1,106** [D] **8,144**	**402,739**
Reappropriation	BA	**2,000**	**2,000**	.....
Outlays	0	330,119	335,006	324,927
Cooperative research 352				
Appropriation, current	BA	**174,395**	**189,045**	**197,773** [J] **5,000**
Outlays	0	153,069	176,492	193,383 [J] 1,000
Extension activities 352				
Appropriation, current	BA	**275,399**	**285,537**	**298,134**
Outlays	0	272,936	261,732	275,968
Technical information systems 352				
Appropriation, current	BA	**7,527**	**7,835** [D] **213**	**8,789**
Outlays	0	7,491	7,505	7,913
Buildings and facilities 352				
Appropriation, current	BA	**36,740**	.....	.....
Outlays	0	12	11,153	18,074
Library facilities 352				
Outlays	0	1	.....	.....
Intragovernmental Funds:				
Consolidated working fund 352				
Outlays	0	235	15	.....
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**1,754**	**1,308**	**1,017**
Outlays	0	1,027	976	1,250
Total Federal funds Science and Education Administration	BA	**839,390**	**863,800**	**912,435**
	0	763,863	791,903	821,265
Total Trust funds Science and Education Administration	BA	**1,754**	**1,308**	**1,017**
	0	1,027	976	1,250

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Economics, Statistics, and Cooperatives Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**82,501**	**87,625** [C]3 [D]4,651	**98,975**
Outlays	0	82,260	91,910	98,606
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**48**	**70**	**70**
Outlays	0	319	70	70
World Food and Agricultural Outlook and Situation Board				
Federal funds				
General and Special Funds:				
World food and agricultural outlook and situation board 352				
Appropriation, current	BA	**1,009**	**1,045** [D]66	**2,110**
Outlays	0	1,128	1,484	2,040
Foreign Agricultural Service				
Federal funds				
General and Special Funds:				
Foreign Agricultural Service 352				
Appropriation, current	BA	**53,917**	**54,631** [D]708	**61,760**
Outlays	0	48,942	54,895	62,162
Salaries and expenses (special foreign currency program) 352				
Outlays	0	689	500	500
Total Federal funds Foreign Agricultural Service	BA	**53,917**	**55,339**	**61,760**
	0	49,631	55,395	62,662
Office of International Cooperation and Development				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**456**	**2,547** [D]17	**6,868**
Outlays	0	9,802	2,564	6,868
Scientific activities overseas (special foreign currency program) 352				
Appropriation, current	BA	**5,750**	**5,750**	**5,750**
Outlays	0	5,661	6,900	5,350
Intragovernmental Funds:				
Consolidated working fund 151				
Outlays	0	—2,643	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Office of International Cooperation and Development—Con.				
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**1,412**	**7,011**	**6,087**
Outlays	0	1,586	7,357	6,087
Total Federal funds Office of International Cooperation and Development	BA	**6,206**	**8,314**	**12,618**
	0	12,820	9,464	12,218
Total Trust funds Office of International Cooperation and Development	BA	**1,412**	**7,011**	**6,087**
	0	1,586	7,357	6,087
Foreign Assistance Programs				
Federal funds				
General and Special Funds:				
Expenses, Public Law 480, foreign assistance programs, Agriculture 151				
Appropriation, current	BA	**805,900**	**743,476**	**1,128,930**
			[W] **96,708**	
Outlays	0	975,902	1,072,092	1,153,000
			[W] 96,708	
Increase (—) or decrease in amount owed by the Public Law 480 account to the Commodity Credit Corportation 351				
Outlays	0	—170,002	—328,616	—24,070
Total Federal funds Foreign Assistance Programs	BA	**805,900**	**840,184**	**1,128,930**
	0	805,900	840,184	1,128,930
Agricultural Stabilization and Conservation Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 351				
Appropriation, current	BA	**227,509**	**186,529**	**197,942**
			[D] **6,018**	
Outlays	0	226,082	187,597	192,879
Sugar Act program 351				
Outlays	0	1	.....	.....
Rural clean water program 304				
Appropriation, current	BA	.....	**50,000**	**20,000**
Outlays	0	.....	5,000	5,563
Agricultural conservation program 302				
Appropriation, current	BA	**190,000**	**190,000**	**190,000**
Liquidation of contract authority, current		(190,000)	.....	.....
Outlays	0	232,243	219,900	193,000
Water Bank program 302				
Appropriation, current	BA	**10,000**	**10,000**	**10,000**
Outlays	0	8,181	9,400	6,526
Cropland adjustment program 351				
Outlays	0	2	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Agricultural Stabilization and Conservation Service—Con.				
Emergency conservation program 453				
Appropriation, current	BA	**10,000**	**15,000**	**10,000**
Outlays	O	23,384	22,500	15,000
Dairy and beekeeper indemnity programs 351				
Appropriation, current	BA	**3,240**	**3,290**	**200**
Outlays	O	3,242	3,290	200
Forestry incentives program 302				
Appropriation, current	BA	**15,000**	**15,000**	**15,000**
Outlays	O	14,324	17,945	15,015
Total Federal funds Agricultural Stabilization and Conservation Service	BA	**455,749**	**475,837**	**443,142**
	O	507,459	465,632	428,183
Federal Crop Insurance Corporation				
Federal funds				
General and Special Funds:				
Administrative and operating expenses 351				
Appropriation, current	BA	**12,000**	**12,000**	**12,000**
				[1] **111,228**
Outlays	O	11,650	12,000	12,000
				[1] 111,228
Public Enterprise Funds:				
Federal Crop Insurance Corporation fund 351				
Outlays	O	—19,589	14,893	15,193
				[1] —18,583
Limitation on administrative and operating expenses		(12,377)	(16,500)	(18,583)
			[D] (1,095)	
Total Federal funds Federal Crop Insurance Corporation	BA	**12,000**	**12,000**	**123,228**
	O	—7,939	26,893	119,838
Commodity Credit Corporation				
Support and Related Activities				
Federal funds				
Public Enterprise Funds:				
Price support and related programs: Reimbursement for net realized losses 351				
Appropriation, current	BA	**990,900**	**3,056,189**	**3,299,887**
Authority to borrow, current	BA	**5,500,000**	.....	.....
Outlays	O	3,572,102	2,792,442	1,696,536
				[1] 359,070
Limitation on administrative expenses and direct loans		(50,100)	(50,700)	(53,600)
Total Federal funds Support and Related Activities	BA	**6,490,900**	**3,056,189**	**3,299,887**
	O	3,572,102	2,792,442	2,055,606

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Commodity Credit Corporation—Con.				
Special Activities				
Federal funds				
General and Special Funds:				
National Wool Act (special fund) 351				
Appropriation, permanent, indefinite	BA	**33,038**	**39,421**	**36,886**
Outlays	0	39,421	36,886	40,421
Intragovernmental Funds:				
Increase or decrease (—) in amount owed to the Corporation by the Public Law 480 account 351				
Outlays	0	170,002	328,616	24,070
Total Federal funds Special Activities	BA	**33,038**	**39,421**	**36,886**
	0	209,423	365,502	64,491
Total Federal funds Commodity Credit Corporation	BA	**6,523,938**	**3,095,610**	**3,336,773**
	0	3,781,525	3,157,944	2,120,097
Rural Electrification Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 271				
Appropriation, current	BA	**25,121**	**26,165**	**28,051**
			[D] **1,256**	
Outlays	0	23,923	27,963	27,899
Public Enterprise Funds:				
Rural communication development fund 452				
Appropriation, permanent, indefinite	BA	.....	**10,000**	.....
Authority to borrow, permanent, indefinite	BA	.....	**25**	**34,154**
Outlays	0	.....	4,247	15,797
Total Federal funds Rural Electrification Administration	BA	**25,121**	**37,446**	**62,205**
	0	23,923	32,210	43,696
Farmers Home Administration				
Federal funds				
General and Special Funds:				
Rural water and waste disposal grants 452				
Appropriation, current	BA	**282,500**	**300,000**	**284,000**
Outlays	0	286,989	300,548	302,736
Rural development grants 452				
Appropriation, current	BA	**10,000**	**10,000**	**10,000**
Outlays	0	10,811	11,890	11,522
Rural development planning grants 452				
Appropriation, current	BA	**5,000**	**7,000**	**5,000**
Outlays	0	4,270	7,130	6,600
Salaries and expenses 452				
Appropriation, current	BA	**225,144**	**230,338**	**246,677**
			[C] **13**	
			[D] **9,142**	
Outlays	0	211,505	238,376	245,871

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.					
Farmers Home Administration—Con.					
Rural community fire protection grants	452				
Appropriation, current		BA	3,500	3,500	.....
Outlays		0	3,442	3,855	1,665
Rural housing for domestic farm labor	604				
Appropriation, current		BA	33,000	25,000	25,000
Outlays		0	5,886	8,331	20,108
Mutual and self-help housing	604				
Appropriation, current		BA	13,500	5,000	.....
Outlays		0	4,915	5,345	7,800
Rural housing supervisory assistance grants	371				
Appropriation, current		BA	2,500	1,500	2,000
Outlays		0	.....	4,000	2,000
Very low income housing repair grants	604				
Appropriation, current		BA	19,000	24,000	25,000
Outlays		0	18,870	23,779	24,980
Public Enterprise Funds:					
Self-help housing land development fund	371				
Appropriation, current		BA	1,000	.....	4,000
Outlays		0	−29	728	2,042
Rural housing insurance fund	371				
Appropriation, current		BA	320,192	320,209	504,318
Indefinite		BA	14,156	76,150	111,000
Appropriation, permanent, indefinite		BA	455	.....	.....
Authority to borrow, permanent, indefinite		BA	454,793	1,912,169	.....
Outlays		0	183,822	1,801,610	−961,916
Agricultural credit insurance fund	351				
Appropriation, current		BA	143,565	272,809	297,032
Authority to borrow, permanent, indefinite		BA	988,867	.....	.....
Outlays		0	1,017,151	238,476	−1,020,074
Rural development insurance fund	452				
Appropriation, current		BA	107,276	91,874	143,282
Appropriation, permanent		BA	.....	−10,000	.....
Authority to borrow, permanent, indefinite		BA	400,094	52,119	.....
Outlays		0	151,990	90,000	199,615
Total Federal funds Farmers Home Administration		BA	3,024,542	3,330,823	1,657,309
		0	1,899,622	2,734,068	−1,157,051
Soil Conservation Service					
Federal funds					
General and Special Funds:					
Conservation operations	302				
Appropriation, current		BA	262,402	264,747 D 12,328	283,801
Outlays		0	256,417	277,766	292,063
River basin surveys and investigations	301				
Appropriation, current		BA	16,487	16,487	17,442
Outlays		0	14,088	16,467	17,419
Watershed planning	301				
Appropriation, current		BA	11,847	10,500 D 615	6,660
Outlays		0	12,964	11,316	7,502

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Soil Conservation Service—Con.				
Watershed and flood prevention operations 301				
Appropriation, current	BA	**169,607**	**167,524**	**172,160**
Outlays	0	228,239	199,692	191,708
Great plains conservation program 302				
Appropriation, current	BA	**18,689**	**18,689**	**20,591**
Outlays	0	21,543	22,032	23,916
Resource conservation and development 302				
Appropriation, current	BA	**25,441**	**32,000**	**34,593**
Outlays	0	25,791	25,323	31,235
Trust funds				
Miscellaneous contributed funds:				
(Water resources) 301				
(Appropriation, permanent, indefinite)	BA	**693**	**1,010**	**1,000**
(Outlays)	0	803	910	1,010
(Conservation and land management) 302				
(Appropriation, permanent, indefinite)	BA	**298**	**100**	**78**
(Outlays)	0	345	90	100
Total Miscellaneous contributed funds	BA	**991**	**1,110**	**1,078**
	0	1,148	1,000	1,110
Total Federal funds Soil Conservation Service	BA	**504,473**	**522,890**	**535,247**
	0	559,042	552,596	563,843
Total Trust funds Soil Conservation Service	BA	**991**	**1,110**	**1,078**
	0	1,148	1,000	1,110
Animal and Plant Health Inspection Service				
Federal funds				
General and Special Funds:				
Animal and Plant Health Inspection Service 352				
Appropriation, current	BA	**237,406**	**245,631**	**259,044**
			D 6,834	
Outlays	0	227,990	251,765	258,178
Animal quarantine station 352				
Outlays	0	406	115	.....
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	**1,968**	**2,126**	**2,326**
Outlays	0	1,702	2,094	2,326
Total Federal funds Animal and Plant Health Inspection Service	BA	**237,406**	**252,465**	**259,044**
	0	228,396	251,880	258,178
Total Trust funds Animal and Plant Health Inspection Service	BA	**1,968**	**2,126**	**2,326**
	0	1,702	2,094	2,326

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Federal Grain Inspection Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**22,680**	**23,122**	**26,268**
			D 1,172	
Outlays	0	21,150	24,294	26,268
Public Enterprise Funds:				
Inspection and weighing services 352				
Outlays	0	−2,844	1,815	2,040
Total Federal funds Federal Grain Inspection Service	BA	**22,680**	**24,294**	**26,268**
	0	18,306	26,109	28,308
Agricultural Marketing Service				
Federal funds				
General and Special Funds:				
Marketing services 352				
Appropriation, current	BA	**46,653**	**46,302**	**50,710**
			D 2,544	
Outlays	0	43,024	48,696	50,560
Payments to States and possessions 352				
Appropriation, current	BA	**1,600**	**1,600**	.....
Outlays	0	783	3,391	.....
Perishable Agricultural Commodities Act fund 352				
Appropriation, permanent, indefinite	BA	**1,708**	**2,218**	**2,265**
Outlays	0	1,912	2,392	2,439
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	**653**	**177**	**178**
Outlays	0	43	177	178
Milk market orders assessment fund 351				
Outlays	0	−255	.....	.....
Total Federal funds Agricultural Marketing Service	BA	**49,961**	**52,664**	**52,975**
	0	45,719	54,479	52,999
Total Trust funds Agricultural Marketing Service.	BA	**653**	**177**	**178**
	0	−212	177	178
Office of Transportation				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**1,344**	**1,612**	**2,205**
Outlays	0	1,018	1,612	2,205

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Food Safety and Quality Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**279,531**	**278,430**	**301,888**
			[D] 14,076	
Outlays	O	262,928	290,510	300,077
Funds for strengthening markets, income, and supply (section 32) 604				
Appropriation, permanent, indefinite	BA	**223,192**	**311,163**	**390,190**
Outlays	O	273,889	303,083	370,610
Trust funds				
Expenses and refunds, inspection and grading of farm products 352				
Appropriation, permanent, indefinite	BA	**48,579**	**53,772**	**53,832**
Outlays	O	48,853	51,585	53,401
Total Federal funds Food Safety and Quality Service	BA	**502,723**	**603,669**	**692,078**
	O	536,817	593,593	670,687
Total Trust funds Food Safety and Quality Service	BA	**48,579**	**53,772**	**53,832**
	O	48,853	51,585	53,401
Food and Nutrition Service				
Federal funds				
General and Special Funds:				
Food program administration 604				
Appropriation, current	BA	**77,290**	**82,000**	**87,008**
			[D] 2,408	
Outlays	O	71,300	83,265	85,912
Food stamp program 604				
Appropriation, current	BA	**6,670,278**	**6,179,676**	**6,226,494**
				[K] 3,503,376
			[B] 2,556,174	
			[F] —477	
Outlays	O	6,821,746	6,155,156	9,622,170
			[B] 2,522,844	[B] 33,330
Special milk program 604				
Appropriation, current	BA	**142,000**	**142,000**	**166,200**
			[A] 11,800	
				[J] —55,700
Outlays	O	134,086	142,000	154,700
			[A] 7,600	[A] 4,200
				[J] —53,300
Child nutrition programs 604				
Appropriation, current	BA	**1,402,035**	**1,279,215**	**1,830,923**
			[A] 337,400	
				[J] —401,800
Appropriation, permanent	BA	**1,411,575**	**1,831,086**	**1,879,653**
Outlays	O	2,879,668	2,992,434	3,483,800
			[A] 322,700	[A] 14,700
				[J] —379,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.				
Food and Nutrition Service—Con.				
Special supplemental food programs (WIC) 604				
Appropriation, current	BA	**569,500**	**757,700**	**924,540**
				[J] **46,160**
Outlays	O	542,158	735,060	860,430
				[J] 42,880
Food donations program 604				
Appropriation, current	BA	**69,800**	**90,290**	**129,450**
			[A] **16,044**	
Outlays	O	64,139	90,626	122,990
			[A] 12,994	[A] 3,050
Total Federal funds Food and Nutrition Service	BA	**10,342,478**	**13,285,316**	**14,336,304**
	O	10,513,097	13,064,679	13,995,862
Forest Service				
Federal funds				
General and Special Funds:				
Forest management, protection and utilization 302				
Appropriation, current	BA	**925,841**	**1,007,206**	**1,067,814**
			[A] **100,697**	
			[D] **27,463**	
Outlays	O	927,384	881,518	1,012,546
			[A] 88,743	[A] 11,954
Construction and land acquisition 302				
Appropriation, current	BA	**279,643**	**423,412**	**373,415**
			[D] **6,282**	
Outlays	O	136,869	223,919	367,889
Youth Conservation Corps 302				
Appropriation, current	BA	**60,000**	**54,000**	**55,000**
			[D] **797**	
Outlays	O	62,702	55,365	60,795
Forest roads and trails 302				
Appropriation, current	BA	**231,393**	.....	.....
Outlays	O	212,917	139,549	.....
Other general appropriations 302				
Outlays	O	.....	283	.....
Acquisition of lands for national forests, special acts 302				
Appropriation, current	BA	**385**	**325**	**754**
Outlays	O	135	325	754
Acquisition of lands to complete land exchanges 302				
Appropriation, current, indefinite	BA	**239**	**155**	**446**
Outlays	O	43	155	446
Rangeland improvements 302				
Appropriation, current, indefinite	BA	**5,356**	**5,900**	**6,800**
Outlays	O	4,890	4,135	6,800
Construction and operation of recreation facilities 303				
Appropriation, current, indefinite	BA	**3,459**	**3,850**	**3,900**
Outlays	O	4,002	2,850	3,895

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.					
Forest Service—Con.					
Timber salvage sales	302				
Appropriation, current		BA	3,000	.....	.....
Appropriation, permanent, indefinite		BA	12,387	11,000	11,200
Outlays		0	8,782	8,070	10,080
Forest Service permanent appropriations	302				
Appropriation, permanent, indefinite		BA	152,408	182,724	188,950
Outlays		0	123,943	164,490	185,851
Forest Service permanent appropriations	852				
Appropriation, permanent, indefinite		BA	240,605	279,163	320,000
Outlays		0	240,708	279,163	320,000
Intragovernmental Funds:					
Working capital fund	302				
Outlays		0	−6,787	.....	.....
Consolidated working fund	302				
Outlays		0	1,583	2,276	.....
Trust funds					
Miscellaneous trust funds	302				
Appropriation, permanent, indefinite		BA	140,053	96,609	96,400
Outlays		0	64,018	92,680	97,994
Highland scenic highway	401				
Outlays		0	4,526	3,869	1,042
Total Federal funds Forest Service		BA	1,914,716	2,102,974	2,028,279
		0	1,717,171	1,850,841	1,981,010
Total Trust funds Forest Service		BA	140,053	96,609	96,400
		0	68,544	96,549	99,036
Summary					
Federal funds:					
(As shown in detail above)		BA	25,472,207	25,731,941	25,851,641
		0	21,636,220	24,674,861	21,311,932
Deductions for offsetting receipts:					
Intrafund transactions	302	BA			
		0	*−100,230*	*−226,075*	*−210,000*
Proprietary receipts from the public	270	BA			
		0	*−3*	.....	.....
	300	BA			
		0	*−363,762*	*−477,849*	*−517,154*
	302	BA			
		0	*−510,400*	*−340,450*	*−498,993*
	350	BA			
		0	*47,776*	*−2,638*	*−2,638*
		BA			
		0			*[1]*
	450	BA			
		0	*−40*	*−38*	*−38*
	550	BA			
		0	*−3*	*−3*	*−3*
	600	BA			
		0	*−1,092*	*−1,000*	*−1,000*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Agriculture—Con.					
Summary—Con.					
	902	BA			
		O	*—122*	*—96*	*—115*
Total Federal funds		BA	**24,544,331**	**24,683,792**	**24,621,701**
		O	20,708,344	23,626,712	20,081,992
Trust funds:					
(As shown in detail above)		BA	**195,458**	**162,183**	**160,988**
		O	122,967	159,808	163,458
Deductions for offsetting receipts:					
Proprietary receipts from the public	302	BA			
		O	*—140,053*	*—96,609*	*—96,400*
	352	BA			
		O	*—55,404*	*—65,574*	*—64,588*
Total Trust funds		BA	**1**	.....	.....
		O	—72,490	—2,375	2,470
Total Department of Agriculture		BA	**24,544,332**	**24,683,792**	**24,621,701**
		O	20,635,854	23,624,337	20,084,462
Department of Commerce					
General Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**25,640**	**27,622** **[A] 4,200** **[C] 3** **[D] 950**	**39,019**
Outlays		O	25,599	27,907 [A] 4,200	39,029
White House conference on balanced national growth and economic development	376				
Outlays		O	1	.....	.....
Special foreign currency program	376				
Outlays		O	329	143	.....
Participation in United States expositions	376				
Appropriation, current		BA		**[W] 20,800**	
Outlays		O	76	98 [W] 4,053	..... [W] 10,904
Intragovernmental Funds:					
Working capital fund	376				
Outlays		O	454	.....	.....
Consolidated working fund	376				
Outlays		O	—844	184	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.				
General Administration—Con.				
Trust funds				
Miscellaneous trust funds 376				
Appropriation, permanent	BA	**224**	**200**	**200**
Outlays	O	243	200	200
Total Federal funds General Administration	BA	**25,640**	**53,575**	**39,019**
	O	25,615	36,585	49,933
Total Trust funds General Administration	BA	**224**	**200**	**200**
	O	243	200	200
Bureau of the Census				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**51,033**	**52,090** D 1,699	**58,268**
Outlays	O	36,460	50,724	53,557
Periodic censuses and programs 376				
Appropriation, current	BA	**201,928**	**604,900** D 34,493	**148,085**
Outlays	O	145,002	567,374	229,597
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	O	10,761	114	.....
Trust funds				
Special studies, services, and projects 376				
Appropriation, permanent, indefinite	BA	**6,122**	**8,116**	**9,283**
Outlays	O	5,691	8,116	9,283
Total Federal funds Bureau of the Census	BA	**252,961**	**693,182**	**206,353**
	O	192,223	618,212	283,154
Total Trust funds Bureau of the Census	BA	**6,122**	**8,116**	**9,283**
	O	5,691	8,116	9,283
Economic and Statistical Analysis				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**16,977**	**21,227** D 597	**24,986**
Outlays	O	17,545	21,389	24,554
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	O	—1,156	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.				
Economic and Statistical Analysis—Con.				
Trust funds				
Special studies, services, and projects 376				
Appropriation, permanent, indefinite	BA	**145**	**250**	**250**
Outlays	0	43	250	250
Total Federal funds Economic and Statistical Analysis	BA	**16,977**	**21,824**	**24,986**
	0	16,389	21,389	24,554
Total Trust funds Economic and Statistical Analysis	BA	**145**	**250**	**250**
	0	43	250	250
Economic Development Assistance				
Economic Development Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 452				
Appropriation, current	BA	**30,536**	**41,504**	**71,299**
			[A] 2,621	
			[D] 1,221	
			[W] 18,092	
Outlays	0	29,328	36,965	65,424
			[A] 2,400	[A] 221
			[W] 15,419	[W] 2,673
Economic development assistance programs 452				
Appropriation, current	BA	**507,525**	**507,525**	.....
				[K] 1,169,250
			[W] 566,808	
Outlays	0	435,561	483,114	564,241
			[W] 46,000	[W] 212,000
Local public works program 452				
Appropriation, current	BA	**10,968**	.....	.....
Outlays	0	1,740,678	358,203	200,000
Drought assistance program 453				
Outlays	0	12,966	3,000	2,000
Financial and technical assistance 376				
Outlays	0	.....	1,000	500
Job opportunities program 504				
Outlays	0	2,059	12,029	.....
Public Enterprise Funds:				
Economic development revolving fund 452				
Outlays	0	−33,490	−33,000	−43,000
			[J] 16,500	[J] 43,000
Total Federal funds Economic Development Administration	BA	**549,029**	**1,137,771**	**1,240,549**
	0	2,187,102	941,630	1,047,059

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.					
Economic Development Assistance—Con.					
Regional Development Program					
Federal funds					
General and Special Funds:					
Regional development program	452				
Appropriation, current		BA	**62,800**	**62,800**	.....
					[K] **74,227**
				[D] **133**	
				[W] **11,205**	
Outlays		0	60,859	61,726	70,458
				[W] 8,402	[W] 1,282
Trust funds					
Regional development commissions	452				
Appropriation, permanent, indefinite		BA	**42,952**	**47,054**	**44,334**
Outlays		0	45,284	48,878	45,188
Total Federal funds Economic Development Assistance		BA	**611,829**	**1,211,909**	**1,314,776**
		0	2,247,961	1,011,758	1,118,799
Total Trust funds Economic Development Assistance		BA	**42,952**	**47,054**	**44,334**
		0	45,284	48,878	45,188
Promotion of Industry and Commerce					
International Trade Administration					
Federal funds					
General and Special Funds:					
Operations and administration	376				
Appropriation, current		BA	**73,573**	**90,643**	**107,661**
					[K] **9,860**
				[A] **600**	
				[D] **2,954**	
				[W] **600**	
Outlays		0	70,771	92,312	117,521
				[A] 600	
				[W] 600	
Trust funds					
Miscellaneous trust funds	376				
Appropriation, permanent, indefinite		BA	**6,299**	**7,790**	**8,290**
Outlays		0	6,271	7,790	8,290
Minority Business Development Agency					
Federal funds					
General and Special Funds:					
Minority business development	376				
Appropriation, current		BA	**57,965**	**59,015**	**62,857**
				[D] **400**	
Outlays		0	54,110	55,997	59,407

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.				
Promotion of Industry and Commerce—Con.				
United States Travel Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**13,597**	**8,000**	.....
Outlays	0	13,851	11,664	.....
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	0	34	.....	.....
Total Federal funds United States Travel Service.	BA	**13,597**	**8,000**	.....
	0	13,885	11,664	.....
Total Federal funds Promotion of Industry and Commerce	BA	**145,135**	**162,212**	**180,378**
	0	138,766	161,173	176,928
Total Trust funds Promotion of Industry and Commerce	BA	**6,299**	**7,790**	**8,290**
	0	6,271	7,790	8,290
Science and Technology				
National Oceanic and Atmospheric Administration				
Federal funds				
General and Special Funds:				
Operations, research, and facilities 306				
Appropriation, current	BA	**679,510**	**706,500**	**675,168**
				[K] **67,833**
			[A] **1,000**	
			[C] **1,304**	
			[D] **17,218**	
			[E] **383**	
Indefinite	BA	**843**	**850**	**850**
Outlays	0	668,109	695,673	732,803
			[A] 700	[A] 300
Construction 306				
Appropriation, current	BA	**60,000**	.....	.....
Outlays	0	890	18,557	26,766
Coastal zone management 302				
Appropriation, current	BA	**63,840**	**64,675**	**7,172**
				[K] **45,163**
			[A] **6,000**	
			[D] **206**	
Outlays	0	30,355	64,067	60,083
			[A] 2,700	[A] 3,300
Promote and develop fishery products and research pertaining to American fisheries 376				
Appropriation, current	BA			[J] **—15,827**
Appropriation, permanent, indefinite	BA	**12,436**	**21,679**	**35,827**
Outlays	0	10,431	15,400	29,000
				[J] —12,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.					
Science and Technology—Con.					
National Oceanic and Atmospheric Administration—Con.					
Fishing vessel and gear damage compensation fund	376				
Appropriation, current, indefinite		BA	**1,000**	**3,500**	**3,500**
Outlays		0	64	3,200	3,500
Fishermen's contingency fund	376				
Appropriation, current		BA	.....	**600**	**600**
Outlays		0	.....	600	600
Public Enterprise Funds:					
Fisheries loan fund	376				
Outlays		0	202	200	−100
Fishermen's guaranty fund	376				
Outlays		0	−125	300	.....
Coastal energy impact fund	452				
Outlays		0	10,773	34,043	53,472
Federal ship financing fund, fishing vessels	376				
Outlays		0	−1,094	−1,050	.....
Intragovernmental Funds:					
Consolidated working fund	306				
Outlays		0	−2,253	.....	.....
Trust funds					
Miscellaneous trust funds	306				
Appropriation, permanent, indefinite		BA	**12,340**	**12,000**	**12,000**
Outlays		0	11,676	12,000	12,000
Total Federal funds National Oceanic and Atmospheric Administration		BA	**817,629**	**823,915**	**820,286**
		0	717,352	834,390	897,724
Total Trust funds National Oceanic and Atmospheric Administration		BA	**12,340**	**12,000**	**12,000**
		0	11,676	12,000	12,000
Patent and Trademark Office					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**96,654**	**99,672** **[A] 1,671** **[C] 58** **[D] 4,512**	**113,202**
Outlays		0	97,124	101,840 [A] 1,600	108,477 [A] 71

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.					
Science and Technology—Con.					
Science and Technical Research					
Federal funds					
General and Special Funds:					
Scientific and technical research and services	376				
Appropriation, current		BA	**86,970**	**91,670**	**16,467**
					[K] **101,746**
				[C] **489**	
				[D] **2,282**	
Outlays		0	79,961	96,706	116,211
Intragovernmental Funds:					
Working capital fund	376				
Appropriation, current		BA	**3,330**	**4,858**	.....
					[K] **6,123**
Outlays		0	1,576	4,000	4,000
Consolidated working fund	376				
Outlays		0	64	.....	.....
Trust funds					
Information products and services	376				
Appropriation, permanent, indefinite		BA	**21,062**	**22,000**	**22,000**
Outlays		0	21,345	22,000	22,000
Total Federal funds Science and Technical Research		BA	**90,300**	**99,299**	**124,336**
		0	81,601	100,706	120,211
Total Trust funds Science and Technical Research		BA	**21,062**	**22,000**	**22,000**
		0	21,345	22,000	22,000
National Telecommunications and Information Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**11,925**	**17,305**	**18,068**
				[D] **437**	
Outlays		0	11,876	17,226	17,451
Public telecommunications facilities, planning and construction	503				
Appropriation, current		BA	**18,000**	**23,705**	**23,705**
Outlays		0	8,777	21,090	22,845
Total Federal funds National Telecommunications and Information Administration		BA	**29,925**	**41,447**	**41,773**
		0	20,653	38,316	40,296
Total Federal funds Science and Technology		BA	**1,034,508**	**1,070,574**	**1,099,597**
		0	916,730	1,076,852	1,166,779
Total Trust funds Science and Technology		BA	**33,402**	**34,000**	**34,000**
		0	33,021	34,000	34,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.					
Ocean Shipping					
Maritime Administration					
Federal funds					
General and Special Funds:					
Ship construction	403				
Appropriation, current		BA	**157,000**	**101,000**	.....
					[K] **135,000**
Outlays		0	200,777	254,000	208,100
Operating-differential subsidies	403				
Contract authority, permanent, indefinite		BA	**289,625**	**304,755**	**348,502**
Liquidation of contract authority, current			(250,000)	(256,208)	(347,697)
				[A] (44,307)	
Outlays		0	300,522	298,719	347,697
				[A] 44,307	
Research and development	403				
Appropriation, current		BA	**17,500**	**16,300**	.....
					[K] **18,750**
Outlays		0	17,166	16,300	18,750
Operations and training	403				
Appropriation, current		BA	**57,891**	**64,622**	.....
					[K] **65,627**
				[C] **229**	
				[D] **1,030**	
Outlays		0	55,154	64,153	67,220
Public Enterprise Funds:					
Federal ship financing fund	403				
Outlays		0	−28,068	−26,847	−34,513
Vessel operations revolving fund	403				
Outlays		0	2,899	800	.....
War risk insurance revolving fund	403				
Outlays		0	−407	−549	−600
Intragovernmental Funds:					
Consolidated working fund	403				
Outlays		0	−1,008	.....	.....
Trust funds					
Special studies, services and projects	403				
Appropriation, permanent, indefinite		BA	**376**	**420**	**400**
Outlays		0	381	420	400
Total Federal funds Maritime Administration		BA	**522,016**	**487,936**	**567,879**
		0	547,035	650,883	606,654
Total Trust funds Maritime Administration		BA	**376**	**420**	**400**
		0	381	420	400
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,609,066**	**3,701,212**	**3,432,988**
		0	4,084,719	3,576,852	3,426,801
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		0	*−937*	*−840*	*−840*
	370	BA			
		0	*−406*	*−252*	*−252*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Commerce—Con.					
Summary—Con.					
	400	BA	*—9,916*	*—13,513*	*—7,150*
		O			
	450	BA	*—260*	*—418*	*—418*
		O			
	902	BA	*—3,049*	*—3,274*	*—3,274*
		O			
Total Federal funds		BA	**2,594,498**	**3,682,915**	**3,421,054**
		O	4,070,151	3,558,555	3,414,867
Trust funds:					
(As shown in detail above)		BA	**89,520**	**97,830**	**96,757**
		O	90,934	99,654	97,611
Deductions for offsetting receipts:					
Intrafund transactions	376	BA	*—948*	*—869*	*—869*
		O			
Proprietary receipts from the public	306	BA	*—12,341*	*—12,000*	*—12,000*
		O			
	376	BA	*—26,292*	*—34,017*	*—35,684*
		O			
	403	BA	*—376*	*—420*	*—400*
		O			
	452	BA	*—1,720*	*—1,811*	*—2,099*
		O			
Total Trust funds		BA	**47,843**	**48,713**	**45,705**
		O	49,257	50,537	46,559
Interfund transactions	376	BA	**—6,409**	**—3,300**	**—3,300**
		O			
	452	BA	**—41,233**	**—45,243**	**—42,235**
		O			
Total Department of Commerce		BA	**2,594,699**	**3,683,085**	**3,421,224**
		O	4,071,766	3,560,549	3,415,891
Department of Defense--Military					
Military Personnel					
Federal funds					
General and Special Funds:					
Military personnel, Army	051				
Appropriation, current		BA	**9,702,873**	**9,778,919** **[A] 64,000** **[E] 597,100**	**10,830,900**
Outlays		O	9,617,759	10,350,000 [A] 64,000	10,753,000
Military personnel, Navy	051				
Appropriation, current		BA	**6,792,633**	**6,857,256** **[A] 26,800** **[E] 413,837**	**7,509,200**
Outlays		O	6,738,246	7,269,200 [A] 26,800	7,447,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.				
Military Personnel—Con.				
Military personnel, Marine Corps 051				
Appropriation, current	BA	**2,106,200**	**2,089,457** [A] **9,700** [E] **128,824**	**2,257,300**
Outlays	0	2,054,816	2,192,300 [A] 9,700	2,233,000
Military personnel, Air Force 051				
Appropriation, current	BA	**7,961,935**	**7,901,717** [A] **24,680** [E] **489,398**	**8,700,500**
Outlays	0	7,889,486	8,280,320 [A] 24,680	8,624,000
Reserve personnel, Army 051				
Appropriation, current	BA	**566,800**	**606,400** [A] **1,200** [E] **35,941**	**760,200**
Outlays	0	560,128	618,800 [A] 1,200	730,000
Reserve personnel, Navy 051				
Appropriation, current	BA	**233,931**	**240,902** [A] **429** [E] **13,577**	**261,200**
Outlays	0	243,376	251,571 [A] 429	260,000
Reserve personnel, Marine Corps 051				
Appropriation, current	BA	**87,200**	**88,100** [A] **1,100** [E] **4,949**	**94,900**
Outlays	0	80,735	88,900 [A] 1,100	91,000
Reserve personnel, Air Force 051				
Appropriation, current	BA	**197,400**	**214,400** [E] **11,853**	**244,100**
Outlays	0	195,367	220,000	238,000
National Guard personnel, Army 051				
Appropriation, current	BA	**787,100**	**877,550** [A] **3,850** [E] **52,800**	**1,056,200**
Outlays	0	765,386	890,150 [A] 3,850	1,015,000
National Guard personnel, Air Force 051				
Appropriation, current	BA	**266,500**	**273,500** [E] **17,060**	**322,800**
Outlays	0	261,872	281,000	314,000
Total Federal funds Military Personnel	BA	**28,702,572**	**30,825,299**	**32,037,300**
	0	28,407,171	30,574,000	31,705,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.					
Retired Military Personnel					
Federal funds					
General and Special Funds:					
Retired pay, Defense	051				
Appropriation, current		BA	**10,283,000**	**11,451,500** [A] **529,200**	**13,699,800**
Outlays		0	10,279,058	11,411,800 [A] 529,200	13,677,000
Operation and Maintenance					
Federal funds					
General and Special Funds:					
Operation and maintenance, Army	051				
Appropriation, current		BA	**9,593,327**	**10,256,218** [A] **266,000** [C] **76,700** [D] **206,700**	**12,137,100**
Outlays		0	9,187,348	9,741,000 [A] 266,000	11,457,000
Operation and maintenance, Navy	051				
Appropriation, current		BA	**11,935,515**	**13,277,295** [A] **230,300** [C] **140,800** [D] **173,500**	**15,631,500**
Outlays		0	11,269,091	12,329,700 [A] 230,300	14,749,000
Operation and maintenance, Marine Corps	051				
Appropriation, current		BA	**751,100**	**801,446** [A] **15,800** [C] **8,400** [D] **8,800**	**937,200**
Outlays		0	700,712	816,200 [A] 15,800	904,000
Operation and maintenance, Air Force	051				
Appropriation, current		BA	**9,478,584**	**10,451,150** [A] **234,200** [C] **81,900** [D] **137,200**	**12,137,500**
Outlays		0	9,169,077	10,239,800 [A] 234,200	11,726,000
Operation and maintenance, Defense agencies	051				
Appropriation, current		BA	**3,160,018**	**3,551,214** [C] **16,000** [D] **132,000**	**4,066,300**
Outlays		0	3,183,983	3,696,000	3,965,000
Operation and maintenance, Army Reserve	051				
Appropriation, current		BA	**420,300**	**420,644** [C] **4,100** [D] **8,700**	**469,200**
Outlays		0	399,561	428,000	460,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.				
Operation and Maintenance—Con.				
Operation and maintenance, Navy Reserve 051				
Appropriation, current	BA	**380,469**	**396,436** **[C] 1,200** **[D] 2,200**	**444,100**
Outlays	O	315,205	396,000	421,000
Operation and maintenance, Marine Corps Reserve 051				
Appropriation, current	BA	**19,900**	**21,923** **[D] 117**	**27,478**
Outlays	O	16,972	22,000	25,000
Operation and maintenance, Air Force Reserve 051				
Appropriation, current	BA	**393,300**	**429,407** **[C] 3,000** **[D] 6,300**	**486,000**
Outlays	O	391,408	432,000	478,000
Operation and maintenance, Army National Guard 051				
Appropriation, current	BA	**799,400**	**786,850** **[C] 11,900** **[D] 19,000**	**847,500**
Outlays	O	777,887	802,000	831,000
Operation and maintenance, Air National Guard 051				
Appropriation, current	BA	**950,000**	**1,088,687** **[C] 11,100** **[D] 15,400**	**1,229,400**
Outlays	O	915,364	1,075,000	1,214,000
National Board for the Promotion of Rifle Practice, Army 051				
Appropriation, current	BA	**375**	**397** **[D] 14**	**425**
Outlays	O	296	400	430
Claims, Defense 051				
Appropriation, current	BA	**118,100**	**98,200**	.....
Indefinite	BA	.....	.....	**146,800**
Outlays	O	94,563	116,600	142,400
Contingencies, Defense 051				
Appropriation, current	BA	**2,500**	.....	.....
Outlays	O	538	.....	.....
Court of Military Appeals, Defense 051				
Appropriation, current	BA	**1,840**	**2,030** **[D] 69**	**2,197**
Outlays	O	2,175	2,000	2,170
Foreign currency fluctuations, Defense 051				
Appropriation, current	BA	**16,466**	**1,900**	.....
XIII olympic winter games 051				
Appropriation, current	BA	**2,000**	**10,000**	.....
Outlays	O	124	9,000	1,000
Total Federal funds Operation and Maintenance...	BA	**38,023,194**	**43,405,197**	**48,562,700**
	O	36,424,304	40,852,000	46,376,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.					
Procurement					
Federal funds					
General and Special Funds:					
Aircraft procurement, Army	051				
Appropriation, current		BA	**949,709**	**951,037**	.....
					[K] **925,300**
Outlays		0	557,934	750,000	874,000
Missile procurement, Army	051				
Appropriation, current		BA	**761,900**	**1,162,500**	.....
					[K] **1,501,300**
Outlays		0	546,907	617,000	998,000
Procurement of weapons and tracked combat vehicles, Army	051				
Appropriation, current		BA	**1,506,700**	**1,812,400**	.....
					[K] **2,628,900**
Reappropriation		BA	.....	**12,100**	.....
Outlays		0	1,247,753	1,371,000	1,620,000
Procurement of ammunition, Army	051				
Appropriation, current		BA	**1,164,600**	**1,232,800**	**1,499,830**
					[K] **13,670**
Reappropriation		BA	**30,000**	.....	.....
Outlays		0	958,085	999,000	1,138,000
Other procurement, Army	051				
Appropriation, current		BA	**1,616,950**	**1,407,810**	**2,129,758**
Reappropriation		BA	**40,000**	**47,000**	.....
Outlays		0	1,138,561	1,293,000	1,467,000
Aircraft procurement, Navy	051				
Appropriation, current		BA	**4,337,100**	**4,428,746**	.....
					[K] **4,966,300**
Outlays		0	3,140,183	3,806,000	4,103,000
Weapons procurement, Navy	051				
Appropriation, current		BA	**1,931,022**	**1,953,914**	.....
					[K] **2,318,600**
Reappropriation		BA	.....	**8,300**	.....
Outlays		0	1,701,744	1,842,000	1,924,000
Shipbuilding and conversion, Navy	051				
Appropriation, current		BA	**5,112,600**	**6,606,150**	.....
					[K] **6,118,400**
Reappropriation		BA	**36,238**	**76,200**	.....
Outlays		0	4,553,451	4,218,000	4,408,000
Other procurement, Navy	051				
Appropriation, current		BA	**2,603,814**	**2,590,056**	**3,081,447**
Reappropriation		BA	.....	**34,700**	.....
Outlays		0	1,982,745	2,349,000	2,431,000
Procurement, Marine Corps	051				
Appropriation, current		BA	**356,000**	**283,785**	**306,442**
					[K] **161,158**
Outlays		0	404,400	373,000	351,000
Aircraft procurement, Air Force	051				
Appropriation, current		BA	**6,871,107**	**7,962,381**	.....
					[K] **8,555,043**
Reappropriation		BA	.....	**13,800**	.....
Outlays		0	5,138,195	5,772,000	6,473,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.				
Procurement—Con.				
Missile procurement, Air Force 051				
Appropriation, current	BA	**1,473,000**	**2,167,985**	.....
				[K] **3,042,284**
Reappropriation	BA	.....	**15,000**	.....
Outlays	O	1,537,223	1,607,000	1,842,000
Other procurement, Air Force 051				
Appropriation, current	BA	**2,326,150**	**2,619,141**	**2,972,687**
Reappropriation	BA	**37,000**	**13,600**	.....
Outlays	O	2,230,361	2,354,000	2,561,000
Procurement, Defense agencies 051				
Appropriation, current	BA	**274,600**	**286,375**	**302,523**
Outlays	O	237,225	278,000	291,000
Procurement of aircraft and missiles, Navy 051				
Outlays	O	14,202	15,000	15,000
Procurement of equipment and missiles, Army 051				
Outlays	O	15,285	4,000	1,000
Total Federal funds Procurement	BA	**31,428,490**	**35,685,780**	**40,523,642**
	O	25,404,254	27,648,000	30,497,000
Research, Development, Test, and Evaluation				
Federal funds				
General and Special Funds:				
Research, development, test, and evaluation, Army 051				
Appropriation, current	BA	**2,640,864**	**2,843,231**	.....
				[K] **3,232,500**
Reappropriation	BA	.....	**2,000**	.....
Outlays	O	2,408,870	2,652,000	2,966,000
Research, development, test, and evaluation, Navy 051				
Appropriation, current	BA	**4,465,266**	**4,550,133**	.....
				[K] **4,836,100**
Reappropriation	BA	**15,000**	**15,886**	.....
Outlays	O	3,826,449	4,710,000	4,653,000
Research, development, test, and evaluation, Air Force 051				
Appropriation, current	BA	**4,383,140**	**4,944,802**	.....
				[K] **7,085,300**
Reappropriation	BA	**11,837**	**81,230**	.....
Outlays	O	4,079,757	4,581,000	6,019,000
Research, development, test, and evaluation, Defense agencies 051				
Appropriation, current	BA	**892,887**	**1,037,022**	.....
				[K] **1,289,500**
Outlays	O	808,781	958,000	1,167,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.				
Research, Development, Test, and Evaluation—Con.				
Director of test and evaluation, Defense 051				
Appropriation, current	BA	27,600	42,500	.....
				K 42,100
Outlays	O	28,320	32,000	38,000
Total Federal funds Research, Development, Test, and Evaluation	BA	12,436,594	13,516,804	16,485,500
	O	11,152,177	12,933,000	14,843,000
Military Construction				
Federal funds				
General and Special Funds:				
Military construction, Army 051				
Appropriation, current	BA	722,409	725,649	84,680
				K 895,620
Outlays	O	606,561	643,000	659,000
Military construction, Navy 051				
Appropriation, current	BA	760,145	567,000	.....
				K 703,000
Outlays	O	734,231	660,000	553,000
Military construction, Air Force 051				
Appropriation, current	BA	483,264	565,456	196,860
				K 618,440
Outlays	O	564,064	562,000	515,000
Military construction, Defense agencies 051				
Appropriation, current	BA	183,980	192,350	.....
				K 235,700
Outlays	O	3,550	125,000	62,000
North Atlantic Treaty Organization infrastructure 051				
Appropriation, current	BA			K 300,000
Outlays	O	.....	.....	125,000
Military construction, Army National Guard 051				
Appropriation, current	BA	52,200	23,700	7,859
				K 27,141
Outlays	O	49,279	47,000	31,000
Military construction, Air National Guard 051				
Appropriation, current	BA	44,750	36,000	9,700
				K 80,500
Outlays	O	38,741	37,000	43,000
Military construction, Army Reserve 051				
Appropriation, current	BA	37,100	30,000	4,479
				K 39,721
Outlays	O	46,102	40,000	34,000
Military construction, Naval Reserve 051				
Appropriation, current	BA	21,850	18,300	2,450
				K 22,250
Outlays	O	25,477	21,000	17,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.				
Military Construction—Con.				
Military construction, Air Force Reserve 051				
Appropriation, current	BA	**13,000**	**12,000**	**3,875**
				[K] **18,725**
Outlays	0	11,981	12,000	14,000
Total Federal funds Military Construction	BA	**2,318,698**	**2,170,455**	**3,251,000**
	0	2,079,986	2,147,000	2,053,000
Family Housing				
Federal funds				
General and Special Funds:				
Family housing, Defense 051				
Appropriation, current	BA	**1,561,639**	**1,498,697**	.....
				[K] **1,953,749**
Reappropriation	BA			[K] **18,651**
Outlays	0	1,469,113	1,570,000	1,685,000
Foreign currency fluctuation, Construction, Defense 051				
Appropriation, current	BA	.....	**100,000**	.....
Reappropriation	BA	.....	**25,000**	.....
Public Enterprise Funds:				
Homeowners assistance fund, Defense 051				
Appropriation, current	BA	**1,500**	**1,000**	.....
Authority to borrow, permanent, indefinite	BA	**26**	.....	.....
Outlays	0	−1,595	1,000	1,000
Total Federal funds Family Housing	BA	**1,563,165**	**1,624,697**	**1,972,400**
	0	1,467,518	1,571,000	1,686,000
Special Foreign Currency Program				
Federal funds				
General and Special Funds:				
Special foreign currency program 051				
Appropriation, current	BA	**14,362**	**6,667**	.....
				[K] **2,760**
Outlays	0	2,698	8,555	7,250
Revolving and Management Funds				
Federal funds				
Public Enterprise Funds:				
Defense production guarantees 051				
Outlays	0	−1,445	−285	−113
Laundry service, Naval Academy 051				
Outlays	0	−115	47	.....
Intragovernmental Funds:				
Army stock fund 051				
Appropriation, current	BA	**74,000**	.....	.....
Contract authority, permanent, indefinite	BA	**101,980**	.....	.....
Outlays	0	117,395	81,600	43,100
Navy stock fund 051				
Appropriation, current	BA	.....	.....	**309**
Contract authority, permanent, indefinite	BA	**251,409**	.....	.....
Outlays	0	37,199	44,100	55,200

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.					
Revolving and Management Funds—Con.					
Marine Corps stock fund	051				
Appropriation, current		BA	.....	.....	**4,108**
Outlays		0	4,726	17,600	2,900
Air Force stock fund	051				
Appropriation, current		BA	**26,800**	.....	**28,300**
Contract authority, permanent, indefinite		BA	**169,457**	.....	.....
Outlays		0	106,151	70,000	322,600
Defense stock fund	051				
Appropriation, current		BA	.....	.....	**35,000**
Contract authority, permanent, indefinite		BA	**102,296**	.....	.....
Outlays		0	93,228	−70,400	−82,900
Army industrial fund	051				
Outlays		0	2,747	−7,669	−21,544
Navy industrial fund	051				
Outlays		0	70,938	100,900	−19,600
Marine Corps industrial fund	051				
Outlays		0	136	1,200	−1,600
Air Force industrial fund	051				
Outlays		0	−116,406	35,000	28,600
Defense industrial fund	051				
Outlays		0	−24,001	29,200	−6,400
Army management fund	051				
Outlays		0	−11,232	−25,528	.....
Navy management fund	051				
Outlays		0	5,785	2,060	.....
Air Force management fund	051				
Outlays		0	489	120	7
Total Federal funds Revolving and Management Funds		BA	**725,942**	.....	**67,717**
		0	285,595	277,945	320,250
Allowances					
Federal funds					
General and Special Funds:					
Civilian and military pay raises	051				
Appropriation, current		BA			[1] **1,846,718**
Outlays		0			[1] 1,819,200
Retired pay legislation	051				
Appropriation, current		BA			[1] **36,700**
Outlays		0			[1] 36,700
Other legislation	051				
Appropriation, current		BA			[1] **229,100**
Outlays		0			[1] 229,100
Total Federal funds Allowances		BA	.....	.....	**2,112,518**
		0	.....	.....	2,085,000
Trust Funds					
Trust funds					
Miscellaneous trust funds	051				
Appropriation, permanent, indefinite		BA	**11,479**	**10,600**	**10,800**
Outlays		0	11,098	10,605	10,772

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Military—Con.					
Trust Funds—Con.					
Miscellaneous trust revolving funds	051				
Outlays		0	2,442	28,395	10,628
Total Trust funds Trust Funds		BA	**11,479**	**10,600**	**10,800**
		0	13,540	39,000	21,400
Summary					
Federal funds:					
(As shown in detail above)		BA	**125,496,017**	**139,215,599**	**158,715,337**
		0	115,502,761	127,952,500	143,249,500
Deductions for offsetting receipts:					
Proprietary receipts from the public	051	BA			
		0	*—492,492*	*—581,500*	*—560,700*
Total Federal funds		BA	**125,003,525**	**138,634,099**	**158,154,637**
		0	115,010,269	127,371,000	142,688,800
Trust funds:					
(As shown in detail above)		BA	**11,479**	**10,600**	**10,800**
		0	13,540	39,000	21,400
Interfund transactions	051	BA			
		0	**—10,760**	**—10,000**	**—10,200**
Total Department of Defense--Military		BA	**125,004,244**	**138,634,699**	**158,155,237**
		0	115,013,049	127,400,000	142,700,000
Department of Defense--Civil					
Cemeterial Expenses, Army					
Federal funds					
General and Special Funds:					
Salaries and expenses	705				
Appropriation, current		BA	**5,100**	**8,326**	**5,300**
Outlays		0	5,558	7,000	5,200
Corps of Engineers--Civil					
Federal funds					
General and Special Funds:					
General investigations	301				
Appropriation, current		BA	**137,978**	**142,145** [C] **115** [D] **4,127** [E] **58**	**141,463**
Outlays		0	124,293	154,300	143,205
Construction, general	301				
Appropriation, current		BA	**1,343,711**	**1,467,566** [A] **36,900** [C] **871** [D] **12,252** [E] **277**	**1,546,681**
Outlays		0	1,609,906	1,603,400 [A] 92,300	1,502,849

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Civil—Con.					
Corps of Engineers--Civil—Con.					
Operation and maintenance, general	301				
Appropriation, current		BA	**833,100**	**848,500**	**950,729**
				[C] **11,288**	
				[D] **12,206**	
				[E] **106**	
Outlays		0	806,418	893,600	939,459
Flood control and coastal emergencies	301				
Appropriation, current		BA	**126,000**	.....	.....
Outlays		0	19,277	31,500	20,000
General expenses	301				
Appropriation, current		BA	**68,900**	**73,200**	**82,530**
				[D] **3,912**	
				[E] **188**	
Outlays		0	64,800	77,100	81,920
Flood control, Mississippi River and tributaries	301				
Appropriation, current		BA	**223,035**	**210,515**	**228,986**
Outlays		0	233,613	235,000	244,986
Special recreation use fees	303				
Appropriation, current		BA	**3,300**	**4,000**	**5,000**
Outlays		0	3,581	4,000	4,500
Permanent appropriations:					
(Water resources)	301				
(Appropriation, permanent, indefinite)		BA	**3,625**	**1,748**	**1,748**
(Outlays)		0	6,841	1,748	1,748
(Other general purpose fiscal assistance)	852				
(Appropriation, permanent, indefinite)		BA	**4,614**	**4,952**	**5,102**
(Outlays)		0	6,134	4,726	5,102
Total Permanent appropriations		BA	**8,239**	**6,700**	**6,850**
		0	12,975	6,474	6,850
Intragovernmental Funds:					
Revolving fund	301				
Appropriation, current		BA	**46,000**	**50,000**	**52,525**
Outlays		0	36,588	48,000	77,800
Consolidated working fund	301				
Outlays		0	545	13,398	.....
Trust funds					
Inland waterways trust fund	301				
Appropriation, current		BA	.....	.....	**30,000**
Outlays		0	.....	.....	30,000
Rivers and harbors contributed funds	301				
Appropriation, permanent, indefinite		BA	**34,892**	**38,000**	**39,000**
Outlays		0	31,077	35,000	39,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,790,263**	**2,884,926**	**3,014,764**
		0	2,911,996	3,159,072	3,021,569
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA	*—10*	*—13*	*—13*
		0			
	300	BA	*—19,223*	*—18,377*	*—19,567*
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Civil—Con.					
Corps of Engineers--Civil—Con.					
	902	BA			
		0	*—2,727*	*—3,110*	*—3,420*
Total Federal funds		BA	2,768,303	2,863,426	2,991,764
		0	2,890,036	3,137,572	2,998,569
Trust funds:					
(As shown in detail above)		BA	34,892	38,000	69,000
		0	31,077	35,000	69,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—34,892*	*—38,000*	*—39,000*
Total Trust funds		BA	.....	.....	30,000
		0	—3,815	—3,000	30,000
Total Corps of Engineers--Civil		BA	2,768,303	2,863,426	3,021,764
		0	2,886,221	3,134,572	3,028,569
Ryukyu Islands, Army					
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	800	BA			
		0	*—410*	*—410*	*—410*
Total Ryukyu Islands, Army		BA	—410	—410	—410
		0	—410	—410	—410
Soldiers' and Airmen's Home					
Trust funds					
Operation and maintenance	705				
Appropriation, current		BA	17,529	18,471	20,595
				[A] 386	
				[C] 432	
				[D] 379	
Outlays		0	17,624	19,282	20,595
				[A] 386	
Payment of claims	705				
Appropriation, permanent, indefinite		BA	.....	20	5
Outlays		0	.....	20	5
Soldiers' and Airmen's Home revolving fund	705				
Outlays		0	—14	.....	.....
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	705	BA			
		0	*—1*	*—1*	*—1*
Total Federal funds		BA	—1	—1	—1
		0	—1	—1	—1

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Civil—Con.					
Soldiers' and Airmen's Home—Con.					
Trust funds:					
(As shown in detail above)		BA	**17,529**	**19,688**	**20,600**
		O	17,610	19,688	20,600
Deductions for offsetting receipts:					
Proprietary receipts from the public	705	BA			
		O	*—1,923*	*—2,447*	*—3,025*
Total Trust funds		BA	**15,606**	**17,241**	**17,575**
		O	15,687	17,241	17,575
Total Soldiers' and Airmen's Home		BA	**15,605**	**17,240**	**17,574**
		O	15,686	17,240	17,574
The Panama Canal					
Canal Zone Government					
Federal funds					
General and Special Funds:					
Operating expenses	806				
Appropriation, current		BA	**80,168**	.....	.....
Outlays		O	72,823	.....	.....
Capital outlay	806				
Appropriation, current		BA	**849**	.....	.....
Outlays		O	2,002	.....	.....
Total Federal funds Canal Zone Government		BA	**81,017**	.....	.....
		O	74,825	.....	.....
Panama Canal Company					
Federal funds					
Public Enterprise Funds:					
Corporation: Panama Canal Company	403				
Outlays		O	—459	71,216	.....
Limitation on general and administrative expenses			(30,212)	.....	.....
Total Federal funds Panama Canal Company		O	—459	71,216	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**81,017**	.....	.....
		O	74,366	71,216	.....
Deductions for offsetting receipts:					
Intrafund transactions	806	BA			
		O	*—23,671*	.....	.....
Proprietary receipts from the public	800	BA			
		O	*—49,189*	.....	.....
	902	BA			
		O	*—49*	.....	.....
Total The Panama Canal		BA	**8,108**	.....	.....
		O	1,457	71,216	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Civil—Con.					
Wildlife Conservation, Military Reservations					
Federal funds					
General and Special Funds:					
Wildlife conservation, Army	303				
Appropriation, current		BA	.....	.....	**400**
Appropriation, permanent, indefinite		BA	**674**	**743**	768
Outlays		0	598	737	1,109
Wildlife conservation, Navy	303				
Appropriation, current		BA	.....	.....	**500**
Appropriation, permanent, indefinite		BA	**100**	**94**	121
Outlays		0	78	90	630
Wildlife conservation, Air Force	303				
Appropriation, current		BA	.....	.....	**600**
Appropriation, permanent, indefinite		BA	**139**	**140**	140
Outlays		0	126	130	740
Summary					
Federal funds:					
(As shown in detail above)		BA	**913**	**977**	**2,529**
		0	802	957	2,479
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		0	*—913*	*—977*	*—1,029*
Total Wildlife Conservation, Military Reservations		BA	.....	.....	**1,500**
		0	—111	—20	1,450
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,877,293**	**2,894,229**	**3,022,593**
		0	2,992,722	3,238,245	3,029,248
Deductions for offsetting receipts:					
Intrafund transactions	806	BA			
		0	*—23,671*	.....	.....
Proprietary receipts from the public	271	BA			
		0	*—10*	*—13*	*—13*
	300	BA			
		0	*—20,136*	*—19,354*	*—20,596*
	705	BA			
		0	*—1*	*—1*	*—1*
	800	BA			
		0	*—49,599*	*—410*	*—410*
	902	BA			
		0	*—2,776*	*—3,110*	*—3,420*
Total Federal funds		BA	**2,781,100**	**2,871,341**	**2,998,153**
		0	2,896,529	3,215,357	3,004,808
Trust funds:					
(As shown in detail above)		BA	**52,421**	**57,688**	**89,600**
		0	48,687	54,688	89,600
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—34,892*	*—38,000*	*—39,000*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Defense--Civil—Con.					
Summary—Con.					
705	BA		*—1,923*	*—2,447*	*—3,025*
	0				
Total Trust funds	BA		15,606	17,241	47,575
	0		11,872	14,241	47,575
Total Department of Defense--Civil	BA		2,796,706	2,888,582	3,045,728
	0		2,908,401	3,229,598	3,052,383
Department of Education					
Office of Elementary and Secondary Education					
Federal funds					
General and Special Funds:					
Elementary and secondary education	501				
Appropriation, current		BA		3,681,956	4,094,172
					[J] 900,000
Outlays		0		1,919,474	3,631,277
					[J] 50,000
School assistance in federally affected areas	501				
Appropriation, current		BA	816,100	805,000	519,000
Outlays		0	911,587	821,103	553,942
Equal educational opportunities	501				
Appropriation, current		BA	341,350	323,773	359,013
Outlays		0	317,078	298,646	321,699
Libraries and learning resources	503				
Appropriation, current		BA		185,988	251,500
					[K] 12,988
Outlays		0		148,195	255,801
Indian education	501				
Appropriation, current		BA	71,735	75,900	100,950
				[D] 89	
Outlays		0	60,581	69,856	82,939
Elementary and secondary education	501				
Appropriation, current		BA	3,671,282	60,000	.....
Outlays		0	3,133,227	1,489,560	.....
Library resources	503				
Appropriation, current		BA	266,475	67,500	.....
Outlays		0	255,888	128,580	.....
Total Federal funds Office of Elementary and Secondary Education		BA	5,166,942	5,200,206	6,237,623
		0	4,678,361	4,875,414	4,895,658
Office of Special Education and Rehabilitative Services					
Federal funds					
General and Special Funds:					
Education for the handicapped	501				
Appropriation, current		BA	976,637	1,049,025	1,102,050
Reappropriation		BA	.....	2,235	.....
Outlays		0	589,120	788,939	968,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Education—Con.				
Office of Special Education and Rehabilitative Services—Con.				
Rehabilitation services and handicapped research 506				
Appropriation, current	BA	.....	395,984	963,875
Outlays	O	.....	449,802	957,334
Total Federal funds Office of Special Education and Rehabilitative Services	BA	976,637	1,447,244	2,065,925
	O	589,120	1,238,741	1,925,834
Office of Vocational and Adult Education				
Federal funds				
General and Special Funds:				
Vocational and adult education 501				
Appropriation, current	BA	774,453	889,035	925,635
Appropriation, permanent	BA	7,161	7,161	7,161
Outlays	O	772,075	854,888	907,913
Office of Postsecondary Education				
Federal funds				
General and Special Funds:				
Student financial assistance 502				
Appropriation, current	BA	3,753,650	3,056,935	.....
				[K] 3,305,750
Reappropriation	BA	.....	544,034	.....
Outlays	O	2,871,316	3,412,695	3,419,926
Student loan insurance 502				
Appropriation, current	BA	957,503	959,621	.....
				[K] 1,122,646
			[A] 661,798	
				[J] 59,900
Authority to borrow, current	BA	25,000	.....	.....
				[J] 485,000
Outlays	O	897,944	975,489	941,661
			[A] 493,341	[A] 168,457
				[J] 91,249
Higher and continuing education 502				
Appropriation, current	BA	393,000	405,730	.....
				[K] 390,539
				[J] 20,000
Appropriation, permanent	BA	2,700	2,700	2,700
Reappropriation	BA	478	.....	.....
Outlays	O	564,623	376,215	371,040
Higher education facilities loan and insurance 502				
Appropriation, current	BA	2,204	2,189	.....
				[K] 1,656
Appropriation, permanent, indefinite	BA	871	832	708
Outlays	O	5,636	4,828	3,538

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Education—Con.				
Office of Postsecondary Education—Con.				
Public Enterprise Funds:				
College housing loans 502				
Appropriation, current	BA	13,097	12,117	14,271
Appropriation, permanent	BA	241	134	179
Outlays	0	−3,414	8,405	17,099
Total Federal funds Office of Postsecondary Education	BA	5,148,744	5,646,090	5,403,349
	0	4,336,105	5,270,973	5,012,970
Office of Educational Research and Improvement				
Federal funds				
General and Special Funds:				
Educational statistics 503				
Appropriation, current	BA	.....	7,795	11,793
Outlays	0	.....	1,715	5,348
Research and related activities 503				
Appropriation, current	BA	.....	51,907	.....
				*105,050
Outlays	0	.....	37,026	87,004
School improvement programs 501				
Appropriation, current	BA	.....	157,783	210,523
Outlays	0	.....	91,342	185,682
Educational development 503				
Outlays	0	101	500	500
Salaries and expenses, Assistant Secretary for Education 502				
Appropriation, current	BA	36,650	7,821	.....
Outlays	0	28,461	23,064	.....
National Institute of Education 503				
Appropriation, current	BA	94,133	45,586	.....
Outlays	0	70,629	43,993	.....
Special projects and training 503				
Appropriation, current	BA	122,272	38,295	.....
Outlays	0	103,177	49,125	.....
Total Federal funds Office of Educational Research and Improvement	BA	253,055	309,187	327,366
	0	202,368	246,765	278,534
Special Institutions				
Federal funds				
General and Special Funds:				
American Printing House for the Blind 501				
Appropriation, current	BA	3,906	4,349	4,921
Outlays	0	3,906	4,349	4,921
National Technical Institute for the Deaf 502				
Appropriation, current	BA	16,625	17,349	20,305
Outlays	0	16,463	17,413	20,305
Gallaudet College 502				
Appropriation, current	BA	44,833	48,341	49,768
Outlays	0	49,415	52,276	49,768

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Education—Con.					
Special Institutions—Con.					
Howard University	502				
Appropriation, current		BA	113,393	121,893	133,983
Outlays		0	104,494	112,434	125,460
Total Federal funds Special Institutions		BA	178,757	191,932	208,977
		0	174,278	186,472	200,454
Office of Civil Rights					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	.....	23,122	49,215
				[D] 891	
Outlays		0	.....	22,079	46,828
Departmental Management					
Federal funds					
General and Special Funds:					
Salaries and expenses:					
(Research and general education aids)	503				
(Appropriation, current)		BA	126,553	155,707	244,181
				[A] 1,775	
				[D] 7,447	
(Outlays)		0	130,781	160,936	201,350
				[A] 1,598	[A] 177
Educational, research and training activities overseas:					
(Special foreign currency program)	503				
(Appropriation, current)		BA	1,500	3,000	3,000
(Outlays)		0	1,980	3,573	3,152
Institute of Museum Services	503				
Appropriation, current		BA	7,852	10,900	.....
					[K] 12,900
				[D] 22	
Outlays		0	389	8,950	9,956
Trust funds					
Special statistical compilations and surveys	503				
Appropriation, permanent, indefinite		BA	38	.....	.....
Outlays		0	75	94	.....
Total Federal funds Departmental Management		BA	135,905	178,851	260,081
		0	133,150	175,057	214,635
Total Trust funds Departmental Management		BA	38	.....	.....
		0	75	94	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	12,641,654	13,893,719	15,485,332
		0	10,885,457	12,870,389	13,482,826
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—5,477*	*—5,625*	*—2,975*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Education—Con.					
Summary—Con.					
	902	BA			
		O	*—791*	*—624*	*—633*
Total Federal funds		BA	**12,635,386**	**13,887,470**	**15,481,724**
		O	10,879,189	12,864,140	13,479,218
Trust funds:					
(As shown in detail above)		BA	**38**	.....	.....
		O	75	94	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	503	BA			
		O	*—38*	.....	.....
Total Trust funds		O	37	94	.....
Total Department of Education		BA	**12,635,386**	**13,887,470**	**15,481,724**
		O	10,879,226	12,864,234	13,479,218
Department of Energy					
Atomic Energy Defense Activities					
Federal funds					
General and Special Funds:					
Atomic energy defense activities - operating expenses	053				
Appropriation, current		BA	**2,185,830**	**2,371,147**	.....
					[K] **2,794,723**
				[B] **34,700**	
				[D] **2,346**	
Outlays		O	2,086,666	2,330,720	2,736,594
				[B] 29,700	[B] 5,000
Atomic energy defense activities - plant and capital equipment	053				
Appropriation, current		BA	**482,158**	**588,249**	.....
					[K] **648,505**
				[A] **9,300**	
Outlays		O	454,195	613,041	641,204
				[A] 6,350	[A] 2,950
Total Federal funds Atomic Energy Defense Activities		BA	**2,667,988**	**3,005,742**	**3,443,228**
		O	2,540,861	2,979,811	3,385,748
Energy Programs					
Federal funds					
General and Special Funds:					
General science and research - operating expenses	251				
Appropriation, current		BA	**309,306**	**341,900**	.....
					[K] **376,695**
				[D] **45**	
Outlays		O	304,811	336,345	371,050

See footnotes at end of table.

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Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Energy—Con.				
Energy Programs—Con.				
General science and research - plant and capital equipment 251				
Appropriation, current	BA	**121,700**	**130,000**	.....
				[K] **146,200**
Outlays	0	120,681	125,710	136,922
Energy supply, R&D - operating expenses 271				
Appropriation, current	BA	**2,029,961**	**2,220,923**	.....
				[K] **2,349,904**
			[B] **11,156**	
			[D] **1,670**	
			[W] **7,000**	
Outlays	0	2,295,837	2,280,735	2,242,665
			[B] 3,156	[B] 8,000
			[W] 4,250	[W] 2,750
Energy supply, R&D - plant and capital equipment 271				
Appropriation, current	BA	**462,129**	**448,478**	.....
				[K] **401,147**
			[B] **2,500**	
Outlays	0	337,477	461,077	433,779
			[B] 1,000	[B] 1,500
Uranium enrichment - operating expenses 271				
Appropriation, current	BA	**51,636**	**60,523**	**208,940**
			[A] **307,600**	
			[D] **187**	
Contract authority, current	BA	.....	**400,000**	.....
Outlays	0	8,281	1,734	213,350
			[A] 307,600	
Uranium enrichment - plant and capital equipment 271				
Appropriation, current	BA	**54,809**	**4,000**	**1,300**
Contract authority, current	BA	.....	**400,000**	.....
Outlays	0	112,733	56,981	23,443
Fossil fuel - operating expenses 271				
Appropriation, current	BA	**660,876**	**746,627**	.....
				[K] **691,650**
			[B] **24,000**	
			[D] **1,786**	
Outlays	0	713,158	753,235	698,179
			[B] 16,150	[B] 7,850
Fossil energy construction 271				
Appropriation, current	BA	**99,709**	**103,250**	.....
				[K] **449,835**
Outlays	0	12,924	139,301	209,700
Energy production, demonstration and distribution 271				
Appropriation, current	BA	**172,519**	**111,221**	.....
				[K] **178,737**
			[D] **566**	
Outlays	0	130,841	128,050	224,333

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Department of Energy—Con.					
Energy Programs—Con.					
Energy conservation:					
(Energy conservation)	272				
(Appropriation, current)		BA	**610,848**	**578,702**	**5,000**
					[K] **912,284**
				[B] **27,392**	
				[D] **703**	
(Reappropriation)		BA	.....	**158,750**	.....
(Outlays)		O	251,733	579,644	783,298
				[B] 13,820	[B] 10,100
(Area and regional development)	452				
(Appropriation, current)		BA	**20,000**	**50,000**	.....
					[K] **150,000**
(Outlays)		O	24	10,450	62,100
Total Energy conservation		BA	**630,848**	**815,547**	**1,067,284**
		O	251,757	603,914	855,498
Strategic petroleum reserve	274				
Appropriation, current		BA	**3,007,746**	.....	.....
					[K] **103,978**
Reappropriation		BA	.....	.....	**2,300,000**
Outlays		O	1,020,727	767,105	1,294,400
Energy information administration	276				
Appropriation, current		BA	**65,644**	**87,273**	.....
					[K] **116,223**
				[B] **20,200**	
				[D] **935**	
Outlays		O	61,341	86,161	116,173
				[B] 20,200	
Economic regulation	276				
Appropriation, current		BA	**99,233**	**152,879**	.....
					[K] **162,471**
				[B] **43,000**	
				[D] **2,523**	
Outlays		O	81,699	149,404	156,186
				[B] 23,000	[B] 20,000
Federal Energy Regulatory Commission	276				
Appropriation, current		BA	**54,130**	**67,187**	.....
					[K] **76,374**
				[B] **2,300**	
				[D] **2,435**	
Outlays		O	50,240	67,269	75,587
				[B] 2,300	
Geothermal resources development fund	271				
Appropriation, current		BA	**204**	**181**	**1,284**
				[D] **7**	
Reappropriation		BA	.....	.....	**41,982**
Outlays		O	376	1,397	1,247
Energy security reserve	271				
Appropriation, current		BA	.....	**2,208,000**	.....
Outlays		O	.....	155,000	53,000
Payments to states under Federal Power Act	852				
Appropriation, permanent, indefinite		BA	**85**	**85**	**85**
Outlays		O	218	85	85

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Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Energy—Con.				
Energy Programs—Con.				
Public Enterprise Funds:				
Spent fuel storage fund 271				
Authority to borrow, current, indefinite	BA		[J] 300,000	
Outlays	0		[J] −100,000	[J] 200,000
Trust funds				
Advances for cooperative work 271				
Appropriation, permanent, indefinite	BA	3,967	12,996	14,903
Outlays	0	2,653	13,309	14,873
Total Federal funds Energy Programs	BA	7,820,535	9,025,984	8,674,089
	0	5,503,101	6,391,159	7,345,697
Total Trust funds Energy Programs	BA	3,967	12,996	14,903
	0	2,653	13,309	14,873
Power Marketing Administrations				
Federal funds				
General and Special Funds:				
Operation and maintenance, Alaska Power Administration 271				
Appropriation, current	BA	2,614	2,660	[K] 3,069
Outlays	0	2,322	2,660	3,069
Public Enterprise Funds:				
Bonneville Power Administration fund 271				
Outlays	0	59,137	−128,140	−84,500
General and Special Funds:				
Operation and maintenance, Southeastern Power Administration 271				
Appropriation, current	BA	1,253	1,400	[K] 1,552
Outlays	0	1,028	1,475	1,544
Continuing fund, Southeastern Power Administration 271				
Appropriation, permanent	BA	50		
Outlays	0	50		
General and Special Funds:				
Operation and maintenance, Southwestern Power Administration 271				
Appropriation, current	BA	36,077	32,180	[K] 28,208
			[D] 208	
Outlays	0	19,896	32,388	37,208
Continuing fund, Southwestern Power Administration 271				
Appropriation, permanent	BA	228		
Outlays	0	129	99	
Construction, rehabilitation, operation and maintenance, Western Area Power Administration 271				
Appropriation, current	BA	103,252	122,800	[K] 138,502
Outlays	0	79,053	122,800	138,502

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Energy—Con.					
Power Marketing Administrations—Con.					
Emergency fund, Western Area Power Administration	271				
Appropriation, current		BA	**200**	**200**	**200**
Outlays		0	.....	200	200
Public Enterprise Funds:					
Colorado river basins power marketing fund, Western Area Power Administration	271				
Appropriation, current		BA	**2,286**	**5,152**	.....
					[K] **3,548**
Outlays		0	−7,299	5,152	3,548
Total Federal funds Power Marketing Administrations		BA	**145,960**	**164,600**	**175,079**
		0	154,316	36,634	99,571
Departmental Administration					
Federal funds					
General and Special Funds:					
Departmental administration:					
(Energy information, policy, and regulation)	276				
(Appropriation, current)		BA	**231,180**	**264,294**	.....
					[K] **361,721**
				[B] **8,233**	
				[D] **6,396**	
(Outlays)		0	239,153	276,428	339,548
				[B] 4,483	[B] 2,800
Special foreign currency program	271				
Appropriation, current		BA	**2,000**	.....	.....
Outlays		0	40	69	75
Total Federal funds Departmental Administration		BA	**233,180**	**278,923**	**361,721**
		0	239,193	280,980	342,423
Summary					
Federal funds:					
(As shown in detail above)		BA	**10,867,663**	**12,475,249**	**12,654,117**
		0	8,437,471	9,688,584	11,173,439
Deductions for offsetting receipts:					
Proprietary receipts from the public	270	BA	*−59,137*	*−72,166*	*−73,956*
		0			
	271	BA	*−478,429*	*−1,920,296*	*−2,393,481*
		0			
	300	BA	*−5,119*	*−15,500*	*−16,740*
		0			
	902	BA	*−13*	*−1*	*−1*
		0			
Total Federal funds		BA	**10,324,965**	**10,467,286**	**10,169,939**
		0	7,894,773	7,680,621	8,689,261
Trust funds:					
(As shown in detail above)		BA	**3,967**	**12,996**	**14,903**
		0	2,653	13,309	14,873

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Energy—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*—3,967*	*—12,996*	*—14,903*
Total Trust funds		0	—1,314	313	—30
Total Department of Energy		BA	**10,324,965**	**10,467,286**	**10,169,939**
		0	7,893,459	7,680,934	8,689,231
Department of Health and Human Services					
Health Programs					
Public Health Service					
Food and Drug Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**301,954**	**312,796**	**332,799**
				[C] **276**	
				[D] **10,420**	
				[E] **756**	
Outlays		0	297,811	303,938	305,925
Buildings and facilities	554				
Appropriation, current		BA	**10,459**	**4,372**	**29,663**
Outlays		0	2,096	4,801	7,797
Public Enterprise Funds:					
Revolving fund for certification and other services	554				
Outlays		0	—73	.....	.....
Total Federal funds Food and Drug Administration		BA	**312,413**	**328,620**	**362,462**
		0	299,834	308,739	313,722
Health Services Administration					
Federal funds					
General and Special Funds:					
Health services	551				
Appropriation, current		BA	**1,265,311**	**1,367,903**	**1,303,448**
					[K] **133,832**
				[C] **1,378**	
				[D] **6,692**	
				[E] **2,183**	
				[W] **10,825**	
Outlays		0	1,183,174	1,237,603	1,260,228
				[W] 9,093	[W] 1,732
Indian health services	551				
Appropriation, current		BA	**492,193**	**538,874**	**601,819**
				[C] **700**	
				[D] **7,048**	
				[E] **2,155**	
Outlays		0	465,345	526,239	588,621

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Health Services Administration—Con.				
Indian health facilities 551				
Appropriation, current	BA	**76,960**	**74,302**	**76,670**
Outlays	0	90,110	76,691	84,124
Emergency health 054				
Outlays	0	3	19	.....
Total Federal funds Health Services Administration	BA	**1,834,464**	**2,012,060**	**2,115,769**
	0	1,738,632	1,849,645	1,934,705
Center for Disease Control				
Federal funds				
General and Special Funds:				
Preventive health services:				
(Health care services) 551				
(Appropriation, current)	BA	**201,472**	**211,863**	**305,331** [K] **3,000**
(Outlays)	0	182,947	181,659	223,129
(Health research) 552				
(Appropriation, current)	BA	**62,500**	**79,552**	**82,705**
(Outlays)	0	55,388	64,265	80,197
Total Preventive health services	BA	**263,972**	**291,415**	**391,036**
	0	238,335	245,924	303,326
Total Federal funds Center for Disease Control	BA	**263,972**	**291,415**	**391,036**
	0	238,335	245,924	303,326
National Institutes of Health				
Federal funds				
General and Special Funds:				
National Cancer Institute:				
(Health research) 552				
(Appropriation, current)	BA	**914,953**	**970,710** [A] **−2,133** [D] **3,256** [E] **425**	**982,967**
(Outlays)	0	840,940	868,760 [A] −2,133	895,202
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**21,784**	**29,290**	**24,833**
(Outlays)	0	20,265	27,178	23,800
Total National Cancer Institute	BA	**936,737**	**1,001,548**	**1,007,800**
	0	861,205	893,805	919,002

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Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Heart, Lung and Blood Institute:				
(Health research) 552				
(Appropriation, current)	BA	**487,534**	**492,102** A −1,193 D 1,171 E 146	**515,259**
(Outlays)	0	433,884	453,743 A −1,193	462,019
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**22,600**	**35,442**	**33,140**
(Outlays)	0	20,113	23,310	29,716
Total National Heart, Lung and Blood Institute	BA	**510,134**	**527,668**	**548,399**
	0	453,997	475,860	491,735
National Institute of Dental Research:				
(Health research) 552				
(Appropriation, current)	BA	**61,374**	**63,562** A −217 D 494 E 89	**66,128**
(Outlays)	0	62,699	64,406 A −217	65,221
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**3,839**	**4,756**	**4,323**
(Outlays)	0	3,924	4,465	4,221
Total National Institute of Dental Research	BA	**65,213**	**68,684**	**70,451**
	0	66,623	68,654	69,442
National Institute of Arthritis, Metabolism, and Digestive Diseases:				
(Health research) 552				
(Appropriation, current)	BA	**287,237**	**318,473** D 1,434 E 150	**349,828**
(Outlays)	0	247,485	307,273	325,241
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**15,530**	**22,773** A −1,012	**15,883**
(Outlays)	0	15,530	17,131 A −1,012	21,051
Total National Institute of Arthritis, Metabolism, and Digestive Diseases	BA	**302,767**	**341,818**	**365,711**
	0	263,015	323,392	346,292

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of Neurological and Communicative Disorders and Stroke:				
(Health research) 552				
(Appropriation, current)	BA	**204,338**	**232,533** [A] —427 [D] 704 [E] 53	**242,163**
(Outlays)	0	186,641	211,494 [A] —427	228,637
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**8,027**	**9,467**	**7,644**
(Outlays)	0	7,593	8,148	8,760
Total National Institute of Neurological and Communicative Disorders and Stroke	BA	**212,365**	**242,330**	**249,807**
	0	194,234	219,215	237,397
National Institute of Allergy and Infectious Diseases:				
(Health research) 552				
(Appropriation, current)	BA	**182,703**	**204,969** [A] —564 [D] 713 [E] 121	**219,610**
(Outlays)	0	160,300	184,956 [A] —564	206,672
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**8,625**	**10,433** [D] 11	**8,802**
(Outlays)	0	7,571	9,437	8,276
Total National Institute of Allergy and Infectious Diseases	BA	**191,328**	**215,683**	**228,412**
	0	167,871	193,829	214,948
National Institute of General Medical Sciences:				
(Health research) 552				
(Appropriation, current)	BA	**230,431**	**263,110** [D] 150	**275,263**
(Outlays)	0	201,793	217,689	256,728
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**47,197**	**49,368**	**56,376**
(Outlays)	0	44,716	44,142	44,690
Total National Institute of General Medical Sciences	BA	**277,628**	**312,628**	**331,639**
	0	246,509	261,831	301,418

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Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of Child Health and Human Development:				
(Health research) 552				
(Appropriation, current)	BA	**187,181**	**198,301** A −236 D 707 E 97	**208,516**
(Outlays)	0	155,331	176,710 A −236	190,672
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**10,449**	**10,680**	**9,015**
(Outlays)	0	8,921	9,467	10,214
Total National Institute of Child Health and Human Development	BA	**197,630**	**209,549**	**217,531**
	0	164,252	185,941	200,886
National Eye Institute:				
(Health research) 552				
(Appropriation, current)	BA	**100,479**	**107,872** A −265 D 440 E 9	**113,187**
(Outlays)	0	72,679	112,201 A −265	123,388
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**4,713**	**5,128** A −250	**3,375**
(Outlays)	0	4,074	4,769 A −250	3,139
Total National Eye Institute	BA	**105,192**	**112,934**	**116,562**
	0	76,753	116,455	126,527
National Institute of Environmental Health Sciences:				
(Health research) 552				
(Appropriation, current)	BA	**73,082**	**76,886** D 381 E 13	**90,087**
(Outlays)	0	60,550	72,212	83,822
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**4,998**	**7,026**	**7,182**
(Outlays)	0	4,178	6,477	6,611
Total National Institute of Environmental Health Sciences	BA	**78,080**	**84,306**	**97,269**
	0	64,728	78,689	90,433

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Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of Aging:				
(Health research) 552				
(Appropriation, current)	BA	**54,367**	**67,012** **[D] 184** **[E] 44**	**72,966**
(Outlays)	0	40,033	56,104	67,094
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**2,544**	**2,988**	**2,351**
(Outlays)	0	1,873	2,564	2,284
Total National Institute of Aging	BA	**56,911**	**70,228**	**75,317**
	0	41,906	58,668	69,378
Research resources:				
(Health research) 552				
(Appropriation, current)	BA	**153,629**	**168,522** **[D] 92** **[E] 11**	**183,710**
(Outlays)	0	158,821	160,236	162,447
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**535**	**677**	**729**
(Outlays)	0	434	614	690
Total Research resources	BA	**154,164**	**169,302**	**184,439**
	0	159,255	160,850	163,137
John E. Fogarty International Center for Advanced Study in the Health Sciences 552				
Appropriation, current	BA	**8,989**	**8,989** **[D] 100** **[E] 6**	**9,181**
Outlays	0	6,706	8,801	8,880
National Library of Medicine:				
(Health research) 552				
(Appropriation, current)	BA	**9,782**	**10,653**	**9,767**
(Outlays)	0	9,221	9,902	10,610
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**31,649**	**33,347** **[D] 640** **[E] 17**	**34,963**
(Outlays)	0	29,988	31,486	32,229
Total National Library of Medicine	BA	**41,431**	**44,657**	**44,730**
	0	39,209	41,388	42,839

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
Office of the Director:				
(Health research) 552				
(Appropriation, current)	BA	**18,724**	**19,352**	**20,119**
			[D] **885**	
			[E] **22**	
(Outlays)	0	16,654	19,623	19,381
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**1,733**	**1,710**	**2,430**
(Outlays)	0	2,081	1,880	2,281
Total Office of the Director	BA	**20,457**	**21,969**	**22,549**
	0	18,735	21,503	21,662
Buildings and facilities 552				
Appropriation, current	BA	**30,950**	**3,250**	**11,750**
			[A] **7,230**	
Outlays	0	55,668	46,754	26,264
			[A] 3,000	[A] 4,230
Intragovernmental Funds:				
National Institutes of Health management fund 552				
Outlays	0	—13,239	.....	.....
Consolidated working fund 552				
Outlays	0	342	44	2
Service and supply fund 552				
Outlays	0	1,798	—123	.....
Total Federal funds National Institutes of Health.	BA	**3,189,976**	**3,442,879**	**3,581,547**
	0	2,869,567	3,158,556	3,334,472
Alcohol, Drug Abuse, and Mental Health Administration				
Federal funds				
General and Special Funds:				
Alcohol, drug abuse, and mental health:				
(Health care services) 551				
(Appropriation, current)	BA	**696,693**	**680,534**	**418,062**
				[K] **367,755**
			[B] **64,054**	
			[D] **1,472**	
			[E] **146**	
(Outlays)	0	631,889	637,427	659,293
			[B] 18,792	[B] 41,832
(Health research) 552				
(Appropriation, current)	BA	**214,181**	**233,475**	**265,683**
			[C] **64**	
			[D] **1,548**	
			[E] **153**	
(Outlays)	0	189,511	199,644	239,492

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Alcohol, Drug Abuse, and Mental Health Administration—Con.				
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**114,656**	**113,768** [D] **277** [E] **17**	**111,896**
(Outlays)	0	104,852	114,337	95,670
Total Alcohol, drug abuse, and mental health	BA	**1,025,530**	**1,095,508**	**1,163,396**
	0	926,252	970,200	1,036,287
Construction and renovation, St. Elizabeths Hospital 551				
Appropriation, current	BA			**1,500**
Outlays	0	2,163	2,630	2,397
Saint Elizabeths Hospital 551				
Appropriation, current	BA	**79,947**	**85,119** [C] **585** [D] **3,378** [E] **167** [G] **49**	**96,206**
Outlays	0	80,488	81,042	82,133
Total Federal funds Alcohol, Drug Abuse, and Mental Health Administration	BA	**1,105,477**	**1,184,806**	**1,261,102**
	0	1,008,903	1,053,872	1,120,817
Health Resources Administration				
Federal funds				
General and Special Funds:				
Health resources:				
(Health care services) 551				
(Appropriation, current)	BA	**161,468**	**177,163** [G] **808**	**190,654**
(Reappropriation)	BA	**39,940**		
(Outlays)	0	233,840	211,549	208,766
(Health research) 552				
(Outlays)	0	10,678	3,766	1,398
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**515,154**	**511,039** [A] **2,400** [G] **1,143** [H] **—104,218**	**13,347** [K] **325,691**
(Outlays)	0	310,970	362,698 [A] 120 [H] —12,506	303,023 [A] 912 [H] —36,592
Total Health resources	BA	**716,562**	**588,335**	**529,692**
	0	555,488	565,627	477,507

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Health Resources Administration—Con.				
Payment of sales insufficiencies and interest losses 551				
Appropriation, current	BA	2,138	2,000 F −2,000	.....
Public Enterprise Funds:				
Health education loans 553				
Appropriation, current	BA	274	.....	.....
Outlays	0	−2,859	−1,800	−1,770
Nurse training fund 553				
Outlays	0	−807	−475	−375
Medical facilities guarantee and loan fund 551				
Appropriation, current	BA	42,000	45,000	.....
Outlays	0	39,577	41,591	32,200
Health professions graduate student loan insurance fund 553				
Authority to borrow, current	BA	2,500	.....	.....
Outlays	0	−31	3	28
Total Federal funds Health Resources Administration	BA	763,474	633,335	529,692
	0	591,368	604,946	507,590
Office of Assistant Secretary for Health				
Federal funds				
General and Special Funds:				
Salaries and expenses:				
(Health care services) 551				
(Appropriation, current)	BA	59,319	113,750 C 45 D 1,091 E 31	130,767
(Outlays)	0	45,684	67,047	84,090
(Health research) 552				
(Appropriation, current)	BA	71,989	77,445 D 953 E 95	84,014
(Outlays)	0	43,536	59,457	66,158
Total Salaries and expenses	BA	131,308	193,410	214,781
	0	89,220	126,504	150,248
Retirement pay and medical benefits for commissioned officers 551				
Appropriation, current, indefinite	BA	65,555	76,925	91,958
Outlays	0	56,609	72,871	84,443
Scientific activities overseas (special foreign currency program) 552				
Appropriation, current	BA	11,387	6,520	.....
Outlays	0	5,942	5,968	3,539

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Office of Assistant Secretary for Health—Con.				
Public Enterprise Funds:				
Health maintenance organization loan and loan guarantee fund 551				
Outlays	0	14,782	−5,367	11,501
Intragovernmental Funds:				
Service and supply fund 551				
Outlays	0	372	.....	.....
Grants management fund 551				
Outlays	0	6,495	.....	.....
Miscellaneous consolidated working funds 552				
Outlays	0	3,783	12,190	−414
Trust funds				
Miscellaneous trust funds 551				
Appropriation, permanent, indefinite	BA	4,062	4,620	4,620
Outlays	0	4,658	4,781	4,549
Total Federal funds Office of Assistant Secretary for Health	BA	208,250	276,855	306,739
	0	177,203	212,166	249,317
Total Trust funds Office of Assistant Secretary for Health	BA	4,062	4,620	4,620
	0	4,658	4,781	4,549
Total Federal funds Public Health Service	BA	7,678,026	8,169,970	8,548,347
	0	6,923,842	7,433,848	7,763,949
Total Trust funds Public Health Service	BA	4,062	4,620	4,620
	0	4,658	4,781	4,549
Other Health Programs				
Health Care Financing Administration				
Federal funds				
General and Special Funds:				
Grants to States for Medicaid 551				
Appropriation, current	BA	13,125,305	12,190,068	16,086,557
			[▲] 2,289,490	
			[▼] 34,000	[▼] 295,500
Outlays	0	12,407,317	11,836,501	15,472,557
			[▲] 2,289,490	
			[▼] 34,000	[▼] 295,500
Payments to health care trust funds 551				
Appropriation, current	BA	7,760,913	7,968,156	9,589,120
				[▼] −92,000
Outlays	0	7,747,968	7,968,156	9,589,120
				[▼] −92,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.					
Health Programs—Con.					
Other Health Programs—Con.					
Health Care Financing Administration—Con.					
Program management:					
(Health care services)	551				
(Appropriation, current)		BA	**91,562**	**95,637**	**107,771**
				[D] 3,269	
				[J] 496	[J] 2,655
(Outlays)		0	85,008	94,061	102,609
				[J] 496	[J] 2,655
(Health research)	552				
(Appropriation, current)		BA	**17,650**	**30,490**	**34,789**
(Outlays)		0	16,499	24,392	27,831
Total Program management		BA	**109,212**	**129,892**	**145,215**
		0	101,507	118,949	133,095
Intragovernmental Funds:					
Miscellaneous consolidated working fund	551				
Outlays		0	−1,413	.....	.....
Trust funds					
Federal hospital insurance trust fund	551				
Appropriation, current		BA			[J] 71,000
Appropriation, permanent, indefinite		BA	**21,909,699**	**25,517,156**	**32,539,120**
Outlays		0	20,343,031	23,219,339	26,313,005
				[J] 1,401	[J] −842,215
Federal supplementary medical insurance trust fund	551				
Appropriation, current		BA			[J] −88,000
Appropriation, permanent, indefinite		BA	**9,839,582**	**10,405,000**	**12,468,000**
Outlays		0	8,804,699	10,321,069	12,111,630
					[J] −233,900
Total Federal funds Health Care Financing Administration		BA	**20,995,430**	**22,611,606**	**26,024,392**
		0	20,255,379	22,247,096	25,398,272
Total Trust funds Health Care Financing Administration		BA	**31,749,281**	**35,922,156**	**44,990,120**
		0	29,147,730	33,541,809	37,348,520
Total Federal funds Health Programs		BA	**28,673,456**	**30,781,576**	**34,572,739**
		0	27,179,221	29,680,944	33,162,221
Total Trust funds Health Programs		BA	**31,753,343**	**35,926,776**	**44,994,740**
		0	29,152,388	33,546,590	37,353,069
Social Security Administration					
Federal funds					
General and Special Funds:					
Payments to social security trust funds	601				
Appropriation, current		BA	**760,774**	**676,933**	**675,790**
Outlays		0	756,892	676,995	675,790

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Social Security Administration—Con.				
Special benefits for disabled coal miners 601				
Appropriation, current	BA	**995,381**	**1,042,653**	**1,060,300**
Outlays	O	989,387	1,038,653	1,057,300
Supplemental security income program 604				
Appropriation, current	BA	**5,505,409**	**6,345,659**	**6,903,294**
			[D] 25,600	
				[J] 17,000
Outlays	O	5,471,126	6,373,520	6,907,839
				[J] 17,000
Assistance payments program 604				
Appropriation, current	BA	**6,688,047**	**7,314,327**	**7,797,929**
			[J] —79,000	**[J] —249,000**
Indefinite	BA		**[A] 80,000**	
Outlays	O	6,610,490	7,046,884	7,681,015
			[A] 80,000	
			[J] —79,000	[J] —249,000
Refugee assistance 604				
Appropriation, current	BA	**235,264**	**416,900**	**87,300**
			[A] 107,081	
				[J] 511,157
Outlays	O	140,625	366,333	190,368
			[A] 52,026	[A] 37,437
				[J] 296,471
Payments to states from receipts for child support 604				
Appropriation, permanent	BA	**19**	**350**	**450**
Outlays	O	24	350	450
Trust funds				
Federal old-age and survivors insurance trust fund 601				
Appropriation, current	BA			[J] 163,000
Appropriation, permanent, indefinite	BA	**86,892,957**	**99,525,310**	**111,883,592**
Outlays	O	90,128,853	104,029,228	121,162,981
			[J] 2,000	[J] 34,000
Federal disability insurance trust fund 601				
Appropriation, current	BA			**[J] 33,000**
Appropriation, permanent, indefinite	BA	**15,195,984**	**17,406,666**	**20,581,389**
Outlays	O	13,944,024	15,364,926	17,398,994
			[J] —16,000	[J] —133,000
Limitation on administrative expenses		(2,272,087)	(2,346,810)	(2,671,650)
			[D] (108,200)	
Limitation on research and statistics (Survey of income and program participation)		.....	.....	(16,000)
Total Federal funds Social Security Administration	BA	**14,184,894**	**15,930,503**	**16,804,220**
	O	13,968,544	15,555,761	16,614,670
Total Trust funds Social Security Administration	BA	**102,088,941**	**116,931,976**	**132,660,981**
	O	104,072,877	119,380,154	138,462,975

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.				
Human Development Services				
Federal funds				
General and Special Funds:				
Grants to states for social services and child welfare services 506				
Appropriation, current	BA	**3,088,187**	**2,508,364**	**2,710,000**
			[A] 236,000	
			[J] 437,850	**[J] 523,150**
Outlays	0	3,090,730	2,433,692	2,627,000
			[A] 236,000	
			[J] 437,850	[J] 523,150
Human development services:				
(Elementary, secondary, and vocational education) 501				
(Appropriation, current)	BA	**730,615**	**789,708**	**878,832**
			[D] 550	
(Outlays)	0	668,324	759,756	822,167
(Social services) 506				
(Appropriation, current)	BA	**1,645,953**	**1,365,187**	**888,679**
				[K] 11,000
			[D] 1,492	
				[J] 10,000
(Outlays)	0	1,572,903	1,204,956	864,202
				[J] 2,000
Total Human development services	BA	**2,376,568**	**2,156,937**	**1,788,511**
	0	2,241,227	1,964,712	1,688,369
Work incentives 504				
Appropriation, current	BA	**385,000**	**365,000**	**385,000**
Outlays	0	385,042	365,000	385,000
Total Federal funds Human Development Services	BA	**5,849,755**	**5,704,151**	**5,406,661**
	0	5,716,999	5,437,254	5,223,519
Departmental Management				
Federal funds				
General and Special Funds:				
General Departmental management 604				
Appropriation, current	BA	**130,237**	**127,829**	**136,372**
			[D] 6,257	
Reappropriation	BA	**1,719**	.....	.....
Outlays	0	122,105	128,443	134,269
Office of Inspector General 604				
Appropriation, current	BA	**45,092**	**72,024**	**56,085**
			[D] 1,604	
			[J] 4,300	**[J] 18,140**
Outlays	0	31,497	76,557	54,838
				[J] 21,580
Office for Civil Rights 751				
Appropriation, current	BA	**68,227**	**42,474**	**21,931**
Outlays	0	50,318	45,596	26,664

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.					
Departmental Management—Con.					
Office of Consumer Affairs	506				
Appropriation, current		BA	1,732	1,861	2,489
				D 85	
Outlays		O	1,587	1,954	2,463
Policy research	604				
Appropriation, current		BA	25,000	24,000	24,000
Outlays		O	26,442	26,112	24,716
Intragovernmental Funds:					
Working capital fund	506				
Outlays		O	−551	3,496	.....
Consolidated working fund	506				
Outlays		O	−1,064	6,494	1,802
Total Federal funds Departmental Management		BA	272,007	280,434	259,017
		O	230,334	288,652	266,332
Summary					
Federal funds:					
(As shown in detail above)		BA	48,980,112	52,696,664	57,042,637
		O	47,095,098	50,962,611	55,266,742
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA	*−587*	*−275*	*−275*
		O			
	550	BA	*−9,570*	*−7,374*	*−7,375*
		O			
	902	BA	*−3,806*	*−1,274*	*−1,274*
		O			
Total Federal funds		BA	48,966,149	52,687,741	57,033,713
		O	47,081,135	50,953,688	55,257,818
Trust funds:					
(As shown in detail above)		BA	133,842,284	152,858,752	177,655,721
		O	133,225,265	152,926,744	175,816,044
Deductions for offsetting receipts:					
Intrafund transactions	601	BA	*−1,477,438*	*−1,467,000*	*−1,542,000*
		O			
	902	BA	*−16,962*	*−19,043*	*−22,000*
		O			
Proprietary receipts from the public	551	BA	*−679*	.....	.....
		O			
	554	BA	*−3,384*	*−3,882*	*−3,882*
		O			
	601	BA	*−76*	.....	.....
		O			
Total Trust funds		BA	132,343,745	151,368,827	176,087,839
		O	131,726,726	151,436,819	174,248,162
Interfund transactions	551	BA	−7,747,968	−7,968,156	−9,589,120
		O			
		BA			✓92,000
		O			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services—Con.					
Summary—Con.					
601		BA			
		0	—756,892	—676,933	—675,790
Total Department of Health and Human Services		BA	172,805,034	195,411,479	222,948,642
		0	170,303,001	193,745,418	219,333,070
Department of Housing and Urban Development					
Housing Programs					
Federal funds					
General and Special Funds:					
Subsidized housing programs	604				
Contract authority, current		BA	23,791,566	26,600,128	—1,050,000
					[K] 33,196,631
Contract authority, permanent		BA	38,169	39,538	32,500
Liquidation of contract authority, current			(4,464,762)	(5,529,000)	.....
					[K] (7,127,000)
				[A] (745,037)	
Outlays		0	3,559,120	4,372,000	5,494,000
Payments for operation of low income housing projects	604				
Appropriation, current		BA	727,000	741,500	.....
					[K] 862,000
				[B] 52,600	
Outlays		0	653,584	720,000	811,000
				[B] 52,600	
Congregate services program	604				
Appropriation, current		BA	10,000	10,000	.....
Outlays		0	.....	3,500	6,400
Troubled projects operating subsidy	604				
Appropriation, current		BA	74,000	79,500	.....
					[K] 41,100
Outlays		0	—11,972	42,200	103,200
Public Enterprise Funds:					
Federal Housing Administration fund	371				
Appropriation, current, indefinite		BA	352,290	194,850	208,640
Authority to borrow, permanent		BA	38,660	91,100	54,130
Outlays		0	192,848	148,094	—70,500
Housing for the elderly or handicapped fund	371				
Authority to borrow, current, indefinite		BA	786,000	803,205	780,070
Outlays		0	459,382	700,000	700,000
Low-rent public housing--loans and other expenses	604				
Authority to borrow, permanent, indefinite		BA	.....	77,935	262,121
Liquidation of contract authority, current				[B] (1,995,325)	
Outlays		0	—2,960	.....	.....
				[B] 18,296	[B] 49,883
Nonprofit sponsor assistance	604				
Outlays		0	687	668	421
Community disposal operations fund	451				
Outlays		0	—551	—500	—420

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Housing and Urban Development—Con.				
Housing Programs—Con.				
Rental housing assistance fund 604				
Outlays	0	65,992	6,084	.....
Revolving fund (liquidating programs) 451				
Appropriation, current	BA	**1,487**	**1,354**	**1,567**
Appropriation, permanent, indefinite	BA	**698**	**260**	**542**
Outlays	0	−4,078	−2,340	−5,624
Intragovernmental Funds:				
Disaster assistance fund 453				
Outlays	0	18,124	−34,936	.....
Total Federal funds Housing Programs	BA	**25,819,870**	**28,691,970**	**34,389,301**
	0	4,930,176	6,025,666	7,088,360
Government National Mortgage Association				
Federal funds				
General and Special Funds:				
Payment of participation sales insufficiencies 371				
Appropriation, current	BA	**2,193**	.....	.....
Mortgage assistance grant program 371				
Appropriation, current	BA			**[K] 30,000**
Public Enterprise Funds:				
Special assistance functions fund 371				
Appropriation, current	BA	**3,700**	**3,500**	**3,400**
Appropriation, permanent, indefinite	BA	**3,100**	**3,000**	**3,000**
Authority to borrow, permanent, indefinite	BA	**500,000**	**1,822,259**	**662,093**
Outlays	0	57,532	658,532	179,661
Emergency mortgage purchase assistance 371				
Outlays	0	270,733	489,850	−423,800
Management and liquidating functions fund 371				
Outlays	0	−35,555	−34,600	−30,300
Guarantees of mortgage-backed securities 371				
Outlays	0	−54,625	−63,000	−80,200
Participation sales fund:				
(Mortgage credit and thrift insurance) 371				
(Outlays)	0	−13,572	−14,990	3,587
(Other advancement and regulation of commerce) 376				
(Outlays)	0	−4,644	−7,910	−5,973
(Community development) 451				
(Outlays)	0	−137	2,127	2,113
(Higher education) 502				
(Outlays)	0	−4,914	−604	−1,336
(Health research) 552				
(Outlays)	0	−349	−416	−13
(Veterans housing) 704				
(Outlays)	0	11,934	22,168	1,972
Total Participation sales fund	0	−11,682	375	350
Total Federal funds Government National Mortgage Association	BA	**508,993**	**1,828,759**	**698,493**
	0	226,403	1,051,157	−354,289

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Housing and Urban Development—Con.					
Community Planning and Development					
Federal funds					
General and Special Funds:					
Community development grants	451				
Appropriation, current		BA	**3,750,000**	**3,900,000**	.....
					K 3,950,000
Outlays		0	3,161,229	3,500,000	3,805,000
Urban development action grants	451				
Appropriation, current		BA	**400,000**	**675,000**	.....
					K 675,000
Outlays		0	73,167	180,000	365,000
Comprehensive planning grants	451				
Appropriation, current		BA	**53,000**	**42,500**	.....
					K 40,000
Outlays		0	61,613	56,000	45,000
Urban homesteading	451				
Appropriation, current		BA	**20,000**	.....	.....
Outlays		0	.....	.....	9,719
Miscellaneous appropriations	451				
Outlays		0	14,535	14,582	.....
Public Enterprise Funds:					
Rehabilitation loan fund	451				
Appropriation, current		BA	**230,000**	**135,000**	.....
					K 188,000
Reappropriation		BA	**1,822**	.....	.....
Outlays		0	100,322	170,000	190,000
Urban renewal programs	451				
Liquidation of contract authority, permanent			.....	.....	(121,489)
Outlays		0	281,099	241,875	170,000
Total Federal funds Community Planning and Development		BA	**4,454,822**	**4,752,500**	**4,853,000**
		0	3,691,965	4,162,457	4,584,719
New Community Development Corporation					
Federal funds					
General and Special Funds:					
New community assistance grants	451				
Appropriation, current, indefinite		BA	**−8,091**	.....	**−1,400**
Outlays		0	170	1,600	1,900
Public Enterprise Funds:					
New communities fund	451				
Authority to borrow, permanent, indefinite		BA	**24,046**	**37,618**	**38,921**
Outlays		0	30,985	37,408	38,711
Total Federal funds New Community Development Corporation		BA	**15,955**	**37,618**	**37,521**
		0	31,155	39,008	40,611

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Housing and Urban Development—Con.				
Neighborhoods, Voluntary Associations, and Consumer Protection				
Federal funds				
General and Special Funds:				
Housing counseling assistance 506				
Appropriation, current	BA	**9,000**	**9,000**	**10,000**
Outlays	0	5,472	8,780	9,420
Neighborhood self-help development program 451				
Appropriation, current	BA	**5,000**	**10,000**	.....
				[K] **15,000**
Outlays	0	.....	9,000	10,000
Mobile home standards program 376				
Outlays	0	209	731	.....
Mobile home inspection and monitoring 376				
Appropriation, permanent, indefinite	BA	.....	**9,835**	**5,700**
Outlays	0	.....	8,300	7,000
Interstate land sales 376				
Appropriation, permanent, indefinite	BA	**270**	**350**	**350**
Outlays	0	636	350	350
Total Federal funds Neighborhoods, Voluntary Associations, and Consumer Protection	BA	**14,270**	**29,185**	**31,050**
	0	6,317	27,161	26,770
Policy Development and Research				
Federal funds				
General and Special Funds:				
Research and technology 451				
Appropriation, current	BA	**57,250**	**49,650**	.....
				[K] **54,000**
Outlays	0	63,555	54,690	53,570
Fair Housing and Equal Opportunity				
Federal funds				
General and Special Funds:				
Fair housing assistance 751				
Appropriation, current	BA	.....	**3,700**	**5,700**
Outlays	0	.....	1,295	5,995
Management and Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses, including transfer of funds:				
(Other advancement and regulation of commerce) 376				
(Appropriation, current)	BA	**8,440**	**8,155**	**10,605**
			[D] **406**	
(Outlays)	0	8,215	8,013	10,251
(Community development) 451				
(Appropriation, current)	BA	**167,423**	**192,176**	**213,856**
			[D] **5,834**	
(Outlays)	0	168,529	184,830	211,099

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Housing and Urban Development—Con.					
Management and Administration—Con.					
(Public assistance and other income supplements)	604				
(Appropriation, current)		BA	**74,208**	**64,881** **D 4,910**	**93,206**
(Outlays)		O	72,509	65,184	88,699
(Federal law enforcement activities)	751				
(Appropriation, current)		BA	**15,340**	**18,595** **D 822**	**23,215**
(Outlays)		O	14,898	18,152	22,518
Total Salaries and expenses, Including transfer of funds		BA	**265,411**	**295,779**	**340,882**
		O	264,151	276,179	332,567
Urban transportation	401				
Outlays		O	35	54	.....
Low-income housing demonstration program	451				
Outlays		O	−22	689	.....
Intragovernmental Funds:					
Working capital fund	451				
Outlays		O	1,230	−183	−204
Joint grants management fund	451				
Outlays		O	19	.....	.....
Total Federal funds Management and Administration		BA	**265,411**	**295,779**	**340,882**
		O	265,413	276,739	332,363
Summary					
Federal funds:					
(As shown in detail above)		BA	**31,136,571**	**35,689,161**	**40,409,947**
		O	9,214,984	11,638,173	11,778,099
Deductions for offsetting receipts:					
Proprietary receipts from the public	450	BA			
		O	*−971*	*−667*	*−667*
	902	BA			
		O	*−1,031*	*−1,300*	*−1,300*
Total Department of Housing and Urban Development		BA	**31,134,569**	**35,687,194**	**40,407,980**
		O	9,212,982	11,636,206	11,776,132

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Interior					
Land and Water Resources					
Bureau of Land Management					
Federal funds					
General and Special Funds:					
Management of lands and resources	302				
Appropriation, current		BA	**342,695**	**301,896**	**357,550**
				[A] 48,900	
				[D] 6,403	
Outlays		O	307,445	301,275	346,081
				[A] 48,900	
Acquisition, construction and maintenance	302				
Appropriation, current		BA	**19,011**	**16,343**	**16,750**
Outlays		O	16,209	15,800	16,241
Payments in lieu of taxes	852				
Appropriation, current		BA	**105,000**	**108,000**	**111,000**
Outlays		O	105,438	108,000	111,000
Oregon and California grant lands	302				
Appropriation, current, indefinite		BA	**48,387**	**55,000**	**57,500**
Outlays		O	53,178	55,000	55,000
Range improvements	302				
Appropriation, current, indefinite		BA	**8,665**	**10,620**	**13,500**
Outlays		O	9,739	10,900	13,500
Recreation development and operation of recreation facilities	302				
Appropriation, current, indefinite		BA	**300**	**300**	**300**
Outlays		O	269	300	300
Service charges, deposits, and forfeitures	302				
Appropriation, current, indefinite		BA	**5,664**	**13,750**	**9,600**
Outlays		O	6,280	12,000	9,500
Miscellaneous permanent appropriations:					
(Conservation and land management)	302				
(Appropriation, permanent, indefinite)		BA	**3,060**	**2,400**	**2,400**
(Outlays)		O	2,532	2,800	2,400
(Other general purpose fiscal assistance)	852				
(Appropriation, permanent, indefinite)		BA	**299,746**	**362,500**	**428,195**
(Outlays)		O	300,379	362,500	428,195
Total Miscellaneous permanent appropriations		BA	**302,806**	**364,900**	**430,595**
		O	302,911	365,300	430,595
Intragovernmental Funds:					
Working capital fund	302				
Outlays		O	—1,745	300	300
Trust funds					
Miscellaneous trust funds	302				
Appropriation, current, indefinite		BA	**100**	**100**	**100**
Appropriation, permanent, indefinite		BA	**984**	**600**	**600**
Outlays		O	766	700	700
Total Federal funds Bureau of Land Management		BA	**832,528**	**926,112**	**996,795**
		O	799,724	917,775	982,517
Total Trust funds Bureau of Land Management		BA	**1,084**	**700**	**700**
		O	766	700	700

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.					
Land and Water Resources—Con.					
Water and Power Resources Service					
Federal funds					
General and Special Funds:					
Loan program	301				
Appropriation, current		BA	**36,366**	**29,603**	**26,128**
Outlays		0	21,915	40,000	18,041
Construction program	301				
Appropriation, current		BA	**399,156**	**415,234**	**590,532**
				[B] **3,000**	
				[C] **151**	
				[D] **3,249**	
Outlays		0	512,833	541,726	573,824
				[B] 3,000	
General investigations	301				
Appropriation, current		BA	**30,870**	**34,451**	**37,825**
Outlays		0	27,633	31,000	36,590
Emergency fund	301				
Outlays		0	3,150	1,167	1,000
Operation and maintenance	301				
Appropriation, current		BA	**88,718**	**100,653**	**114,117**
				[C] **1,444**	
				[D] **2,156**	
Outlays		0	80,981	101,061	112,747
General administrative expenses	301				
Appropriation, current		BA	**27,910**	**27,400**	**38,150**
				[D] **1,200**	
Outlays		0	25,970	27,176	38,347
Miscellaneous permanent appropriations	852				
Appropriation, permanent		BA	**600**	**600**	**600**
Indefinite		BA	**2,263**	**2,100**	**2,100**
Outlays		0	2,763	2,700	2,700
Public Enterprise Funds:					
Colorado River Basin project	301				
Outlays		0	15,967	2,783	—4,110
Upper Colorado River storage project	301				
Outlays		0	—10,630	1,823	—9,253
Intragovernmental Funds:					
Consolidated working fund	301				
Outlays		0	15,011	600	.....
Trust funds					
Reclamation trust funds	301				
Appropriation, permanent, indefinite		BA	**10,535**	**5,300**	**5,525**
Outlays		0	10,549	7,000	5,525
Total Federal funds Water and Power Resources Service		BA	**585,883**	**621,241**	**809,452**
		0	695,593	753,036	769,886
Total Trust funds Water and Power Resources Service		BA	**10,535**	**5,300**	**5,525**
		0	10,549	7,000	5,525

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.					
Land and Water Resources—Con.					
Office of Water Research and Technology					
Federal funds					
General and Special Funds:					
Salaries and expenses	301				
Appropriation, current		BA	**28,351**	**30,781**	**33,413**
					[J] **5,100**
Outlays		0	23,789	25,338	28,600
					[J] 3,060
Intragovernmental Funds:					
Consolidated working fund	306				
Outlays		0	—87		
Total Federal funds Office of Water Research and Technology		BA	**28,351**	**30,781**	**38,513**
		0	23,702	25,338	31,660
Total Federal funds Land and Water Resources		BA	**1,446,762**	**1,578,134**	**1,844,760**
		0	1,519,019	1,696,149	1,784,063
Total Trust funds Land and Water Resources		BA	**11,619**	**6,000**	**6,225**
		0	11,315	7,700	6,225
Fish and Wildlife and Parks					
Heritage Conservation and Recreation Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	303				
Appropriation, current		BA	**15,171**	**15,351**	**16,010**
				[D] **388**	
Outlays		0	24,965	27,164	17,185
Urban park and recreation grants	303				
Appropriation, current		BA	**20,000**	**125,000**	**125,000**
Outlays		0	211	74,000	74,000
Land and water conservation fund	303				
Appropriation, current		BA	**737,025**	**509,194**	**580,000**
Contract authority, current		BA			[J] —**30,000**
Contract authority, permanent		BA	**30,000**	**30,000**	**30,000**
Outlays		0	599,767	450,828	489,000
Historic preservation fund	303				
Appropriation, current		BA	**60,000**	**55,000**	**45,000**
Outlays		0	28,921	30,000	35,000
Intragovernmental Funds:					
Consolidated working fund	303				
Outlays		0	23		

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
Heritage Conservation and Recreation Service—Con.				
Trust funds				
Donations 303				
Appropriation, permanent, indefinite	BA	.....	264	264
Outlays	0	−149	264	264
Total Federal funds Heritage Conservation and Recreation Service	BA	862,196	734,933	766,010
	0	653,887	581,992	615,185
Total Trust funds Heritage Conservation and Recreation Service	BA	.....	264	264
	0	−149	264	264
United States Fish and Wildlife Service				
Federal funds				
General and Special Funds:				
Resource management 303				
Appropriation, current	BA	200,397	206,641 [B] 3,000 [C] 587 [D] 5,402	229,766
Outlays	0	197,117	204,147 [B] 3,000	221,139
Construction and anadromous fish 303				
Appropriation, current	BA	97,856	58,757	47,968
Outlays	0	50,622	39,100	32,812
Migratory bird conservation account 303				
Appropriation, current	BA	10,000	15,000	10,000
Appropriation, permanent, indefinite	BA	11,166	14,900	16,500
Outlays	0	29,187	27,000	24,000
Development and operation of recreation facilities 303				
Appropriation, current	BA	150	200	250
Outlays	0	149	200	250
National wildlife refuge fund 852				
Appropriation, current	BA	.....	.....	9,500
			[A] 3,900	
Appropriation, permanent	BA	4,693	3,700	3,700
Outlays	0	4,003	4,300 [A] 3,900	13,200
Miscellaneous permanent appropriations (Recreational resources) 303				
Appropriation, permanent, indefinite	BA	114,626	124,447	128,000
Outlays	0	90,762	87,260	91,100
Intragovernmental Funds:				
Consolidated working fund 303				
Outlays	0	−1,202	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
United States Fish and Wildlife Service—Con.				
Trust funds				
Contributed funds 303				
Appropriation, permanent, indefinite	BA	**2,551**	**3,400**	**3,400**
Outlays	0	2,477	2,800	3,200
Total Federal funds United States Fish and Wildlife Service	BA	**438,888**	**436,534**	**445,684**
	0	370,638	368,907	382,501
Total Trust funds United States Fish and Wildlife Service	BA	**2,551**	**3,400**	**3,400**
	0	2,477	2,800	3,200
National Park Service				
Federal funds				
General and Special Funds:				
Operation of the national park system 303				
Appropriation, current	BA	**387,726**	**382,775** **[A] 1,373** **[C] 2,938** **[D] 7,519**	**427,697**
Outlays	0	365,416	381,818 [A] 1,373	413,265
Construction 303				
Appropriation, current	BA	**118,488**	**112,154**	**71,396**
Outlays	0	81,639	91,906	66,236
Road construction 303				
Appropriation, current	BA	.....	**−5,552**	.....
Outlays	0	9,890	11,365	1,599
John F. Kennedy Center for the Performing Arts 303				
Appropriation, current	BA	**4,055**	**4,030** **[C] 64** **[D] 48**	**4,400**
Outlays	0	6,740	4,096	4,400
Planning, development, and operation of recreation facilities 303				
Appropriation, current, indefinite	BA	**15,478**	**16,217**	**15,007**
Outlays	0	15,846	17,597	14,885
Commemorative activities fund 303				
Appropriation, permanent, indefinite	BA	**65**	.....	.....
Outlays	0	1,336	530	.....
Miscellaneous permanent appropriations 303				
Appropriation, permanent, indefinite	BA	**339**	**435**	**400**
Outlays	0	403	435	400
Intragovernmental Funds:				
Consolidated working fund 303				
Outlays	0	851	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
National Park Service—Con.				
Trust funds				
Construction (trust fund) 401				
Appropriation, current	BA	.....	.....	**21,500**
Contract authority, permanent	BA	.....	**15,500**	.....
Liquidation of contract authority, current		.....	(15,500)	.....
Outlays	0	.....	7,500	18,500
Miscellaneous trust funds 303				
Appropriation, permanent, indefinite	BA	**1,233**	**2,200**	**1,500**
Outlays	0	1,220	2,200	1,500
Total Federal funds National Park Service	BA	**526,151**	**522,001**	**518,900**
	0	482,121	509,120	500,785
Total Trust funds National Park Service	BA	**1,233**	**17,700**	**23,000**
	0	1,220	9,700	20,000
Total Federal funds Fish and Wildlife and Parks	BA	**1,827,235**	**1,693,468**	**1,730,594**
	0	1,506,646	1,460,019	1,498,471
Total Trust funds Fish and Wildlife and Parks	BA	**3,784**	**21,364**	**26,664**
	0	3,548	12,764	23,464
Energy and Minerals				
Geological Survey				
Federal funds				
General and Special Funds:				
Surveys, investigations and research 306				
Appropriation, current	BA	**418,519**	**452,055**	**481,411**
			[A] **4,941**	
			[C] **400**	
			[D] **11,650**	
				[J] **4,350**
Outlays	0	413,484	443,974	470,858
			[A] 3,700	[A] 1,241
				[J] 4,100
Exploration of national petroleum reserve in Alaska 271				
Appropriation, current	BA	**231,048**	**175,627**	**46,501**
			[H] **—18,000**	
Outlays	0	190,191	211,000	95,554
			[H] —18,000	
Payments from proceeds, sale of water 301				
Appropriation, permanent, indefinite	BA	**3**	.....	.....
Intragovernmental Funds:				
Consolidated working fund 306				
Outlays	0	—5,639	.....	.....
Total Federal funds Geological Survey	BA	**649,570**	**626,673**	**532,262**
	0	598,036	640,674	571,753

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.					
Energy and Minerals—Con.					
Office of Surface Mining Reclamation and Enforcement					
Federal funds					
General and Special Funds:					
Regulation and technology	302				
Appropriation, current		BA	**53,939**	**84,687**	**100,346**
				[D] **980**	
Outlays		O	33,552	74,491	96,972
Abandoned mine reclamation fund	302				
Appropriation, current		BA	**61,451**	**94,916**	**87,485**
Outlays		O	14,019	40,000	60,615
Total Federal funds Office of Surface Mining Reclamation and Enforcement		BA	**115,390**	**180,583**	**187,831**
		O	47,571	114,491	157,587
Bureau of Mines					
Federal funds					
General and Special Funds:					
Mines and minerals	306				
Appropriation, current		BA	**148,476**	**132,753**	**141,538**
				[D] **2,069**	
Outlays		O	142,816	136,689	144,618
Drainage of anthracite mines	306				
Outlays		O	130	500	500
Public Enterprise Funds:					
Helium fund	306				
Contract authority, current		BA	**—47,500**	**—47,500**	.....
Contract authority, permanent		BA	**47,500**	**47,500**	.....
Outlays		O	1,365	1,495	351
					[J] —351
General and Special Funds:					
Helium operations	306				
Appropriation, current		BA			[J] **16,628**
Outlays		O			[J] 15,300
Intragovernmental Funds:					
Consolidated working fund	306				
Outlays		O	—1,367	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.				
Energy and Minerals—Con.				
Bureau of Mines—Con.				
Trust funds				
Contributed funds 306				
Appropriation, permanent, indefinite	BA	**625**	**800**	**800**
Outlays	0	413	800	800
Total Federal funds Bureau of Mines	BA	**148,476**	**134,822**	**158,166**
	0	142,944	138,684	160,418
Total Trust funds Bureau of Mines	BA	**625**	**800**	**800**
	0	413	800	800
Total Federal funds Energy and Minerals	BA	**913,436**	**942,078**	**878,259**
	0	788,551	893,849	889,758
Total Trust funds Energy and Minerals	BA	**625**	**800**	**800**
	0	413	800	800
Indian Affairs				
Bureau of Indian Affairs				
Federal funds				
General and Special Funds:				
Operation of Indian programs:				
(Conservation and land management) 302				
(Appropriation, current)	BA	**75,255**	**66,479** **[A] 7,000** **[C] 176** **[D] 971**	**80,154**
(Outlays)	0	65,161	56,822 [A] 7,000	72,494
(Area and regional development) 452				
(Appropriation, current)	BA	**453,045**	**456,641** **[C] 1,661** **[D] 4,197**	**477,919**
(Outlays)	0	394,583	410,381	423,764
(Elementary, secondary, and vocational education) 501				
(Appropriation, current)	BA	**262,038**	**265,931** **[C] 957** **[D] 4,882**	**265,217**
(Outlays)	0	231,815	231,858	232,244
Total Operation of Indian programs	BA	**790,338**	**808,895**	**823,290**
	0	691,559	706,061	728,502
Construction 452				
Appropriation, current	BA	**128,104**	**93,291**	**93,638**
Outlays	0	128,417	70,054	69,620
Road construction 452				
Appropriation, current	BA	**79,253**	**66,479**	**59,425**
Outlays	0	69,699	53,183	48,312

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.				
Indian Affairs—Con.				
Bureau of Indian Affairs—Con.				
Eastern Indian land claims settlement fund 806				
Appropriation, current	BA	**3,500**	.....	.....
			[B] **8,000**	
Outlays	0	.....	3,500	.....
			[B] 8,000	
Miscellaneous permanent appropriations:				
(Area and regional development) 452				
(Appropriation, permanent, indefinite)	BA	**21,753**	**23,200**	**23,200**
(Outlays)	0	18,372	22,100	22,100
(Other general government) 806				
(Appropriation, current)	BA	**30,000**	**30,000**	**30,000**
(Appropriation, permanent, indefinite)	BA	**742**	**200**	**200**
(Outlays)	0	30,747	30,200	30,200
Total Miscellaneous permanent appropriations	BA	**52,495**	**53,400**	**53,400**
	0	49,119	52,300	52,300
Public Enterprise Funds:				
Revolving fund for loans 452				
Outlays	0	—1,459	2,669	4,400
Indian loan guaranty and insurance fund 452				
Outlays	0	2,897	5,300	3,600
Northwest Indian fishery fund 452				
Appropriation, current	BA			[J] **5,000**
Outlays	0			[J] 5,000
Liquidation of Hoonah Housing Project revolving fund 452				
Outlays	0	15	31	.....
Intragovernmental Funds:				
Consolidated working fund 452				
Outlays	0	—20	.....	.....
Trust funds				
Miscellaneous trust funds:				
(Area and regional development) 452				
(Appropriation, current)	BA	**1,549**	**3,000**	**3,000**
(Indefinite)	BA	**38,451**	**23,000**	**23,000**
(Appropriation, permanent, indefinite)	BA	**291,208**	**365,499**	**324,899**
(Outlays)	0	192,648	282,200	284,000
(Other general government) 806				
(Appropriation, permanent)	BA	**30,000**	**30,000**	**30,000**
(Indefinite)	BA	**58,805**	**135,900**	**141,200**
(Outlays)	0	100,217	165,900	171,200
Total Miscellaneous trust funds	BA	**420,013**	**557,399**	**522,099**
	0	292,865	448,100	455,200
Total Federal funds Bureau of Indian Affairs	BA	**1,053,690**	**1,030,065**	**1,034,753**
	0	940,227	901,098	911,734
Total Trust funds Bureau of Indian Affairs	BA	**420,013**	**557,399**	**522,099**
	0	292,865	448,100	455,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.				
Territorial Affairs				
Office of Territorial Affairs				
Federal funds				
General and Special Funds:				
Administration of territories 806				
Appropriation, current	BA	**55,410**	**86,661** **[A] 3,318** **[D] 111**	**81,384** **[J] 22,000**
Outlays	0	80,800	68,297 [A] 3,318	83,777 [J] 22,000
Trust Territory of the Pacific Islands 806				
Appropriation, current	BA	**114,706**	**113,785** **[A] 6,117** **[D] 103**	**79,459**
Outlays	0	106,519	106,396 [A] 4,617	92,249 [A] 1,500
Micronesian claims fund, Trust Territory of the Pacific Islands 806				
Appropriation, current	BA	**12,600**	.....	.....
Outlays	0	12,338	1,951	.....
Payments to the United States territories, fiscal assistance 852				
Appropriation, current	BA	.....	**41,500**	.....
Appropriation, permanent, indefinite	BA	.....	**41,500**	**41,500**
Outlays	0	.....	83,000	41,500
Internal revenue collections for the Virgin Islands 852				
Appropriation, permanent, indefinite	BA	**27,131**	**1,802**	.....
Outlays	0	26,585	9,535	.....
Total Federal funds Office of Territorial Affairs	BA	**209,847**	**294,897**	**224,343**
	0	226,242	277,114	241,026
Secretarial Offices				
Office of the Solicitor and Office of the Secretary				
Federal funds				
General and Special Funds:				
Office of the Solicitor, salaries and expenses 306				
Appropriation, current	BA	**15,082**	**15,741** **[D] 628**	**16,796**
Outlays	0	14,129	15,337	16,152
Departmental management 306				
Appropriation, current	BA	**40,222**	**49,344** **[D] 1,785**	**58,637**
Outlays	0	39,631	48,180	53,588
Salaries and expenses (special foreign currency program) 306				
Appropriation, current	BA	**1,000**	**1,000**	.....
Outlays	0	150	1,050	1,900

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.					
Secretarial Offices—Con.					
Office of the Solicitor and Office of the Secretary—Con.					
Intragovernmental Funds:					
Working capital fund	306				
Outlays		0	8,306	.....	.....
Consolidated working fund, Office of the Secretary	306				
Outlays		0	—6,038	.....	.....
Total Federal funds Office of the Solicitor and Office of the Secretary		BA	**56,304**	**68,498**	**75,433**
		0	56,178	64,567	71,640
Summary					
Federal funds:					
(As shown in detail above)		BA	**5,507,274**	**5,607,140**	**5,788,142**
		0	5,036,863	5,292,796	5,396,692
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA	*—792,711*	*—930,860*	*—1,049,700*
		0			
		BA			*1 —16,277*
		0			
	301	BA	*—17*	*—20*	*—20*
		0			
	302	BA	*—8,721*	*—16,150*	*—12,000*
		0			
	450	BA	*—22,177*	*—23,633*	*—23,633*
		0			
	500	BA	*—44*	*—35*	*—35*
		0			
	800	BA	*—929*	*—1,100*	*—1,200*
		0			
	902	BA	*—5,738*	*—6,116*	*—6,626*
		0			
Total Federal funds		BA	**4,676,937**	**4,629,226**	**4,678,651**
		0	4,206,526	4,314,882	4,287,201
Trust funds:					
(As shown in detail above)		BA	**436,041**	**585,563**	**555,788**
		0	308,141	469,364	485,689
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA	*—10,535*	*—5,300*	*—5,525*
		0			
	302	BA	*—1,077*	*—700*	*—700*
		0			
	303	BA	*—2,551*	*—3,400*	*—3,400*
		0			
	306	BA	*—625*	*—800*	*—800*
		0			
	452	BA	*—257,477*	*—353,500*	*—362,800*
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Interior—Con.					
Summary—Con.					
	902	BA			
		O	*—47,530*	*—51,900*	*—52,300*
Total Trust funds		BA	**116,246**	**169,963**	**130,263**
		O	—11,654	53,764	60,164
Interfund transactions	806	BA			
		O	**—107,868**	**—150,000**	**—105,000**
Total Department of the Interior		BA	**4,685,315**	**4,649,189**	**4,703,914**
		O	4,087,004	4,218,646	4,242,365
Department of Justice					
General Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**29,789**	**32,500**	**32,152**
Outlays		O	30,008	31,082	31,135
Intragovernmental Funds:					
Consolidated working fund	751				
Outlays		O	629	1,289	.....
Working capital fund	751				
Outlays		O	—4,166	—456	—507
Total Federal funds General Administration		BA	**29,789**	**32,500**	**32,152**
		O	26,471	31,915	30,628
United States Parole Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	.....	**5,500**	**5,868**
Outlays		O	.....	5,669	5,756
Legal Activities					
Federal funds					
General and Special Funds:					
Salaries and expenses, General Legal Activities	752				
Appropriation, current		BA	**139,682**	**149,811** **[A] 4,000** **[G] 104**	**163,689**
Outlays		O	133,372	153,597 [A] 2,400	159,023 [A] 1,600

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Justice—Con.				
Legal Activities—Con.				
Salaries and expenses, United States Attorneys and Marshals 752				
Appropriation, current	BA	**207,013**	**232,915**	**278,195**
			[A] 9,736	
			[D] 6,633	
				[J] −2,713
Outlays	0	208,890	238,943	271,146
			[A] 9,567	[A] 169
				[J] −2,503
Support of United States prisoners 752				
Appropriation, current	BA	**20,091**	**21,800**	**23,000**
Outlays	0	17,867	22,131	21,137
Fees and expenses of witnesses 752				
Appropriation, current	BA	**25,629**	**27,000**	**27,000**
			[F] −1,181	
Outlays	0	22,344	25,450	26,706
Salaries and expenses, Community Relations Service 752				
Appropriation, current	BA	**4,853**	**4,925**	**5,318**
Outlays	0	5,157	5,158	5,287
Total Federal funds Legal Activities	BA	**397,268**	**455,743**	**494,489**
	0	387,630	457,246	482,565
Federal Bureau of Investigation				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**584,483**	**584,408**	**636,971**
			[D] 29,498	
Outlays	0	585,991	614,763	634,776
Immigration and Naturalization Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**309,285**	**318,465**	**349,855**
			[A] 1,626	
			[C] 86	
			[D] 10,941	
Outlays	0	304,963	333,465	347,452
			[A] 1,613	[A] 13
Drug Enforcement Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**193,725**	**193,836**	**208,605**
			[D] 6,804	
			[G] 1,077	
Outlays	0	184,781	200,478	206,344

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Justice—Con.					
Federal Prison System					
Federal funds					
General and Special Funds:					
Salaries and expenses	753				
Appropriation, current		BA	**303,500**	**321,500**	**344,567**
Outlays		0	290,763	324,178	336,302
National Institute of Corrections	754				
Appropriation, current		BA	**9,920**	**9,884**	**10,691**
Outlays		0	10,030	10,400	10,500
Buildings and facilities	753				
Appropriation, current		BA	**35,280**	**5,960**	**10,466**
Outlays		0	42,454	23,843	20,446
Intragovernmental Funds:					
Federal Prison Industries, Incorporated	753				
Outlays		0	3,732	.....	.....
Limitation on administrative expenses			(2,041)	(2,062)	(2,091)
Limitation on vocational expenses			(3,040)	(2,904)	(2,645)
Trust funds					
Commissary funds, Federal prisons (trust revolving fund)	753				
Outlays		0	420	.....	.....
Total Federal funds Federal Prison System		BA	**348,700**	**337,344**	**365,724**
		0	346,979	358,421	367,248
Total Trust funds Federal Prison System		0	420	.....	.....
Office of Justice Assistance, Research and Statistics					
Federal funds					
General and Special Funds:					
Law enforcement assistance	754				
Appropriation, current		BA	**646,488**	**442,695**	**521,358**
Outlays		0	700,063	544,911	559,904
Research and statistics	754				
Appropriation, current		BA	.....	**43,768**	**49,524**
Outlays		0	.....	24,894	47,495
Public Enterprise Funds:					
Revolving fund	754				
Outlays		0	—132	.....	.....
Total Federal funds Office of Justice Assistance, Research and Statistics		BA	**646,488**	**486,463**	**570,882**
		0	699,931	569,805	607,399
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,509,738**	**2,464,291**	**2,664,546**
		0	2,536,746	2,573,375	2,682,181
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA			
		0	*—15,041*	*—10,433*	*—10,381*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Justice—Con.				
Summary—Con.				
902	BA			
	0	*—408*	*—206*	*—205*
Total Federal funds	BA	2,494,289	2,453,652	2,653,960
	0	2,521,297	2,562,736	2,671,595
Trust funds:				
(As shown in detail above)	0	420	.....	.....
Total Department of Justice	BA	2,494,289	2,453,652	2,653,960
	0	2,521,717	2,562,736	2,671,595
Department of Labor				
Employment and Training Administration				
Federal funds				
General and Special Funds:				
Program administration 504				
Appropriation, current	BA	90,866	86,245	90,262
			[D] 3,787	
Outlays	0	90,183	83,149	88,467
Employment and training assistance 504				
Appropriation, current	BA	6,885,288	6,493,293	6,986,362
				[K] 150,000
				[J] 1,125,000
Reappropriation	BA	7,164	.....	.....
Outlays	0	6,158,034	7,000,237	7,027,462
				[J] 717,000
Community service employment for older Americans 504				
Appropriation, current	BA	220,600	266,900	267,100
Outlays	0	207,832	238,000	262,700
Temporary employment assistance 504				
Appropriation, current	BA	3,404,424	1,627,000	2,044,000
Outlays	0	3,285,210	1,926,000	1,978,000
Federal unemployment benefits and allowances 603				
Appropriation, current	BA	950,000	950,000	1,260,000
Outlays	0	825,056	1,030,000	1,260,000
Grants to States for unemployment insurance and employment services 504				
Appropriation, current	BA	21,600	22,300	24,500
Outlays	0	65,133	22,300	24,500
Advances to the unemployment trust fund and other funds:				
(General retirement and disability insurance) 601				
(Appropriation, current)	BA	500,000	138,000	670,000
			[A] 455,000	
(Outlays)	0	396,084	257,191	670,000
			[A] 419,000	[A] 36,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Labor—Con.				
Employment and Training Administration—Con.				
(Unemployment compensation) 603				
(Appropriation, current)	BA	**200,000**	**162,000**	.....
(Outlays)	O	180,000	162,000	.....
Total Advances to the unemployment trust fund and other funds	BA	**700,000**	**755,000**	**670,000**
	O	576,084	838,191	706,000
Intragovernmental Funds:				
Consolidated working fund 504				
Outlays	O	2,963	4,230	.....
Trust funds				
Gifts and bequests 504				
Appropriation, permanent, indefinite	BA	**499**	**100**	**100**
Outlays	O	18	575	100
Unemployment trust fund:				
(Training and employment) 504				
(Appropriation, permanent, indefinite)	BA	**723,721**	**741,238**	**816,048**
(Outlays)	O	636,081	741,238	816,048
			[A] 9,310	
(Unemployment compensation) 603				
(Appropriation, permanent, indefinite)	BA	**15,166,116**	**16,658,762**	**18,483,952**
(Outlays)	O	10,536,901	15,110,452	17,883,952
			[A] 139,000	
Total Unemployment trust fund	BA	**15,889,837**	**17,400,000**	**19,300,000**
	O	11,172,982	16,000,000	18,700,000
Total Federal funds Employment and Training Administration	BA	**12,279,942**	**10,204,525**	**12,617,224**
	O	11,210,495	11,142,107	12,064,129
Total Trust funds Employment and Training Administration	BA	**15,890,336**	**17,400,100**	**19,300,100**
	O	11,173,000	16,000,575	18,700,100
Labor-Management Services Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**53,773**	**53,941**	**60,699**
			[A] 2,163	
			[D] 2,623	
Outlays	O	53,404	54,365	58,568
			[A] 2,150	[A] 13

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Labor—Con.				
Employment Standards Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**161,880**	**163,923** **[A] 2,707** **[D] 5,192**	**179,342**
Outlays	0	151,178	165,094 [A] 2,610	174,858 [A] 97
Special benefits:				
(General retirement and disability insurance) 601				
(Appropriation, current)	BA	**3,063**	**3,369**	**3,672**
(Outlays)	0	3,227	3,369	3,672
(Federal employee retirement and disability) 602				
(Appropriation, current)	BA	**228,137**	**279,017**	**380,521**
(Outlays)	0	187,165	251,631	380,521
Total Special benefits	BA	**231,200**	**282,386**	**384,193**
	0	190,392	255,000	384,193
Trust funds				
Black lung disability trust fund 601				
Appropriation, current	BA	**722,265**	**466,667** **[A] 494,347** **[D] 309**	**932,244**
Indefinite	BA		**756**	**756**
Outlays	0	621,926	467,732 [A] 458,102	896,755 [A] 36,245
Special workers' compensation expenses 601				
Appropriation, permanent, indefinite	BA	**6,569**	**9,735**	**10,934**
Outlays	0	7,791	9,033	10,607
Total Federal funds Employment Standards Administration	BA	**393,080**	**454,208**	**563,535**
	0	341,570	422,704	559,148
Total Trust funds Employment Standards Administration	BA	**728,834**	**971,814**	**943,934**
	0	629,717	934,867	943,607
Occupational Safety and Health Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**173,034**	**183,164** **[D] 3,840**	**211,900**
Outlays	0	157,479	180,820	208,020

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Labor—Con.					
Occupational Safety and Health Administration—Con.					
Intragovernmental Funds:					
Consolidated working fund	554				
Outlays		0	—2,564	3,977	.....
Total Federal funds Occupational Safety and Health Administration		BA	**173,034**	**187,004**	**211,900**
		0	154,915	184,797	208,020
Mine Safety and Health Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**129,172**	**140,747**	**156,720**
				D 3,400	
Outlays		0	131,429	144,284	152,696
Intragovernmental Funds:					
Consolidated working fund	554				
Outlays		0	—14	15	.....
Trust funds					
Contributed funds	554				
Outlays		0	.....	19	.....
Total Federal funds Mine Safety and Health Administration		BA	**129,172**	**144,147**	**156,720**
		0	131,415	144,299	152,696
Total Trust funds Mine Safety and Health Administration		0	.....	19	.....
Bureau of Labor Statistics					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**94,752**	**102,028**	**107,399**
				D 1,637	
Outlays		0	88,182	96,337	105,251
Intragovernmental Funds:					
Consolidated working fund	505				
Outlays		0	—567	909	.....
Trust funds					
Special statistical work	505				
Outlays		0	.....	45	.....
Total Federal funds Bureau of Labor Statistics		BA	**94,752**	**103,665**	**107,399**
		0	87,615	97,246	105,251
Total Trust funds Bureau of Labor Statistics		0	.....	45	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Labor—Con.					
Departmental Management					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**81,077**	**101,797**	**117,721**
					[K] 734
				[A] 2,200	
				[D] 2,919	
Outlays		O	73,110	96,360	112,658
				[A] 1,100	[A] 1,100
Special foreign currency program	505				
Appropriation, current		BA	**70**	**70**	**70**
Outlays		O	9	174	70
Intragovernmental Funds:					
Working capital fund	505				
Outlays		O	−1,198	.....	.....
Consolidated working fund	505				
Outlays		O	−705	2,458	.....
Total Federal funds Departmental Management		BA	**81,147**	**106,986**	**118,525**
		O	71,216	100,092	113,828
Summary					
Federal funds:					
(As shown in detail above)		BA	**13,204,900**	**11,259,262**	**13,836,002**
		O	12,050,630	12,147,760	13,261,653
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA	*−1,349*	*−1,206*	*−1,206*
		O			
	550	BA	*−153*	*−153*	*−153*
		O			
	600	BA	*−695*	*−840*	*−840*
		O			
	902	BA	*−1,744*	*−1,801*	*−1,801*
		O			
Total Federal funds		BA	**13,200,959**	**11,255,262**	**13,832,002**
		O	12,046,689	12,143,760	13,257,653
Trust funds:					
(As shown in detail above)		BA	**16,619,170**	**18,371,914**	**20,244,034**
		O	11,802,717	16,935,506	19,643,707
Interfund transactions	601	BA	**−400,809**	**−676,191**	**−706,000**
		O			
	603	BA	**−800,000**	**−900,000**	**−400,000**
		O			
Total Department of Labor		BA	**28,619,320**	**28,050,985**	**32,970,036**
		O	22,648,597	27,503,075	31,795,360

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of State				
Administration of Foreign Affairs				
Federal funds				
General and Special Funds:				
Salaries and expenses 153				
Appropriation, current	BA	676,505	697,645	769,081
				[K] 16,072
			[B] 6,334	
			[D] 8,198	
			[G] 11,349	
Outlays	0	669,837	699,710	764,744
			[B] 5,105	[B] 1,229
Representation allowances 153				
Appropriation, current	BA	2,900	3,090	3,509
Outlays	0	2,678	3,000	3,417
Acquisition, operation, and maintenance of buildings abroad 153				
Appropriation, current	BA	125,177	64,000	135,932
Outlays	0	99,976	125,858	125,318
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 153				
Appropriation, current	BA	6,025	18,150	37,400
Outlays	0	7,530	19,708	20,300
Emergencies in the diplomatic and consular service 153				
Appropriation, current	BA	2,350	2,350	5,000
			[B] 3,000	
Outlays	0	2,203	3,680	4,230
			[B] 2,100	[B] 900
Buying power maintenance 153				
Appropriation, current	BA			[K] 20,000
Payment to the American Institute in Taiwan 153				
Appropriation, current	BA	.....	5,954	.....
				[K] 6,582
Outlays	0	.....	5,060	6,190
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current	BA	41,569	43,369	42,346
			[A] 4,177	
Appropriation, permanent, indefinite	BA	83,800	108,600	112,100
Outlays	0	125,369	151,969	154,446
			[A] 4,177	
Intragovernmental Funds:				
Working capital fund 153				
Outlays	0	—209	797	.....
Consolidated working fund 153				
Outlays	0	2,495	737	.....
Trust funds				
Foreign Service retirement and disability fund 602				
Appropriation, current, indefinite	BA		[A] 5,197	
Appropriation, permanent, indefinite	BA	231,685	260,845	265,742
Outlays	0	113,202	147,338	173,860

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of State—Con.				
Administration of Foreign Affairs—Con.				
Miscellaneous trust funds 153				
Appropriation, permanent, indefinite	BA	1,048	950	950
Outlays	0	1,082	950	950
Total Federal funds Administration of Foreign Affairs	BA	938,326	976,216	1,148,022
	0	909,879	1,021,901	1,080,774
Total Trust funds Administration of Foreign Affairs	BA	232,733	266,992	266,692
	0	114,284	148,288	174,810
International Organizations and Conferences				
Federal funds				
General and Special Funds:				
Contributions to international organizations 153				
Appropriation, current	BA	386,033	411,500	432,582
				[K] 24,896
			[B] 27,287	
Outlays	0	400,769	402,210	445,064
			[B] 703	[B] 26,586
Contributions for international peacekeeping activities 153				
Appropriation, current	BA	67,000	67,000	53,550
			[F] —12,000	
Outlays	0	69,192	62,205	53,840
Missions to international organizations 153				
Appropriation, current	BA	12,985	13,598	.....
			[B] 839	
			[G] 356	
Outlays	0	13,396	13,064	.....
			[B] 839	
International conferences and contingencies 153				
Appropriation, current	BA	8,000	6,700	7,518
Outlays	0	7,591	7,284	9,080
International trade negotiations 153				
Appropriation, current	BA	4,717	.....	.....
Outlays	0	3,894	1,103	.....
Trust funds				
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation 153				
Appropriation, permanent, indefinite	BA	53	50	50
Outlays	0	44	50	50
Total Federal funds International Organizations and Conferences	BA	478,735	515,280	518,546
	0	494,842	487,408	534,570
Total Trust funds International Organizations and Conferences	BA	53	50	50
	0	44	50	50

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of State—Con.					
International Commissions					
Federal funds					
General and Special Funds:					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	301				
Appropriation, current		BA	**6,989**	**7,700**	**8,123**
				[G] 224	
Outlays		0	6,709	8,085	8,111
Construction	301				
Appropriation, current		BA	**3,900**	**8,200**	**6,052**
Outlays		0	6,443	12,558	10,028
American sections, international commissions	301				
Appropriation, current		BA	**2,565**	**3,200**	**3,198**
				[G] 71	
Outlays		0	2,108	2,834	3,113
International fisheries commissions	302				
Appropriation, current		BA	**6,600**	**7,500**	**8,000**
					[K] 286
				[B] 248	
Outlays		0	6,462	7,506	8,118
				[B] 248	
Total Federal funds International Commissions		BA	**20,054**	**27,143**	**25,659**
		0	21,722	31,231	29,370
Other					
Federal funds					
General and Special Funds:					
Migration and refugee assistance	151				
Appropriation, current		BA	**200,489**	**456,241**	**457,798**
					[K] 94,500
Outlays		0	151,704	439,253	517,929
United States emergency refugee and migration assistance fund	151				
Appropriation, current, indefinite		BA	**26,700**	**40,000**	**15,000**
Outlays		0	14,414	29,000	16,200
United States-Yugoslavia bilateral science and technology agreement	153				
Appropriation, current		BA	.....	**500**	**1,400**
Outlays		0	.....	500	1,400
Special assistance to refugees from Cambodia and Vietnam	604				
Outlays		0	386	1,117	.....
Eighth Pan American games	154				
Outlays		0	6,189	500	.....
Payment to the Republic of Panama	153				
Appropriation, permanent		BA	**2,328**	.....	.....
Outlays		0	2,328	.....	.....
International Center, Washington, D.C.	153				
Appropriation, permanent, indefinite		BA	.....	**122**	**1,257**
Outlays		0	98	407	1,307
Total Federal funds Other		BA	**229,517**	**496,863**	**569,955**
		0	175,119	470,777	536,836

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of State—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,666,632**	**2,015,502**	**2,262,182**
		O	1,601,562	2,011,317	2,181,550
Deductions for offsetting receipts:					
Intrafund transactions	153	BA	*—519*	.....	.....
		O			
Proprietary receipts from the public	150	BA	*—13,328*	*—3,020*	*—4,213*
		O			
	271	BA	*—1,798*	*—1,000*	*—500*
		O			
	300	BA	*—21*	*—24*	*—24*
		O			
	400	BA	*—63*	*—70*	*—70*
		O			
	902	BA	*—366*	*—370*	*—370*
		O			
Total Federal funds		BA	**1,650,537**	**2,011,018**	**2,257,005**
		O	1,585,467	2,006,833	2,176,373
Trust funds:					
(As shown in detail above)		BA	**232,786**	**267,042**	**266,742**
		O	114,328	148,338	174,860
Deductions for offsetting receipts:					
Intrafund transactions	602	BA	*—707*	*—850*	*—850*
		O			
Total Trust funds		BA	**232,079**	**266,192**	**265,892**
		O	113,621	147,488	174,010
Interfund transactions	153	BA	**—151,045**	**—182,842**	**—179,742**
		O			
Total Department of State		BA	**1,731,571**	**2,094,368**	**2,343,155**
		O	1,548,043	1,971,479	2,170,641
Department of Transportation					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Salaries and expenses	407				
Appropriation, current		BA	**31,319**	**30,900** [D] **1,600**	**36,800**
Outlays		O	31,340	33,150	36,790
Transportation planning, research, and development	407				
Appropriation, current		BA	**12,450**	**9,075** [A] **1,000**	**13,000**
Outlays		O	16,676	16,000 [A] 1,000	15,000
Transportation research activities overseas (special foreign currency program)	407				
Outlays		O	13	25	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.				
Office of the Secretary—Con.				
Intragovernmental Funds:				
Working capital fund 407				
Outlays	0	5,437	−1,500	−1,200
Total Federal funds Office of the Secretary	BA	**43,769**	**42,575**	**49,800**
	0	53,466	48,675	50,590
Coast Guard				
Federal funds				
General and Special Funds:				
Operating expenses 403				
Appropriation, current	BA	**987,546**	**1,042,361**	.....
				[K] **1,181,878**
			[D] **4,857**	
			[E] **25,643**	
			[W] **13,500**	
Outlays	0	980,780	1,062,511	1,161,681
			[W] 13,500	
Acquisition, construction, and improvements 403				
Appropriation, current	BA	**283,117**	**286,011**	.....
				[K] **324,392**
Appropriation, permanent	BA	**3,500**	.....	.....
Outlays	0	192,058	209,700	245,000
Alteration of bridges 403				
Appropriation, current	BA	**14,900**	**7,650**	.....
				[K] **16,200**
Outlays	0	7,238	12,000	16,200
Retired pay 403				
Appropriation, current	BA	**177,500**	**198,500**	**232,000**
			[A] **7,500**	
Outlays	0	174,414	198,500	232,000
			[A] 7,500	
Reserve training 403				
Appropriation, current	BA	**40,600**	**41,255**	**11,334**
				[K] **33,673**
			[D] **125**	
			[E] **1,575**	
Outlays	0	39,727	42,952	45,007
Research, development, test, and evaluation 403				
Appropriation, current	BA	**20,000**	**22,000**	.....
				[K] **25,000**
Outlays	0	20,454	20,000	22,000
State boating safety assistance 403				
Appropriation, current	BA	**5,000**	.....	.....
Outlays	0	4,368	2,086	.....
Pollution fund 304				
Appropriation, current	BA	**13,000**	**10,000**	.....
			[W] **21,300**	
Indefinite	BA			[J] **−7,000**
Appropriation, permanent, indefinite	BA	**1,605**	**7,000**	**7,000**
Outlays	0	12,827	20,000	10,000
				[J] −7,000
			[W] 5,000	[W] 3,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.				
Coast Guard—Con.				
Offshore oil pollution compensation fund 304				
Appropriation, current, indefinite	BA		12,000	12,000
				J —12,000
Authority to borrow, current, indefinite	BA		2,000	2,000
				J —2,000
Outlays	0		14,000	14,000
				J —14,000
Intragovernmental Funds:				
Coast Guard supply fund 403				
Appropriation, current	BA			1,500
Outlays	0	1,189	400	1,300
Coast Guard yard fund 403				
Outlays	0	3,504	1,121	5,000
Trust funds				
Coast Guard general gift fund 403				
Appropriation, permanent, indefinite	BA	25	30	30
Outlays	0	11	30	30
Special statistical work 403				
Outlays	0	150	11	
Miscellaneous trust revolving funds 403				
Outlays	0	—221	25	25
Total Federal funds Coast Guard	BA	1,546,768	1,703,277	1,825,977
	0	1,436,559	1,609,270	1,734,188
Total Trust funds Coast Guard	BA	25	30	30
	0	—60	66	55
Federal Aviation Administration				
Federal funds				
General and Special Funds:				
Operations 402				
Appropriation, current	BA	1,732,743	1,757,295	966,566
			D 90,162	
Outlays	0	1,691,083	1,825,037	938,900
Facilities, engineering and development 402				
Appropriation, current	BA	18,370	20,500	24,500
Outlays	0	16,265	22,144	18,320
Operation and maintenance, Metropolitan Washington Airports 402				
Appropriation, current	BA	24,488	25,465	28,585
			A 1,162	
			D 838	
Outlays	0	23,375	26,646	28,200
			A 1,112	A 50
Construction, Metropolitan Washington Airports 402				
Appropriation, current	BA	5,000	6,785	18,350
Outlays	0	6,064	14,000	11,000
Civil supersonic aircraft development termination 402				
Outlays	0	—1		

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.					
Federal Aviation Administration—Con.					
Safety regulations	402				
Outlays		0	64	448	.....
Public Enterprise Funds:					
Aviation insurance revolving fund	402				
Outlays		0	−1,339	−1,340	−1,462
Trust funds					
Grants-in-aid for airports (Airport and airway trust fund)	402				
Appropriation, current		BA	**15,000**	**10,000**	.....
Contract authority, current		BA	**54,140**	**30,000**	.....
					[K] **700,000**
Contract authority, permanent		BA	**575,000**	**610,000**	.....
Liquidation of contract authority, current			(550,000)	(610,000)	(665,000)
Outlays		0	556,454	620,000	665,000
Facilities and equipment (Airport and airway trust fund)	402				
Appropriation, current		BA	**290,997**	**250,000**	.....
					[K] **350,000**
Reappropriation		BA	**54,363**	**43,000**	.....
Outlays		0	187,932	218,700	255,000
Research, engineering and development (Airport and airway trust fund)	402				
Appropriation, current		BA	**75,100**	**75,000**	.....
					[K] **85,000**
Outlays		0	69,729	71,900	81,500
Operations (Airport and airway trust fund)	402				
Appropriation, current		BA	**300,000**	**325,000**	.....
					[K] **1,300,000**
Outlays		0	300,024	325,000	1,300,000
Total Federal funds Federal Aviation Administration		BA	**1,780,601**	**1,902,207**	**1,038,001**
		0	1,735,511	1,888,047	995,008
Total Trust funds Federal Aviation Administration		BA	**1,364,600**	**1,343,000**	**2,435,000**
		0	1,114,139	1,235,600	2,301,500
Federal Highway Administration					
Federal funds					
General and Special Funds:					
Motor carrier safety	401				
Appropriation, current		BA	**12,571**	**13,700**	**15,100**
				[D] **430**	
Outlays		0	8,442	17,559	15,240
Highway beautification	401				
Appropriation, current		BA	**13,135**	**8,500**	**7,200**
Liquidation of contract authority, current			(18,000)	(25,283)	.....
Outlays		0	22,771	23,500	22,200
Darien Gap Highway	151				
Outlays		0	4,165	2,000	1,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.				
Federal Highway Administration—Con.				
Territorial highways 401				
Appropriation, current	BA	**6,600**	**6,600**	**6,600**
Liquidation of contract authority, current		(5,500)	(4,168)	.....
Outlays	0	3,961	5,000	6,500
Railroad-highway crossings demonstration projects 401				
Appropriation, current	BA	**13,333**	**6,667**	.....
Outlays	0	4,157	9,000	10,700
National scenic and recreational highway 401				
Liquidation of contract authority, current		(6,000)	(6,000)	(7,100)
Outlays	0	6,886	8,000	7,642
Alaska Highway 401				
Appropriation, current	BA	**15,000**	**2,500**	.....
Outlays	0	6,850	9,000	8,000
Off-systems roads 401				
Appropriation, current	BA	**30,000**	**55,000**	.....
Liquidation of contract authority, current		(62,500)	(10,000)	.....
Outlays	0	197,983	134,600	128,200
Access highways to public recreation areas on certain lakes 401				
Appropriation, current	BA	**7,900**	**9,650**	.....
Outlays	0	4,497	7,000	8,900
Highways crossing federal projects 401				
Appropriation, current	BA	**16,000**	**14,000**	.....
Outlays	0	26,606	21,000	16,300
Bicycle program 401				
Appropriation, current	BA	.....	**2,000**	.....
Outlays	0	.....	1,000	1,000
Sandhill crane wildlife refuge 302				
Appropriation, current	BA	**4,000**	.....	.....
Outlays	0	4,000	.....	.....
Miscellaneous appropriations 401				
Outlays	0	2,992	6,022	3,053
Trust funds				
Federal-aid highways (trust fund) 401				
Appropriation, current	BA	.....	**2,000**	.....
Contract authority, current	BA	**7,876,365**	.....	.....
Contract authority, permanent	BA	**100,000**	**8,599,540**	**9,048,040**
Liquidation of contract authority, current		(6,950,000)	(6,800,000) [A] (400,000)	(7,900,000)
Outlays	0	6,875,980	7,547,466 [A] 202,534	7,859,500
Limitation on general operating expenses		(173,850)	(188,600) [D] (5,700)	(197,202)
Highway-related safety grants 401				
Contract authority, permanent	BA	**24,673**	**24,673**	**24,673**
Liquidation of contract authority, current		(23,000)	(26,500)	(17,500)
Outlays	0	23,623	23,000	24,200
Baltimore-Washington Parkway 401				
Appropriation, current	BA	.....	.....	**1,000**
Outlays	0	883	1,600	1,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.				
Federal Highway Administration—Con.				
Trust fund share of other highway programs 401				
Appropriation, current	BA	**26,667**	**15,333**	.....
Contract authority, permanent	BA	**25,000**	**25,000**	**25,000**
Liquidation of contract authority, current		(13.000)	(19,800)	(9,400)
Outlays	0	21,634	36,000	44,880
Highway safety research and development 401				
Appropriation, current	BA	**9,000**	**9,500**	**9,000**
Outlays	0	7,618	9,400	8,500
Overseas highway 401				
Appropriation, current	BA	**87,100**	.....	.....
Outlays	0	12,592	19,230	31,400
Carpool/vanpool support program 401				
Appropriation, current	BA	.....	**4,000**	**1,000**
Outlays	0	.....	2,000	2,500
Miscellaneous trust funds 151				
Appropriation, permanent	BA	**5,530**	**1,864**	**3,500**
Contract authority, permanent	BA	**1,444**	.....	.....
Liquidation of contract authority, permanent		(600)	(1,436)	.....
Outlays	0	3,814	6,772	5,270
Miscellaneous trust funds - Demonstration projects 401				
Appropriation, current	BA	**10,000**	.....	.....
Outlays	0	14,326	13,450	12,252
Right-of-way revolving fund (trust revolving fund) 401				
Outlays	0	—441	.....	.....
Total Federal funds Federal Highway Administration	BA	**118,539**	**119,047**	**28,900**
	0	293,310	243,681	228,935
Total Trust funds Federal Highway Administration	BA	**8,165,779**	**8,681,910**	**9,112,213**
	0	6,960,029	7,861,452	7,989,802
National Highway Traffic Safety Administration				
Federal funds				
General and Special Funds:				
Operations and research 401				
Appropriation, current	BA	**55,821**	**57,115**	**10,367**
				[K] 54,561
			[D] 790	
Outlays	0	50,279	56,770	59,920
State and community highway safety 401				
Appropriation, current	BA	**1,715**	**2,297**	**2,593**
Outlays	0	2,849	1,500	1,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.				
National Highway Traffic Safety Administration—Con.				
Trust funds				
Trust fund share of highway safety programs 401				
Appropriation, current	BA	**26,059**	**45,913**	**88,125**
			[D] 410	
Contract authority, current	BA	**175,785**	.....	.....
Contract authority, permanent	BA	.....	**175,203**	**199,907**
Liquidation of contract authority, current		(166,000)	(171,000)	(163,800)
Outlays	0	193,400	192,910	216,459
Gifts and donations 401				
Outlays	0	.....	6	.....
Total Federal funds National Highway Traffic Safety Administration	BA	**57,536**	**60,202**	**67,521**
	0	53,128	58,270	61,420
Total Trust funds National Highway Traffic Safety Administration	BA	**201,844**	**221,526**	**288,032**
	0	193,400	192,916	216,459
Federal Railroad Administration				
Federal funds				
General and Special Funds:				
Office of the administrator 401				
Appropriation, current	BA	**8,530**	**7,523**	**8,207**
			[D] 468	
Outlays	0	8,532	7,920	8,498
Railroad safety 401				
Appropriation, current	BA	**24,131**	**28,000**	.....
				[K] 27,921
			[D] 732	
Outlays	0	25,458	23,670	28,937
Railroad research and development 401				
Appropriation, current	BA	**51,980**	**54,750**	**57,738**
Outlays	0	57,996	50,000	50,400
Rail service assistance 401				
Appropriation, current	BA	**83,423**	**95,579**	**103,946**
				[J] 250,000
Outlays	0	65,373	100,000	85,455
				[J] 40,000
Rail labor assistance 603				
Appropriation, current	BA			[K] 7,500
			[B] 68,100	
Outlays	0			[K] 7,500
			[B] 68,100	
Northeast corridor improvement program 401				
Appropriation, current	BA	**490,000**	**381,000**	**295,000**
				[K] 105,000
Outlays	0	198,766	400,000	388,200
Grants to National Railroad Passenger Corporation 401				
Appropriation, current	BA	**779,000**	**873,400**	**975,000**
Outlays	0	779,000	873,400	845,500

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.				
Federal Railroad Administration—Con.				
Public Enterprise Funds:				
Alaska Railroad revolving fund 401				
Appropriation, current	BA	**9,300**	**6,500**	**10,640**
Outlays	0	9,792	7,000	5,000
Railroad rehabilitation and improvement financing funds 401				
Authority to borrow, current	BA	**170,000**	**100,000**	.....
Outlays	0	79,786	100,000	130,000
Total Federal funds Federal Railroad Administration	BA	**1,616,364**	**1,616,052**	**1,840,952**
	0	1,224,703	1,630,090	1,589,490
Urban Mass Transportation Administration				
Federal funds				
General and Special Funds:				
Urban mass transportation fund 401				
Appropriation, current	BA	**2,365,349**	**2,881,549**	**3,821,300**
			D **840**	
Contract authority, current	BA	.....	**−713,100**	.....
Liquidation of contract authority, current		(1,850,000)	(1,500,000)	(1,500,000)
Outlays	0	2,457,997	2,600,807	2,718,033
Saint Lawrence Seaway Development Corporation				
Federal funds				
Public Enterprise Funds:				
Saint Lawrence Seaway Development Corporation 403				
Outlays	0	−3,342	−1,819	−2,644
Limitation on administrative expenses		(1,312)	(1,372)	(1,473)
			D (38)	
Research and Special Programs Administration				
Federal funds				
General and Special Funds:				
Research and special programs 407				
Appropriation, current	BA	**24,440**	**25,781**	**22,790**
				K **9,000**
			D **300**	
Outlays	0	19,312	23,238	27,082
Intragovernmental Funds:				
Consolidated working fund, transportation systems center 407				
Outlays	0	−2,368	.....	.....
Total Federal funds Research and Special Programs Administration	BA	**24,440**	**26,081**	**31,790**
	0	16,944	23,238	27,082

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of Transportation—Con.					
Office of the Inspector General					
Federal funds					
General and Special Funds:					
Salaries and expenses	407				
Appropriation, current		BA	6,419	11,763	13,657
				[D] 621	
Outlays		O	4,750	12,400	13,660
Summary					
Federal funds:					
(As shown in detail above)		BA	7,559,785	7,651,114	8,717,898
		O	7,273,026	8,112,659	7,415,762
Deductions for offsetting receipts:					
Proprietary receipts from the public	304	BA	.....	*—7,520*	*—7,520*
		O			
		BA			*[J] 7,520*
		O			
	400	BA	*—44,669*	*—44,531*	*—47,243*
		O			
	902	BA	*—4*	*—3*	*—3*
		O			
Total Federal funds		BA	7,515,112	7,599,060	8,670,652
		O	7,228,353	8,060,605	7,368,516
Trust funds:					
(As shown in detail above)		BA	9,732,248	10,246,466	11,835,275
		O	8,267,508	9,290,034	10,507,816
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA	*—5,910*	*—3,285*	*—3,000*
		O			
	902	BA	*—4,384*	.....	.....
		O			
Total Trust funds		BA	9,721,954	10,243,181	11,832,275
		O	8,257,214	9,286,749	10,504,816
Total Department of Transportation		BA	17,237,066	17,842,241	20,502,927
		O	15,485,567	17,347,354	17,873,332
Department of the Treasury					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	31,028	30,371	35,195
				[D] 1,491	
Outlays		O	30,087	31,872	35,372
Investment in National Consumer Cooperative Bank	376				
Appropriation, current		BA	1,000	49,050	116,000
Outlays		O	.....	21,200	95,130

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.				
Office of the Secretary—Con.				
International affairs 803				
Appropriation, current	BA	**22,390**	**22,638**	
				[K] **24,271**
			[D] **449**	
Outlays	0	22,349	22,759	23,642
Presidential election campaign fund 806				
Appropriation, permanent, indefinite	BA	**35,934**	**42,700**	**43,800**
Outlays	0	1,028	101,704	850
Miscellaneous permanent appropriations 803				
Appropriation, permanent, indefinite	BA	**25**		
Outlays	0	28		
Public Enterprise Funds:				
Liquidation of Reconstruction Finance Corporation 803				
Outlays	0	−196		
Exchange stabilization fund 155				
Outlays	0	430,041	−490,603	−487,564
Intragovernmental Funds:				
Working capital fund 803				
Outlays	0	121		
Trust funds				
Pershing Hall memorial fund 705				
Appropriation, permanent, indefinite	BA	**4**	**10**	**7**
Outlays	0	4	10	7
Total Federal funds Office of the Secretary	BA	**90,377**	**146,699**	**219,266**
	0	483,458	−313,068	−332,570
Total Trust funds Office of the Secretary	BA	**4**	**10**	**7**
	0	4	10	7
Office of Revenue Sharing				
Federal funds				
General and Special Funds:				
Salaries and expenses 851				
Appropriation, current	BA	**7,200**	**6,237**	
				[K] **6,618**
			[D] **177**	
Outlays	0	6,657	6,375	7,520
Targeted and antirecession fiscal assistance 852				
Appropriation, current	BA		[J] **375,000**	[J] **1,000,000**
Outlays	0		[J] 250,000	[J] 1,000,000
Antirecession financial assistance fund 852				
Outlays	0	227	2,224	
Payments to State and local government fiscal assistance trust fund 851				
Appropriation, current	BA	**6,854,924**	**6,854,924**	
				[K] **6,854,924**
Outlays	0	6,854,924	6,854,924	6,854,924

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.				
Office of Revenue Sharing—Con.				
Trust funds				
State and local government fiscal assistance trust fund 851				
Appropriation, permanent, indefinite	BA	**6,854,924**	**6,854,924**	**6,854,924**
Outlays	0	6,847,709	6,862,578	6,856,924
Total Federal funds Office of Revenue Sharing	BA	**6,862,124**	**7,236,338**	**7,861,542**
	0	6,861,808	7,113,523	7,862,444
Total Trust funds Office of Revenue Sharing	BA	**6,854,924**	**6,854,924**	**6,854,924**
	0	6,847,709	6,862,578	6,856,924
Federal Law Enforcement Training Center				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**15,000**	**13,003**	**13,400**
			D 399	
Outlays	0	13,525	12,398	12,499
Construction, Federal Law Enforcement Training Center 751				
Outlays	0	12,215	9,414	1,173
Total Federal funds Federal Law Enforcement Training Center	BA	**15,000**	**13,402**	**13,400**
	0	25,740	21,812	13,672
Bureau of Government Financial Operations				
Federal funds				
General and Special Funds:				
Salaries and expenses:				
(Social services) 506				
(Appropriation, current)	BA	**543,000**	.....	.....
(Outlays)	0	543,000	.....	.....
(Central fiscal operations) 803				
(Appropriation, current)	BA	**185,306**	**190,361**	**191,845**
(Outlays)	0	174,734	188,456	189,821
Total Salaries and expenses	BA	**728,306**	**190,361**	**191,845**
	0	717,734	188,456	189,821
Special payment to recipients of certain retirement and survivor benefits 601				
Outlays	0	−17	.....	.....
New York City loan guarantee program 852				
Appropriation, current	BA	**1,050**	**1,022**	**1,072**
			D 29	
Outlays	0	831	1,220	1,160
Chrysler Corporation loan guarantee program 376				
Appropriation, current	BA	.....	**1,518**	**1,320**
Outlays	0	.....	1,412	1,334
Claims, judgments, and relief acts 806				
Appropriation, permanent, indefinite	BA	**197,903**	**294,000**	**152,000**
Outlays	0	236,413	321,042	152,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.				
Bureau of Government Financial Operations—Con.				
Payments to the Governments of Guam, Virgin Islands and American Samoa 806				
Appropriation, current	BA	216	..... [A] 2,000	.....
Outlays	0	3,215	..... [A] 2,000	.....
Interest on uninvested funds 902				
Appropriation, permanent, indefinite	BA	7,804	12,124	9,934
Outlays	0	9,507	12,888	9,934
Payment of Government losses in shipment 803				
Appropriation, current	BA	.....	200	.....
Outlays	0	225	200	200
Loans to Energy Security Corporation 271				
Appropriation, current	BA		[J] 17,792,000	
Outlays	0		[J] 11,500	[J] 16,000
Public Enterprise Funds:				
Check forgery insurance fund 803				
Outlays	0	15	10	10
Intragovernmental Funds:				
Fishermen's protective fund 376				
Outlays	0	712	.....	.....
Trust funds				
Miscellaneous trust funds 806				
Appropriation, permanent, indefinite	BA	22	18	18
Outlays	0	18	23	18
Total Federal funds Bureau of Government Financial Operations	BA	935,279	18,293,254	356,171
	0	968,635	538,728	370,459
Total Trust funds Bureau of Government Financial Operations	BA	22	18	18
	0	18	23	18
Bureau of Alcohol, Tobacco and Firearms				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	136,622	138,483 [D] 5,219	146,944
Outlays	0	131,162	143,635	145,578
United States Customs Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	444,059	442,186 [C] 229 [D] 21,924	472,000
Outlays	0	424,747	462,294	466,242

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.				
United States Customs Service—Con.				
Miscellaneous permanent appropriations 852				
Appropriation, permanent, indefinite	BA	**229,320**	**89,005**	**95,200**
Outlays	0	224,697	89,005	95,200
Intragovernmental Funds:				
Consolidated working fund 803				
Outlays	0	—44	44	.....
Trust funds				
Refunds, transfers and expenses, unclaimed, abandoned and seized goods 803				
Appropriation, permanent, indefinite	BA	**5,681**	**4,340**	**4,600**
Outlays	0	3,955	4,340	4,600
Total Federal funds United States Customs Service	BA	**673,379**	**553,344**	**567,200**
	0	649,400	551,343	561,442
Total Trust funds United States Customs Service	BA	**5,681**	**4,340**	**4,600**
	0	3,955	4,340	4,600
Bureau of Engraving and Printing				
Federal funds				
Intragovernmental Funds:				
Bureau of Engraving and Printing fund 803				
Outlays	0	—11,351	7,392	15,000
Bureau of the Mint				
Federal funds				
General and Special Funds:				
Salaries and expenses 803				
Appropriation, current	BA	**43,584**	**59,047** [D] **631**	**60,956**
Outlays	0	40,824	58,944	59,669
Expansion and improvements 803				
Appropriation, current	BA			[K] **8,895**
Outlays	0			[K] 2,297
Construction of mint facilities 803				
Appropriation, current	BA		[F] —5,730	
Coinage profit fund 803				
Appropriation, permanent, indefinite	BA	**2,611**	**2,800**	**3,000**
Outlays	0	3,086	2,800	3,000
Total Federal funds Bureau of the Mint	BA	**46,195**	**56,748**	**72,851**
	0	43,910	61,744	64,966

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.				
Bureau of the Public Debt				
Federal funds				
General and Special Funds:				
Administering the public debt 803				
Appropriation, current	BA	**171,034**	**183,466** **[A] 7,158** **[C] 43** **[D] 2,573**	**198,825**
Outlays	0	163,076	187,096 [A] 7,122	198,326 [A] 36
Internal Revenue Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 803				
Appropriation, current	BA	**142,064**	**142,908** **[D] 7,675**	**158,595**
Outlays	0	128,059	150,374	158,167
Taxpayer service and returns processing 803				
Appropriation, current	BA	**746,188**	**773,660** **[D] 32,193**	**822,807**
Outlays	0	738,449	804,976	820,378
Examinations and appeals 803				
Appropriation, current	BA	**778,609**	**799,000** **[D] 41,574**	**863,679**
Outlays	0	774,869	839,442	861,341
Investigations and collections 803				
Appropriation, current	BA	**477,884**	**476,711** **[D] 24,710**	**539,997**
Outlays	0	437,434	500,748	538,501
Payment where energy credit exceeds liability for tax 271				
Appropriation, current	BA	**700**	**900** **[A] 1,000**	.....
Indefinite	BA	.....	.....	**900**
Outlays	0	.....	1,600 [A] 1,000	900
Payment where credit exceeds liability for tax 604				
Appropriation, permanent, indefinite	BA	**772,673**	**1,696,000**	**1,570,000**
Outlays	0	772,673	1,696,000	1,570,000
Refunding internal revenue collections, interest 902				
Appropriation, permanent, indefinite	BA	**357,977**	**698,000**	**708,000**
Outlays	0	357,977	698,000	708,000
Internal revenue collections for Puerto Rico 852				
Appropriation, permanent, indefinite	BA	**214,185**	**220,000**	**225,000**
Outlays	0	212,543	220,000	225,000
Public Enterprise Funds:				
Federal tax lien revolving fund 803				
Outlays	0	175	.....	.....
Total Federal funds Internal Revenue Service	BA	**3,490,280**	**4,914,331**	**4,888,978**
	0	3,422,179	4,912,140	4,882,287

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.					
United States Secret Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**139,328**	**157,000**	**159,241**
				[A] 13,550	
				[D] 1,370	
				[G] 5,730	
Outlays		0	133,862	164,785	156,203
				[A] 13,228	[A] 322
Contribution for annuity benefits	751				
Appropriation, permanent, indefinite		BA	**5,971**	**8,000**	**8,000**
Outlays		0	5,141	8,830	8,000
Total Federal funds United States Secret Service.		BA	**145,299**	**185,650**	**167,241**
		0	139,003	186,843	164,525
Comptroller of the Currency					
Trust funds					
Assessment funds	376				
Outlays		0	—7,762	—2,032	—2,650
Interest on the Public Debt					
Federal funds					
General and Special Funds:					
Interest on the public debt	901				
Appropriation, permanent		BA	**59,837,203**	**73,300,000**	**79,400,000**
Outlays		0	59,837,203	73,300,000	79,400,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**72,402,792**	**105,036,708**	**93,892,418**
		0	72,714,223	86,718,310	93,346,165
Deductions for offsetting receipts:					
Intrafund transactions	803	BA	*—440*	*—433*	*—403*
		0			
	902	BA	*—2,249,318*	*—3,009,112*	*—3,268,439*
		0			
Receipts from off-budget Federal agencies	374	BA	.....	*—252,918*	*—188,500*
		0			
	902	BA	*—4,041,717*	*—6,121,438*	*—8,088,036*
		0			
Proprietary receipts from the public	050	BA	*—2,811*	*—3,000*	*—3,500*
		0			
	150	BA	*—95,088*	*—86,171*	*—84,175*
		0			
	151	BA	*—17,965*	*—19,317*	*—12,737*
		0			
	152	BA	*—27,450*	*—28,100*	*—12,988*
		0			
	155	BA	*—75,677*	*—77,190*	*—78,734*
		0			
	800	BA	*—35,550*	*—80,391*	*—81,741*
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Department of the Treasury—Con.					
Summary—Con.					
		BA		*[J] —24,000*	
		0			
	806	BA		*—5,000*	*—5,000*
		0	.....		
	902	BA	*—931,588*	*—975,384*	*—893,890*
		0			
Total Federal funds		BA	**64,925,188**	**94,354,254**	**81,174,275**
		0	65,236,619	76,035,856	80,628,022
Trust funds:					
(As shown in detail above)		BA	**6,860,631**	**6,859,292**	**6,859,549**
		0	6,843,924	6,864,919	6,858,899
Interfund transactions	271	BA		[J] —11,500	[J] —16,000
		0			
	803	BA	**—174,237**	**—144,755**	**—139,086**
		0			
	851	BA	**—6,854,924**	**—6,854,924**	**—6,854,924**
		0			
	902	BA	**—7,740**	**—63,209**	**—128,800**
		0			
Total Department of the Treasury		BA	**64,748,918**	**94,139,158**	**80,895,014**
		0	65,043,642	75,826,387	80,348,111
Environmental Protection Agency					
Federal funds					
General and Special Funds:					
Salaries and expenses	304				
Appropriation, current		BA	**89,976**	**507,248**	**347,581**
					[K] **214,961**
				[D] **13,982**	
				[E] **283**	
Outlays		0	95,197	442,275	529,000
Research and development:					
(Energy supply)	271				
(Appropriation, current)		BA	**112,829**	**101,084**	.....
					[K] **96,580**
(Outlays)		0	107,000	104,000	105,000
(Pollution control and abatement)	304				
(Appropriation, current)		BA	**220,008**	**127,890**	.....
					[K] **168,404**
				[A] **5,600**	
(Outlays)		0	207,048	124,000	150,000
				[A] 5,600	
Total Research and development		BA	**332,837**	**234,574**	**264,984**
		0	314,048	233,600	255,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Environmental Protection Agency—Con.					
Abatement, control, and compliance	304				
Appropriation, current		BA	**680,883**	**519,557**	**188,958**
					[K] **366,380**
				[A] **6,400**	
Outlays		0	541,660	375,764	391,740
				[A] 6,400	
Buildings and facilities	304				
Appropriation, current		BA	**1,172**	**1,425**	**4,115**
Outlays		0	2,368	2,000	2,500
Construction grants	304				
Appropriation, current		BA	**4,200,000**	**3,400,000**	**3,700,000**
Liquidation of contract authority, current			(1,400,000)	(1,500,000)	(1,700,000)
Outlays		0	3,756,079	3,900,000	3,950,000
Scientific activities overseas (Special foreign currency program)	304				
Appropriation, current		BA	**2,500**	.....	**1,000**
Outlays		0	2,260	1,800	3,000
United States Regulatory Council	304				
Appropriation, current		BA	.....	**3,038**	**3,338**
				[D] **44**	
Outlays		0	.....	2,400	2,800
Operations, research, and facilities	304				
Outlays		0	6,156	5,000	3,200
Enforcement	304				
Appropriation, current		BA	**95,176**	.....	.....
Outlays		0	82,595	15,000	15,000
Oil and hazardous substance liability fund	304				
Appropriation, current		BA			[J] **250,000**
Outlays		0			[J] 45,000
Public Enterprise Funds:					
Revolving fund for certification and other services	304				
Outlays		0	39	40	50
Intragovernmental Funds:					
Consolidated working fund	304				
Outlays		0	.....	10	10
Trust funds					
Miscellaneous trust funds	304				
Appropriation, permanent, indefinite		BA	**17**	.....	.....
Outlays		0	36	20	20
Summary					
Federal funds:					
(As shown in detail above)		BA	**5,402,544**	**4,686,551**	**5,341,317**
		0	4,800,402	4,984,289	5,197,300
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA	*—232*	*—278*	*—278*
		0			
	304	BA	*—376*	.....	.....
		0			
	902	BA	*—41*	*—50*	*—50*
		0			
Total Federal funds		BA	**5,401,895**	**4,686,223**	**5,340,989**
		0	4,799,753	4,983,961	5,196,972

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Environmental Protection Agency—Con.					
Summary—Con.					
Trust funds:					
(As shown in detail above)		BA	**17**	.....	.....
		0	36	20	20
Deductions for offsetting receipts:					
Proprietary receipts from the public	304	BA			
		0	*—17*	.....	.....
Total Trust funds		0	19	20	20
Total Environmental Protection Agency		BA	**5,401,895**	**4,686,223**	**5,340,989**
		0	4,799,772	4,983,981	5,196,992
National Aeronautics and Space Administration					
Federal funds					
General and Special Funds:					
Research and development:					
(Space flight)	253				
(Appropriation, current)		BA	**2,011,600**	**2,103,300**	.....
					[K] **2,738,200**
				[B] **300,000**	
(Outlays)		0	1,789,055	2,087,000	2,457,600
				[B] 200,000	[B] 90,000
(Space science, applications, and technology)	254				
(Appropriation, current)		BA	**901,600**	**1,063,500**	.....
					[K] **1,182,000**
(Outlays)		0	825,330	971,400	1,068,400
(Supporting space activities)	255				
(Appropriation, current)		BA	**299,900**	**332,400**	.....
					[K] **359,000**
(Outlays)		0	292,841	325,100	340,400
(Air transportation)	402				
(Appropriation, current)		BA	**264,100**	**308,300**	.....
					[K] **290,300**
(Outlays)		0	231,523	270,400	277,800
Total Research and development		BA	**3,477,200**	**4,107,500**	**4,569,500**
		0	3,138,749	3,853,900	4,234,200
Construction of facilities:					
(Space flight)	253				
(Appropriation, current)		BA	**31,070**	**27,750**	.....
					[K] **10,100**
(Outlays)		0	41,323	42,800	32,400
(Space science, applications, and technology)	254				
(Appropriation, current)		BA	.....	**4,250**	.....
					[K] **1,617**
(Outlays)		0	8,677	3,800	4,100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
National Aeronautics and Space Administration—Con.					
(Supporting space activities)	255				
(Appropriation, current)		BA	**39,900**	**61,600**	.....
					K 62,992
(Outlays)		O	47,745	45,600	56,700
(Air transportation)	402				
(Appropriation, current)		BA	**76,530**	**62,500**	.....
					K 45,291
(Outlays)		O	34,971	62,700	69,800
Total Construction of facilities		BA	**147,500**	**156,100**	**120,000**
		O	132,716	154,900	163,000
Research and program management:					
(Space flight)	253				
(Appropriation, current)		BA	**389,899**	**398,900**	.....
					K 435,154
				D 16,986	
(Outlays)		O	386,380	415,300	433,000
(Space science, applications, and technology)	254				
(Appropriation, current)		BA	**322,575**	**330,600**	.....
					K 363,000
				D 16,900	
(Outlays)		O	319,083	346,600	361,300
(Supporting space activities)	255				
(Appropriation, current)		BA	**43,121**	**41,200**	.....
					K 41,300
				D 2,100	
(Outlays)		O	42,702	43,400	41,500
(Air transportation)	402				
(Appropriation, current)		BA	**178,474**	**189,200**	.....
					K 207,700
				D 10,300	
(Outlays)		O	176,842	198,500	206,700
Total Research and program management		BA	**934,069**	**1,006,186**	**1,047,154**
		O	925,007	1,003,800	1,042,500
Trust funds					
Miscellaneous trust funds	255				
Appropriation, permanent, indefinite		BA	**6**	.....	.....
Outlays		O	84	1,429	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**4,558,769**	**5,269,786**	**5,736,654**
		O	4,196,472	5,012,600	5,439,700
Deductions for offsetting receipts:					
Proprietary receipts from the public	250	BA	*—9,317*	*—2,900*	*—3,100*
		O			
Total Federal funds		BA	**4,549,452**	**5,266,886**	**5,733,554**
		O	4,187,155	5,009,700	5,436,600
Trust funds:					
(As shown in detail above)		BA	**6**	.....	.....
		O	84	1,429	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
National Aeronautics and Space Administration—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	255	BA			
		0	*—5*		
Total Trust funds		BA	1		
		0	79	1,429	
Total National Aeronautics and Space Administration		BA	**4,549,453**	**5,266,886**	**5,733,554**
		0	4,187,234	5,011,129	5,436,600
Veterans Administration					
Federal funds					
General and Special Funds:					
Compensation	701				
Appropriation, current		BA	**6,909,452**	**7,282,600**	**7,508,000**
				[A] 54,700	
					[J] 923,100
Outlays		0	6,743,320	7,360,600	7,466,500
				[A] 50,200	[A] 4,500
					[J] 846,200
Pensions	701				
Appropriation, current		BA	**3,554,848**	**3,733,500**	**4,073,700**
Outlays		0	3,521,725	3,712,500	4,031,600
Burial benefits and miscellaneous assistance	701				
Appropriation, current		BA	**178,545**	**185,700**	**191,000**
Outlays		0	176,881	184,600	190,000
Readjustment benefits	702				
Appropriation, current		BA	**2,509,555**	**2,278,535**	**1,822,308**
					[J] 192,520
Outlays		0	2,810,812	2,305,550	1,837,308
					[J] 192,520
Veterans insurance and indemnities	701				
Appropriation, current		BA	**5,750**	**5,400**	**1,360**
Outlays		0	4,421	4,150	4,500
Medical care	703				
Appropriation, current		BA	**5,374,374**	**5,683,700**	**6,154,802**
				[D] 171,270	
					[J] —31,913
Outlays		0	5,159,544	5,926,085	6,101,087
					[J] —31,913
Medical and prosthetic research	703				
Appropriation, current		BA	**122,847**	**122,847**	**134,810**
				[D] 3,600	
Outlays		0	117,270	126,309	134,810
Medical administration and miscellaneous operating expenses	703				
Appropriation, current		BA	**47,058**	**47,606**	**56,407**
				[D] 1,099	
Outlays		0	42,621	48,689	56,448

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Veterans Administration—Con.				
General operating expenses 705				
Appropriation, current	BA	**631,675**	**587,392**	**645,175**
			[A] **5,638**	
			[C] **825**	
			[D] **24,754**	
				[J] **—845**
			[W] **7,490**	
Outlays	0	603,295	624,973	643,576
			[A] 5,638	
				[J] —845
			[W] 7,490	
Construction, major projects 703				
Appropriation, current	BA	**365,560**	**317,292**	**519,354**
			[A] **3,200**	
Outlays	0	150,232	150,829	261,821
			[A] 250	[A] 1,200
Construction, minor projects 703				
Appropriation, current	BA	**86,345**	**72,633**	**140,454**
			[A] **596**	
			[D] **800**	
Outlays	0	86,265	112,274	107,696
			[A] 596	
Grants for construction of state extended care facilities 703				
Appropriation, current	BA	**10,000**	**7,500**	**15,000**
Outlays	0	14,303	10,056	10,163
Grants to the Republic of the Philippines 703				
Appropriation, current	BA	**500**	**1,350**	**1,200**
Outlays	0	187	1,350	1,200
Assistance for health manpower training institutions 703				
Appropriation, current	BA	**104,905**	.....	.....
Outlays	0	40,672	49,502	49,529
Grants for the construction of state veterans cemeteries 705				
Appropriation, current	BA	.....	**5,000**	**5,000**
Outlays	0	.....	2,000	5,000
Public Enterprise Funds:				
Loan guaranty revolving fund 704				
Outlays	0	207,112	—31,625	—195,000
Direct loan revolving fund 704				
Outlays	0	—65,358	—175,000	—107,000
Canteen service revolving fund 705				
Outlays	0	—3,250	—1,018	—143
Service-disabled veterans insurance fund 701				
Outlays	0	893	.....	.....
Veterans reopened insurance fund 701				
Outlays	0	—27,900	—19,709	—11,551
Education loan fund 702				
Outlays	0	6,367	5,600	3,800
Vocational rehabilitation revolving fund 702				
Appropriation, current	BA			[J] **350**
Outlays	0	23	—20	—15
				[J] 274

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Veterans Administration—Con.					
Servicemen's group life insurance fund	701				
Outlays		0	464	.....	.....
Special therapeutic and rehabilitation activities fund	703				
Outlays		0	−164	−253	−255
Intragovernmental Funds:					
Supply fund	705				
Outlays		0	−7,596	9,000	.....
Consolidated working fund	705				
Outlays		0	3	.....	.....
Trust funds					
Post-Vietnam era veterans education account	702				
Appropriation, permanent, indefinite		BA	**70,788**	**98,800**	**114,200**
Outlays		0	13,815	13,450	23,450
General post fund, national homes	705				
Appropriation, permanent, indefinite		BA	**6,460**	**6,700**	**7,000**
Outlays		0	5,547	6,000	6,300
National service life insurance fund	701				
Appropriation, permanent, indefinite		BA	**982,543**	**1,029,128**	**1,060,193**
Outlays		0	785,393	803,000	931,000
United States government life insurance fund	701				
Appropriation, permanent, indefinite		BA	**38,310**	**35,910**	**34,304**
Outlays		0	70,841	68,700	63,600
Veterans special life insurance fund	701				
Outlays		0	−38,049	−46,000	−47,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**19,901,414**	**20,605,027**	**22,351,782**
		0	19,582,142	20,470,616	21,603,010
Deductions for offsetting receipts:					
Proprietary receipts from the public	700	BA	*−3,755*	*−2,650*	*−2,650*
		0			
	703	BA		*[1] −45,240*	*[1] −321,316*
		0			
	902	BA	*−65*	*−65*	*−65*
		0			
Total Federal funds		BA	**19,897,594**	**20,557,072**	**22,027,751**
		0	19,578,322	20,422,661	21,278,979
Trust funds:					
(As shown in detail above)		BA	**1,098,101**	**1,170,538**	**1,215,697**
		0	837,547	845,150	977,350
Deductions for offsetting receipts:					
Proprietary receipts from the public	701	BA	*−455,771*	*−455,235*	*−442,859*
		0			
	702	BA	*−70,557*	*−97,100*	*−109,500*
		0			
Total Trust funds		BA	**571,773**	**618,203**	**663,338**
		0	311,219	292,815	424,991
Interfund transactions	701	BA	**−2,139**	**−2,348**	**−2,348**
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Veterans Administration—Con.					
Summary—Con.					
	702	BA			
		0	−230	−1,700	−4,700
Total Veterans Administration		BA	20,466,998	21,171,227	22,684,041
		0	19,887,172	20,711,428	21,696,922
Other Independent Agencies					
ACTION					
Federal funds					
General and Special Funds:					
Operating expenses, domestic programs	506				
Appropriation, current		BA	119,175	140,492	177,826
				[A] 27,607	
				[D] 1,307	
Outlays		0	117,344	130,536	163,132
				[A] 14,079	[A] 12,147
Trust funds					
Donations and contributions, domestic programs	506				
Appropriation, permanent		BA		2	2
Outlays		0		2	2
Administrative Conference of the United States					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	1,062	1,079	1,132
				[D] 48	
Outlays		0	977	1,106	1,115
Advisory Committee on Federal Pay					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	232	232	192
Outlays		0	99	230	190
Advisory Council on Historic Preservation					
Federal funds					
General and Special Funds:					
Salaries and expenses	303				
Appropriation, current		BA	1,204	1,350	1,625
				[D] 40	
Outlays		0	1,212	1,350	1,575

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
American Battle Monuments Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	705				
Appropriation, current		BA	7,425	7,603 [C]550 [D]36 [E]11	9,003
Outlays		0	7,263	8,162	8,931
Trust funds					
Contributions	705				
Appropriation, permanent, indefinite		BA	30	25	28
Outlays		0	27	25	28
Summary					
Federal funds:					
(As shown in detail above)		BA	7,425	8,200	9,003
		0	7,263	8,162	8,931
Deductions for offsetting receipts:					
Proprietary receipts from the public	700	BA			
		0	—3	—3	—3
Total Federal funds		BA	7,422	8,197	9,000
		0	7,260	8,159	8,928
Trust funds:					
(As shown in detail above)		BA	30	25	28
		0	27	25	28
Total American Battle Monuments Commission		BA	7,452	8,222	9,028
		0	7,287	8,184	8,956
Arms Control and Disarmament Agency					
Federal funds					
General and Special Funds:					
Arms control and disarmament activities	153				
Appropriation, current		BA	17,720	18,270 [D]360	20,034
Outlays		0	14,653	17,020	18,455
Board for International Broadcasting					
Federal funds					
General and Special Funds:					
Grants and expenses	154				
Appropriation, current		BA	87,000	84,470	..... [K]103,835
Indefinite		BA		[A]6,600	
Outlays		0	82,692	97,284 [A]6,600	101,288

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Central Intelligence Agency					
Federal funds					
General and Special Funds:					
Payment to the Central Intelligence Agency retirement and disability fund	054				
Appropriation, current		BA	**43,500**	**51,600**	**55,300**
Outlays		0	43,500	51,600	55,300
Civil Aeronautics Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	402				
Appropriation, current		BA	**27,694**	**28,287** D 1,387	**28,829**
Outlays		0	27,112	29,615	28,858
Payments to air carriers	402				
Appropriation, current		BA	**72,900**	**76,100** A 19,669	**86,300**
Outlays		0	72,334	76,407 A 18,069	85,400 A 1,600
Summary					
Federal funds:					
(As shown in detail above)		BA	**100,594**	**125,443**	**115,129**
		0	99,446	124,091	115,858
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		0	*—109*	*—131*	*—141*
Total Civil Aeronautics Board		BA	**100,485**	**125,312**	**114,988**
		0	99,337	123,960	115,717
Commission of Fine Arts					
Federal funds					
General and Special Funds:					
Salaries and expenses	451				
Appropriation, current		BA	**263**	**268** D 7	**294**
Outlays		0	222	275	292
Commission on Civil Rights					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**10,852**	**11,230** D 489	**12,143**
Outlays		0	10,257	11,485	11,909

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Committee for Purchase from the Blind and other Severely Handicapped					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**441**	**481**	**516**
				D 14	
Outlays		O	352	495	516
Commodity Futures Trading Commission					
Federal funds					
General and Special Funds:					
Commodity Futures Trading Commission	376				
Appropriation, current		BA	**15,836**	**16,366**	**19,281**
				D 551	
Outlays		O	14,884	16,818	19,329
Summary					
Federal funds:					
(As shown in detail above)		BA	**15,836**	**16,917**	**19,281**
		O	14,884	16,818	19,329
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		O	*—5*	*—3*	*—3*
Total Commodity Futures Trading Commission		BA	**15,831**	**16,914**	**19,278**
		O	14,879	16,815	19,326
Community Services Administration					
Federal funds					
General and Special Funds:					
Community services program:					
(Social services)	506				
(Appropriation, current)		BA	**554,079**	**548,900**	**549,800**
				D 1,900	
(Outlays)		O	593,913	569,226	554,800
(Public assistance and other income supplements)	604				
(Appropriation, current)		BA	**188,774**	**1,597,200**	.....
(Outlays)		O	185,600	1,660,374	.....
Total Community services program		BA	**742,853**	**2,148,000**	**549,800**
		O	779,513	2,229,600	554,800
Public Enterprise Funds:					
Rural Development loan fund	452				
Outlays		O	—2,121	16,500	6,000
Community development credit unions revolving fund	452				
Appropriation, current		BA	.....	**6,000**	.....
Outlays		O	.....	4,500	—500
Trust funds					
Gifts and contributions	506				
Outlays		O	1	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Community Services Administration—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**742,853**	**2,154,000**	**549,800**
		O	777,392	2,250,600	560,300
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		O	*—8*	*—10*	*—10*
	902	BA			
		O	*—612*	*—290*	*—290*
Total Federal funds		BA	**742,233**	**2,153,700**	**549,500**
		O	776,772	2,250,300	560,000
Trust funds:					
(As shown in detail above)		O	1		
Interfund transactions	604	BA			
		O		[1] —1,600,000	
Total Community Services Administration		BA	**742,233**	**553,700**	**549,500**
		O	776,773	650,300	560,000
Consumer Product Safety Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**42,940**	**40,600**	**43,959**
				[2] 1,020	
Outlays		O	39,284	45,064	43,920
Summary					
Federal funds:					
(As shown in detail above)		BA	**42,940**	**41,620**	**43,959**
		O	39,284	45,064	43,920
Deductions for offsetting receipts:					
Proprietary receipts from the public	550	BA			
		O	*—14*	*—7*	*—7*
Total Consumer Product Safety Commission		BA	**42,926**	**41,613**	**43,952**
		O	39,270	45,057	43,913
Corporation for Public Broadcasting					
Federal funds					
General and Special Funds:					
Public broadcasting fund	503				
Appropriation, permanent		BA	**120,200**	**152,000**	**162,000**
Outlays		O	120,200	152,000	162,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
District of Columbia					
Federal funds					
General and Special Funds:					
Federal payment to the District of Columbia	852				
Appropriation, current		BA	**274,665**	**248,700**	**360,170**
					[K] **1,000**
				[A] **52,070**	
Outlays		O	274,665	248,700	361,170
				[A] 52,070	
Loans to the District of Columbia for capital investment	852				
Appropriation, current		BA	.....	**125,000**	.....
					[K] **166,057**
Outlays		O	100,000	145,273	174,187
Loans to stadium sinking fund	852				
Authority to borrow, permanent, indefinite		BA	**832**	.....	.....
Outlays		O	832	.....	.....
Repayable advances to the District of Columbia general fund	852				
Appropriation, permanent, indefinite		BA	**40,000**	**20,000**	.....
Outlays		O	40,000	40,000	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**315,497**	**445,770**	**527,227**
		O	415,497	486,043	535,357
Deductions for offsetting receipts:					
Proprietary receipts from the public	852	BA			
		O	*—22,346*	*—104,962*	*—25,780*
Total District of Columbia		BA	**293,151**	**340,808**	**501,447**
		O	393,151	381,081	509,577
Equal Employment Opportunity Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**111,417**	**119,000**	**144,751**
				[D] **5,562**	
Outlays		O	92,490	120,410	135,393
Summary					
Federal funds:					
(As shown in detail above)		BA	**111,417**	**124,562**	**144,751**
		O	92,490	120,410	135,393
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA			
		O	*—36*	*—33*	*—33*
Total Equal Employment Opportunity Commission		BA	**111,381**	**124,529**	**144,718**
		O	92,454	120,377	135,360

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Export-Import Bank of the United States					
Federal funds					
Public Enterprise Funds:					
Export-Import Bank of the United States	155				
Authority to borrow, current, indefinite		BA	**104,682**	**1,338,195**	**6,849,999**
Outlays		0	200,052	1,054,380	1,230,499
Limitation on administrative expenses			(13,740)	(14,129)	(15,399)
				[D] (445)	
Limitation on program activity			(5,347,345)	(5,598,241)	.....
				[D] (250,000)	
Farm Credit Administration					
Federal funds					
Public Enterprise Funds:					
Revolving fund for administrative expenses	351				
Outlays		0	525	151	.....
Limitation on administrative expenses			(10,925)	(11,897)	(13,444)
				[D] (531)	
Summary					
Federal funds:					
(As shown in detail above)		0	525	151	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	350	BA	.....	*—2*	*—2*
		0	.....		
Total Farm Credit Administration		BA	.....	**—2**	**—2**
		0	525	149	—2
Federal Communications Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**70,446**	**73,235**	**77,142**
				[C] 48	
				[D] 3,609	
Outlays		0	69,561	76,445	76,506
Summary					
Federal funds:					
(As shown in detail above)		BA	**70,446**	**76,892**	**77,142**
		0	69,561	76,445	76,506
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA	*—19*	*—19*	*—19*
		0			
Total Federal Communications Commission		BA	**70,427**	**76,873**	**77,123**
		0	69,542	76,426	76,487
Federal Deposit Insurance Corporation					
Trust funds					
Federal Deposit Insurance Corporation	371				
Outlays		0	—1,218,370	—1,450,000	—1,500,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Federal Election Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	806				
Appropriation, current		BA	**8,293**	**8,646** **[D] 393**	**9,400**
Outlays		0	7,363	9,861	9,216
Summary					
Federal funds:					
(As shown in detail above)		BA	**8,293**	**9,039**	**9,400**
		0	7,363	9,861	9,216
Deductions for offsetting receipts:					
Proprietary receipts from the public	806	BA	*—36*	*—35*	*—35*
		0			
Total Federal Election Commission		BA	**8,257**	**9,004**	**9,365**
		0	7,327	9,826	9,181
Federal Emergency Management Agency					
Federal funds					
General and Special Funds:					
Emergency planning, preparedness, and mobilization	054				
Appropriation, current		BA	**134,955**	**129,621** **[C] 235** **[D] 1,624** **[W] 8,900**	**160,121**
Outlays		0	131,414	130,236 [W] 7,900	144,145 [W] 1,000
Hazard mitigation and disaster assistance	453				
Appropriation, current		BA	**133,621**	**118,709** **[D] 1,845**	**113,900**
Outlays		0	83,598	129,986	109,001
Public Enterprise Funds:					
National insurance development fund	451				
Outlays		0	11,954	10,597	10,633
National flood insurance fund	453				
Appropriation, current		BA	.....	.....	**603,000**
Authority to borrow, current		BA	**500,000**	.....	.....
Outlays		0	238,623	154,482	108,358
Total Federal funds Federal Emergency Management Agency		BA	**768,576**	**260,934**	**877,021**
		0	465,589	433,201	373,137
Federal Home Loan Bank Board					
Federal funds					
General and Special Funds:					
Interest adjustment payments	371				
Outlays		0	54	65	59

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Federal Home Loan Bank Board—Con.					
Public Enterprise Funds:					
Federal Home Loan Bank Board revolving fund	371				
Outlays		0	725	−635	.....
Limitation on administrative and nonadministrative expenses			(16,526) [A] (50) [D] (200)	(18,359)	(18,670)
Limitation on nonadministrative expenses			(29,895) [D] (700)	.....	.....
Federal Savings and Loan Insurance Corporation fund	371				
Outlays		0	−489,136	−477,973	−601,963
Limitation on administrative expenses			(940)	(33,466) [D] (1,270)	(1,115)
Total Federal funds Federal Home Loan Bank Board		0	−488,357	−478,543	−601,904
Federal Labor Relations Authority					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	**10,259**	**12,132** **[D] 570**	**14,744**
Outlays		0	7,066	13,702	15,744
Federal Maritime Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	403				
Appropriation, current		BA	**10,750**	**11,175** **[D] 480**	**12,234**
Outlays		0	10,037	11,562	12,136
Summary					
Federal funds:					
(As shown in detail above)		BA	**10,750**	**11,655**	**12,234**
		0	10,037	11,562	12,136
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		0	*−108*	*−64*	*−87*
	902	BA			
		0	*−152*	.....	.....
Total Federal Maritime Commission		BA	**10,490**	**11,591**	**12,147**
		0	9,777	11,498	12,049

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Federal Mediation and Conciliation Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**23,214**	**23,075**	**27,640**
				[A] 2,327	
				[D] 845	
Outlays		0	22,713	23,737	26,250
				[A] 527	[A] 1,250
Summary					
Federal funds:					
(As shown in detail above)		BA	**23,214**	**26,247**	**27,640**
		0	22,713	24,264	27,500
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—1*	*—1*	*—1*
Total Federal Mediation and Conciliation Service		BA	**23,213**	**26,246**	**27,639**
		0	22,712	24,263	27,499
Federal Mine Safety and Health Review Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**4,776**	**4,770**	**4,680**
Outlays		0	2,599	4,530	4,450
Federal Trade Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**65,300**		
				[K] 65,300	[K] 72,558
				[C] 33	
				[D] 2,423	
				[W] 3,721	
Outlays		0	62,048	66,537	71,386
				[W] 3,721	
Summary					
Federal funds:					
(As shown in detail above)		BA	**65,300**	**71,477**	**72,558**
		0	62,048	70,258	71,386
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*557*	*—46*	*—46*
Total Federal Trade Commission		BA	**65,857**	**71,431**	**72,512**
		0	62,605	70,212	71,340

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
Foreign Claims Settlement Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 153				
Appropriation, current	BA	.....	.....	**840**
Outlays	0	797	968	850
Payment of Vietnam prisoner of war claims 153				
Appropriation, current	BA	**−8,000**	.....	.....
Outlays	0	54	100	.....
Total Federal funds Foreign Claims Settlement Commission	BA	**−8,000**	.....	**840**
	0	851	1,068	850
General Services Administration				
Real Property Activities				
Federal funds				
General and Special Funds:				
Real property miscellaneous accounts: (General property and records management) 804				
(Outlays)	0	39	36	.....
Intragovernmental Funds:				
Federal buildings fund 804				
Appropriation, current	BA	**21,150**	**115**	.....
Outlays	0	−56,264	−146,220	−14,022
			[A] 38,831	[A] 6,133
Construction services fund 804				
Outlays	0	−14,442	−1,415	−1,538
Consolidated working fund, real property activities 804				
Outlays	0	895	−1,000	−1,000
Total Federal funds Real Property Activities	BA	**21,150**	**115**	.....
	0	−69,772	−109,768	−10,427
Personal Property Activities				
Federal funds				
General and Special Funds:				
Federal Supply Service, operating expenses 804				
Appropriation, current	BA	**130,417**	**126,683**	**133,410**
			[C] 1,694	
			[D] 4,510	
Outlays	0	136,596	132,887	133,410
Intragovernmental Funds:				
General supply fund 804				
Appropriation, current	BA	**10,000**	.....	.....
Outlays	0	−26,100	5,400	5,200
Total Federal funds Personal Property Activities	BA	**140,417**	**132,887**	**133,410**
	0	110,496	138,287	138,610

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
General Services Administration—Con.					
Transportation and Public Service Activities					
Federal funds					
General and Special Funds:					
Operating expenses	804				
Appropriation, current		BA	**6,842**	**13,758** [D] **829**	**14,989**
Outlays		0	5,299	14,555	14,989
Total Federal funds Transportation and Public Service Activities		BA	**6,842**	**14,587**	**14,989**
		0	5,299	14,555	14,989
Records Activities					
Federal funds					
General and Special Funds:					
National Archives and Records Service, operating expenses	804				
Appropriation, current		BA	**75,733**	**80,485** [A] **3,000** [C] **92** [D] **2,766**	**83,727**
Outlays		0	73,101	83,318 [A] 3,000	83,727
Records declassification	804				
Appropriation, current		BA	**1,855**	**3,055** [D] **178**	**3,423**
Outlays		0	1,701	3,241	3,423
Total Federal funds Records Activities		BA	**77,588**	**89,576**	**87,150**
		0	74,802	89,559	87,150
Automated Data and Telecommunications Activities					
Federal funds					
General and Special Funds:					
Automated Data and Telecommunications Service, operating expenses	804				
Appropriation, current		BA	**9,782**	**10,982** [D] **641**	**13,382**
Outlays		0	9,045	11,630	13,382
Intragovernmental Funds:					
Federal telecommunications fund	804				
Appropriation, current		BA	.....	**5,000**	**5,000**
Outlays		0	−10,532	3,587	−2,029
Automatic data processing fund	804				
Outlays		0	−2,052	2,403	6,935
Total Federal funds Automated Data and Telecommunications Activities		BA	**9,782**	**16,623**	**18,382**
		0	−3,539	17,620	18,288

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
General Services Administration—Con.				
Federal Property Resources Activities				
Federal funds				
General and Special Funds:				
Operating expenses:				
(Defense-related activities) 054				
(Appropriation, current)	BA	**19,125**	**22,282**	**22,551**
(Outlays)	0	15,994	21,337	22,499
(General property and records management) 804				
(Appropriation, current)	BA	**22,052**	**21,204** **[C]107** **[D]1,502**	**22,970**
(Outlays)	0	18,035	23,758	23,022
Total Operating expenses	BA	**41,177**	**45,095**	**45,521**
	0	34,029	45,095	45,521
Rare silver dollar program:				
(General property and records management) 804				
(Appropriation, current)	BA		**[D]26**	
(Outlays)	0	39	2,195	116
National defense stockpile transaction fund 054				
Appropriation, current	BA	.....	.....	**169,900**
Outlays	0	.....	.....	169,900
Expenses, disposal of surplus real and related personal property 804				
Appropriation, permanent, indefinite	BA	**478**	**1,000**	**1,000**
Outlays	0	686	1,000	1,000
Public Enterprise Funds:				
William Langer Jewel bearing plant revolving fund 054				
Outlays	0	172	.....	.....
Total Federal funds Federal Property Resources Activities	BA	**41,655**	**46,121**	**216,421**
	0	34,926	48,290	216,537
General Activities				
Federal funds				
General and Special Funds:				
General management and administration, salaries and expenses 804				
Appropriation, current	BA	**95,421**	**104,996** **[D]5,137**	**111,821**
Outlays	0	89,366	107,007	111,544
Office of Inspector General 804				
Appropriation, current	BA	**10,394**	**18,286** **[D]860**	**21,913**
Outlays	0	8,633	17,995	21,779
Indian trust accounting 806				
Appropriation, current	BA	**2,715**	**2,725** **[D]161**	**2,886**
Outlays	0	2,332	2,886	2,886

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
General Services Administration—Con.					
Allowances and office staff for former Presidents	802				
Appropriation, current		BA	**771**	**760** A 66	**798**
Outlays		0	1,147	760 A 66	798
Expenses, presidential transition	802				
Appropriation, current		BA	.....	.....	**3,000**
Outlays		0	1	.....	3,000
Consumer information center	376				
Appropriation, current		BA	**1,162**	**1,315** D 37	**1,432**
Outlays		0	1,059	1,352	1,432
Public services	804				
Appropriation, current		BA	**2,201**	**6,669** D 331	**7,469**
Outlays		0	1,704	6,883	7,417
Refunds under Renegotiation Act	902				
Outlays		0	560	525	259
Public Enterprise Funds:					
Virgin Islands Corporation liquidation fund	804				
Outlays		0	—667	—626	—586
Intragovernmental Funds:					
Working capital fund	804				
Appropriation, current		BA	.....	.....	**1,000**
Outlays		0	—414	.....	750
Total Federal funds General Activities		BA	**112,664**	**141,343**	**150,319**
		0	103,721	136,848	149,279
Records Activities					
Trust funds					
National archives gift fund	804				
Appropriation, permanent		BA	**110**	**75**	**75**
Outlays		0	60	100	100
National archives trust fund	804				
Outlays		0	592	—100	—100
Total Trust funds Records Activities		BA	**110**	**75**	**75**
		0	652	.....	.....
General Activities					
Trust funds					
Unconditional gifts of real, personal, or other property	804				
Outlays		0	11	.....	.....
Total Trust funds General Activities		0	11	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**410,098**	**441,252**	**620,671**
		0	255,933	335,391	614,426

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
General Services Administration—Con.					
Deductions for offsetting receipts:					
Intrafund transactions	054	BA			
		0	*−9,389*	.....	.....
	902	BA			
		0	*−28*	.....	.....
Proprietary receipts from the public	054	BA			
		0	*−73,497*	*−64,234*	*−60,000*
		BA			
		0		[1] *−177,600*	[1] *−203,000*
	800	BA			
		0	*−33,072*	*−44,797*	*−45,164*
	902	BA			
		0	*−262*	*−200*	.....
Total Federal funds		BA	**293,850**	**154,421**	**312,507**
		0	139,685	48,560	306,262
Trust funds:					
(As shown in detail above)		BA	**110**	**75**	**75**
		0	663	.....	.....
Total General Services Administration		BA	**293,960**	**154,496**	**312,582**
		0	140,348	48,560	306,262
Harry S Truman Scholarship Foundation					
Trust funds					
Harry S Truman memorial scholarship trust fund					
	502				
Outlays		0	−1,915	−1,821	−2,046
Historical and Memorial Agencies					
American Revolution Bicentennial Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	806				
Outlays		0	552	25	.....
Summary					
Federal funds:					
(As shown in detail above)		0	552	25	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	806	BA			
		0	*−2*	.....	.....
Total American Revolution Bicentennial Administration		BA	**−2**	.....	.....
		0	550	25	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
Historical and Memorial Agencies—Con.				
Other Historical and Memorial Agencies				
Federal funds				
General and Special Funds:				
Franklin Delano Roosevelt Memorial Commission: Salaries and expenses 806				
Appropriation, current	BA	20	40	30
Outlays	0	17	62	45
Total Federal funds Historical and Memorial Agencies	BA	18	40	30
	0	567	87	45
Indian Claims Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Outlays	0	236	2	.....
Intelligence Community Staff				
Federal funds				
General and Special Funds:				
Intelligence community staff 054				
Appropriation, current	BA	12,000	11,527 [D] 408 [E] 116	18,700
Outlays	0	10,050	12,358	18,206
Intragovernmental Agencies				
Advisory Commission on Intergovernmental Relations				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Appropriation, current	BA	1,698	1,654 [D] 63	1,807
Outlays	0	1,712	2,174	1,807
Intragovernmental Funds:				
Consolidated working fund 806				
Outlays	0	−103	.....	.....
Trust funds				
Contributions 806				
Appropriation, permanent, indefinite	BA	59	100	100
Outlays	0	42	139	100
Total Federal funds Advisory Commission on Intergovernmental Relations	BA	1,698	1,717	1,807
	0	1,609	2,174	1,807
Total Trust funds Advisory Commission on Intergovernmental Relations	BA	59	100	100
	0	42	139	100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Intragovernmental Agencies—Con.					
Appalachian Regional Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	452				
Appropriation, current		BA	**2,220**	**2,990**	.....
					[K] **3,239**
				[D] **120**	
Outlays		O	2,290	3,110	3,239
Intragovernmental Funds:					
Consolidated working fund	452				
Outlays		O	−211	400	500
Trust funds					
Miscellaneous trust funds	452				
Appropriation, permanent, indefinite		BA	**4,400**	**5,206**	**5,400**
Outlays		O	4,576	5,444	5,541
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,220**	**3,110**	**3,239**
		O	2,079	3,510	3,739
Trust funds:					
(As shown in detail above)		BA	**4,400**	**5,206**	**5,400**
		O	4,576	5,444	5,541
Deductions for offsetting receipts:					
Proprietary receipts from the public	452	BA	*−1,845*	*−2,603*	*−2,700*
		O			
Total Trust funds		BA	**2,555**	**2,603**	**2,700**
		O	2,731	2,841	2,841
Interfund transactions	452	BA	**−2,555**	**−2,603**	**−2,700**
		O			
Total Appalachian Regional Commission		BA	**2,220**	**3,110**	**3,239**
		O	2,255	3,748	3,880
Delaware River Basin Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	301				
Appropriation, current		BA	**104**	**107**	**116**
				[D] **4**	
Outlays		O	106	111	116
Contribution to Delaware River Basin Commission	301				
Appropriation, current		BA	**245**	**257**	**269**
Outlays		O	298	257	269
Total Federal funds Delaware River Basin Commission		BA	**349**	**368**	**385**
		O	404	368	385

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
Intragovernmental Agencies—Con.				
Interstate Commission on the Potomac River Basin				
Federal funds				
General and Special Funds:				
Contribution to Interstate Commission on the Potomac River Basin 304				
Appropriation, current	BA	**55**	**55**	**55**
Outlays	O	55	55	55
Susquehanna River Basin Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 301				
Appropriation, current	BA	**104**	**104**	**112**
			[D] 3	
Outlays	O	96	107	112
Contribution to Susquehanna River Basin Commission 301				
Appropriation, current	BA	**200**	**210**	**200**
Outlays	O	200	210	200
Total Federal funds Susquehanna River Basin Commission	BA	**304**	**317**	**312**
	O	296	317	312
Washington Metropolitan Area Transit Authority				
Federal funds				
General and Special Funds:				
Interest payments 401				
Appropriation, current	BA	**61,343**	**65,774**	**65,910**
Outlays	O	84,250	111,007	83,079
Total Federal funds Intragovernmental Agencies	BA	**65,969**	**71,341**	**71,708**
	O	88,693	117,431	89,377
Total Trust funds Intragovernmental Agencies	BA	**2,614**	**2,703**	**2,800**
	O	2,773	2,980	2,941
International Communication Agency				
Federal funds				
General and Special Funds:				
Salaries and expenses 154				
Appropriation, current	BA	**373,938**	**396,010**	
			[D] 6,993	[K] 429,184
			[G] 114	
Outlays	O	347,770	393,576	422,892
Salaries and expenses (special foreign currency program) 154				
Appropriation, current	BA	**10,124**	**13,012**	
				[K] 11,240
Outlays	O	8,130	12,918	12,666

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
International Communication Agency—Con.				
Center for Cultural and Technical Interchange Between East and West 154				
Appropriation, current	BA	13,500	14,667	.....
				K 16,052
Outlays	O	13,058	15,138	16,052
Acquisition and construction of radio facilities 154				
Appropriation, current	BA	19,685	2,400	.....
				K 2,562
Outlays	O	5,689	15,595	13,207
Miscellaneous expired special foreign currency programs 154				
Outlays	O	.....	100	100
Educational exchange fund, payments by Finland, World War I debt 154				
Outlays	O	.....	11	.....
Trust funds				
Trust funds 154				
Appropriation, permanent, indefinite	BA	260	562	562
Outlays	O	290	955	562
Summary				
Federal funds:				
(As shown in detail above)	BA	417,247	433,196	459,038
	O	374,647	437,338	464,917
Deductions for offsetting receipts:				
Proprietary receipts from the public 150	BA	*—1,155*	*—321*	*—321*
	O			
902	BA	*—71*	*—10*	*—10*
	O			
Total Federal funds	BA	416,021	432,865	458,707
	O	373,421	437,007	464,586
Trust funds:				
(As shown in detail above)	BA	260	562	562
	O	290	955	562
Deductions for offsetting receipts:				
Proprietary receipts from the public 154	BA	*—249*	*—232*	*—232*
	O			
Total Trust funds	BA	11	330	330
	O	41	723	330
Total International Communication Agency	BA	416,032	433,195	459,037
	O	373,462	437,730	464,916
International Trade Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 153				
Appropriation, current	BA	13,250	15,130	16,981
			D 787	
Outlays	O	11,959	16,121	16,981

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Interstate Commerce Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	401				
Appropriation, current		BA	**72,875**	**76,699**	**85,000**
				[D] **3,300**	
Outlays		0	67,014	79,000	84,000
Payments for directed rail service	401				
Appropriation, current		BA	.....	**76,000**	.....
Outlays		0	.....	90,000	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**72,875**	**155,999**	**85,000**
		0	67,014	169,000	84,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		0	*—12,217*	*—12,143*	*—227*
Total Interstate Commerce Commission		BA	**60,658**	**143,856**	**84,773**
		0	54,797	156,857	83,773
Japan-United States Friendship Commission					
Trust funds					
Japan-United States friendship trust fund	154				
Appropriation, current		BA	**1,500**	**1,500**	**2,000**
Outlays		0	1,565	2,000	2,000
Legal Services Corporation					
Federal funds					
General and Special Funds:					
Payment to the Legal Services Corporation	752				
Appropriation, current		BA	**270,000**	**300,000**	.....
					[K] **321,300**
Outlays		0	254,307	300,124	329,289
Marine Mammal Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	302				
Appropriation, current		BA	**702**	**940**	**641**
Outlays		0	763	941	815
Merit Systems Protection Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	**7,368**	**12,075**	**13,075**
				[A] **1,000**	
Outlays		0	6,041	13,127	13,067
				[A] 1,000	
Limitation payable under transfers from trust funds			(147)	(255)	(255)

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
Merit Systems Protection Board—Con.				
Office of the Special Counsel 805				
Appropriation, current	BA	**1,283**	**4,516**	**4,516**
Outlays	0	435	5,076	4,521
Total Federal funds Merit Systems Protection Board	BA	**8,651**	**17,591**	**17,591**
	0	6,476	19,203	17,588
National Capital Planning Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 451				
Appropriation, current	BA	**2,019**	**1,975**	**2,394**
			[D] 210	
Outlays	0	2,004	2,177	2,402
National Center for Productivity and Quality of Working Life				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Outlays	0	796	−36	.....
National Commission on Libraries and Information Science				
Federal funds				
General and Special Funds:				
Salaries and expenses 503				
Appropriation, current	BA	**660**	**668**	**699**
			[A] 26	
			[D] 18	
Outlays	0	1,598	1,820	1,247
			[A] 26	
National Consumer Cooperative Bank				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**1,500**	**7,950**	**10,450**
Outlays	0	.....	7,781	12,304
Self-help development and technical assistance 376				
Appropriation, current	BA	**1,000**	**17,000**	**48,500**
Outlays	0	.....	6,754	55,626
Public Enterprise Funds:				
National Consumer Cooperative Bank fund 376				
Outlays	0	.....	.....	−2,000
Total Federal funds National Consumer Cooperative Bank	BA	**2,500**	**24,950**	**58,950**
	0	.....	14,535	65,930

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
National Credit Union Administration					
Federal funds					
Public Enterprise Funds:					
Operating fund	371				
Outlays		0	−4,562	−450	−600
Credit union share insurance fund	371				
Outlays		0	−25,767	−26,234	−30,178
Central liquidity facility	371				
Authority to borrow, current		BA		**1,200,000**	
Outlays		0		199,615	−983
Total Federal funds National Credit Union Administration		BA		**1,200,000**	
		0	−30,329	172,931	−31,761
National Foundation on the Arts and the Humanities					
National Endowment for the Arts					
Federal funds					
General and Special Funds:					
National endowment for the arts: Salaries and expenses	503				
Appropriation, current		BA	**149,585**	**154,400**	
				[D] **302**	[K] **167,960**
Outlays		0	136,052	142,035	153,548
Intragovernmental Funds:					
Consolidated working fund (arts)	503				
Outlays		0	1		
Trust funds					
Gifts and donations (arts)	503				
Outlays		0	48		
Summary					
Federal funds:					
(As shown in detail above)		BA	**149,585**	**154,702**	**167,960**
		0	136,053	142,035	153,548
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*−7*		
	902	BA			
		0	*−5*	*−1*	*−1*
Total Federal funds		BA	**149,573**	**154,701**	**167,959**
		0	136,041	142,034	153,547
Trust funds:					
(As shown in detail above)		0	48		
Total National Endowment for the Arts		BA	**149,573**	**154,701**	**167,959**
		0	136,089	142,034	153,547

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
National Foundation on the Arts and the Humanities—Con.				
National Endowment for the Humanities				
Federal funds				
General and Special Funds:				
National endowment for the humanities: Salaries and expenses 503				
Appropriation, current	BA	**145,231**	**150,100**	
			[D] **279**	[K] **164,325**
Outlays	O	139,219	150,675	160,725
Intragovernmental Funds:				
Consolidated working fund (humanities) 503				
Outlays	O	4	26	
Trust funds				
Gifts and donations (humanities) 503				
Appropriation, permanent, indefinite	BA	**10,201**	**11,400**	**13,320**
Outlays	O	8,319	11,400	13,320
Total Federal funds National Endowment for the Humanities	BA	**145,231**	**150,379**	**164,325**
	O	139,223	150,701	160,725
Total Trust funds National Endowment for the Humanities	BA	**10,201**	**11,400**	**13,320**
	O	8,319	11,400	13,320
National Institute of Building Sciences				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**750**	**750**	**625**
Outlays	O	750	750	625
National Labor Relations Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**102,762**	**108,050**	**118,265**
			[D] **4,623**	
Indefinite	BA		[A] **1,200**	
Outlays	O	97,400	111,544	117,082
			[A] 1,182	[A] 18
Summary				
Federal funds:				
(As shown in detail above)	BA	**102,762**	**113,873**	**118,265**
	O	97,400	112,726	117,100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
National Labor Relations Board—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*−211*	*−226*	*−238*
Total National Labor Relations Board		BA	**102,551**	**113,647**	**118,027**
		0	97,189	112,500	116,862
National Mediation Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	505				
Appropriation, current		BA	**4,033**	**4,393**	**4,846**
				[D] **81**	
Outlays		0	3,652	4,190	4,417
Summary					
Federal funds:					
(As shown in detail above)		BA	**4,033**	**4,474**	**4,846**
		0	3,652	4,190	4,417
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*−7*	*−7*	*−17*
Total National Mediation Board		BA	**4,026**	**4,467**	**4,829**
		0	3,645	4,183	4,400
National Science Foundation					
Federal funds					
General and Special Funds:					
Research and related activities	251				
Appropriation, current		BA	**827,000**	**905,966**	.....
					[K] **1,056,800**
				[E] **840**	
Outlays		0	793,755	861,256	965,143
Scientific activities (special foreign currency program)	251				
Appropriation, current		BA	**4,000**	**5,500**	.....
					[K] **5,500**
Outlays		0	4,706	6,000	6,000
Science education activities	251				
Appropriation, current		BA	**80,000**	**78,200**	.....
					[K] **85,700**
Outlays		0	67,980	75,252	76,057
Intragovernmental Funds:					
Consolidated working fund	251				
Outlays		0	1,596	371	.....
Trust funds					
Donations	251				
Appropriation, permanent, indefinite		BA	**3,133**	**5,200**	**5,200**
Outlays		0	2,151	4,500	5,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
National Science Foundation—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**911,000**	**990,506**	**1,148,000**
		O	868,037	942,879	1,047,200
Deductions for offsetting receipts:					
Proprietary receipts from the public	250	BA			
		O	*—510*	*—270*	*—270*
	902	BA			
		O	*—31*	*—30*	*—30*
Total Federal funds		BA	**910,459**	**990,206**	**1,147,700**
		O	867,496	942,579	1,046,900
Trust funds:					
(As shown in detail above)		BA	**3,133**	**5,200**	**5,200**
		O	2,151	4,500	5,000
Total National Science Foundation		BA	**913,592**	**995,406**	**1,152,900**
		O	869,647	947,079	1,051,900
National Transportation Safety Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	407				
Appropriation, current		BA	**16,080**	**16,782**	**18,223**
				D 600	
Outlays		O	15,484	16,935	17,836
Trust funds					
Donations	407				
Outlays		O	39	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**16,080**	**17,382**	**18,223**
		O	15,484	16,935	17,836
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		O	*—8*	*—29*	*—30*
Total Federal funds		BA	**16,072**	**17,353**	**18,193**
		O	15,476	16,906	17,806
Trust funds:					
(As shown in detail above)		O	39	.....	.....
Total National Transportation Safety Board		BA	**16,072**	**17,353**	**18,193**
		O	15,515	16,906	17,806

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Neighborhood Reinvestment Corporation					
Federal funds					
General and Special Funds:					
Payment to the Neighborhood Reinvestment Corporation	451				
Appropriation, current		BA		**12,000**	
					[K] **13,426**
Outlays		0		12,000	13,426
Nuclear Regulatory Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	276				
Appropriation, current		BA	**326,601**	**363,340**	
					[K] **468,490**
				[D] **4,810**	
				[W] **49,200**	
Outlays		0	309,494	301,480	432,830
				[W] 6,000	[W] 43,200
Summary					
Federal funds:					
(As shown in detail above)		BA	**326,601**	**417,350**	**468,490**
		0	309,494	307,480	476,030
Deductions for offsetting receipts:					
Proprietary receipts from the public	270	BA			
		0	*—18*		
Total Nuclear Regulatory Commission		BA	**326,583**	**417,350**	**468,490**
		0	309,476	307,480	476,030
Occupational Safety and Health Review Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**7,658**	**7,550**	**8,020**
Outlays		0	7,118	7,330	7,800
Office of the Federal Inspector for the Alaska Natural Gas Transportation System					
Federal funds					
General and Special Funds:					
Salaries and expenses	276				
Appropriation, current		BA	**320**	**10,600**	**26,000**
				[D] **208**	
Outlays		0	81	9,198	24,510

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Office of Personnel Management					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	113,904	113,939	123,513
				[D] 5,366	
Outlays		0	115,330	122,344	123,634
Limitation payable under trust funds			(33,439)	(33,659)	(38,263)
				[D] (1,650)	
Government payment for annuitants, employees health benefits	551				
Appropriation, current		BA	606,035	626,509	757,617
Outlays		0	554,049	666,463	769,649
Payment to civil service retirement and disability fund	805				
Appropriation, current		BA	2,440,638	2,411,104	2,784,767
				[A] 376,754	
Appropriation, permanent, indefinite		BA	6,378,300	7,867,984	8,795,088
Outlays		0	8,818,938	10,279,088	11,579,855
				[A] 376,754	
Intergovernmental personnel assistance	806				
Appropriation, current		BA	20,000	20,000	20,000
Outlays		0	18,991	18,000	20,000
Intragovernmental Funds:					
Revolving fund	805				
Outlays		0	−2,288	255	320
Joint grants management fund	805				
Outlays		0	−132	132	.....
Trust funds					
Civil service retirement and disability fund	602				
Appropriation, current		BA		[A] 376,754	
Appropriation, permanent, indefinite		BA	20,264,685	23,388,492	25,858,490
Outlays		0	12,418,103	14,546,711	16,917,338
Employees health benefits fund	551				
Outlays		0	−113,191	−29,876	−45,623
Employees life insurance fund	602				
Outlays		0	−309,413	−358,818	−373,979
					[J] 22,000
Retired employees health benefits fund	551				
Outlays		0	4,502	1,715	283
Summary					
Federal funds:					
(As shown in detail above)		BA	9,558,877	11,421,656	12,480,985
		0	9,504,888	11,463,036	12,493,458
Deductions for offsetting receipts:					
Proprietary receipts from the public	800	BA	*−1,167*	*−1,140*	*−1,140*
		0			
	902	BA	*−5*	*−5*	*−5*
		0			
Total Federal funds		BA	9,557,705	11,420,511	12,479,840
		0	9,503,716	11,461,891	12,492,313

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Office of Personnel Management—Con.					
Trust funds:					
(As shown in detail above)		BA	**20,264,685**	**23,765,246**	**25,858,490**
		0	12,000,001	14,159,732	16,520,019
Deductions for offsetting receipts:					
Intrafund transactions	602	BA			
		0	*—8,581*	*—9,000*	*—9,400*
Total Trust funds		BA	**20,256,104**	**23,756,246**	**25,849,090**
		0	11,991,420	14,150,732	16,510,619
Interfund transactions	602	BA			
		0	**—22,330**	**—23,000**	**—23,000**
	805	BA			
		0	**—8,818,938**	**—10,655,842**	**—11,579,855**
Total Office of Personnel Management		BA	**20,972,541**	**24,497,915**	**26,726,075**
		0	12,653,868	14,933,781	17,400,077
Panama Canal Commission					
Federal funds					
General and Special Funds:					
Panama Canal Commission	403				
Appropriation, current		BA	.....	**463,887**	.....
					[K] **394,453**
Outlays		0	.....	411,324	393,170
Summary					
Federal funds:					
(As shown in detail above)		BA	.....	**463,887**	**394,453**
		0	.....	411,324	393,170
Deductions for offsetting receipts:					
Intrafund transactions	403	BA			
		0	.....	*—71,216*	.....
Proprietary receipts from the public	403	BA			
		0	.....	*—392,671*	*—407,557*
	800	BA			
		0	.....	*—5,152*	*—2,556*
Total Panama Canal Commission		BA	.....	**—5,152**	**—15,660**
		0	.....	—57,715	—16,943
Pennsylvania Avenue Development Corporation					
Federal funds					
General and Special Funds:					
Salaries and expenses	451				
Appropriation, current		BA	**1,659**	**1,856**	**2,748**
				[A] **25**	
				[D] **78**	
Outlays		0	1,603	1,839	2,592
				[A] 24	[A] 1

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
Pennsylvania Avenue Development Corporation—Con.				
Public development 451				
Appropriation, current	BA	**30,255**	**20,110**	**14,169**
			[A] 500	
Outlays	0	10,674	24,010	16,461
			[A] 300	[A] 200
Public Enterprise Funds:				
Land acquisition and development fund 451				
Authority to borrow, current	BA	**33,000**	**17,000**	**17,500**
				[K] 3,500
Outlays	0	16,666	18,000	21,000
Trust funds				
Gifts and donations 451				
Appropriation, permanent	BA	.....	**2**	.....
Outlays	0	.....	.....	2
Total Federal funds Pennsylvania Avenue Development Corporation	BA	**64,914**	**39,569**	**37,917**
	0	28,943	44,173	40,254
Total Trust funds Pennsylvania Avenue Development Corporation	BA	.....	**2**	.....
	0	.....	.....	2
Postal Service				
Federal funds				
General and Special Funds:				
Payment to the Postal Service fund 372				
Appropriation, current	BA	**1,785,176**	**1,676,810**	**1,593,217**
Outlays	0	1,786,509	1,676,810	1,593,217
Railroad Retirement Board				
Federal funds				
General and Special Funds:				
Federal windfall payment to Railroad retirement account 601				
Appropriation, current	BA	**313,000**	**313,000**	**350,000**
Outlays	0	313,000	313,000	350,000
Regional rail transportation protective account 604				
Appropriation, current	BA	**81,516**	.....	.....
Outlays	0	71,650	28,338	.....
Milwaukee railroad restructuring, administration 603				
Appropriation, current	BA		[A] 750	
Outlays	0		[A] 298	[A] 119
Trust funds				
Railroad retirement account 601				
Appropriation, current, indefinite	BA			[J] 273,500
Appropriation, permanent, indefinite	BA	**4,201,462**	**4,440,000**	**4,769,000**
Outlays	0	4,278,934	4,748,255	5,226,748
				[J] —70,200
Limitation on administration		(34,103)	(39,230)	(36,723)

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Railroad Retirement Board—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**394,516**	**313,750**	**350,000**
		O	384,650	341,636	350,119
Deductions for offsetting receipts:					
Proprietary receipts from the public	600	BA			
		O	*21*	.....	.....
Total Federal funds		BA	**394,537**	**313,750**	**350,000**
		O	384,671	341,636	350,119
Trust funds:					
(As shown in detail above)		BA	**4,201,462**	**4,440,000**	**5,042,500**
		O	4,278,934	4,748,255	5,156,548
Deductions for offsetting receipts:					
Intrafund transactions	902	BA			
		O	*14,794*	*18,000*	*22,000*
Total Trust funds		BA	**4,216,256**	**4,458,000**	**5,064,500**
		O	4,293,728	4,766,255	5,178,548
Interfund transactions	601	BA			
		O	**—313,000**	**—313,000**	**—350,000**
Total Railroad Retirement Board		BA	**4,297,793**	**4,458,750**	**5,064,500**
		O	4,365,399	4,794,891	5,178,667
Renegotiation Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	054				
Appropriation, current		BA	**5,260**	.....	.....
Outlays		O	4,006	202	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**5,260**	.....	.....
		O	4,006	202	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	050	BA			
		O	*—1*	.....	.....
Total Renegotiation Board		BA	**5,259**	.....	.....
		O	4,005	202	.....
Securities and Exchange Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**67,100**	**68,986**	.....
					[K] **77,150**
Outlays		O	66,005	[D] **3,879** 74,361	76,719

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Securities and Exchange Commission—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**67,100**	**72,865**	**77,150**
		0	66,005	74,361	76,719
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*−25*	*−5*	*−5*
Total Securities and Exchange Commission		BA	**67,075**	**72,860**	**77,145**
		0	65,980	74,356	76,714
Selective Service System					
Federal funds					
General and Special Funds:					
Salaries and expenses	054				
Appropriation, current		BA	**7,830**	**7,830**	**10,982**
				[A] **1,395**	
				[D] **151**	
				[E] **270**	
Outlays		0	7,245	8,243	10,782
				[A] 1,145	[A] 250
Summary					
Federal funds:					
(As shown in detail above)		BA	**7,830**	**9,646**	**10,982**
		0	7,245	9,388	11,032
Deductions for offsetting receipts:					
Proprietary receipts from the public	054	BA			
		0	*−1*	.....	.....
Total Selective Service System		BA	**7,829**	**9,646**	**10,982**
		0	7,244	9,388	11,032
Small Business Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**195,731**	**198,950**	**224,645**
				[D] **8,300**	
Outlays		0	181,880	207,250	224,645
White House Conference on Small Business	376				
Appropriation, current		BA	**4,000**	.....	.....
Outlays		0	1,701	2,299	.....
Public Enterprise Funds:					
Business loan and investment fund	376				
Appropriation, current		BA	**520,500**	**565,000**	**682,000**
Outlays		0	471,045	484,000	613,000
Disaster loan fund	453				
Appropriation, current		BA	**1,235,000**	**43,350**	**180,000**
Appropriation, permanent, indefinite		BA	**264**	**650**	**650**
Outlays		0	957,338	626,000	200,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Small Business Administration—Con.					
Lease guarantees revolving fund	376				
Appropriation, current		BA	**4,000**	**4,000**	**4,000**
Outlays		0	2,546	3,300	3,300
Surety bond guarantees revolving fund	376				
Appropriation, current		BA	**35,000**	.....	**30,000**
Outlays		0	19,284	25,000	31,000
Pollution control equipment contract guarantee revolving fund	376				
Outlays		0	−2,631	−2,600	−2,600
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,994,495**	**820,250**	**1,121,295**
		0	1,631,163	1,345,249	1,069,345
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*−21*	.....	.....
Total Small Business Administration		BA	**1,994,474**	**820,250**	**1,121,295**
		0	1,631,142	1,345,249	1,069,345
Smithsonian Institution					
Federal funds					
General and Special Funds:					
Salaries and expenses	503				
Appropriation, current		BA	**98,202**	**103,781** [c] **858** [d] **3,916**	**120,312**
Outlays		0	99,138	107,652	119,148
Museum programs and related research (special foreign currency program)	503				
Appropriation, current		BA	**3,700**	**4,200**	**4,450**
Outlays		0	3,619	3,797	3,765
Science information exchange	251				
Appropriation, current		BA	**2,063**	.....	.....
Outlays		0	2,037	.....	.....
Construction and improvements, National Zoological Park	503				
Appropriation, current		BA	**3,900**	**6,250**	**3,290**
Outlays		0	3,222	4,817	4,756
Restoration and renovation of buildings	503				
Appropriation, current		BA	**2,100**	**5,250**	**8,839**
Outlays		0	3,588	5,077	7,490
Construction	503				
Appropriation, current		BA	**575**	**20,600**	**500**
Outlays		0	482	6,181	14,357
Salaries and expenses, National Gallery of Art	503				
Appropriation, current		BA	**19,041**	**22,241** [c] **141** [d] **391**	**24,736**
Outlays		0	19,050	22,635	24,316

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Smithsonian Institution—Con.					
Salaries and expenses, Woodrow Wilson International Center for Scholars	503				
Appropriation, current		BA	**1,588**	**1,611** D 13	**1,807**
Outlays		O	1,037	1,624	1,807
Trust funds					
Smithsonian Institution trust funds	251				
Appropriation, permanent		BA	**63**	**70**	**70**
Outlays		O	69	72	74
Summary					
Federal funds:					
(As shown in detail above)		BA	**131,169**	**169,252**	**163,934**
		O	132,173	151,783	175,639
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		O	*—60*	*—74*	*—74*
Total Federal funds		BA	**131,109**	**169,178**	**163,860**
		O	132,113	151,709	175,565
Trust funds:					
(As shown in detail above)		BA	**63**	**70**	**70**
		O	69	72	74
Total Smithsonian Institution		BA	**131,172**	**169,248**	**163,930**
		O	132,182	151,781	175,639
Temporary Study Commissions					
Joint Federal-State Land Use Planning Commission for Alaska					
Federal funds					
General and Special Funds:					
Salaries and expenses	452				
Appropriation, current		BA	**594**	.....	.....
Outlays		O	551	110	.....
Trust funds					
Cooperative funds	452				
Appropriation, permanent, indefinite		BA	**630**	.....	.....
Outlays		O	432	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**594**	.....	.....
		O	551	110	.....
Trust funds:					
(As shown in detail above)		BA	**630**	.....	.....
		O	432	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Temporary Study Commissions—Con.					
Joint Federal-State Land Use Planning Commission for Alaska—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	452	BA			
		0	*—630*	.....	.....
Total Trust funds		0	—198	.....	.....
Total Joint Federal-State Land Use Planning Commission for Alaska		BA	**594**	.....	.....
		0	353	110	.....
Other Temporary Commissions					
Federal funds					
General and Special Funds:					
Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses	805				
Appropriation, current		BA		[B] **160**	
Outlays		0	.....	14	.....
				[B] 115	[B] 45
Commission on Federal Paperwork: Salaries and Expenses	804				
Outlays		0	2	133	.....
National Alcohol Fuels Commission: Salaries and expenses	271				
Appropriation, current		BA	**1,500**	**1,500**	.....
Outlays		0	.....	1,900	1,000
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance: Salaries and expense	751				
Outlays		0	.....	—2	.....
National Commission on Air Quality: Salaries and expenses	304				
Appropriation, current		BA	**2,000**	**5,500**	.....
					[K] **2,500**
Outlays		0	482	5,500	3,500
National Commission on Electronic Fund Transfers: Salaries and expenses	376				
Outlays		0	1	1	.....
National Commission on Social Security: Salaries and expenses	601				
Appropriation, current		BA	**2,500**	.....	.....
Outlays		0	306	1,700	494
National Transportation Policy Study Commission: Salaries and expenses	407				
Appropriation, current		BA	.....	**66**	.....
Outlays		0	2,128	252	.....
National Study Commission on Records and Documents of Federal Officials: Salaries and expenses	804				
Outlays		0	2	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.				
Temporary Study Commissions—Con.				
Other Temporary Commissions—Con.				
Navajo and Hopi Indian Relocation Commission: Salaries and expenses 806				
Appropriation, current	BA	8,752	950	1,000
				[K] 192
			[B] 200	
			[D] 41	
Outlays	0	4,338	8,040	8,201
			[B] 200	
President's Commission for the Study of Ethical Problems in Medicine: Salaries and expenses 551				
Appropriation, current	BA	.....	.....	2,054
Outlays	0	.....	.....	1,438
President's Commission on Pension Policy: Salaries and expenses 601				
Appropriation, current	BA	.....	2,000	.....
Outlays	0	.....	900	1,000
Presidential Commission on World Hunger: Salaries and expenses 806				
Appropriation, current	BA	1,300	975	.....
Outlays	0	716	1,198	100
Select Commission on Immigration and Refugee Policy: Salaries and expenses 751				
Appropriation, current	BA	224	1,600	431
Outlays	0	42	1,696	517
Total Federal funds Other Temporary Commissions	BA	16,276	12,992	6,177
	0	8,017	21,647	16,295
National Commission on the International Year of the Child				
Federal funds				
General and Special Funds:				
Salaries and expenses 506				
Appropriation, current	BA	685	.....	.....
Outlays	0	50	636	.....
Trust funds				
Contributions 506				
Outlays	0	−57	57	.....
National Commission on the Observance of International Women's Year, 1975				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Outlays	0	81	19	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Temporary Study Commissions—Con.					
National Commission on the Observance of International Women's Year, 1975—Con.					
Trust funds					
Contributions	806				
Outlays		0	1	.....	.....
Total Federal funds Temporary Study Commissions		BA	**17,555**	**12,992**	**6,177**
		0	8,699	22,412	16,295
Total Trust funds Temporary Study Commissions.		0	—254	57	.....
Tennessee Valley Authority					
Federal funds					
Public Enterprise Funds:					
Tennessee Valley Authority fund:					
(Energy supply)	271				
(Authority to borrow, current)		BA	.....	**15,000,000**	.....
(Outlays)		0	1,752,479	1,800,000	2,000,000
(Area and regional development)	452				
(Appropriation, current)		BA	**154,531**	**148,677**	**145,500**
				[A] **20,753**	
(Outlays)		0	131,686	165,000	156,000
				[A] 12,753	[A] 8,000
Total Tennessee Valley Authority fund		BA	**154,531**	**15,169,430**	**145,500**
		0	1,884,165	1,977,753	2,164,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**154,531**	**15,169,430**	**145,500**
		0	1,884,165	1,977,753	2,164,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	270	BA			
		0	*—24*	*—22*	*—22*
Total Tennessee Valley Authority		BA	**154,507**	**15,169,408**	**145,478**
		0	1,884,141	1,977,731	2,163,978
United States Metric Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**1,575**	**2,474**	**3,841**
				[D] **73**	
Outlays		0	1,472	2,320	3,376
Trust funds					
Gifts and donations	376				
Appropriation, permanent, indefinite		BA	.....	**8**	**8**
Outlays		0	—3	5	8

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
United States Railway Association					
Federal funds					
General and Special Funds:					
Administrative expenses	401				
Appropriation, current		BA	**27,200**	**23,900**	.....
					[K] **29,500**
				[A] **4,600**	
Outlays		0	28,850	24,000	28,400
				[A] 4,000	[A] 600
Payments for purchase of Conrail securities	401				
Appropriation, current		BA	**539,000**	**550,000**	**185,000**
Appropriation, permanent		BA	**136,000**	.....	.....
Outlays		0	708,300	641,000	185,000
Total Federal funds United States Railway Association		BA	**702,200**	**578,500**	**214,500**
		0	737,150	669,000	214,000
Water Resources Council					
Federal funds					
General and Special Funds:					
Water resources planning	301				
Appropriation, current		BA	**14,682**	**34,614**	.....
					[K] **45,326**
				[B] **986**	
Outlays		0	12,461	31,371	39,000
				[B] 979	[B] 7
Trust funds					
River Basin Commissions	301				
Appropriation, permanent, indefinite		BA	**9,246**	**10,967**	**10,562**
Outlays		0	7,132	15,052	11,795
Summary					
Federal funds:					
(As shown in detail above)		BA	**14,682**	**35,600**	**45,326**
		0	12,461	32,350	39,007
Trust funds:					
(As shown in detail above)		BA	**9,246**	**10,967**	**10,562**
		0	7,132	15,052	11,795
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—2,007*	*—1,467*	*—1,617*
Total Trust funds		BA	**7,239**	**9,500**	**8,945**
		0	5,125	13,585	10,178
Interfund transactions	301	BA			
		0	**—7,239**	**—9,500**	**—8,945**
Total Water Resources Council		BA	**14,682**	**35,600**	**45,326**
		0	10,347	36,435	40,240

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**20,636,398**	**40,569,069**	**30,347,465**
		O	21,009,348	26,283,597	25,502,837
Deductions for offsetting receipts:					
Intrafund transactions	054	BA	*—9,389*	.....	.....
		O			
	403	BA	.....	*—71,216*	.....
		O			
	902	BA	*—28*	.....	.....
		O			
Proprietary receipts from the public	050	BA	*—1*	.....	.....
		O			
	054	BA	*—73,498*	*—64,234*	*—60,000*
		O		[1] *—177,600*	[1] *—203,000*
	150	BA	*—1,155*	*—321*	*—321*
		O			
	250	BA	*—510*	*—270*	*—270*
		O			
	270	BA	*—42*	*—22*	*—22*
		O			
	350	BA	.....	*—2*	*—2*
		O			
	370	BA	*487*	*—73*	*—73*
		O			
	400	BA	*—12,442*	*—12,367*	*—485*
		O			
	403	BA	.....	*—392,671*	*—407,557*
		O			
	500	BA	*—294*	*—318*	*—340*
		O			
	550	BA	*—14*	*—7*	*—7*
		O			
	600	BA	*21*	.....	.....
		O			
	700	BA	*—3*	*—3*	*—3*
		O			
	750	BA	*—36*	*—33*	*—33*
		O			
	800	BA	*—34,239*	*—51,089*	*—48,860*
		O			
	806	BA	*—38*	*—35*	*—35*
		O			
	852	BA	*—22,346*	*—104,962*	*—25,780*
		O			
	902	BA	*—1,138*	*—536*	*—336*
		O			
Total Federal funds		BA	**20,481,733**	**39,693,310**	**29,600,341**
		O	20,854,683	25,407,838	24,755,713
Trust funds:					
(As shown in detail above)		BA	**24,495,779**	**28,240,363**	**30,938,317**
		O	15,083,945	17,495,817	20,212,953

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Other Independent Agencies—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Intrafund transactions	602	BA	*−8,581*	*−9,000*	*−9,400*
		O			
	902	BA	*14,794*	*18,000*	*22,000*
		O			
Proprietary receipts from the public	154	BA	*−249*	*−232*	*−232*
		O			
	301	BA	*−2,007*	*−1,467*	*−1,617*
		O			
	452	BA	*−2,475*	*−2,603*	*−2,700*
		O			
Total Trust funds		BA	**24,497,261**	**28,245,061**	**30,946,368**
		O	15,085,427	17,500,515	20,221,004
Interfund transactions	301	BA	**−7,239**	**−9,500**	**−8,945**
		O			
	452	BA	**−2,555**	**−2,603**	**−2,700**
		O			
	601	BA	**−313,000**	**−313,000**	**−350,000**
		O			
	602	BA	**−22,330**	**−23,000**	**−23,000**
		O			
	604	BA		[3] **−1,600,000**	
		O			
	805	BA	**−8,818,938**	**−10,655,842**	**−11,579,855**
		O			
Total Other Independent Agencies		BA	**35,814,932**	**55,334,426**	**48,582,209**
		O	26,776,048	30,304,408	33,012,217
Allowances					
Allowances for:					
Federal funds					
General and Special Funds:					
Civilian agency pay raises					
Appropriation, current		BA			[1] **1,115,000**
Outlays		O			[1] 1,070,000
Contingencies for:					
Relatively uncontrollable programs					
Appropriation, current		BA	.....	.....	**0**
Outlays		O	.....	.....	0
Other requirements					
Appropriation, current		BA		[1] **150,000**	[1] **2,000,000**
Outlays		O		[1] 100,000	[1] 1,500,000
Total Federal funds Allowances for:		BA	.....	**150,000**	**3,115,000**
		O	.....	100,000	2,570,000
Summary					
Federal funds:					
Total Allowances		BA	.....	**150,000**	**3,115,000**
		O	.....	100,000	2,570,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1979 actual	1980 estimate	1981 estimate
Budget Totals					
Federal funds:					
(As shown in detail above)		BA	**424,833,639**	**503,089,730**	**520,590,378**
		O	377,794,977	427,087,551	456,102,942
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions		BA	*—2,384,869*	*—3,308,852*	*—3,480,825*
		O			
Receipts from off-budget Federal agencies		BA	*—4,041,717*	*—6,374,356*	*—8,276,536*
		O			
Proprietary receipts from the public		BA	*—5,681,119*	*—6,704,795*	*—8,103,760*
		O			
		BA		*[1] —246,840*	*[1] —541,872*
		O			
(Undistributed by agency and function):					
Proprietary receipts from the public:					
Rents and royalties on the Outer Continental Shelf	953	BA	*—3,267,376*	*—4,800,000*	*—6,000,000*
		O			
Total deductions		BA	*—15,375,081*	*—21,434,843*	*—26,402,993*
		O			
Federal fund totals		BA	**409,458,558**	**481,654,887**	**494,187,385**
		O	362,419,896	405,652,708	429,699,949
Trust funds:					
(As shown in detail above)		BA	**199,928,733**	**231,119,702**	**264,080,134**
		O	183,908,561	216,731,384	248,249,058
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions		BA	*—1,489,842*	*—1,478,762*	*—1,553,119*
		O			
Proprietary receipts from the public		BA	*—9,717,954*	*—9,569,202*	*—10,786,434*
		O			
(Undistributed by agency and function):					
Receipts from off-budget Federal agencies:					
Employer share, employee retirement	951	BA	*—1,395,335*	*—1,573,873*	*—1,578,304*
		O			
Total deductions		BA	*—12,603,131*	*—12,621,837*	*—13,917,857*
		O			
Trust fund totals		BA	**187,325,602**	**218,497,865**	**250,162,277**
		O	171,305,430	204,109,547	234,331,201
Interfund transactions (—):					
Employer share, employee retirement	951	BA	**—3,875,624**	**—4,345,190**	**—4,582,518**
		O			
Interest received by trust funds	952	BA	**—9,949,965**	**—11,538,985**	**—12,426,765**
		O			

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Budget Totals—Con.				
	BA			[1] −531,000
	O			
Applied by agency above	BA	−26,226,316	−30,295,046	−30,729,745
	O			
Total interfund transactions	BA	−40,051,905	−46,179,221	−48,270,028
	O			
Budget totalsΔ	BA	556,732,255	653,973,531	696,079,634
	O	493,673,421	563,583,034	615,761,122

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1979 actual	1980 estimate	1981 estimate

Budget Totals—Continued

ΔBudget totals are distributed as follows:

	1980		1981	
	BA	Outlays	BA	Outlays
Federal funds:				
Enacted, pending and initial requests:				
Appropriations	468,718,748	412,322,386	509,464,720	446,175,033
Supplemental requests pending (W)	916,149	278,136	.....	308,541
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (A)	7,137,309	6,745,672	.....	511,808
Needs authorizing legislation (B)	3,377,979	3,119,221	.....	299,087
Pay:				
Wage-board pay raises (C)	390,451	375,505	.....	15,163
Civilian pay raises (D)	1,854,671	1,803,934	.....	72,022
Military pay raises (E)	1,801,995	1,801,857	.....	138
Rescission proposals (H)	−122,218	−30,506	.....	−36,592
To be proposed separately:				
Under proposed legislation (J)	18,864,646	571,346	6,163,940	4,368,542
Allowances	150,000	100,000	4,961,718	4,389,200
Deductions for offsetting receipts	−21,188,003	−21,188,003	−25,861,121	−25,861,121
Under proposed legislation (J)	−246,840	−246,840	−541,872	−541,872
Total Federal funds	481,654,887	405,652,708	494,187,385	429,699,949
Trust funds:				
Enacted, pending and initial requests:				
Appropriations	227,099,388	214,075,216	259,031,534	245,783,383
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (A)	876,684	809,332	.....	36,245
Pay:				
Wage-board pay raises (C)	432	422	.....	10
Civilian pay raises (D)	1,098	1,088	.....	10
To be proposed separately:				
Under proposed legislation (J)	3,142,100	1,845,326	5,048,600	2,429,410
Deductions for offsetting receipts	−12,621,837	−12,621,837	−13,917,857	−13,917,857
Total Trust funds	218,497,865	204,109,547	250,162,277	234,331,201
Interfund transactions (−)	−46,179,221	−46,179,221	−48,270,028	−48,270,028
Budget totals	653,973,531	563,583,034	696,079,634	615,761,122

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
Off-Budget Federal Entities				
Department of Agriculture				
Federal funds				
Public Enterprise Funds:				
Rural electrification and telephone revolving fund 271				
Authority to borrow, permanent	BA	133,960	.....	.....
Outlays	0	−3,760	.....	.....
Rural telephone bank 452				
Appropriation, current	BA	30,000	30,000	22,500
Authority to borrow, permanent, indefinite	BA	75,886	125,569	127,757
Outlays	0	100,719	150,078	144,293
Total Federal funds Department of Agriculture	BA	239,846	155,569	150,257
	0	96,959	150,078	144,293
Department of Labor				
Federal funds				
Public Enterprise Funds:				
Pension Benefit Guaranty Corporation 601				
Outlays	0	−38,848	−37,336	−46,026
				1,742
Department of Treasury				
Federal funds				
Intragovernmental Funds:				
Federal Financing Bank 374				
Authority to borrow, permanent, indefinite	BA	16,049,908	22,006,406	23,936,786
Outlays	0	13,171,947	16,407,826	16,315,828
Postal Service				
Federal funds				
Public Enterprise Funds:				
Postal Service 372				
Outlays	0	−890,748	177,543	1,605,671
United States Railway Association				
Federal funds				
Public Enterprise Funds:				
Regional rail reorganization program 401				
Authority to borrow, permanent, indefinite	BA	58,880	67,625	71,000
Outlays	0	88,938	67,625	68,000
Summary				
Federal funds:				
(As shown in detail above)	BA	16,348,634	22,229,600	24,158,043
	0	12,428,248	16,765,736	18,089,508
Budget totals	BA	556,732,255	653,973,531	696,079,634
	0	493,673,421	563,583,034	615,761,122
Total, including off-budget entities	BA	573,080,889	676,203,131	720,237,677
	0	506,101,669	580,348,770	633,850,630

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
MEMORANDUM: Attribution of Federal Financing Bank Outlays [L]				
Department of the Treasury				
Federal Financing Bank				
Federal funds				
Intragovernmental Funds:				
Funds Appropriated to the President				
International Security Assistance:				
Foreign military credit sales fund	152			
Outlays		0	1,292,967	2,420,000	1,990,000
International Development Assistance:				
Overseas Private Investment Corporation	151			
Outlays		0	−4,333	−7,072	−7,255
Department of Agriculture				
Rural Electrification Administration:				
Rural electrification and telephone revolving funds [M]	271			
Outlays		0	2,320,428	4,159,500	4,745,200
Farmers Home Administration:				
Agricultural credit insurance fund	351			
Outlays		0	5,045,000	2,945,816	2,486,617
Rural housing insurance fund	371			
Outlays		0	2,930,000	1,851,780	4,888,825
Rural development insurance fund	452			
Outlays		0	830,000	992,131	1,074,558
Department of Education				
Students loan insurance fund [N]	502			
Outlays		0	530,000	670,000	−215,000
Department of Health and Human Services				
Medical facilities guarantee and loan fund	551			
Outlays		0	−3,577	−4,161	−4,426
Health maintenance organization loan and loan guarantee fund	551			
Outlays		0	20,341	114,243	138,363
Department of Housing and Urban Development				
Housing Programs:				
Low-rent public housing—loans and other expenses	604			
Outlays		0	.....	1,556,704	−49,883
Community Planning and Development:				
Community development grants	451			
Outlays		0	5,393	162,498	263,500
New Communities Development Corporation:				
New communities fund	451			
Outlays		0	.....	−5,000	.....
Department of the Interior				
Territorial Affairs:				
Administration of territories	806			
Outlays		0	−229	9,000	−37,500
Department of Transportation				
Federal Railroad Administration:				
Rail service assistance	401			
Outlays		0	20,100	142,025	111,011

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1979 actual	1980 estimate	1981 estimate
MEMORANDUM: Attribution of Federal Financing Bank Outlays [L]—Con.				
Department of the Treasury—Con.				
Federal Financing Bank—Con.				
Grants to National Railroad Passenger Corporation	401			
Outlays		0	−102,087	84,600	−44,700
Railroad rehabilitation and improvement financing funds	401			
Outlays		0	56,661	78,544	174,198
Department of the Treasury				
Federal Financing Bank [P]	374			
Outlays		0	−110,035	158,842	71,720
National Aeronautics and Space Administration				
Research and development	255			
Outlays		0	183,775	131,900	101,100
Other Independent Agencies				
Export-Import Bank of the United States:				
Export-Import Bank of the United States	155			
Outlays		0	.....	50,000	350,000
General Services Administration:				
Federal buildings fund	804			
Outlays		0	89,537	43,479	97,500
Small Business Administration:				
Business loan and investment fund	376			
Outlays		0	68,006	168,997	166,000
Tennessee Valley Authority:				
Tennessee Valley Authority fund	271			
Outlays		0	.....	684,000	16,000
Total, Federal Financing Bank		0	13,171,947	16,407,826	16,315,828

[A] Supplemental under existing legislation.
[B] Supplemental. Additional authorizing legislation reguired
[C] Supplemental now requested, wage-board pay raises.
[D] Supplemental now requested, civilian pay raises.
[E] Supplemental now requested, military pay raises.
[F] Proposed transfer to other accounts for pay raises (−)
[G] Proposed transfer from other accounts for pay raises.
[H] Rescission pending.
[I] Proposed for later transmittal under existing legislation.
[J] Proposed for later transmittal under proposed legislation.
[K] Additional authorizing legislation required.
[L] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.
[M] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).
[N] Guaranteed for Government-sponsored enterprise (Student Loan Marketing Association).
[P] Miscellaneous outlays not attributed to any single program.
[W] Supplemental pending.

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PART 9

SUMMARY TABLES

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EXPLANATORY NOTE RELATING TO THE SUMMARY TABLES

Types of tables.—This part of the budget consists of tables as follows:

- Tables 1 through 9 are short summary tables of the budget.
- Tables 10 through 13 provide greater detail in support of financial data in the first three tables.
- Table 14 presents 5-year projections of the estimated costs of proposed legislation pursuant to section 221(a) of the Legislative Reorganization Act of 1970.
- Tables 15 and 16 provide detailed information on direct loan and loan guarantee activity within the Federal credit control system.
- Tables 17 through 23 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also giving information on the national income accounts, the gross national product over a longer period, and the budget in constant (fiscal year 1972) prices.

Periods covered.—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns or stub entries:

- July 1 through June 30 for the 1976 and prior fiscal periods.
- July 1 through September 30, 1976, for the transition quarter (TQ).
- October 1 through September 30 for the 1977 and subsequent fiscal periods.

Concepts followed.—The concepts used in the current and historical tables are discussed in Part 7 of this volume. Budget authority and outlays for off-budget Federal entities are included in selected tables.

Other sources of summary data.—The Special Analyses volume presents data covering alternative views of the budget and Government finances and operations as a whole. These include the current services estimates; a comparison of budget totals with the Federal sector of the national income accounts; selected data on Federal and trust funds; information that distinguishes between outlays of a "capital" nature and outlays for operating purposes; a description of current developments and past trends in Federal borrowing and debt; discussions on direct loans, guarantees of private loans, and loans of Government-sponsored enterprises; a discussion of tax expenditures included in the budget; information on Federal grants to State and local governments; and information on civilian employment in the executive branch.

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Table 1. **BUDGET SUMMARY**

(In millions of dollars)

Description	1979 actual	1980 estimate	1981 estimate
THE BUDGET			
Budget authority (largely appropriations):			
Available through current action by Congress:			
Enacted and pending	360,136	378,482	.....
Proposed in this budget	.....	15,318	416,718
To be requested separately	.....	22,157	16,174
Available without current action by Congress	264,626	318,253	351,778
Deductions for offsetting receipts [1]	−68,030	−80,236	−88,591
Total budget authority [2]	**556,732**	**653,974**	**696,080**
Budget authority, off-budget Federal entities	(16,349)	(22,230)	(24,158)
Budget authority including off-budget Federal entities	(573,081)	(676,203)	(720,238)
Receipts, outlays, and surplus or deficit:			
Receipts:			
Total budget receipts	**465,940**	**523,829**	**599,988**
Outlays:			
Total budget outlays [3]	**493,673**	**563,583**	**615,761**
Outlays, off-budget Federal entities	(12,428)	(16,766)	(18,090)
Outlays, including off-budget Federal entities	(506,102)	(580,349)	(633,851)
Surplus or deficit(−):			
Total budget deficit (−)	**−27,733**	**−39,754**	**−15,773**
Deficit, off-budget Federal entities	(−12,428)	(−16,766)	(−18,090)
Total deficit (−)	(−40,162)	(−56,519)	(−33,862)
THE CREDIT BUDGET [4]			
New obligations and commitments:			
New direct loan obligations:			
On-budget	33,917	36,358	35,400
Off-budget	17,479	23,311	25,253
New loan guarantee commitments [5]	74,692	75,190	81,398
Total	**126,088**	**134,859**	**142,051**
Net new loans and loan guarantees:			
Net new direct loans:			
On-budget	5,048	5,539	−629
Off-budget	13,643	16,639	16,615
Net new loan guarantees [5]	18,965	24,652	30,898
Total	**37,656**	**46,830**	**46,884**
FEDERAL DEBT			
	1978 actual		
Debt outstanding, end of period:			
Gross Federal debt	780,425	833,751	892,812	939,357
Held by:				
Government agencies	169,477	189,162	203,923	217,368
The public	610,948	644,589	688,889	721,989
Federal Reserve System	115,480	115,594		
Others	495,468	528,996		

[1] These consist of intragovernmental transactions and proprietary receipts from the public.

[2] Extensions of availability of unobligated balances that would otherwise expire at the end of a fiscal year are now treated as reappropriations and counted as new budget authority in the period into which they are extended.

[3] Net gains and losses, proceeds and reductions from the transactions of the Exchange stabilization fund are now included in the budget (past year only).

[4] The amounts shown below are consistent with the concepts and definitions used in the Federal credit program control system that is being introduced this year. They measure the net lending and loan guarantees covered by the credit control system. (See the introduction to Part 5 of the Budget for a discussion of these concepts and of the coverage of the credit control system.)

[5] To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed and guarantees (or commitments) by one Government account of direct loans made by another Government account.

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Table 2. **BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY**

(In millions of dollars)

Description	1979 actual	1980 estimate	1981 estimate
Budget receipts by source:			
Individual income taxes	217,841	238,717	274,367
Corporation income taxes	65,677	72,303	71,574
Social insurance taxes and contributions	141,591	162,181	187,397
Excise taxes	18,745	26,333	40,209
Estate and gift taxes	5,411	5,777	5,938
Customs duties	7,439	7,600	8,403
Miscellaneous receipts	9,237	10,919	12,100
Total budget receipts	**465,940**	**523,829**	**599,988**
Budget outlays by function:			
National defense [1]	117,681	130,368	146,241
International affairs	6,091	10,401	9,612
General science, space, and technology	5,041	5,889	6,442
Energy	6,856	7,751	8,107
Natural resources and environment	12,091	12,776	12,819
Agriculture	6,238	4,636	2,802
Commerce and housing credit	2,565	5,476	712
Transportation	17,459	19,631	20,159
Community and regional development	9,482	8,467	8,820
Education, training, employment, and social services	29,685	30,654	31,989
Health	49,614	56,563	62,449
Income security	160,198	190,948	219,982
(Social security)	(102,595)	(117,913)	(136,921)
(Other)	(57,604)	(73,037)	(83,063)
Veterans benefits and services	19,928	20,766	21,731
Administration of justice	4,153	4,530	4,699
General government	4,153	4,885	4,931
General purpose fiscal assistance	8,372	8,670	9,617
Interest	52,556	63,330	67,197
Allowances [2]	.....	100	2,570
Undistributed offsetting receipts	−18,488	−22,258	−25,119
Total budget outlays	**493,673**	**563,583**	**615,761**
Budget surplus or deficit (−)	−27,733	−39,754	−15,773
Budget authority by function:			
National defense [1]	127,809	141,632	161,770
International affairs	8,688	13,050	16,939
General science, space, and technology	5,377	6,164	6,866
Energy	7,382	41,461	7,408
Natural resources and environment	13,207	12,687	13,306
Agriculture	9,346	4,998	5,460
Commerce and housing credit	5,921	10,172	5,912
Transportation	19,204	21,009	23,618
Community and regional development	9,969	8,950	9,840
Education, training, employment, and social services	32,565	31,207	34,815
Health	53,908	60,033	71,546
Income security	191,880	222,127	251,451
(Social security)	(100,612)	(115,465)	(131,119)
(Other)	(91,270)	(106,664)	(120,334)
Veterans benefits and services	20,495	21,205	22,716
Administration of justice	4,234	4,415	4,689
General government	4,395	4,906	4,946
General purpose fiscal assistance	8,285	8,737	9,606
Interest	52,554	63,329	67,197
Allowances [2]	.....	150	3,115
Undistributed offsetting receipts	−18,488	−22,258	−25,119
Total budget authority	**556,732**	**653,974**	**696,080**

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

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Table 3. **BUDGET AUTHORITY AND OUTLAYS BY AGENCY**
(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1979 actual	1980 estimate	1981 estimate	1979 actual	1980 estimate	1981 estimate
Legislative branch	1,109	1,294	1,304	1,077	1,331	1,318
The Judiciary	520	624	655	480	623	649
Executive Office of the President	82	101	107	80	100	105
Funds appropriated to the President	5,921	13,031	11,355	2,623	9,505	9,263
Agriculture	24,544	24,684	24,622	20,636	23,624	20,084
Commerce	2,595	3,683	3,421	4,072	3,561	3,416
Defense—Military [1]	125,004	138,635	158,155	115,013	127,400	142,700
Defense—Civil	2,797	2,889	3,046	2,908	3,230	3,052
Education [2]	12,635	13,887	15,482	10,879	12,864	13,479
Energy	10,325	10,467	10,170	7,893	7,681	8,689
Health and Human Services [3]	172,805	195,411	222,949	170,303	193,745	219,333
Housing and Urban Development	31,135	35,687	40,408	9,213	11,636	11,776
Interior	4,685	4,649	4,704	4,087	4,219	4,242
Justice	2,494	2,454	2,654	2,522	2,563	2,672
Labor	28,619	28,051	32,970	22,649	27,503	31,795
State	1,732	2,094	2,343	1,548	1,971	2,171
Transportation	17,237	17,842	20,503	15,486	17,347	17,873
Treasury	64,749	94,139	80,895	65,044	75,826	80,348
Environmental Protection Agency	5,402	4,686	5,341	4,800	4,984	5,197
National Aeronautics and Space Administration	4,549	5,267	5,734	4,187	5,011	5,437
Veterans Administration	20,467	21,171	22,684	19,887	20,711	21,697
Other independent agencies [4]	35,815	55,334	48,582	26,776	30,304	33,012
Allowances [5]	.....	150	3,115	.....	100	2,570
Undistributed offsetting receipts:						
Employer share, employee retirement	−5,271	−5,919	−6,161	−5,271	−5,919	−6,161
Interest received by trust funds	−9,950	−11,539	−12,958	−9,950	−11,539	−12,958
Rents and royalties on the Outer Continental Shelf lands	−3,267	−4,800	−6,000	−3,267	−4,800	−6,000
Total budget authority and outlays	**556,732**	**653,974**	**696,080**	**493,673**	**563,583**	**615,761**
MEMORANDUM						
Portion available through current action by Congress	360,136	415,957	432,892	213,741	233,519	254,287
Portion available without current action by Congress	264,626	318,253	351,778	187,374	229,739	266,429
Outlays from obligated balances [6]	.....	.....	.....	109,519	129,750	142,900
Outlays from unobligated balances [6]	.....	.....	.....	51,070	50,811	40,736
Deductions for offsetting receipts:						
Intragovernmental transactions	−49,364	−58,915	−63,159	−49,364	−58,915	−63,159
Proprietary receipts from the public	−18,666	−21,321	−25,432	−18,666	−21,321	−25,432
Total budget authority and outlays	**556,732**	**653,974**	**696,080**	**493,673**	**563,583**	**615,761**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] This agency assumes the education activities previously performed by the Department of Health, Education, and Welfare (HEW).
[3] This agency, formerly part of the Department of Health, Education, and Welfare (HEW), has been designated the Department of Health and Human Services. It assumed the health and welfare activities of HEW.
[4] Includes budget authority and outlays of the General Services Administration formerly displayed separately.
[5] Includes allowances for civilian agency pay raises and contingencies.
[6] Outlays from appropriations to liquidate contract authority are included as outlays from balances.

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Table 4. **BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS**

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1979 actual	1980 estimate	1981 estimate	1979 actual	1980 estimate	1981 estimate
Legislative branch	1,114	1,283	1,294	913	1,113	1,160
The Judiciary	514	617	647	438	571	599
Executive Office of the President	82	101	107	69	89	93
Funds appropriated to the President	9,677	12,365	12,452	2,609	4,383	5,870
Agriculture	21,553	21,111	22,988	16,214	18,250	18.104
Commerce	2,307	3,375	3,049	1,158	1,667	1,331
Defense—Military [1]	124,871	139,216	158,715	83,480	89,448	101,160
Defense—Civil	2,886	2,906	3,065	1,932	2,245	2,370
Education [2]	12,631	13,883	15,475	2,520	3,814	3,283
Energy	10,867	12,475	12,654	3,222	4,241	4,757
Health and Human Services [3]	48,980	52,696	57,221	37,921	40,619	42,417
Housing and Urban Development	30,532	33,607	39,351	1,095	996	1,108
Interior	4,984	4,978	5,159	2,589	2,740	2,833
Justice	2,510	2,464	2,665	1,743	1,889	1,970
Labor	13,927	12,221	14,769	9,968	9,316	11,153
State	1,581	1,912	2,149	1,251	1,539	1,668
Transportation	16,555	8,454	11,245	5,207	4,824	5,135
Treasury	10,741	28,674	11,677	10,335	10,385	11,266
Environmental Protection Agency	5,403	4,687	5,341	523	694	745
National Aeronautics and Space Administration	4,559	5,270	5,737	3,317	3,764	3,977
Veterans Administration	19,901	20,605	22,352	17,320	18,345	19,632
Other independent agencies [4]	13,962	32,906	21,664	9,917	12,486	11,137
Allowances [5]	.....	150	3,115	.....	100	2,520
Total budget authority and outlays from budget authority available through current action by Congress	**360,136**	**415,957**	**432,892**	**213,741**	**233,519**	**254,287**
MEMORANDUM						
Appropriations and outlays from appropriations to liquidate contract authority: [6]						
Agriculture	190	.....	.....	140	.....	.....
Commerce	250	301	348	250	301	348
Housing and Urban Development	4,465	8,269	7,127	2,593	3,118	3,635
Interior	.....	16	.....	.....	.....	.....
Transportation	9,644	9,573	10,263	5,139	6,305	7,217
Environmental Protection Agency	1,400	1,500	1,700	590	610	.....
Total appropriations and outlays from appropriations to liquidate contract authority	**15,949**	**19,658**	**19,437**	**8,712**	**10,334**	**11,200**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] This agency assumes the education activities previously performed by the Department of Health, Education, and Welfare (HEW).
[3] This agency, formerly part of the Department of Health, Education, and Welfare (HEW), has been designated the Department of Health and Human Services. It assumed the health and welfare activities of HEW.
[4] Includes budget authority and outlays of the General Services Administration formerly displayed separately.
[5] Includes allowances for civilian agency pay raises and contingencies.
[6] Excluded from budget authority and outlays above.

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Table 5. RELATION OF BUDGET AUTHORITY TO OUTLAYS

(In millions of dollars)

Description	1979 actual	1980 estimate	1981 estimate
Budget authority available through current action by Congress:			
Enacted, pending, or recommended herein:			
Appropriations [1]	320,734	347,551	373,857
Contract authority	31,850	26,670	32,847
Authority to borrow	7,121	18,460	7,653
Reappropriations and reauthorizations [2]	430	1,119	2,361
To be requested separately:			
Appropriations [1]	.....	21,857	15,721
Contract authority	.....	.....	−30
Authority to borrow	.....	300	483
Total budget authority available through current action by Congress (table 4)	**360,136**	**415,957**	**432,892**
Budget authority available without current action by Congress (permanent authorizations):			
Appropriations [3]	254,245	295,152	331,518
Contract authority	7,974	19,107	19,209
Authority to borrow	2,407	3,993	1,051
Deductions for offsetting receipts (table 11):			
Intragovernmental transactions	−49,364	−58,915	−63,159
Proprietary receipts from the public	−18,666	−21,321	−25,432
Total budget authority for the year (table 3)	**556,732**	**653,974**	**696,080**
Unobligated balances and adjustments:			
Unobligated balances:			
Brought forward at start of year (table 7)	257,895	257,095	287,175
Written off (rescinded, lapsed, etc.) [3]	−13,785	−3,238	−8,720
Carried forward at end of year (table 7)	−257,095	−287,175	−297,242
Obligations incurred, net (table 6)	**543,747**	**620,655**	**677,292**
Obligated balances:			
Brought forward at start of year, funded (table 7)	381,500	431,127	488,143
Adjustments in expired accounts	−447	−58	−152
Deficiency appropriations	.....	1	.....
Carried forward at end of year (table 7)	−431,127	−488,143	−549,522
Budget outlays (table 3)	**493,673**	**563,583**	**615,761**
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	350,354	410,613	424,276
Budget authority [4]	409,459	481,655	494,187
Obligations incurred, net [4]	409,294	458,346	486,906
Budget outlays [4]	362,420	405,653	429,700

[1] Excludes appropriations to liquidate contract authority:

	1979 actual	*1980 estimate*	*1981 estimate*
Enacted, pending, or recommended herein	24,494	27,960	29,059

[2] Extensions of availability of unobligated balances that would otherwise expire at the end of a fiscal year are now treated as reappropriations and counted as new budget authority in the period into which they are extended.

[3] Includes redemption of agency debt and capital transfers to the general fund.

[4] Amounts are net of intrafund transactions, receipts from off-budget Federal entities, and proprietary receipts from the public.

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Table 6. **OBLIGATIONS INCURRED, NET**

(In millions of dollars)

Department or other unit	1979 actual	1980 estimate	1981 estimate
Legislative branch	1,166	1,341	1,308
The Judiciary	494	628	651
Executive Office of the President	80	101	107
Funds appropriated to the President:			
International Security Assistance	1,366	3,788	2,735
International Development Assistance	2,749	2,969	3,153
Other	394	4,889	5,648
Agriculture	20,986	25,264	20,327
Commerce	2,886	3,882	3,518
Defense—Military [1]	123,709	136,899	158,665
Defense—Civil	2,857	3,066	3,178
Education [2]	11,262	15,382	15,549
Energy	8,199	10,568	8,717
Health and Human Services [3]	172,838	198,222	222,762
Housing and Urban Development	38,080	38,060	39,396
Interior	4,572	5,178	4,735
Justice	2,448	2,556	2,671
Labor	23,417	27,171	32,370
State	1,651	2,061	2,233
Transportation	18,480	19,646	20,391
Treasury	65,077	75,824	80,392
Environmental Protection Agency	5,112	5,821	5,823
National Aeronautics and Space Administration	4,478	5,697	5,758
Veterans Administration	20,361	21,056	22,226
Other independent agencies:			
Export-Import Bank	1,366	3,239	4,663
Federal Deposit Insurance Corporation	−1,174	−1,399	−1,420
Federal Home Loan Bank Board	−512	−498	−595
General Services Administration	228	105	366
Office of Personnel Management	13,188	15,491	17,947
U.S. Postal Service	1,785	1,677	1,593
Railroad Retirement Board	4,756	4,499	5,201
All other independent agencies	9,936	9,579	9,229
Allowances [4]	.....	150	3,115
Undistributed offsetting receipts	−18,488	−22,258	−25,119
Total	**543,747**	**620,655**	**677,292**
MEMORANDUM			
Federal funds	409,294	458,346	486,906
Trust funds	174,505	208,488	238,656
Interfund transactions	−40,052	−46,179	−48,270
Total	**543,747**	**620,655**	**677,292**

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

[2] This agency assumes the education activities previously performed by the Department of Health, Education, and Welfare (HEW).

[3] This agency, formerly part of the Department of Health, Education, and Welfare (HEW), has been designated the Department of Health and Human Services. It assumed the health and welfare activities of HEW.

[4] Includes allowances for civilian agency pay raises and contingencies.

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Table 7. BALANCES OF BUDGET AUTHORITY

(In millions of dollars)

Department or other unit	Start 1979		End 1979		End 1980		End 1981	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch	168	219	219	148	230	99	220	94
The Judiciary	43	59	53	67	59	62	60	66
Executive Office of the President	14	*	13	*	14	.....	17	.....
Funds appropriated to the President:								
International Security Assistance	19,205	5	19,814	322	19,447	102	19,285	2
International Development Assistance	5,175	11,270	6,449	12,249	7,591	13,832	8,792	13,820
Other	1,341	1,862	1,423	1,887	2,723	1,902	3,803	1,832
Agriculture	10,171	1,860	10,482	5,191	12,135	4,426	12,378	6,741
Commerce	4,272	913	3,131	619	3,453	302	3,555	211
Defense—Military [1]	52,356	21,267	60,888	23,008	70,387	24,446	86,352	23,765
Defense—Civil	991	438	939	326	775	149	901	17
Education [2]	9,192	2,434	9,430	3,217	12,265	1,743	14,334	1,670
Energy	7,256	2,479	7,561	4,346	10,449	3,152	10,477	2,152
Health and Human Services [3]	18,804	43,295	21,261	43,125	25,396	40,291	28,825	40,473
Housing and Urban Development	194,876	33,856	223,741	10,413	250,165	6,873	277,785	6,669
Interior	2,208	1,568	2,659	1,621	3,646	1,039	4,139	1,000
Justice	1,038	197	957	229	950	101	949	84
Labor	3,130	10,657	3,907	15,660	3,575	16,540	4,150	17,140
State	291	527	380	606	469	639	531	750
Transportation	19,995	12,676	22,972	11,328	25,270	9,523	27,788	9,632
Treasury	2,168	5,272	2,190	9,370	2,187	27,685	2,231	28,189
Environmental Protection Agency	12,374	3,800	12,684	4,088	13,521	2,953	14,147	2,471
National Aeronautics and Space Administration	719	452	1,007	523	1,694	93	2,015	68
Veterans Administration	2,422	11,402	2,880	11,362	3,225	11,361	3,755	11,738
Other independent agencies:								
Export-Import Bank	2,849	3,232	4,014	1,936	6,199	.....	9,631	.....
Federal Deposit Insurance Corporation	393	10,645	437	11,819	489	13,218	569	14,638
Federal Home Loan Bank Board	2	9,821	−22	10,333	−41	10,831	−35	11,426
General Services Administration	478	314	569	309	625	352	685	299
Office of Personnel Management	4,185	55,657	4,720	63,441	5,278	72,448	5,824	81,227
Railroad Retirement Board	388	2,733	779	2,306	483	2,266	505	2,130
All other independent agencies	4,996	8,984	5,588	7,246	5,436	20,749	5,259	18,939
Allowances [4]	.....	.....	.....	.....	50	.....	595	.....
Total	**381,500**	**257,895**	**431,127**	**257,095**	**488,143**	**287,175**	**549,522**	**297,242**
MEMORANDUM								
Federal funds	337,941	122,137	384,372	108,701	437,009	128,772	494,063	127,333
Trust funds	43,558	135,758	46,755	148,394	51,134	158,403	55,459	169,909
Total	**381,500**	**257,895**	**431,127**	**257,095**	**488,143**	**287,175**	**549,522**	**297,242**

*$500 thousand or less.

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

[2] This agency assumes the education activities previously performed by the Department of Health, Education, and Welfare (HEW).

[3] This agency, formerly part of the Department of Health, Education, and Welfare (HEW), has been designated the Department of Health and Human Services. It assumed the health and welfare activities of HEW.

[4] Includes balances of allowances for civilian agency pay raises and contingencies.

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Table 8. **SUMMARY OF FULL-TIME PERMANENT CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH** [1]

(Excluding the Postal Service)

	As of September 30			
	1979 [2] actual	1980 estimate	1981 estimate	Change 1980–81
Agriculture	83,899	85,200	85,100	−100
Commerce	29,127	30,800	31,200	400
Defense—military functions	885,990	886,000	885,000	−1,000
Defense—civil functions	28,592	28,400	28,400	.....
Education [3]	.....	6,100	6,000	−100
Energy	19,005	20,300	20,300	.....
Health, Education, and Welfare	141,945	.....	.....	.....
Health and Human Services	.....	140,900	138,800	−2,100
Housing and Urban Development	16,101	16,000	16,000	.....
Interior	54,343	55,100	55,300	200
Justice	52,743	55,700	55,400	−300
Labor	22,148	23,000	22,700	−300
State	22,130	21,900	22,000	100
Transportation	70,166	71,700	72,200	500
Treasury	109,382	111,400	112,000	600
Environmental Protection Agency	10,153	11,000	11,200	200
National Aeronautics and Space Administration	22,633	22,600	22,700	100
Veterans Administration	193,641	201,900	200,800	−1,100
Other:				
Agency for International Development	5,753	.....	.....	.....
General Services Administration	32,787	34,700	34,900	200
International Communication Agency	8,020	8,400	8,400	.....
International Development Cooperation Agency	.....	5,900	5,800	−100
Nuclear Regulatory Commission	2,839	3,100	3,400	300
Office of Personnel Management	6,276	6,600	6,600	.....
Panama Canal Commission	11,666	8,300	8,300	.....
Small Business Administration	4,372	4,700	4,700	.....
Tennessee Valley Authority	17,065	17,700	17,700	.....
Miscellaneous	42,615	45,300	45,100	−200
Subtotal	1,893,391	1,922,600	1,920,000	−2,600
Contingencies [4]	.....	700	2,000	1,300
Subtotal	1,893,391	1,923,300	1,922,000	−1,300
Expected lapse	.....	−13,000	−13,000	.....
Total	1,893,391	1,910,300	1,909,000	−1,300

[1] Excludes Postal Service employment. Actual employment for 1979 was 532,627; employment for 1980 is estimated to be 531,800, and 532,100 for 1981. Also excludes developmental positions under the Worker trainee opportunity program, as well as certain statutory exemptions.

[2] The 1979 column reflects the organizational structure as of September 30, 1979. Beginning with the 1980 column, the table reflects the changes from the Department of Health, Education, and Welfare to the Departments of Education and Health and Human Services. The table also reflects the change from the Agency for International Development to the International Development Cooperation Agency.

[3] Section 403 of the Department of Education Organization Act requires that the number of full-time equivalent positions in the Department be reduced by 500 by the end of 1981. One hundred of that reduction will be taken in full-time permanent positions, the remaining 400 from temporary, part-time, and intermittent positions.

[4] Subject to later distribution.

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Table 9. **BUDGET FINANCING AND OUTSTANDING DEBT**

(In millions of dollars)

BUDGET FINANCING

	1979 actual	1980 estimate	1981 estimate
Budget surplus or deficit (—)	—27,733	—39,754	—15,773
Deficit (—), off-budget Federal entities	—12,428	—16,766	—18,090
Total deficit (—)	—40,162	—56,519	—33,862
Means of financing other than borrowing from the public:			
Decrease or increase (—) in cash and monetary assets	2,131	10,103	.....
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc. [1]	735	265	—269
Deposit fund balances	2,662	898	584
Seigniorage on coins	992	953	447
Total, means of financing other than borrowing from the public	6,521	12,219	762
Total requirements for borrowing from the public	—33,641	—44,300	—33,100
Change in debt held by the public	**33,641**	**44,300**	**33,100**
Nonbank investors	38,028		
Commercial banks	—4,500		
Federal Reserve System	113		

OUTSTANDING DEBT, END OF YEAR

	1978 actual			
Gross Federal debt:				
Debt issued by Treasury	771,544	826,519	886,115	933,226
Debt issued by other agencies	8,881	7,232	6,697	6,131
Total gross Federal debt	780,425	833,751	892,812	939,357
Held by:				
Government agencies	169,477	189,162	203,923	217,368
The public	610,948	644,589	688,889	721,989
Federal Reserve System	115,480	115,594		
Others	495,468	528,996		

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

Debt issued by Treasury	771,544	826,519	886,115	933,226
Treasury debt not subject to limitation	—610	—609	—609	—609
Agency debt subject to limitation	1,736	1,684	1,647	1,613
Notes not part of gross Federal debt but included in debt limit [2]	20	20	*	*
Total debt subject to statutory limitation [3]	**772,691**	**827,614**	**887,154**	**934,231**

* $500 thousand or less.

[1] Includes military payment certificates, accrued interest (less unamortized discount) on Treasury debt, and as an offsetting change in assets, certain collections in transit.

[2] Almost entirely District of Columbia stadium bonds in 1978 and 1979. See Special Analysis E for further explanation.

[3] The statutory debt limit is permanently established at $400 billion. Public Law 96-78 temporarily increased the statutory debt limit to $879 billion through May 31, 1980. Legislation is required to change the limitation.

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Table 10. **BUDGET RECEIPTS BY SOURCE**

(In millions of dollars)

Source	1979 actual	1980 estimate	1981 estimate
Individual income taxes:			
Withheld	195,331	224,249	257,465
Other	56,215	60,940	68,152
Proposed legislation	.....	−393	−579
Administrative action	.....	1	1,682
Gross individual income taxes	251,546	284,797	326,720
Refunds	−33,705	−46,080	−52,353
Net individual income taxes	**217,841**	**238,717**	**274,367**
Corporation income taxes:			
Existing law	71,448	79,073	80,873
Proposed legislation	.....	−965	−3,191
Administrative action	.....	1	27
Refunds	−5,771	−5,806	−6,135
Net corporation income taxes	**65,677**	**72,303**	**71,574**
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions:			
Old-age and survivors insurance	83,410	96,264	108,295
Disability insurance	14,584	16,669	19,480
Hospital insurance	19,891	23,281	29,739
Railroad retirement	2,190	2,395	2,676
Proposed legislation	.....	.....	509
Administrative action	.....	.....	910
Total employment taxes and contributions	120,074	138,609	161,608
Unemployment insurance:			
State taxes deposited in Treasury [1]	12,273	13,377	14,720
Federal unemployment tax receipts [1]	2,907	3,274	3,729
Railroad unemployment tax receipts [1]	208	196	196
Total unemployment insurance	15,387	16,847	18,645
Contributions for other insurance and retirement:			
Supplementary medical insurance	2,636	2,916	3,313
Federal employees' retirement—employee contributions	3,428	3,737	3,759
Other retirement contributions [2]	66	71	72
Total contributions for other insurance and retirement	6,130	6,724	7,144
Total social insurance taxes and contributions	**141,591**	**162,181**	**187,397**
Excise taxes:			
Federal funds:			
Alcohol taxes:			
Distilled spirits	3,909	3,859	3,874
Beer	1,502	1,617	1,628
Rectification tax	19	19	19
Wines	198	201	202
Special taxes in connection with liquor occupations	19	20	20
Refunds	−117	−118	−119
Total alcohol taxes	5,531	5,598	5,624
Tobacco taxes:			
Cigarettes	2,455	2,485	2,511
Cigars	36	37	37
Cigarette papers and tubes	1	1	1
Other	3	3	3
Refunds	−3	−3	−3
Administrative action	.....	.....	189
Total tobacco taxes	2,492	2,523	2,738

See footnotes at end of table.

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Table 10. **BUDGET RECEIPTS BY SOURCE—Continued**

(In millions of dollars)

Source	1979 actual	1980 estimate	1981 estimate
Excise taxes—Continued			
Federal funds—Continued			
Manufacturers' excise taxes:			
Gasoline	34	31	31
Firearms, shells, and cartridges	71	78	84
Fishing rods, creels, etc	30	35	40
Pistols and revolvers	18	19	21
Bows and arrows	5	7	7
Gas guzzler tax	.....	*	45
Oil and hazardous substances liability fund:			
Proposed legislation	.....	.....	200
Other	*	.....	.....
Refunds	−22	−18	−18
Total manufacturers' excise taxes	136	152	410
Miscellaneous excise taxes:			
General and toll telephone and teletype service	1,362	1,095	744
Wagering taxes, including occupational taxes	10	12	13
Coin-operated gaming devices	5	2	.....
Employee pension plans	2	3	3
Tax on foundations	69	56	56
Foreign insurance policies	69	82	102
Other	1	1	1
Refunds	−24	−20	−15
Total miscellaneous excise taxes	1,494	1,231	904
General fund collections associated with expiration of airport and airway trust fund:			
Existing law	.....	334	974
Proposed legislation	.....	−334	−974
Total general fund collections associated with expiration of airport and airway trust fund taxes	.....	.....	.....
General fund collections associated with the windfall profit tax:			
Proposed legislation	.....	121	259
Undistributed Federal tax deposits and unapplied collections	155	200	200
Total Federal fund excise taxes	9,808	9,824	10,135
Trust funds:			
Highway:			
Gasoline	4,445	4,117	4,158
Trucks, buses, and trailers	944	949	1,078
Tires, innertubes, and tread rubber	867	833	835
Diesel fuel used on highways	497	515	513
Use-tax on certain vehicles	235	277	274
Truck parts and accessories	225	251	275
Lubricating oils	109	105	107
Refunds	−133	−172	−158
Administrative action	.....	59	.....
Total highway trust fund	7,189	6,934	7,082
Airport and airway:			
Transportation of persons	1,284	1,083	.....
Waybill tax	81	72	.....
Tax on fuels	64	54	.....
International departure tax	72	60	.....
Aircraft registration fees	26	23	.....

See footnotes at end of table.

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Table 10. **BUDGET RECEIPTS BY SOURCE—Continued**

(In millions of dollars)

Source	1979 actual	1980 estimate	1981 estimate
Trust funds—Continued			
Airport and airway—Continued			
Tires and innertubes	1	1	.....
Refunds	−2	−2	.....
Proposed legislation	.....	445	2,084
Total airport and airway trust fund	1,526	1,734	2,084
Black lung disability insurance trust fund	222	249	263
Inland waterway trust fund	.....	.....	30
Trust fund collections associated with the windfall profit tax:			
Proposed legislation	.....	7,591	20,615
Total trust fund excise taxes	8,937	16,508	30,074
Total excise taxes	**18,745**	**26,333**	**40,209**
Estate and gift taxes	**5,411**	**5,777**	**5,938**
Customs duties:			
Existing law	7,439	7,588	8,220
Administrative action	.....	12	183
Total customs duties	**7,439**	**7,600**	**8,403**
Miscellaneous receipts: [3]			
Miscellaneous taxes	243	102	108
Deposit of earnings, Federal Reserve System	8,327	10,058	10,876
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees	63	64	64
Patent and copyright fees	27	26	26
Registration and filing fees	95	120	99
Import fees on crude oil and petroleum products	20	67	439
Coal mining reclamation fees	184	192	203
Miscellaneous fees for permits, licenses, etc	34	15	11
Miscellaneous fees for regulatory and judicial services	49	71	72
Proposed legislation	.....	.....	−10
Fees for legal and judicial services	*	.....	.....
Total fees for permits and regulatory and judicial services	474	555	904
Fines, penalties, and forfeitures	168	176	183
Proposed legislation	.....	.....	−1
War reparations and recoveries under military occupation	5	4	4
Gifts and contributions	22	25	26
Refunds and recoveries	−2	.....	.....
Total miscellaneous receipts	**9,237**	**10,919**	**12,100**
Total budget receipts	**465,940**	**523,829**	**599,988**
MEMORANDUM			
Federal funds	316,351	347,813	383,151
Trust funds	189,641	222,196	265,107
Interfund transactions	−40,052	−46,179	−48,270

*$500 thousand or less.

[1] Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

[2] Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

[3] Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1979, $43 million; 1980, $47 million; and 1981, $50 million.

Note.—Estimates for 1980 and 1981 include effects of proposed legislation and administrative action.

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Table 11. **OFFSETTING RECEIPTS BY TYPE**

(In millions of dollars)

Type	1979 actual	1980 estimate	1981 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Intrabudgetary transactions:			
Federal intrafund transactions:			
Interest on Government capital in enterprises	2,249	3,009	3,268
Other	136	300	212
Total Federal intrafunds	2,385	3,309	3,481
Trust intrafund transactions: [1]			
Railroad retirement/social security	1,477	1,467	1,542
Other	12	12	11
Total trust intrafunds	1,490	1,479	1,553
Total intrafund transactions	3,875	4,788	5,034
Interfund transactions:			
Distributed by agency and function:			
Federal fund payments to trust funds:			
Contributions to insurance programs:			
Old-age and survivors insurance	230	164	150
Military service credits, various programs	667	652	662
Supplementary medical insurance	6,841	7,097	8,645
Hospital insurance	766	730	711
Railroad dual benefits	313	313	350
Supplementary retirement contributions	8,970	10,839	11,760
Other	426	704	737
Miscellaneous contributions:			
State and local government fiscal assistance	6,855	6,855	6,855
Other	176	222	177
Subtotal	25,244	27,576	30,046
Trust fund payments to Federal funds:			
Repayment of loans or advances to trust funds	800	2,512	416
Charges for services to trust funds	174	145	139
Other	8	63	129
Subtotal	982	2,719	684
Total interfunds distributed by agency and function	26,226	30,295	30,730
Undistributed by agency and function:			
Employer share, employee retirement:			
Civil service retirement and disability insurance	2,511	2,866	2,881
Old-age, survivors, disability, and hospital insurance (contribution as employer) [2]	1,342	1,456	1,676
Other Federal employees retirement	22	24	25
Total employer share, employee retirement	3,876	4,345	4,583
Interest received by trust funds	9,950	11,539	12,958
Total interfunds undistributed by agency and function	13,826	15,884	17,540
Total interfund transactions	40,052	46,179	48,270
Total intrabudgetary transactions	43,927	50,967	53,304
Receipts from off-budget Federal entities:			
Distributed by agency and function:			
Interest on loans to Government-owned enterprises	4,042	6,121	8,088
Surplus income, Federal Financing Bank	.....	253	188
Total distributed by agency and function	4,042	6,374	8,277

See footnotes at end of table.

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Table 11. **OFFSETTING RECEIPTS BY TYPE—Continued**

(In millions of dollars)

Type	1979 actual	1980 estimate	1981 estimate
INTRAGOVERNMENTAL TRANSACTIONS—Continued			
Undistributed by agency and function:			
Employer share, employee retirement	1,395	1,574	1,578
Total receipts from off-budget Federal entities	5,437	7,948	9,855
Total intragovernmental transactions	**49,364**	**58,915**	**63,159**
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency and function:			
Interest:			
Interest on loans, Foreign Assistance Act	291	388	413
Interest on foreign military credit sales	72	75	75
Interest on loans to United Kingdom	57	55	54
Other interest on foreign loans and deferred foreign collections	52	40	39
Other interest (domestic-civil) [3]	874	927	854
Other interest (domestic-national defense)	10	11	11
Total interest	1,357	1,496	1,446
Dividends and other earnings	3	2	2
Rents:			
Rent and bonuses from land leases, etc	12	30	35
Rent of land and other real property [3]	99	101	111
Rent of equipment and other personal property	19	20	21
Total rents	130	152	167
Royalties [3]	533	647	746
Sale of products:			
Sale of timber and other natural land products [3]	1,110	1,100	1,293
Sale of minerals and mineral products [3]	250	1,757	2,249
Sale of power and other utilities	884	−356	396
Sale of other products	15	15	15
Recovery of mint manufacturing expense	46	62	64
Total sale of products	2,306	2,579	4,017
Fees and other charges for services and special benefits:			
Veterans life insurance (trust funds)	456	455	443
Tolls and other revenues, Panama Canal	.....	393	408
Other [3]	672	679	984
Total fees and other charges	1,128	1,527	1,835
Sale of Government property:			
Sale of land and other real property [3]	42	36	39
Sale of equipment and other personal property:			
Sale from the stockpile of strategic and critical materials	73	242	263
Military assistance program sales (trust fund)	8,545	8,300	9,500
Other	16	151	129
Sale of scrap and salvage material [3]	4	3	3
Total sale of property	8,680	8,733	9,934
Realization upon loans and investments:			
Dollar repayments of loans, Agency for International Development	314	328	374
Foreign military credit sales	231	230	230
Dollar conversion of foreign currency	93	86	84
Repayment of loans to United Kingdom	76	77	79

See footnotes at end of table.

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Table 11. **OFFSETTING RECEIPTS BY TYPE—Continued**

(In millions of dollars)

Type	1979 actual	1980 estimate	1981 estimate
PROPRIETARY RECEIPTS FROM THE PUBLIC—Continued			
Other	160	240	126
Total realization upon loans and investments	874	961	893
Recoveries and refunds [3]	428	425	393
Deposits in clearing accounts	−39	.....	.....
Total proprietary receipts from the public distributed by agency and function	15,399	16,521	19,432
Undistributed by agency and function:			
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses	1,930	2,696	3,888
Royalties	1,338	2,104	2,112
Total proprietary receipts from the public undistributed by agency and function	3,267	4,800	6,000
Total proprietary receipts from the public [4]	**18,666**	**21,321**	**25,432**
Total offsetting receipts	**68,030**	**80,236**	**88,591**

[1] Interchange receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system. Interchange receipts between Federal retirement funds occur when an employee transfers from coverage by one system to coverage by another system.

[2] Includes provision for covered Federal civilian employees and military personnel.

[3] Includes both Federal funds and trust funds.

[4] Consists of:

	1979 actual	*1980 estimate*	*1981 estimate*
Federal funds	8,948	11,752	14,646
Trust funds	9,718	9,569	10,786

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	28,703	30,825	32,037
Retired military personnel	10,283	11,981	13,700
Operation and maintenance	38,023	43,405	48,563
Procurement	31,428	35,686	40,524
Research, development, test, and evaluation	12,437	13,517	16,486
Military construction	2,319	2,170	3,251
Other [1]	2,315	1,642	2,054
Allowances	.....	.....	2,113
Deductions for offsetting receipts	−503	−592	−571
Total 051	125,004	138,635	158,155
053 Atomic energy defense activities:			
Department of Energy	2,668	3,006	3,443
054 Defense-related activities:			
Other independent agencies:			
Central Intelligence Agency	44	52	55
Federal Emergency Management Agency	135	140	160
General Services Administration	19	22	192
Intelligence Community Staff	12	12	19
Renegotiation Board	5	.....	.....
Selective Service System	8	10	11
Deductions for offsetting receipts	−83	−242	−263
Total 054	140	−6	175
Deductions for offsetting receipts [2]	−3	−3	−4
Total national defense	127,809	141,632	161,770
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [1]	6,805	7,546	6,171
Department of Agriculture	806	840	1,129
Department of State	227	496	567
Department of Transportation (trust funds)	7	2	4
Deductions for offsetting receipts	−365	−372	−415
Total 151	7,479	8,512	7,456
152 Military assistance:			
Funds appropriated to the President	2,067	1,043	852
Deductions for offsetting receipts	−274	−273	−258
Total 152	1,793	770	594
153 Conduct of foreign affairs:			
Funds appropriated to the President	26	27	25
Department of State [1]	1,420	1,493	1,670
Other independent agencies:			
Arms Control and Disarmament Agency	18	19	20
Foreign Claims Settlement Commission	−8	.....	1
International Trade Commission	13	16	17
Deductions for offsetting receipts	−152	−183	−180
Total 153	1,318	1,372	1,554
154 Foreign information and exchange activities:			
Other independent agencies:			
Board for International Broadcasting	87	91	104

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
International Communication Agency [1]	418	434	460
Japan-United States Friendship Commission (trust funds)	2	2	2
Deductions for offsetting receipts	—*	—*	—*
Total 154	506	526	565
155 International financial programs:			
Funds appropriated to the President [1]	6,218	9,000	9,588
Other independent agencies: Export-Import Bank of the United States	105	1,338	6,850
Deductions for offsetting receipts	—8,620	—8,377	—9,579
Total 155	—2,298	1,961	6,859
Deductions for offsetting receipts [2]	—110	—90	—89
Total international affairs	8,688	13,050	16,939
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy	431	472	523
Other independent agencies:			
National Science Foundation [1]	914	996	1,153
Smithsonian Institution [1]	2	*	*
Total 251	1,347	1,468	1,676
253 Space flight:			
National Aeronautics and Space Administration	2,433	2,847	3,183
254 Space science, applications, and technology:			
National Aeronautics and Space Administration	1,224	1,415	1,547
255 Supporting space activities:			
National Aeronautics and Space Administration [1]	383	437	463
Deductions for offsetting receipts	—*	.....	.....
Total 255	383	437	463
Deductions for offsetting receipts [2]	—10	—3	—3
Total general science, space, and technology	5,377	6,164	6,866
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President (trust funds)	.....	146	266
Department of Agriculture	25	27	28
Department of Energy [1]	3,684	7,537	4,515
Department of the Interior	231	158	47
Department of the Treasury	1	17,794	1
Environmental Protection Agency	113	101	97
Other independent agencies:			
Other temporary commissions	2	2	.....
Tennessee Valley Authority	.....	15,000	.....
Deductions for offsetting receipts	—1,009	—1,203	—2,434
Total 271	3,046	39,562	2,519
272 Energy conservation:			
Funds appropriated to the President (trust funds)	.....	111	415
Department of Energy	611	766	917
Total 272	611	877	1,332

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
274 Emergency energy preparedness:			
Funds appropriated to the President (trust funds)	.....	9	15
Department of Energy	3,008	.....	2,404
Total 274	3,008	9	2,419
276 Energy information, policy, and regulation:			
Department of Energy	450	658	717
Other independent agencies:			
Nuclear Regulatory Commission	327	417	468
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	*	11	26
Total 276	777	1,086	1,211
Deductions for offsetting receipts [2]	−59	−72	−74
Total energy	7,382	41,461	7,408
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture [1]	199	196	197
Department of Defense—Civil [1]	2,817	2,914	3,074
Department of the Interior [1]	622	655	851
Department of State	13	19	17
Other independent agencies:			
Delaware River Basin Commission	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council [1]	24	47	56
Deductions for offsetting receipts	−55	−54	−55
Total 301	3,621	3,777	4,141
302 Conservation and land management:			
Department of Agriculture [1]	2,333	2,459	2,355
Department of Commerce	64	71	52
Department of the Interior [1]	620	712	726
Department of State	7	8	8
Department of Transportation	4	.....	.....
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−760	−680	−818
Total 302	2,267	2,571	2,324
303 Recreational resources:			
Department of Agriculture	3	4	4
Department of Defense—Civil	4	5	8
Department of the Interior [1]	1,826	1,692	1,723
Other independent agencies: Advisory Council on Historic Preservation	1	1	2
Deductions for offsetting receipts	−3	−3	−3
Total 303	1,833	1,699	1,732
304 Pollution control and abatement:			
Department of Agriculture	.....	50	20
Department of Transportation	15	52	.....
Environmental Protection Agency [1]	5,290	4,585	5,245
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	*
Other temporary commissions	2	6	2
Deductions for offsetting receipts	−*	−8	.....
Total 304	5,306	4,686	5,267

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
306 Other natural resources:			
Department of Commerce [1]	753	739	756
Department of the Interior [1]	624	673	720
Deductions for offsetting receipts	−13	−13	−13
Total 306	1,364	1,400	1,463
Deductions for offsetting receipts [2]	−1,183	−1,445	−1,622
Total natural resources and environment	13,207	12,687	13,306
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture	7,899	3,576	3,955
352 Agricultural research and services:			
Funds appropriated to the President	40	.....	.....
Department of Agriculture [1]	1,415	1,490	1,572
Deductions for offsetting receipts	−55	−66	−65
Total 352	1,400	1,424	1,507
Deductions for offsetting receipts [2]	48	−3	−3
Total agriculture	9,346	4,998	5,460
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	793	2,310	621
Department of Housing and Urban Development	1,686	2,918	1,741
Other independent agencies: National Credit Union Administration	.....	1,200	.....
Total 371	2,479	6,428	2,363
372 Postal Service:			
Other independent agencies: Postal Service	1,785	1,677	1,593
374 Federal Financing Bank:			
Deductions for offsetting receipts	.....	−253	−188
376 Other advancement and regulation of commerce:			
Legislative branch	25	28	28
Department of Commerce [1]	687	1,218	770
Department of Housing and Urban Development	9	19	17
Department of the Treasury	1	51	117
Other independent agencies:			
Commodity Futures Trading Commission	16	17	19
Federal Communications Commission	70	77	77
Federal Trade Commission	65	71	73
General Services Administration	1	1	1
National Consumer Cooperative Bank	2	25	59
National Institute of Building Sciences	1	1	1
Securities and Exchange Commission	67	73	77
Small Business Administration	759	776	941
United States Metric Board [1]	2	3	4
Deductions for offsetting receipts	−48	−38	−40
Total 376	1,657	2,321	2,145
Deductions for offsetting receipts [2]	*	−*	−*
Total commerce and housing credit	5,921	10,172	5,912

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
400 TRANSPORTATION			
401 Ground transportation:			
Funds appropriated to the President (trust funds)	.....	1,276	1,500
Department of the Interior (trust funds)	.....	16	22
Department of Transportation [1]	12,514	12,798	15,148
Other independent agencies:			
Washington Metropolitan Area Transit Authority	61	66	66
Interstate Commerce Commission	73	156	85
United States Railway Association	702	578	214
Total 401	13,351	14,890	17,035
402 Air transportation:			
Department of Transportation [1]	3,145	3,245	3,473
National Aeronautics and Space Administration	519	570	543
Other independent agencies: Civil Aeronautics Board	101	125	115
Total 402	3,765	3,941	4,131
403 Water transportation:			
Department of Commerce [1]	522	488	568
Department of Transportation [1]	1,532	1,651	1,826
Other independent agencies:			
Federal Maritime Commission	11	12	12
Panama Canal Commission	.....	464	394
Deductions for offsetting receipts	—*	—464	—408
Total 403	2,065	2,151	2,393
407 Other transportation:			
Department of Transportation	75	81	95
Other independent agencies:			
National Transportation Safety Board	16	17	18
Other temporary commissions	.....	*	.....
Total 407	91	98	113
Deductions for offsetting receipts [2]	—67	—70	—55
Total transportation	19,204	21,009	23,618
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development	4,703	5,049	5,175
Other independent agencies:			
Commission of Fine Arts	*	*	*
National Capital Planning Commission	2	2	2
Neighborhood Reinvestment Corporation	.....	12	13
Pennsylvania Avenue Development Corporation [1]	65	40	38
Total 451	4,770	5,103	5,230
452 Area and regional development:			
Funds appropriated to the President	379	356	369
Department of Agriculture	1,034	704	723
Department of Commerce [1]	655	1,259	1,359
Department of Energy	20	50	150
Department of the Interior [1]	1,013	1,037	1,010
Other independent agencies:			
Community Services Administration	.....	6	.....
Appalachian Regional Commission [1]	7	8	9
Joint Federal-State Land Use Planning Commission for Alaska [1]	1	.....	.....
Tennessee Valley Authority	155	169	146

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Deductions for offsetting receipts	−305	−406	−413
Total 452	2,957	3,184	3,353
453 Disaster relief and insurance:			
Funds appropriated to the President	387	508	376
Department of Agriculture	10	15	10
Other independent agencies:			
Federal Emergency Management Agency	634	121	717
Small Business Administration	1,235	44	181
Total 453	2,266	687	1,283
Deductions for offsetting receipts [2]	−23	−25	−25
Total community and regional development	9,969	8,950	9,840
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Education [3]	6,663	7,056	8,223
Department of Health and Human Services [4]	731	790	879
Department of the Interior	262	272	265
Total 501	7,655	8,118	9,367
502 Higher education:			
Department of Education [3]	5,360	5,841	5,607
503 Research and general education aids:			
Legislative branch [1]	147	152	159
Department of Commerce	18	24	24
Department of Education [1] [3]	619	576	641
Other independent agencies:			
Corporation for Public Broadcasting	120	152	162
National Commission on Libraries and Information Science	1	1	1
National Endowment for the Arts	150	155	168
National Endowment for the Humanities [1]	155	162	178
Smithsonian Institution	129	169	164
Deductions for offsetting receipts	−4	−4	−4
Total 503	1,334	1,386	1,492
504 Training and employment:			
Department of Health and Human Services [4]	385	365	385
Department of Labor [1]	11,354	9,241	11,503
Total 504	11,739	9,606	11,888
505 Other labor services:			
Department of Labor	392	441	466
Other independent agencies:			
Committee for Purchase from the Blind and Other Severely Handicapped	*	*	1
Federal Mediation and Conciliation Service	23	26	28
National Labor Relations Board	103	114	118
National Mediation Board	4	4	5
Total 505	522	586	617
506 Social services:			
Department of Education [3]	.....	396	964
Department of Health and Human Services [4]	4,736	4,551	4,145
Department of Housing and Urban Development	9	9	10

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Department of the Treasury	543	.....	.....
Other independent agencies:			
ACTION [1]	119	169	178
Community Services Administration	554	551	550
National Commission on the International Year of the Child	1	.....	.....
Total 506	5,962	5,676	5,847
Deductions for offsetting receipts [2]	−8	−7	−5
Total education, training, employment, and social services	32,565	31,207	34,815
550 HEALTH			
551 Health care services:			
Department of Health and Human Services [1] [4]	55,914	61,982	74,705
Other independent agencies:			
Office of Personnel Management	606	627	758
Other temporary commissions	.....	.....	2
Deductions for offsetting receipts	−7,749	−7,968	−9,497
Total 551	48,772	54,640	65,968
552 Health research:			
Department of Health and Human Services [4]	3,383	3,651	3,838
553 Education and training of health care work force:			
Department of Health and Human Services [4]	817	747	662
554 Consumer and occupational health and safety:			
Department of Agriculture	280	293	302
Department of Health and Human Services [4]	312	329	362
Department of Labor	302	331	369
Other independent agencies:			
Consumer Product Safety Commission	43	42	44
Federal Mine Safety and Health Review Commission	5	5	5
Occupational Safety and Health Review Commission	8	8	8
Deductions for offsetting receipts	−3	−4	−4
Total 554	946	1,002	1,086
Deductions for offsetting receipts [2]	−10	−8	−8
Total health	53,908	60,033	71,546
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health and Human Services [1] [4]	103,845	118,652	134,397
Department of Labor [1]	1,232	1,568	1,618
Other independent agencies:			
Railroad Retirement Board [1]	4,514	4,753	5,392
Other temporary commissions	2	2	.....
Deductions for offsetting receipts	−2,948	−3,133	−3,274
Total 601	106,646	121,842	138,133
602 Federal employee retirement and disability:			
Legislative branch (trust funds)	*	*	*
The Judiciary (trust funds)	7	8	9
Department of Labor	228	279	381
Department of State (trust funds)	232	266	266
Other independent agencies: Office of Personnel Management (trust funds)	20,265	23,765	25,858
Deductions for offsetting receipts	−32	−33	−33
Total 602	20,700	24,286	26,481

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
603 Unemployment compensation:			
Department of Labor [1]	16,316	17,771	19,744
Department of Transportation	.....	68	8
Other independent agencies: Railroad Retirement Board	.....	1	.....
Deductions for offsetting receipts	−800	−900	−400
Total 603	15,516	16,940	19,351
604 Public assistance and other income supplements:			
Funds appropriated to the President (*trust funds*)	.....	1,600	2,400
Department of Agriculture	10,631	13,650	14,776
Department of Health and Human Services [4]	12,631	14,447	15,303
Department of Housing and Urban Development	24,715	27,671	33,438
Department of the Treasury	773	1,696	1,570
Other independent agencies:			
Community Services Administration	189	1,597	.....
Railroad Retirement Board	82	.....	.....
Deductions for offsetting receipts	.....	−1,600	.....
Total 604	49,020	59,062	67,487
Deductions for offsetting receipts [2]	−2	−2	−2
Total income security	191,880	222,127	251,451
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [1]	11,669	12,327	13,792
Deductions for offsetting receipts	−458	−458	−445
Total 701	11,212	11,869	13,346
702 Veterans education, training, and rehabilitation:			
Veterans Administration [1]	2,580	2,377	2,129
Deductions for offsetting receipts	−71	−99	−114
Total 702	2,510	2,279	2,015
703 Hospital and medical care for veterans:			
Veterans Administration	6,112	6,433	6,990
Deductions for offsetting receipts	.....	−45	−321
Total 703	6,112	6,388	6,669
705 Other veterans benefits and services:			
Department of Defense—Civil [1]	23	28	26
Department of the Treasury (trust funds)	*	*	*
Veterans Administration [1]	638	638	656
Other independent agencies: American Battle Monuments Commission [1]	7	8	9
Deductions for offsetting receipts	−2	−2	−3
Total 705	666	672	688
Deductions for offsetting receipts [2]	−4	−3	−3
Total veterans benefits and services	20,495	21,205	22,716
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Education [3]	.....	24	49
Department of Health and Human Services [4]	68	42	22

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Department of Housing and Urban Development	15	23	29
Department of Justice	1,117	1,185	1,233
Department of the Treasury	741	807	800
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Commission on Civil Rights	11	12	12
Equal Employment Opportunity Commission	111	125	145
Other temporary commissions	*	2	*
Total 751	2,065	2,220	2,292
752 Federal litigative and judicial activities:			
Legislative branch	9	10	10
The Judiciary	514	617	647
Department of Justice	397	456	494
Other independent agencies: Legal Services Corporation	270	300	321
Total 752	1,190	1,383	1,473
753 Federal correctional activities:			
Department of Justice	339	327	355
754 Criminal justice assistance:			
Department of Justice	656	496	582
Deductions for offsetting receipts [2]	−17	−12	−12
Total administration of justice	4,234	4,415	4,689
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch [1]	932	1,092	1,071
Deductions for offsetting receipts	−7	−7	−7
Total 801	925	1,086	1,065
802 Executive direction and management:			
Executive Office of the President	82	101	107
Funds appropriated to the President	1	1	1
Other independent agencies: General Services Administration	1	1	4
Deductions for offsetting receipts	−*	.....	.....
Total 802	84	103	112
803 Central fiscal operations:			
Department of the Treasury [1]	2,606	2,798	2,913
Deductions for offsetting receipts	−175	−146	−140
Total 803	2,431	2,652	2,772
804 General property and records management:			
Other independent agencies: General Services Administration [1]	386	414	420
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Federal Labor Relations Authority	10	13	15
Merit Systems Protection Board	9	18	18
Office of Personnel Management	8,933	10,775	11,703
Other temporary commissions	.....	*	.....
Deductions for offsetting receipts	−8,819	−10,656	−11,580
Total 805	133	150	156

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(in millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
806 Other general government:			
Legislative branch	24	24	47
Department of Defense—Civil	81	.....	.....
Department of the Interior [1]	306	414	384
Department of the Treasury [1]	234	339	196
Other independent agencies:			
Federal Election Commission	8	9	9
General Services Administration	3	3	3
Other historical and memorial agencies	*	*	*
Advisory Commission on Intergovernmental Relations [1]	2	2	2
Office of Personnel Management	20	20	20
Other temporary commissions	10	2	1
Deductions for offsetting receipts	−132	−155	−110
Total 806	556	658	553
Deductions for offsetting receipts [2]	−120	−157	−132
Total general government	4,395	4,906	4,946
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [1]	13,717	13,716	13,716
Deductions for offsetting receipts	−6,855	−6,855	−6,855
Total 851	6,862	6,861	6,862
852 Other general purpose fiscal assistance:			
Department of Agriculture	241	279	320
Department of Defense—Civil	5	5	5
Department of Energy	*	*	*
Department of the Interior	439	566	597
Department of the Treasury	445	685	1,321
Other independent agencies: District of Columbia	315	446	527
Deductions for offsetting receipts	−22	−105	−26
Total 852	1,422	1,876	2,745
Total general purpose fiscal assistance	8,285	8,737	9,606
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	59,837	73,300	79,400
902 Other interest:			
Department of the Treasury	366	710	718
Deductions for offsetting receipts	−7,649	−10,681	−12,921
Total 902	−7,283	−9,971	−12,203
Total interest	52,554	63,329	67,197
Allowances for:			
Civilian agency pay raises	.....	.....	**1,115**
Contingencies for other requirements	.....	**150**	**2,000**
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	−3,876	−4,345	−4,583
Receipts from off-budget Federal agencies	−1,395	−1,574	−1,578
Total, employer share, employee retirement	−5,271	−5,919	−6,161

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Interest received by trust funds	**—9,950**	**—11,539**	**—12,958**
Rents and royalties on the Outer Continental Shelf	**—3,267**	**—4,800**	**—6,000**
Total budget authority	**556,732**	**653,974**	**696,080**
MEMORANDUM			
Federal funds	409,459	481,655	494,187
Trust funds	187,326	218,498	250,162
Interfund transactions	—40,052	—46,179	—48,270
ADDENDUM			
Budget authority of off-budget Federal entities:			
270 ENERGY			
271 Energy supply:			
Department of Agriculture	134	.....	.....
370 COMMERCE AND HOUSING CREDIT			
374 Federal Financing Bank:			
Department of the Treasury	16,050	22,006	23,937
400 TRANSPORTATION			
401 Ground transportation:			
United States Railway Association	59	68	71
450 COMMUNITY AND REGIONAL DEVELOPMENT			
452 Area and regional development:			
Department of Agriculture	106	156	150
Budget authority, off-budget Federal entities	16,349	22,230	24,158
Budget authority including off-budget Federal entities	**573,081**	**676,203**	**720,238**

*$500 thousand or less.

[1] Includes both Federal and trust funds.
[2] Excludes offsetting receipts which have been distributed by subfunction above.
[3] This agency assumes the education activities previously performed by the Department of Health, Education and Welfare (HEW).
[4] This agency, formerly part of the Department of Health, Education and Welfare (HEW), has been designated the Department of Health and Human Services. It assumed the health and welfare activities of HEW.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	28,407	30,574	31,705
Retired military personnel	10,279	11,941	13,677
Operation and maintenance	36,424	40,852	46,376
Procurement	25,404	27,648	30,497
Research, development, test, and evaluation	11,152	12,933	14,843
Military construction	2,080	2,147	2,053
Other [1]	1,769	1,896	2,035
Allowances	.....	.....	2,085
Deductions for offsetting receipts	−503	−592	−571
Total 051	115,013	127,400	142,700
053 Atomic energy defense activities:			
Department of Energy	2,541	2,980	3,386
054 Defense-related activities:			
Department of Health and Human Services [4]	*	*	.....
Other independent agencies:			
Central Intelligence Agency	44	52	55
Federal Emergency Management Agency	131	138	145
General Services Administration	16	21	192
Intelligence Community Staff	10	12	18
Renegotiation Board	4	*	.....
Selective Service System	7	9	11
Deductions for offsetting receipts	−83	−242	−263
Total 054	129	−9	159
Deductions for offsetting receipts [2]	−3	−3	−4
Total national defense	117,681	130,368	146,241
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [1]	3,962	4,700	4,933
Department of Agriculture	973	1,169	1,153
Department of State	166	468	534
Department of Transportation [1]	8	9	6
Deductions for offsetting receipts	−365	−372	−415
Total 151	4,743	5,974	6,212
152 Military assistance:			
Funds appropriated to the President	837	1,170	1,009
Deductions for offsetting receipts	−274	−273	−258
Total 152	563	897	751
153 Conduct of foreign affairs:			
Funds appropriated to the President	26	27	25
Department of State [1]	1,408	1,511	1,619
Other independent agencies:			
Arms Control and Disarmament Agency	15	17	18
Foreign Claims Settlement Commission	1	1	1
International Trade Commission	12	16	17
Deductions for offsetting receipts	−152	−183	−180
Total 153	1,310	1,389	1,501
154 Foreign information and exchange activities:			
Department of State	6	*	.....

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Other independent agencies:			
Board for International Broadcasting	83	104	101
International Communication Agency [1]	375	438	465
Japan-United States Friendship Commission (trust funds)	2	2	2
Deductions for offsetting receipts	—*	—*	—*
Total 154	465	544	569
155 International financial programs:			
Funds appropriated to the President [1]	7,111	9,500	9,505
Department of the Treasury [5]	430	—491	—488
Other independent agencies: Export-Import Bank of the United States	200	1,054	1,230
Deductions for offsetting receipts	—8,620	—8,377	—9,579
Total 155	—879	1,687	669
Deductions for offsetting receipts [2]	—110	—90	—89
Total international affairs	6,091	10,401	9,612
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy	425	462	508
Other independent agencies:			
National Science Foundation [1]	870	947	1,052
Smithsonian Institution [1]	2	*	*
Total 251	1,298	1,410	1,560
253 Space flight:			
National Aeronautics and Space Administration	2,217	2,745	3,013
254 Space science, applications, and technology:			
National Aeronautics and Space Administration	1,153	1,322	1,434
255 Supporting space activities:			
National Aeronautics and Space Administration [1]	383	416	439
Deductions for offsetting receipts	—*	.....	.....
Total 255	383	416	439
Deductions for offsetting receipts [2]	—10	—3	—3
Total general science, space, and technology	5,041	5,889	6,442
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President [1]	68	302	246
Department of Agriculture	24	28	28
Department of Energy [1]	3,769	4,260	4,434
Department of the Interior	190	193	96
Department of the Treasury	.....	14	17
Environmental Protection Agency	107	104	105
Other independent agencies:			
Other temporary commissions	.....	2	1
Tennessee Valley Authority	1,752	1,800	2,000
Deductions for offsetting receipts	—1,009	—1,203	—2,434
Total 271	4,900	5,499	4,493
272 Energy conservation:			
Funds appropriated to the President (trust funds)	.....	14	379
Department of Energy	252	593	793
Total 272	252	608	1,172

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
274 Emergency energy preparedness:			
Funds appropriated to the President (trust funds)	.....	3	11
Department of Energy	1,021	767	1,294
Total 274	1,021	770	1,306
276 Energy information, policy, and regulation:			
Department of Energy	432	629	710
Other independent agencies:			
Nuclear Regulatory Commission	309	307	476
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	*	9	25
Total 276	742	946	1,211
Deductions for offsetting receipts [2]	−59	−72	−74
Total energy	6,856	7,751	8,107
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture [1]	256	228	218
Department of Defense—Civil [1]	2,933	3,185	3,081
Department of the Interior [1]	727	783	804
Department of State	15	23	21
Other independent agencies:			
Delaware River Basin Commission	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council [1]	20	47	51
Deductions for offsetting receipts	−55	−54	−55
Total 301	3,897	4,214	4,121
302 Conservation and land management:			
Department of Agriculture [1]	2,095	2,234	2,317
Department of Commerce	30	67	63
Department of the Interior [1]	507	626	674
Department of State	6	8	8
Department of Transportation	4	.....	.....
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−760	−680	−818
Total 302	1,884	2,256	2,245
303 Recreational resources:			
Department of Agriculture	4	3	4
Department of Defense—Civil	4	5	7
Department of the Interior [1]	1,506	1,457	1,490
Other independent agencies: Advisory Council on Historic Preservation	1	1	2
Deductions for offsetting receipts	−3	−3	−3
Total 303	1,513	1,463	1,499
304 Pollution control and abatement:			
Department of Agriculture	.....	5	6
Department of Transportation	13	39	6
Environmental Protection Agency [1]	4,693	4,880	5,092
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	*
Other temporary commissions	*	6	4
Deductions for offsetting receipts	−*	−8	.....
Total 304	4,706	4,922	5,107

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
306 Other natural resources:			
Department of Commerce [1]	678	727	772
Department of the Interior [1]	607	652	709
Deductions for offsetting receipts	−13	−13	−13
Total 306	1,273	1,366	1,468
Deductions for offsetting receipts [2]	−1,183	−1,445	−1,622
Total natural resources and environment	12,091	12,776	12,819
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture [1]	4,850	3,286	1,389
Other independent agencies: Farm Credit Administration	1	*	.....
Total 351	4,850	3,286	1,389
352 Agricultural research and services:			
Funds appropriated to the President	40	.....	.....
Department of Agriculture [1]	1,356	1,418	1,480
Deductions for offsetting receipts	−55	−66	−65
Total 352	1,340	1,353	1,416
Deductions for offsetting receipts [2]	48	−3	−3
Total agriculture	6,238	4,636	2,802
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	184	1,806	−958
Department of Housing and Urban Development	877	1,884	278
Other independent agencies:			
Federal Deposit Insurance Corporation (trust funds)	−1,218	−1,450	−1,500
Federal Home Loan Bank Board	−488	−479	−602
National Credit Union Administration	−30	173	−32
Total 371	−677	1,935	−2,813
372 Postal Service:			
Other independent agencies: Postal Service	1,787	1,677	1,593
374 Federal Financing Bank:			
Deductions for offsetting receipts	.....	−253	−188
376 Other advancement and regulation of commerce:			
Legislative branch	8	33	28
Department of Commerce [1]	607	1,117	842
Department of Housing and Urban Development	4	9	12
Department of the Treasury [1]	−7	21	94
Other independent agencies:			
Commodity Futures Trading Commission	15	17	19
Federal Communications Commission	70	76	77
Federal Trade Commission	62	70	71
General Services Administration	1	1	1
National Center for Productivity and Quality of Working Life	1	−*	.....
National Consumer Cooperative Bank	.....	15	66
National Institute of Building Sciences	1	1	1
Securities and Exchange Commission	66	74	77
Small Business Administration	674	719	869

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Other temporary commissions	*	*	.....
United States Metric Board [1]	1	2	3
Deductions for offsetting receipts	−48	−38	−40
Total 376	1,454	2,118	2,121
Deductions for offsetting receipts [2]	*	−*	−*
Total commerce and housing credit	2,565	5,476	712
400 TRANSPORTATION			
401 Ground transportation:			
Funds appropriated to the President (trust funds)	.....	100	617
Department of Agriculture (trust funds)	5	4	1
Department of Housing and Urban Development	*	*	.....
Department of the Interior (trust funds)	.....	8	18
Department of Transportation [1]	11,171	12,510	12,790
Other independent agencies:			
Washington Metropolitan Area Transit Authority	84	111	83
Interstate Commerce Commission	67	169	84
United States Railway Association	737	669	214
Total 401	12,064	13,571	13,808
402 Air transportation:			
Department of Transportation [1]	2,850	3,124	3,297
National Aeronautics and Space Administration	443	532	554
Other independent agencies: Civil Aeronautics Board	99	124	116
Total 402	3,392	3,779	3,967
403 Water transportation:			
Department of Commerce [1]	547	651	607
Department of Defense—Civil	−*	71	.....
Department of Transportation [1]	1,420	1,569	1,726
Other independent agencies:			
Federal Maritime Commission	10	12	12
Panama Canal Commission	.....	411	393
Deductions for offsetting receipts	−*	−464	−408
Total 403	1,977	2,250	2,330
407 Other transportation:			
Department of Transportation	75	84	91
Other independent agencies:			
National Transportation Safety Board [1]	16	17	18
Other temporary commissions	2	*	.....
Total 407	93	102	109
Deductions for offsetting receipts [2]	−67	−70	−55
Total transportation	17,459	19,631	20,159
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development	3,952	4,450	4,896
Other independent agencies:			
Commission of Fine Arts	*	*	*
Federal Emergency Management Agency	12	11	11
National Capital Planning Commission	2	2	2
Neighborhood Reinvestment Corporation	.....	12	13
Pennsylvania Avenue Development Corporation [1]	29	44	40
Total 451	3,995	4,519	4,963

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
452 Area and regional development:			
Funds appropriated to the President	304	302	332
Department of Agriculture	669	656	784
Department of Commerce [1]	2,289	1,079	1,215
Department of Energy	*	10	62
Department of the Interior [1]	805	846	861
Other independent agencies:			
Community Services Administration	−2	21	6
Appalachian Regional Commission [1]	7	9	9
Joint Federal-State Land Use Planning Commission for Alaska [1]	1	*	.....
Tennessee Valley Authority	132	178	164
Deductions for offsetting receipts	−305	−406	−413
Total 452	3,899	2,695	3,020
453 Disaster relief and insurance:			
Funds appropriated to the President	277	377	428
Department of Agriculture	23	22	15
Department of Commerce	13	3	2
Department of Housing and Urban Development	18	−35	.....
Other independent agencies:			
Federal Emergency Management Agency	322	284	217
Small Business Administration	957	626	200
Total 453	1,611	1,278	863
Deductions for offsetting receipts [2]	−23	−25	−25
Total community and regional development	9,482	8,467	8,820
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Education [3]	5,788	6,338	6,707
Department of Health and Human Services [4]	668	760	822
Department of the Interior	232	232	232
Total 501	6,688	7,330	7,761
502 Higher education:			
Department of Education [3]	4,535	5,476	5,209
Department of Housing and Urban Development	−5	−1	−1
Other independent agencies: Harry S. Truman Scholarship Foundation (trust funds)	−2	−2	−2
Total 502	4,528	5,474	5,205
503 Research and general education aids:			
Legislative branch [1]	130	184	160
Department of Commerce	9	21	23
Department of Education [1 3]	563	584	563
Other independent agencies:			
Corporation for Public Broadcasting	120	152	162
National Commission on Libraries and Information Science	2	2	1
National Endowment for the Arts [1]	136	142	154
National Endowment for the Humanities [1]	148	162	174
Smithsonian Institution	130	152	176
Deductions for offsetting receipts	−4	−4	−4
Total 503	1,233	1,395	1,408
504 Training and employment:			
Department of Commerce	2	12	.....

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Department of Health and Human Services [4]	385	365	385
Department of Labor [1]	10,445	10,025	10,914
Total 504	10,833	10,402	11,299
505 Other labor services:			
Department of Labor [1]	363	422	453
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped	*	*	1
Federal Mediation and Conciliation Service	23	24	28
National Labor Relations Board	97	113	117
National Mediation Board	4	4	4
Total 505	488	563	602
506 Social services:			
Department of Education [3]	.....	450	957
Department of Health and Human Services [4]	4,664	4,324	4,021
Department of Housing and Urban Development	5	9	9
Department of the Treasury	543	.....	.....
Other independent agencies:			
ACTION [1]	117	145	175
Community Services Administration [1]	594	569	555
National Commission on the International Year of the Child [1]	—*	1	.....
Total 506	5,923	5,498	5,717
Deductions for offsetting receipts [2]	—8	—7	—5
Total education, training, employment, and social services	29,685	30,654	31,989
550 HEALTH			
551 Health care services:			
Department of Health and Human Services [1 4]	52,425	58,928	66,088
Other independent agencies:			
Office of Personnel Management [1]	445	638	724
Other temporary commissions	.....	.....	1
Deductions for offsetting receipts	—7,749	—7,968	—9,497
Total 551	45,121	51,598	57,317
552 Health research:			
Department of Health and Human Services [4]	3,024	3,338	3,555
Department of Housing and Urban Development	—*	—*	—*
Total 552	3,023	3,338	3,555
553 Education and training of health care work force:			
Department of Health and Human Services [4]	583	652	559
554 Consumer and occupational health and safety:			
Executive Office of the President	1	*	.....
Department of Agriculture	263	291	300
Department of Health and Human Services [4]	300	309	314
Department of Labor [1]	286	329	361
Other independent agencies:			
Consumer Product Safety Commission	39	45	44
Federal Mine Safety and Health Review Commission	3	5	4
Occupational Safety and Health Review Commission	7	7	8
Deductions for offseting receipts	—3	—4	—4
Total 554	896	982	1,027

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
Deductions for offsetting receipts [2]	−10	−8	−8
Total health	49,614	56,563	62,449
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health and Human Services [2] [4]	105,819	121,096	140,196
Department of Labor [1]	1,029	1,614	1,653
Department of the Treasury	−*	.....	.....
Other independent agencies:			
Railroad Retirement Board [1]	4,592	5,061	5,507
Other temporary commissions	*	3	1
Deductions for offsetting receipts	−2,948	−3,133	−3,274
Total 601	108,492	124,641	144,084
602 Federal employee retirement and disability:			
Legislative branch (trust funds)	*	*	*
The Judiciary (trust funds)	2	2	2
Department of Labor	187	252	381
Department of State (trust funds)	113	147	174
Other independent agencies: Office of Personnel Management (trust funds)	12,109	14,188	16,565
Deductions for offsetting receipts	−32	−33	−33
Total 602	12,379	14,556	17,089
603 Unemployment compensation:			
Department of Labor [1]	11,542	16,441	19,144
Department of Transportation	.....	68	8
Other independent agencies: Railroad Retirement Board	.....	*	*
Deductions for offsetting receipts	−800	−900	−400
Total 603	10,742	15,610	18,752
604 Public assistance and other income supplements:			
Funds appropriated to the President (trust funds)	.....	1,600	2,400
Department of Agriculture	10,817	13,405	14,419
Department of Health and Human Services [4]	12,402	14,071	15,117
Department of Housing and Urban Development	4,337	5,281	6,554
Department of State	*	1	.....
Department of the Treasury	773	1,696	1,570
Other independent agencies:			
Community Services Administration	186	1,660	.....
Railroad Retirement Board	72	28	.....
Deductions for offsetting receipts	.....	−1,600	.....
Total 604	28,586	36,143	40,060
Deductions for offsetting receipts [2]	−2	−2	−2
Total income security	160,198	190,948	219,982
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [1]	11,238	12,118	13,479
Deductions for offsetting receipts	−458	−458	−445
Total 701	10,780	11,660	13,034
702 Veterans education, training, and rehabilitation:			
Veterans Administration [1]	2,831	2,325	2,057
Deductions for offsetting receipts	−71	−99	−114
Total 702	2,760	2,226	1,943

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
703 Hospital and medical care for veterans:			
Veterans Administration	5,611	6,426	6,692
Deductions for offsetting receipts	.....	−45	−321
Total 703	5,611	6,380	6,370
704 Veterans housing:			
Department of Housing and Urban Development	12	22	2
Veterans Administration	142	−207	−302
Total 704	154	−184	−300
705 Other veterans benefits and services:			
Department of Defense—Civil [1]	23	27	26
Department of the Treasury (trust funds)	*	*	*
Veterans Administration [1]	598	654	654
Other independent agencies: American Battle Monuments Commission [1]	7	8	9
Deductions for offsetting receipts	−2	−2	−3
Total 705	627	687	686
Deductions for offsetting receipts [2]	−4	−3	−3
Total veterans benefits and services	19,928	20,766	21,731
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Education [3]	.....	22	47
Department of Health and Human Services [4]	50	46	27
Department of Housing and Urban Development	15	19	29
Department of Justice	1,102	1,188	1,225
Department of the Treasury	721	815	790
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Commission on Civil Rights	10	11	12
Equal Employment Opportunity Commission	92	120	135
Other temporary commissions	*	2	1
Total 751	1,992	2,224	2,266
752 Federal litigative and judicial activities:			
Legislative branch	9	10	10
The Judiciary	479	622	649
Department of Justice	388	457	483
Other independent agencies:			
Indian Claims Commission	*	*	.....
Legal Services Corporation	254	300	329
Total 752	1,130	1,389	1,471
753 Federal correctional activities:			
Department of Justice [1]	337	348	357
754 Criminal justice assistance:			
Department of Justice	710	580	618
Deductions for offsetting receipts [2]	−17	−12	−12
Total administration of justice	4,153	4,530	4,699

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch [1]	921	1,095	1,087
Deductions for offsetting receipts	−7	−7	−7
Total 801	914	1,088	1,081
802 Executive direction and management:			
Executive Office of the President	78	100	105
Funds appropriated to the President	1	2	1
Other independent agencies: General Services Administration	1	1	4
Deductions for offsetting receipts	−*	.....	.....
Total 802	81	103	109
803 Central fiscal operations:			
Department of the Treasury [1]	2,506	2,807	2,910
Deductions for offsetting receipts	−175	−146	−140
Total 803	2,330	2,661	2,770
804 General property and records management:			
Other independent agencies:			
General Services Administration [1]	235	308	414
Other temporary commissions	*	*	.....
Total 804	235	309	414
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Federal Labor Relations Authority	7	14	16
Merit Systems Protection Board	6	19	18
Office of Personnel Management	8,932	10,779	11,704
Other temporary commissions	.....	*	*
Deductions for offsetting receipts	−8,819	−10,656	−11,580
Total 805	127	156	158
806 Other general government:			
Legislative branch	35	22	45
The Judiciary	*	*	*
Department of Defense—Civil	75	.....	.....
Department of the Interior [1]	331	392	401
Department of the Treasury [1]	241	425	153
Other independent agencies:			
Federal Election Commission	7	10	9
General Services Administration	2	3	3
American Revolution Bicentennial Administration	1	*	.....
Other historical and memorial agencies	*	*	*
Advisory Commission on Intergovernmental Relations [1]	2	2	2
Office of Personnel Management	19	18	20
Other temporary commissions	5	9	8
National Commission on the Observance of International Women's Year, 1975 [1]	*	*	.....
Deductions for offsetting receipts	−132	−155	−110
Total 806	586	727	531
Deductions for offsetting receipts [2]	−120	−157	−132
Total general government	4,153	4,885	4,931

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [1]	13,709	13,724	13,719
Deductions for offsetting receipts	−6,855	−6,855	−6,855
Total 851	6,854	6,869	6,864
852 Other general purpose fiscal assistance:			
Department of Agriculture	241	279	320
Department of Defense—Civil	6	5	5
Department of Energy	*	*	*
Department of the Interior	439	574	597
Department of the Treasury	438	562	1,321
Other independent agencies: District of Columbia	415	486	535
Deductions for offsetting receipts	−22	−105	−26
Total 852	1,518	1,801	2,753
Total general purpose fiscal assistance	8,372	8,670	9,617
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	59,837	73,300	79,400
902 Other interest:			
Department of the Treasury	367	711	718
Other independent agencies: General Services Administration	1	1	*
Deductions for offsetting receipts	−7,649	−10,681	−12,921
Total 902	−7,281	−9,970	−12,203
Total interest	52,556	63,330	67,197
Allowances for:			
Civilian agency pay raises	.....	.....	**1,070**
Contingencies for other requirements	.....	**100**	**1,500**
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	**−3,876**	**−4,345**	**−4,583**
Receipts from off-budget Federal agencies	**−1,395**	**−1,574**	**−1,578**
Total, employer share, employee retirement	**−5,271**	**−5,919**	**−6,161**
Interest received by trust funds	**−9,950**	**−11,539**	**−12,958**
Rents and royalties on the Outer Continental Shelf	**−3,267**	**−4,800**	**−6,000**
Total outlays	**493,673**	**563,583**	**615,761**
MEMORANDUM			
Federal funds	362,420	405,653	429,700
Trust funds	171,305	204,110	234,331
Intrafund transactions	−40,052	−46,179	−48,270

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
ADDENDUM			
Outlays of off-budget Federal entities:			
270 ENERGY			
271 Energy supply:			
Department of Agriculture	—4	.....	.....
370 COMMERCE AND HOUSING CREDIT			
372 Postal Service	—891	178	1,606
374 Federal Financing Bank:			
Department of the Treasury	13,172	16,408	16,316
Total commerce and housing credit	12,281	16,586	17,922
400 TRANSPORTATION			
401 Ground transportation:			
United States Railway Association	89	68	68
450 COMMUNITY AND REGIONAL DEVELOPMENT			
452 Area and regional development:			
Department of Agriculture	101	150	144
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Labor	—39	—37	—44
Outlays, off-budget Federal entities	12,428	16,766	18,090
Outlays including off-budget Federal entities	**506,102**	**580,349**	**633,851**
MEMORANDUM—ATTRIBUTION OF FEDERAL FINANCING BANK OUTLAYS [6]			
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President	—4	—7	—7
152 Military assistance:			
Funds appropriated to the President	1,293	2,420	1,990
155 International financial programs:			
Export-Import Bank of the United States	.....	50	350
Total international affairs	1,289	2,463	2,333
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
255 Supporting space activities:			
National Aeronautics and Space Administration	184	132	101
270 ENERGY			
271 Energy supply:			
Department of Agriculture [7]	2,320	4,160	4,745
Tennessee Valley Authority	.....	684	16
Total energy	2,320	4,844	4,761

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1979 actual	1980 estimate	1981 estimate
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture	5,045	2,946	2,487
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	2,930	1,852	4,889
374 Federal Financing Bank:			
Department of the Treasury [8]	−110	159	72
376 Other advancement and regulation of commerce:			
Small Business Administration	68	169	166
Total commerce and housing credit	2,888	2,180	5,127
400 TRANSPORTATION			
401 Ground transportation:			
Department of Transportation	−25	305	241
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development	5	157	264
452 Area and regional development:			
Department of Agriculture	830	992	1,075
Total community and regional development	835	1,150	1,338
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
502 Higher education:			
Department of Education [3] [9]	530	670	−215
550 HEALTH			
551 Health care services:			
Department of Health and Human Services [4]	17	110	134
600 INCOME SECURITY			
604 Public assistance and other income supplements:			
Department of Housing and Urban Development	.....	1,557	−50
800 GENERAL GOVERNMENT			
804 General property and records management:			
General Services Administration	90	43	98
806 Other general government:			
Department of the Interior	−*	9	−38
Total general government	89	52	60
Total Federal Financing Bank outlays	13,172	16,408	16,316

*$500 thousand or less.

[1] Includes both Federal and trust funds.
[2] Excludes offsetting receipts which have been distributed by subfunction above.
[3] This agency assumes the education activities previously performed by the Department of Health, Education, and Welfare (HEW).
[4] This agency, formerly part of the Department of Health, Education, and Welfare (HEW), has been designated the Department of Health and Human Services. It assumed the health and welfare activities of HEW.
[5] Offsetting receipts and outlays for net gains and losses, proceeds and reductions from transactions of the Exchange Stabilization Fund are now included in the Department of the Treasury.
[6] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.
[7] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).
[8] Miscellaneous outlays not attributed to any single program.
[9] Guaranteed for government-sponsored enterprise (Student Loan Marketing Association).

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Table 14. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1981 BUDGET, PROJECTION OF COSTS** [1]

(In millions of dollars)

Agency		Estimate			Projections			Explanation
		1980	1981	1982	1983	1984	1985	
FAP:								
Economic and military aid for Pakistan....	BA	110	.....	.....	.....	.....	.....	In response to recent Soviet actions in Afghanistan, economic and military aid are proposed for Pakistan. The request includes $10 million in budget authority to provide $100 million in loan guarantees for foreign military sales financing and $100 million in budget authority and outlays for economic support.
	O	100	.....	.....	.....	.....	.....	
Transportation energy initiatives.....	BA	1,276	1,500	1,699	1,724	1,654	1,609	Proposal would support energy-related transportation initiatives, which include 4 programs: public-transportation capital investment, auto-use management, fuel economy standards improvement, and basic automotive research.
	O	100	617	1,033	1,332	1,570	1,659	
Low-income energy assistance.....	BA	1,600	2,400	2,400	2,400	2,400	2,400	New authority is sought to expand the low-income energy assistance programs begun in 1980 to alleviate the effects of rising fuel costs on low-income families.
	O	1,600	2,400	2,400	2,400	2,400	2,400	
Agriculture:								
Food stamps.....	BA	2,556	3,503	4,359	4,786	5,066	5,230	Proposal would remove food stamp funding ceiling to allow benefits to rise with food prices. It would also establish State fiscal accountability and permit administrative improvements in calculating eligibility for food stamps.
	O	2,523	3,464	4,311	4,730	5,010	5,172	
Special Supplemental Food Program for Women, Infants, and Children (WIC).	BA	.....	46	70	75	81	87	Proposal would increase funding for WIC to pay for food supplements for more recipients. 1981 amounts will allow about 100,000 mothers and children to receive WIC benefits in addition to the 2 million individuals who will receive benefits under currently authorized amounts.
	O	.....	43	65	70	76	81	
Commodity Credit Corporation	BA	.....	.....	.....	14	264	227	An international emergency food reserve is proposed to provide adequate supplies for food aid programs. The projections include subsidies for the crop insurance program and the food reserve.
	O	.....	359	264	227	262	295	
Federal Crop Insurance Corporation	BA	.....	111	138	146	161	175	An expanded nationwide crop insurance program is proposed to protect farmers from natural disaster.
	O	.....	93	122	129	143	156	

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Biomass programs	BA	50	50	62	62	62	62	This proposal would provide for direct loans and loan guarantees for construction of biomass conversion plants.
	O	50	50	62	62	62	62	
Commerce:								
Public Works and Economic Development Act reauthorization.	BA	1,210	1,517	1,745	1,825	1,876	1,920	This proposal would provide expanded authority and resources for planning, public works, and business development assistance programs for distressed areas and also reauthorizes the Regional Development Commissions.
	O	670	925	1,252	1,468	1,725	1,828	
Defense:								
Uniformed Services Retirement Benefits Act.	BA	.....	.....	592	606	615	599	This legislation is designed to correct problems in the retirement program that were highlighted in the April 1978 Report of the President's Commission on Military Compensation. The proposed retirement reform would provide major improvements over the current system in achieving more management flexibility, fairness, and cost effectiveness.
	O	.....	.....	592	606	615	599	
Education:								
Student loan fund	BA	.....	545	1,121	1,882	2,425	2,913	Proposed legislation would establish a new program of basic direct loans and supplemental loan guarantees to assist postsecondary education students. This program will replace existing direct and guaranteed student loan programs.
	O	.....	91	1,009	1,733	2,180	2,680	
Education and Labor:								
Youth education, training, and employment initiative.	BA	.....	2,025	2,884	2,933	2,981	3,026	Problems stemming from excessive youth unemployment would be addressed through a new program of grants to assist secondary schools to provide compensatory education in basic literacy and arithmetic skills to educationally disadvantaged youth, and a consolidation and expansion of three youth training and employment programs emphasizing training and basic skills acquisition for disadvantaged older, out-of-school youth.
	O	.....	767	2,175	2,870	2,960	3,006	
Energy:								
Energy Management Partnership Act	BA	.....	152	152	152	152	152	Proposal would consolidate several existing State grant programs, give States additional flexibility, and establish local grants to encourage energy conservation.
	O	.....	5	132	152	152	152	
Energy impact assistance	BA	.....	150	150	150	150	150	Proposed legislation would aid States and communities adversely affected by new energy resource development.
	O	.....	37	135	150	150	150	
Utility oil use reduction program	BA	1	25	1,030	2,420	2,410	2,410	New proposal to reduce electric utility use of oil.
	O	1	22	979	2,321	2,411	2,410	

Footnote at end of table.

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Table 14. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1981 BUDGET, PROJECTION OF COSTS [1]—Continued**

(In millions of dollars)

Agency		Estimate			Projections			Explanation
		1980	1981	1982	1983	1984	1985	
Spent Fuel Nuclear Act	BA	.....	.....	.....	.....	.....	.....	This proposal would authorize the Secretary of Energy to enter into contracts for spent fuel storage and disposal.
	O	−100	200	−36	−98	34	.....	
Radioactive waste disposal and site cleanup.	BA	.....	20	41	60	52	50	Two proposals would authorize the States to transfer ownership and control over waste burial grounds to the Federal Government and authorize the Secretary of Energy to clean up approximately 30 contaminated sites.
	O	.....	20	41	60	52	50	
Coal research and development	BA	50	50	50	50	50	50	Provides for additional research into coal liquefaction, in situ gasification and coal processing.
	O	50	50	50	50	50	50	
Environmental Protection Agency:								
Oil and hazardous substance liability fund.	BA	.....	250	375	500	500	0	The proposal would establish a new program to deal with spills of oil and hazardous substances as well as releases from uncontrolled hazardous waste sites.
	O	.....	45	250	333	441	550	
Health and Human Services:								
Alcohol, Drug Abuse and Mental Health Administration.	BA	50	70	85	100	115	130	Proposal would provide grants to communities and cooperative agreements with States for mental health services.
	O	15	50	60	70	100	110	
Health Care Financing Administration	BA	.....	18	32	32	32	32	This proposal would double the ceiling for Federal medicaid matching payments to the territories and Puerto Rico and increase the matching rate from 50% to 75%.
	O	.....	18	32	32	32	32	
	BA, O	39	403	650	860	1,030	1,210	Medicaid coverage would be given to over 2 million low-income children and over 100,000 low-income pregnant women.
	BA	.....	4	15	28	43	62	Medicaid and medicare coverage would be extended to disabled individuals who return to work but still have the medical condition causing the disability.
	O	.....	12	50	96	119	147	
	O	.....	35	59	62	69	75	This proposal would eliminate the additional waiting period for medicare disability entitlement.
	O	.....	18	31	37	45	55	This proposal would increase medicare coverage for outpatient psychiatric services.

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	BA	.....	52	57	61	66	71	This proposal would require States to cover medicaid services provided in free standing comprehensive clinics.
	0	.....	5	25	35	40	45	Proposal would provide additional incentives for medicare beneficiaries to enroll in health maintenance organizations (HMOs).
Assistance to States and localities for refugees.	BA	.....	511	495	499	344	270	Reimbursement would be provided to States and localities for welfare costs and other services provided to new refugees.
	0	.....	296	425	425	389	315	
Grants to States for social and child welfare services.	BA	438	523	533	542	552	561	Proposal would increase the funding ceiling in social services, authorize State and local training at a level equal to 4% of services, and help States improve foster care and adoption systems.
	0	438	523	533	542	552	561	
Assistance payments	BA	.....	26	26	26	26	26	Proposal would double the ceiling for Federal matching payments to the territories and Puerto Rico and increase the matching rate from 50 to 75%.
	0							
Housing and Urban Development:								
GNMA mortgage assistance grant program.	BA	.....	30	30	30	30	30	This demonstration program would test the effectiveness of an alternative to the current GNMA tandem programs which provide mortgage interest subsidies. Grants provided would offset the costs of issuing below market interest rate mortgages.
	0	.....	.....	.....	30	30	30	
Solar Energy and Conservation Bank	BA	135	450	650	850	850	850	Direct loan subsidies would be provided to lenders to encourage energy conservation and the installation of solar heating equipment.
	0	41	466	599	810	850	850	
Transportation:								
Rail service assistance	BA	.....	250	400	325	250	250	New proposal would give aid to railroads to promote restructuring and reorganization.
	0	.....	40	213	348	288	250	
Treasury:								
Targeted and antirecession fiscal assistance.	BA	375	1,000	1,000	525	.....	.....	Proposal would provide general assistance to States and localities adversely affected by economic declines.
	0	250	1,000	1,000	525	.....	.....	
General revenue sharing	BA	.....	6,855	6,855	6,855	6,855	6,855	Proposal would extend general revenue sharing for 5 years at the 1980 level with increased targeting and a requirement for commissions in each State to assess improvements in the fiscal capacity of local governments.
	0	.....	5,141	6,855	6,855	6,855	6,855	
Loans to Energy Security Corporation	BA	17,792	.....	.....	.....	.....	.....	The activities of the Energy Security Corporation, which is proposed to finance the development of synthetic fuels, are to be paid for through Treasury loans.
	0	12	16	60	100	140	225	
Veterans Administration:								
Compensation	BA	.....	923	1,729	2,498	3,271	4,054	Proposed legislation would provide cost-of-living increases to compensation beneficiaries.
	0	.....	846	1,662	2,434	3,206	3,988	

Footnote at end of table

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Table 14. LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1981 BUDGET, PROJECTION OF COSTS [1]—Continued

(In millions of dollars)

Agency		Estimate			Projections			Explanation
		1980	1981	1982	1983	1984	1985	
Readjustment benefits	BA	.....	193	165	121	82	65	Proposed legislation would provide a 10% increase in G.I. bill benefits and a 2-year extension of the delimiting period for needy and educationally disadvantaged Vietnam-era veterans.
	O	.....	193	165	121	82	65	
Allowances:								
National health plan	BA, O	.....	.....	.....	24,100	27,100	30,400	The administration's proposed national health plan is included in the budget totals as an allowance. After legislation has been adopted, the plan will be classified by agency and function.
Other items (including welfare reform)	BA	150	2,000	7,900	8,500	10,900	11,200	
	O	100	1,500	6,500	7,100	9,400	9,700	

[1] This table is supplied pursuant to the requirements of sec. 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510). Estimates are shown for programs that involve at least $25 million in outlays a year over a period of years. They are not intended to predict future economic conditions; they do not reflect possible changes in the scope and quality of the proposal that might result from experience gained in actual practice; and they do not reflect in all cases reductions in the costs of other programs that may come about as a result of the adoption of the proposals. Since the economic assumptions and circumstances that these programs are based upon may change, the estimates do not represent a commitment to the amounts to be included in future years.

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Table 15. **NEW DIRECT LOAN OBLIGATIONS BY AGENCY**

(In millions of dollars)

Department or other unit	1979 actual	1980 estimate	1981 estimate
ON-BUDGET AGENCIES			
Funds Appropriated to the President	1,311	1,680	1,973
Agriculture	21,329	20,784	18,167
Commerce	129	262	495
Defense	1	.....	.....
Education	659	671	1,331
Energy	.....	24	12
Health and Human Services	63	128	156
Housing and Urban Development	3,582	3,759	3,449
Interior	47	46	59
Justice	26	.....	.....
State	1	1	1
Transportation	85	213	253
Veterans Administration	574	746	787
Other independent agencies:			
Export-Import Bank	4,090	4,504	4,754
National Credit Union Administration	17	1,812	2,211
Small Business Administration	1,829	1,391	1,358
All other independent agencies	173	336	394
Subtotal, on-budget agencies	**33,917**	**36,358**	**35,400**
OFF-BUDGET AGENCIES			
Rural Electrification Administration	1,381	1,285	1,285
Federal Financing Bank	16,045	22,004	23,941
All other off-budget agencies	53	22	27
Subtotal, off-budget agencies	**17,479**	**23,311**	**25,253**
Total	**51,396**	**59,668**	**60,654**

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Table 16. **NEW LOAN GUARANTEE COMMITMENTS BY AGENCY**

(In millions of dollars)

Department or other unit	1979 actual	1980 estimate	1981 estimate
Funds Appropriated to the President	5,363	2,185	2,740
Agriculture [1]	17,821	19,138	21,421
Commerce	1,684	1,957	3,220
Defense	.....	30	30
Education	3,290	4,630	2,160
Energy	2	1,864	236
Health and Human Services	33	205	258
Housing and Urban Development	88,838	90,280	102,102
Interior	34	.....	2
Transportation	170	994	810
Treasury	500	1,750	300
National Aeronautics and Space Administration	152	.....	.....
Veterans Administration	8,070	10,278	10,350
Other Independent Agencies:			
Energy Security Corporation [2]	.....	800	2,000
Export-Import Bank	5,016	7,815	8,893
Small Business Administration	4,162	5,345	5,750
All other independent agencies	14	16	25
Less: Secondary guarantees of loans that are already guaranteed	−42,360	−48,029	−53,133
Less: Guaranteed loans held as direct loans	−18,098	−24,068	−25,767
Total	**74,692**	**75,190**	**81,398**

[1] Includes Rural Electrification Administration off-budget activities as follows: 1979, $6,015 million; 1980, $5,904 million; 1981, $5,990 million.
[2] This is an off-budget Federal entity.

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Table 17. CONTROLLABILITY OF BUDGET OUTLAYS, 1971–81

(Dollars in billions)

	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement	37.1	41.4	50.6	57.5	68.3	76.0	20.7	87.5	96.1	106.7	122.5	142.1
Federal employees' retirement and insurance [1]	10.2	11.4	13.0	15.0	18.4	21.2	5.7	24.0	26.7	30.0	34.6	38.9
(Military retired pay)	(3.4)	(3.9)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.2)	(10.3)	(11.9)	(13.7)
(Other) [1]	(6.8)	(7.5)	(8.6)	(9.9)	(12.1)	(13.9)	(3.7)	(15.8)	(17.5)	(19.7)	(22.6)	(25.2)
Unemployment assistance	6.2	7.1	5.4	6.1	13.5	19.5	4.0	15.3	11.8	10.7	15.5	18.7
Medical care	11.2	13.4	14.1	17.2	21.6	26.3	7.0	31.4	35.9	41.6	47.7	53.9
Assistance to students [1 2]	1.7	2.0	2.8	3.2	4.6	5.5	.8	3.7	3.4	2.8	2.3	1.9
Housing assistance	.7	1.1	1.6	1.8	2.1	2.5	.6	2.9	3.6	4.2	5.1	6.3
Food and nutrition assistance [2]	1.6	1.9	2.2	2.8	6.2	7.5	1.7	8.2	8.2	9.8	12.1	13.3
Public assistance and related programs [1]	7.8	9.1	8.5	10.2	12.6	14.6	3.7	15.7	16.6	16.4	18.9	20.2
All other relatively uncontrollable payments for individuals [1 2]	1.1	1.3	1.6	1.8	2.0	1.9	.5	2.0	2.0	2.7	3.1	3.2
Subtotal, payments for individuals	77.6	88.7	99.8	115.7	149.2	174.9	44.6	190.7	204.2	224.9	261.9	298.5
Net interest [3]	14.8	15.5	17.3	21.4	23.2	26.7	6.9	29.9	35.4	42.6	51.8	54.8
General revenue sharing	.....	.....	6.6	6.1	6.1	6.2	1.6	6.8	6.8	6.8	6.9	6.9
Farm price supports (CCC)	2.8	4.0	3.6	1.0	.6	.6	.7	3.5	5.5	3.7	3.1	1.7
Other open-ended programs and fixed costs [1]	4.9	6.1	6.1	6.6	7.8	8.4	2.6	8.3	9.6	8.0	10.6	8.3
Total, open-ended programs and fixed costs	100.2	114.3	133.4	150.8	186.9	216.9	56.5	239.1	261.6	286.1	334.2	370.2
(National defense)	(3.4)	(3.9)	(4.4)	(5.2)	(6.3)	(7.4)	(2.0)	(8.2)	(9.2)	(10.4)	(12.1)	(13.8)
(Civilian programs)	(96.7)	(110.3)	(129.0)	(145.6)	(180.6)	(209.6)	(54.6)	(230.9)	(252.4)	(275.7)	(322.1)	(356.4)
Outlays from prior-year contracts and obligations: [4]												
National defense	21.1	19.4	17.7	20.4	22.3	17.9	7.7	18.5	28.2	30.9	36.9	40.6
Civilian programs	19.1	19.9	21.9	23.4	28.4	33.0	12.3	36.8	44.1	49.1	57.6	60.8
Total, outlays from prior-year contracts and obligations	40.2	39.2	39.6	43.8	50.7	50.9	20.0	55.3	72.3	80.0	94.5	101.4
Total, relatively uncontrollable outlays	**140.4**	**153.5**	**173.1**	**194.5**	**237.6**	**267.8**	**76.5**	**294.4**	**333.9**	**366.1**	**428.7**	**471.6**

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Relatively controllable outlays:												
National defense	51.3	53.2	52.5	52.2	57.0	64.2	12.7	70.8	67.8	76.4	81.4	91.8
Civilian programs	22.4	28.0	24.5	26.2	35.6	38.7	6.5	42.1	54.1	56.5	59.4	58.5
(Under current law) [5]	(73.7)	(81.3)	(76.9)	(78.4)	(92.6)	(102.8)	(19.2)	(112.9)	(121.9)	(132.8)	(140.2)	(144.5)
Under proposed legislation in:												
(Open-ended programs and fixed costs) [5]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	(.4)	(−.2)
(Relatively controllable and new programs) [5]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	(.2)	(6.0)
Total, relatively controllable outlays	**73.7**	**81.3**	**76.9**	**78.4**	**92.6**	**102.8**	**19.2**	**112.9**	**121.9**	**132.8**	**140.8**	**150.3**
Undistributed employer share, employee retirement	**−2.6**	**−2.8**	**−2.9**	**−3.3**	**−4.0**	**−4.2**	**−1.0**	**−4.5**	**−5.0**	**−5.3**	**−5.9**	**−6.2**
Total budget outlays	**211.4**	**232.0**	**247.1**	**269.6**	**326.2**	**366.4**	**94.7**	**402.7**	**450.8**	**493.7**	**563.6**	**615.8**
MEMORANDUM—Percent of total outlays:												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals	36.7%	38.2%	40.4%	42.9%	45.7%	47.7%	47.1%	47.3%	45.3%	45.6%	46.5%	48.5%
Other	10.7	11.0	13.6	13.0	11.6	11.5	12.5	12.0	12.7	12.4	12.8	11.6
Total open-ended programs and fixed costs	47.4	49.3	54.0	55.9	57.3	59.2	59.7	59.4	58.0	58.0	59.3	60.1
Outlays from prior-year contracts and obligations	19.0	16.9	16.0	16.2	15.5	13.9	21.1	13.7	16.0	16.2	16.8	16.5
Total relatively uncontrollable outlays	**66.4**	**66.2**	**70.0**	**72.2**	**72.8**	**73.1**	**80.8**	**73.1**	**74.1**	**74.2**	**76.1**	**76.6**
Relatively controllable outlays	**34.8**	**35.0**	**31.2**	**29.1**	**28.4**	**28.1**	**20.3**	**28.0**	**27.0**	**26.9**	**25.0**	**24.4**
Undistributed employer share, employee retirement	**−1.2**	**−1.2**	**−1.2**	**−1.2**	**−1.2**	**−1.1**	**−1.0**	**−1.1**	**−1.1**	**−1.1**	**−1.0**	**−1.0**
Total budget outlays	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] This subcategory now contains elements that were previously classified in the veterans benefits grouping.
[2] This is a new subcategory within "payments for individuals."
[3] Proposed legislation in open-ended programs and fixed costs includes less than −$535 million in 1981 for net interest.
[4] Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."
[5] National defense portion includes $81.6 billion in 1980 and $91.7 billion in 1981 under current law, less than $40 million in 1981 under proposed legislation in open-ended programs and fixed costs, and −$0.2 billion in 1980 and less than $30 million in 1981 under proposed legislation in relatively controllable programs.

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Table 18. BUDGET RECEIPTS BY SOURCE, 1971–81

(In millions of dollars)

Source	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
Individual income taxes	86,230	94,737	103,246	118,952	122,386	131,603	38,801	157,626	180,988	217,841	238,717	274,367
Corporation income taxes	26,785	32,166	36,153	38,620	40,621	41,409	8,460	54,892	59,952	65,677	72,303	71,574
Social insurance taxes and contributions (trust funds):												
Employment taxes and contributions:												
Old-age and survivors insurance	31,354	35,132	40,703	47,778	55,207	58,703	15,886	68,032	73,141	83,410	96,264	109,075
Disability insurance	4,490	4,775	5,381	6,147	7,250	7,686	2,130	8,786	12,250	14,584	16,669	19,622
Hospital insurance	4,874	5,205	7,603	10,556	11,258	11,995	3,459	13,484	16,680	19,891	23,281	29,962
Railroad retirement	980	1,008	1,189	1,411	1,489	1,525	328	1,908	1,822	2,190	2,395	2,950
Total employment taxes and contributions	41,698	46,120	54,876	65,892	75,204	79,909	21,803	92,210	103,893	120,074	138,609	161,608
Unemployment insurance	3,674	4,357	6,051	6,837	6,771	8,054	2,698	11,312	13,850	15,387	16,847	18,645
Contributions for other insurance and retirement:												
Supplementary medical insurance	1,253	1,340	1,427	1,704	1,901	1,937	539	2,193	2,431	2,636	2,916	3,313
Federal employees' retirement—employee contributions	1,916	2,058	2,146	2,302	2,513	2,760	707	2,915	3,174	3,428	3,737	3,759
Other retirement contributions	37	39	41	45	52	54	13	59	62	66	71	72
Total contributions for other insurance and retirement	3,205	3,437	3,614	4,051	4,466	4,752	1,259	5,167	5,668	6,130	6,724	7,144
Total social insurance taxes and contributions	48,578	53,914	64,542	76,780	86,441	92,714	25,760	108,688	123,410	141,591	162,181	187,397
Excise taxes:												
Federal funds:												
Alcohol	4,696	5,004	5,040	5,248	5,238	5,318	1,279	5,295	5,492	5,531	5,598	5,624
Tobacco	2,205	2,205	2,274	2,435	2,312	2,484	622	2,393	2,444	2,492	2,523	2,738

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Other	3,609	2,297	2,522	2,060	1,850	2,810	620	1,960	2,118	1,785	1,704	1,773
Total Federal fund excise taxes	10,510	9,506	9,836	9,743	9,400	10,612	2,520	9,648	10,054	9,808	9,824	10,135
Trust funds:												
Highway	5,542	5,322	5,665	6,260	6,188	5,413	1,676	6,709	6,904	7,189	6,934	7,082
Airport and airway	563	649	758	840	962	938	277	1,191	1,326	1,526	1,734	2,084
Black lung disability insurance trust fund	.....	.....	.....	.....	.....	.....	.....	.....	92	222	249	263
Inland waterway trust fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	30
Trust fund collections associated with the windfall profit tax	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7,591	20,615
Total trust fund excise taxes	6,104	5,971	6,424	7,100	7,151	6,351	1,953	7,900	8,323	8,937	16,508	30,074
Total excise taxes	16,614	15,477	16,260	16,844	16,551	16,963	4,473	17,548	18,376	18,745	26,333	40,209
Estate and gift taxes	3,735	5,436	4,917	5,035	4,611	5,216	1,455	7,327	5,285	5,411	5,777	5,938
Custom duties	2,591	3,287	3,188	3,334	3,676	4,074	1,212	5,150	6,573	7,439	7,600	8,403
Miscellaneous receipts:												
Deposit of earnings by Federal Reserve System	3,533	3,252	3,495	4,845	5,777	5,451	1,500	5,908	6,641	8,327	10,058	10,876
Other miscellaneous receipts	325	381	426	524	934	2,575	112	622	772	910	861	1,224
Total miscellaneous receipts [1]	3,858	3,633	3,921	5,369	6,711	8,026	1,612	6,531	7,413	9,237	10,919	12,100
Total budget receipts	**188,392**	**208,649**	**232,225**	**264,932**	**280,997**	**300,005**	**81,773**	**357,762**	**401,997**	**465,940**	**523,829**	**599,988**
MEMORANDUM												
Federal funds	133,785	148,846	161,357	181,219	187,505	201,099	54,085	241,312	270,484	316,351	347,813	383,151
Trust funds	66,193	72,959	92,193	104,846	118,590	133,695	32,071	152,763	168,012	189,641	222,196	265,107
Interfund transactions	−11,586	−13,156	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−36,498	−40,052	−46,179	−48,270

[1] Includes both Federal and trust funds.

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1971–81**

(In millions of dollars)

Function	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
050 National defense:												
051 Department of Defense—Military:												
Military personnel	22,633	23,036	23,246	23,728	24,968	25,064	6,358	25,715	27,075	28,407	30,574	31,705
Retired military personnel	3,386	3,885	4,390	5,128	6,242	7,296	1,947	8,216	9,171	10,279	11,941	13,714
Operation and maintenance	20,941	21,675	21,069	22,478	26,297	27,837	7,232	30,587	33,578	36,424	40,852	46,376
Procurement	18,858	17,131	15,654	15,241	16,042	15,964	3,766	18,178	19,976	25,404	27,648	30,497
Research and development	7,303	7,881	8,157	8,582	8,866	8,923	2,206	9,795	10,508	11,152	12,933	14,843
Military construction and other [1]	1,351	1,468	707	2,393	2,486	2,809	370	3,065	2,734	3,346	3,452	5,565
Subtotal, 051	74,472	75,076	73,223	77,550	84,900	87,891	21,880	95,557	103,042	115,013	127,400	142,700
053 Atomic energy defense activities	1,385	1,373	1,409	1,486	1,506	1,565	435	1,936	2,070	2,541	2,980	3,386
054 Defense-related activities	−45	103	−88	−1,242	−850	−23	−9	8	76	129	−9	159
Deductions for offsetting receipts	**−3**	**−2**	**−4**	**−13**	**−4**	**−3**	**1**	*	**−2**	**−3**	**−3**	**−4**
Total national defense	**75,808**	**76,550**	**74,541**	**77,781**	**85,552**	**89,430**	**22,307**	**97,501**	**105,186**	**117,681**	**130,368**	**146,241**
150 International affairs:												
151 Foreign economic and financial assistance	2,775	3,118	2,415	2,852	3,598	3,345	1,410	3,907	4,629	4,743	5,974	6,212
152 Military assistance	971	693	834	1,341	1,915	1,142	925	562	484	563	897	751
153 Conduct of foreign affairs	405	451	475	606	658	726	262	981	1,128	1,310	1,389	1,501
154 Foreign information and exchange activities	241	274	295	320	348	382	115	386	423	465	544	569
155 International financial programs	−245	205	97	617	505	73	−492	−914	−641	−879	1,687	669
Deductions for offsetting receipts	**−49**	**−50**	**−50**	**−56**	**−103**	**−115**	**−27**	**−108**	**−100**	**−110**	**−90**	**−89**
Total international affairs	**4,097**	**4,693**	**4,066**	**5,681**	**6,922**	**5,552**	**2,193**	**4,813**	**5,922**	**6,091**	**10,401**	**9,612**
250 General science, space, and technology:												
251 General science and basic research	1,009	979	961	1,017	1,038	1,035	292	1,078	1,160	1,298	1,410	1,560
253 Space flight	1,988	1,906	1,726	1,694	1,661	2,000	525	2,252	2,260	2,217	2,745	3,013

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254 Space, science, applications, and technology	829	953	1,041	947	958	980	251	1,006	972	1,153	1,322	1,434
255 Supporting space activities	355	338	304	322	334	358	94	343	354	383	416	439
Deductions for offsetting receipts	−2	−2	−2	−3	−2	−3	−1	−2	−4	−10	−3	−3
Total general science, space, and technology	**4,180**	**4,173**	**4,030**	**3,977**	**3,989**	**4,370**	**1,161**	**4,677**	**4,742**	**5,041**	**5,889**	**6,442**
270 Energy:												
271 Energy supply	898	1,107	975	517	1,742	2,508	603	3,265	3,970	4,900	5,499	4,493
272 Energy conservation	.....	.....	.....	3	48	51	38	143	221	252	608	1,172
274 Emergency energy preparedness	.....	.....	.....	.....	33	65	32	123	897	1,021	770	1,306
276 Energy information, policy, and regulation	155	207	231	331	389	558	146	664	798	742	946	1,211
Deductions for offsetting receipts	−23	−43	−26	−14	−43	−55	−25	−23	−25	−59	−72	−74
Total energy	**1,031**	**1,270**	**1,179**	**837**	**2,169**	**3,127**	**794**	**4,172**	**5,861**	**6,856**	**7,751**	**8,107**
300 Natural resources and environment:												
301 Water resources	1,776	1,975	2,249	2,228	2,634	2,773	813	3,242	3,468	3,897	4,214	4,121
302 Conservation and land management	855	784	725	740	1,300	1,245	477	1,279	1,984	1,884	2,256	2,245
303 Recreational resources	476	521	566	665	825	895	256	1,014	1,439	1,513	1,463	1,499
304 Pollution control and abatement	702	764	1,122	2,035	2,523	3,067	1,091	4,279	3,964	4,706	4,922	5,107
306 Other natural resources	498	571	570	673	762	897	229	973	1,157	1,273	1,366	1,468
Deductions for offsetting receipts	−398	−380	−469	−672	−707	−752	−334	−786	−1,087	−1,183	−1,445	−1,622
Total natural resources and environment	**3,909**	**4,235**	**4,763**	**5,670**	**7,336**	**8,124**	**2,532**	**10,000**	**10,925**	**12,091**	**12,776**	**12,819**
350 Agriculture:												
351 Farm income stabilization	3,651	4,553	4,099	1,458	785	1,574	343	4,485	6,588	4,850	3,286	1,389
352 Agricultural research and services	639	729	755	772	876	923	237	1,058	1,129	1,340	1,353	1,416
Deductions for offsetting receipts	−2	−2	−3	−3	−2	7	1	−11	14	48	−3	−3
Total agriculture	**4,288**	**5,280**	**4,852**	**2,227**	**1,659**	**2,504**	**581**	**5,532**	**7,731**	**6,238**	**4,636**	**2,802**
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance	−255	−43	−1,198	1,513	2,791	1,209	271	−3,280	210	−677	1,935	−2,813

See footnotes at end of table.

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1971–81—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
372 Postal Service	2,183	1,772	1,567	1,698	1,877	1,720	938	2,267	1,778	1,787	1,677	1,593
374 Federal Financing Bank	.....	.....	.....	.....	.....	.....	.....	−143	.....	.....	−253	−188
376 Other advancement and regulation of commerce	490	493	562	721	944	868	183	1,115	1,342	1,454	2,118	2,121
Deductions for offsetting receipts	**−60**	**−6**	**−6**	**−7**	**−5**	**−4**	−*	**−4**	**−6**	*	−*	−*
Total commerce and housing credit	**2,358**	**2,216**	**924**	**3,925**	**5,607**	**3,792**	**1,392**	**−44**	**3,324**	**2,565**	**5,476**	**712**
400 Transportation:												
401 Ground transportation	5,180	5,353	5,640	5,583	6,501	9,305	2,284	10,037	10,355	12,064	13,571	13,808
402 Air transportation	1,824	1,925	2,177	2,236	2,408	2,557	587	2,816	3,277	3,392	3,779	3,967
403 Water transportation	1,053	1,111	1,231	1,354	1,459	1,558	417	1,749	1,854	1,977	2,250	2,330
407 Other transportation	37	36	56	57	74	65	28	76	61	93	102	109
Deductions for offsetting receipts	**−43**	**−37**	**−39**	**−57**	**−55**	**−48**	**−11**	**−42**	**−102**	**−67**	**−70**	**−55**
Total transportation	**8,050**	**8,388**	**9,065**	**9,172**	**10,388**	**13,435**	**3,304**	**14,636**	**15,445**	**17,459**	**19,631**	**20,159**
450 Community and regional development:												
451 Community development	1,728	2,100	2,044	2,108	2,297	2,765	886	3,406	3,302	3,995	4,519	4,963
452 Area and regional development	844	937	983	1,263	1,059	1,496	350	2,309	4,890	3,899	2,695	3,020
453 Disaster relief and insurance	353	396	1,580	782	398	522	111	649	2,871	1,611	1,278	863
Deductions for offsetting receipts	**−9**	**−11**	**−12**	**−19**	**−17**	**−15**	**−6**	**−16**	**−23**	**−23**	**−25**	**−25**
Total community and regional development	**2,916**	**3,422**	**4,595**	**4,134**	**3,737**	**4,767**	**1,340**	**6,348**	**11,039**	**9,482**	**8,467**	**8,820**
500 Education, training, employment, and social services:												
501 Elementary, secondary, and vocational education	3,544	3,962	3,745	3,771	4,634	4,690	1,207	5,078	5,686	6,688	7,330	7,761
502 Higher education	1,433	1,447	1,532	1,349	2,050	2,663	739	3,104	3,486	4,528	5,474	5,205

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503 Research and general education aids	513	516	661	860	947	774	186	927	1,082	1,233	1,395	1,408
504 Training and employment	1,952	2,894	3,283	2,910	4,063	6,288	1,912	6,877	10,784	10,833	10,402	11,299
505 Other labor services	157	184	202	219	259	301	83	374	410	488	563	602
506 Social services	2,243	3,519	3,315	3,241	3,923	4,026	1,036	4,632	5,027	5,923	5,498	5,717
Deductions for offsetting receipts	−2	−3	−3	−5	−5	−5	−1	−7	−12	−8	−7	−5
Total education, training, employment, and social services	**9,839**	**12,519**	**12,735**	**12,344**	**15,870**	**18,737**	**5,162**	**20,985**	**26,463**	**29,685**	**30,654**	**31,989**
550 Health:												
551 Health care services	12,641	15,024	16,005	19,053	24,242	29,448	7,743	34,524	39,103	45,121	51,598	57,317
552 Health research	1,119	1,338	1,566	1,652	1,923	2,341	536	2,543	2,822	3,023	3,338	3,555
553 Education and training of health care work force	681	747	858	844	856	982	275	981	930	583	652	559
554 Consumer and occupational health and safety	277	360	406	529	632	685	168	747	838	896	982	1,027
Deductions for offsetting receipts	−2	−3	−3	−6	−5	−8	−1	−10	−18	−10	−8	−8
Total health	**14,716**	**17,467**	**18,832**	**22,073**	**27,648**	**33,448**	**8,721**	**38,785**	**43,676**	**49,614**	**56,563**	**62,449**
600 Income security:												
601 General retirement and disability insurance:												
Social security	35,247	39,409	48,288	54,936	63,648	72,664	19,763	83,861	92,242	102,595	117,913	136,921
Other	2,238	2,557	3,396	3,678	5,734	4,508	1,166	4,781	5,015	5,897	6,728	7,163
Subtotal, 601	37,485	41,966	51,684	58,614	69,382	77,172	20,929	88,642	97,257	108,492	124,641	144,084
602 Federal employee retirement and disability	3,192	3,790	4,502	5,645	6,980	8,174	2,319	9,503	10,665	12,379	14,556	17,089
603 Unemployment compensation	6,168	7,076	5,356	6,065	13,459	19,452	3,994	15,258	11,769	10,742	15,610	18,752
604 Public assistance and other income supplements	8,583	11,083	11,425	14,114	18,790	22,615	5,555	24,512	26,521	28,586	36,143	40,060
Deductions for offsetting receipts	−2	−2	−2	−1	−1	−1	−*	*	*	−2	−2	−2
Total income security	**55,426**	**63,913**	**72,965**	**84,437**	**108,610**	**127,412**	**32,797**	**137,915**	**146,212**	**160,198**	**190,948**	**219,982**
700 Veterans benefits and services:												
701 Income security for veterans	5,966	6,344	6,533	6,789	7,860	8,350	2,082	9,216	9,745	10,780	11,660	13,034

See footnotes at end of table.

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1971–81—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
702 Veterans education, training, and rehabilitation	1,659	1,960	2,801	3,249	4,593	5,531	784	3,710	3,365	2,760	2,226	1,943
703 Hospital and medical care for veterans	2,036	2,425	2,711	3,006	3,665	4,046	1,039	4,708	5,254	5,611	6,380	6,370
704 Veterans housing	−179	−317	−381	−15	24	−72	−50	−145	28	154	−184	−300
705 Other veterans benefits and services	296	320	350	359	458	578	110	549	585	627	687	686
Deductions for offsetting receipts	−2	−2	−2	−2	−2	−2	−1	−1	−3	−4	−3	−3
Total veterans benefits and services	**9,776**	**10,730**	**12,013**	**13,386**	**16,597**	**18,432**	**3,962**	**18,038**	**18,974**	**19,928**	**20,766**	**21,731**
750 Administration of justice:												
751 Federal law enforcement activities	691	810	984	1,091	1,349	1,498	407	1,673	1,831	1,992	2,224	2,266
752 Federal litigative and judicial activities	287	347	390	426	549	697	213	842	943	1,130	1,389	1,471
753 Federal correctional activities	94	115	140	179	200	208	57	240	307	337	348	357
754 Criminal justice assistance	233	380	624	770	853	921	213	847	729	710	580	618
Deductions for offsetting receipts	−6	−2	−7	−5	−9	−4	−31	−2	−8	−17	−12	−12
Total administration of justice	**1,299**	**1,650**	**2,131**	**2,462**	**2,942**	**3,320**	**859**	**3,600**	**3,802**	**4,153**	**4,530**	**4,699**
800 General government:												
801 Legislative functions	337	400	433	516	588	673	181	841	900	914	1,088	1,081
802 Executive direction and management	38	59	71	117	63	68	16	76	73	81	103	109
803 Central fiscal operations	1,013	1,183	1,209	1,329	1,752	1,819	435	1,947	2,124	2,330	2,661	2,770
804 General property and records management	637	719	910	1,030	418	95	67	141	214	235	309	414
805 Central personnel management	51	57	66	74	88	107	25	100	129	127	156	158
806 Other general government	128	172	158	365	424	396	228	393	484	586	727	531
Deductions for offsetting receipts	−185	−174	−278	−189	−199	−210	−68	−186	−188	−120	−157	−132
Total general government	**2,020**	**2,415**	**2,568**	**3,243**	**3,135**	**2,948**	**883**	**3,312**	**3,737**	**4,153**	**4,885**	**4,931**

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850	**General purpose fiscal assistance:**											
851	General revenue sharing	.....	.....	6,636	6,106	6,130	6,240	1,588	6,762	6,830	6,854	6,869	6,864
852	Other general purpose fiscal assistance	535	673	715	784	1,057	994	504	2,737	2,772	1,518	1,801	2,753
	Total general purpose fiscal assistance	**535**	**673**	**7,351**	**6,890**	**7,187**	**7,235**	**2,092**	**9,499**	**9,601**	**8,372**	**8,670**	**9,617**
900	**Interest:**												
901	Interest on the public debt	20,959	21,849	24,167	29,319	32,665	37,063	8,102	41,900	48,695	59,837	73,300	79,400
902	Other interest	−1,357	−1,286	−1,385	−1,287	−1,754	−2,552	−885	−3,891	−4,729	−7,281	−9,970	−12,203
	Total interest	**19,602**	**20,563**	**22,782**	**28,032**	**30,911**	**34,511**	**7,216**	**38,009**	**43,966**	**52,556**	**63,330**	**67,197**
Allowances:													
	Civilian agency pay raises	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,070
	Contingencies for:												
	Relatively uncontrollable programs	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Other requirements	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100	1,500
	Total allowances	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	**100**	**2,570**
950	**Undistributed offsetting receipts:**												
951	Employer share, employee retirement	−2,611	−2,768	−2,927	−3,319	−3,980	−4,242	−985	−4,548	−4,983	−5,271	−5,919	−6,161
952	Interest received by trust funds	−4,765	−5,089	−5,436	−6,583	−7,667	−7,800	−270	−8,131	−8,530	−9,950	−11,539	−12,958
953	Rents and royalties on the Outer Continental Shelf	−1,051	−279	−3,956	−6,748	−2,428	−2,662	−1,311	−2,374	−2,259	−3,267	−4,800	−6,000
	Total undistributed offsetting receipts	**−8,427**	**−8,137**	**−12,318**	**−16,651**	**−14,075**	**−14,704**	**−2,567**	**−15,053**	**−15,772**	**−18,488**	**−22,258**	**−25,119**
	Total budget outlays	**211,425**	**232,021**	**247,074**	**269,620**	**326,185**	**366,439**	**94,729**	**402,725**	**450,836**	**493,673**	**563,583**	**615,761**
	MEMORANDUM												
	Federal Funds	163,651	178,110	186,951	199,918	240,115	269,943	65,089	295,772	332,016	362,420	405,653	429,700
	Trust Funds	59,360	67,067	81,448	90,835	111,168	131,286	34,023	143,267	155,318	171,305	204,110	234,331
	Interfund transactions	−11,586	−13,156	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−36,498	−40,052	−46,179	−48,270

See footnotes at end of table.

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1971–81—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES[2]												
270 Energy:												
271 Energy supply	.....	.....	*51*	*484*	*477*	*213*	*−80*	*394*	*62*	*−4*	.....	.....
Total energy	.....	.....	*51*	*484*	*477*	*213*	*−80*	*394*	*62*	*−4*	.....	.....
370 Commerce and housing credit:												
372 Postal Service	.....	.....	.....	*773*	*1,112*	*1,085*	*−726*	*−173*	*−496*	*−891*	*178*	*1,606*
374 Federal Financing Bank	.....	.....	.....	*102*	*6,355*	*5,863*	*2,564*	*8,201*	*10,614*	*13,172*	*16,408*	*16,316*
Total commerce and housing credit	.....	.....	.....	*875*	*7,468*	*6,949*	*1,838*	*8,028*	*10,118*	*12,281*	*16,585*	*17,921*
400 Transportation:												
401 Ground transportation	.....	.....	.....	.....	*34*	*52*	*11*	*219*	*66*	*89*	*68*	*68*
Total transportation	.....	.....	.....	.....	*34*	*52*	*11*	*219*	*66*	*89*	*68*	*68*
450 Community and regional development:												
452 Area and regional development	.....	.....	*9*	*88*	*110*	*93*	*17*	*59*	*113*	*101*	*150*	*144*
Total community and regional development	.....	.....	*9*	*88*	*110*	*93*	*17*	*59*	*113*	*101*	*150*	*144*
600 Income security:												
601 General retirement and disability insurance	.....	.....	.....	.....	*−34*	*−22*	*−**	*−16*	*−32*	*−39*	*−37*	*−44*

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Total income security	.....	.....	.....	.....	*−34*	*−22*	*−**	*−16*	*−32*	*−39*	*−37*	*−44*
Total outlays of off-budget Federal entities	.....	.....	*60*	*1,447*	*8,054*	*7,285*	*1,785*	*8,684*	*10,327*	*12,428*	*16,766*	*18,090*
Total outlays including off-budget Federal entities	*211,425*	*232,021*	*247,134*	*271,067*	*334,239*	*373,724*	*96,514*	*411,409*	*461,163*	*506,102*	*580,349*	*633,851*
MEMORANDUM—Attribution of Federal Financing Bank outlays [3]												
150 International affairs:												
151 Foreign economic and financial assistance	.....	.....	.....	.....	5	.....	.....	39	−4	−4	−7	−7
152 Military assistance	.....	.....	.....	.....	112	787	208	1,409	1,462	1,293	2,420	1,990
155 International financial programs	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	50	350
Total international affairs	.....	.....	.....	.....	117	787	208	1,448	1,458	1,289	2,463	2,333
250 General science, space, and technology:												
255 Supporting space activities	.....	.....	.....	.....	.....	.....	.....	57	180	184	132	101
270 Energy:												
271 Energy supply	.....	.....	.....	.....	255	860	399	1,222	2,093	2,320	4,844	4,761
350 Agriculture:												
351 Farm income stabilization	.....	.....	.....	.....	1,375	675	400	1,250	3,640	5,045	2,946	2,487
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance	.....	.....	.....	.....	3,175	2,550	250	3,105	3,360	2,930	1,852	4,889
374 Federal Financing Bank	.....	.....	.....	.....	175	−268	−60	114	−81	−110	159	72
376 Other advancement and regulation of commerce	.....	.....	.....	.....	47	188	15	58	54	68	169	166
Total commerce and housing credit	.....	.....	.....	.....	3,398	2,470	206	3,278	3,333	2,888	2,180	5,127

See footnotes at end of table.

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Table 19. BUDGET OUTLAYS BY FUNCTION, 1971–81—Continued

(In millions of dollars)

Function	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
400 Transportation:												
401 Ground transportation	.....	.....	.....	.....	495	250	41	—30	10	—25	305	241
450 Community and regional development:												
451 Community development	.....	.....	.....	.....	21	6	10	5	—4	5	157	264
452 Area and regional development	.....	.....	.....	.....	450	575	200	610	660	830	992	1,075
Total community and regional development	.....	.....	.....	.....	471	582	210	615	656	835	1,150	1,338
500 Education, training, employment, and social services:												
502 Higher education	.....	.....	.....	100	140	160	5	105	235	530	670	—215
550 Health:												
551 Health care services	.....	.....	.....	2	60	56	7	56	39	17	110	134
600 Income security:												
604 Public assistance and other income supplements	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,557	—50
800 General government:												
804 General property and records management	.....	.....	.....	.....	45	24	6	67	128	90	43	98
806 Other general government	.....	.....	.....	.....	.....	.....	.....	58	—*	—*	9	—38
Total general government	.....	.....	.....	.....	45	24	6	125	128	89	52	60
850 General purpose fiscal assistance:												
852 Other general fiscal assistance	.....	.....	.....	.....	.....	.....	1,082	75	—1,157	.....	.....	.....
Total Federal Financing Bank	.....	.....	.....	102	6,355	5,863	2,564	8,201	10,614	13,172	16,408	16,316

* $500 thousand or less.

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

[2] Off-budget entities begin in 1973.

[3] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.

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Table 20. FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1970–81

(In billions of dollars)

Description	Actual										Estimate	
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
RECEIPTS, NATIONAL INCOME BASIS												
Personal taxes and nontax receipts	93.6	87.5	100.3	107.3	122.6	127.1	137.0	166.0	186.3	223.5	245.1	279.7
Corporate profits tax accruals	33.0	32.0	34.2	41.0	43.7	42.1	51.7	59.1	67.7	78.4	76.5	77.1
Indirect business tax and nontax accruals	19.2	20.0	19.9	20.7	21.4	22.2	24.3	24.5	27.2	29.4	38.5	53.0
Contributions for social insurance	49.2	52.9	59.1	71.5	84.2	92.1	100.9	116.4	133.5	152.4	170.5	197.9
Total receipts, national income basis	**194.9**	**192.5**	**213.5**	**240.5**	**271.8**	**283.5**	**313.9**	**366.0**	**414.7**	**483.7**	**530.6**	**607.7**
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	97.0	94.8	100.9	101.7	104.6	118.0	125.7	140.3	150.7	162.4	185.6	202.9
Defense	(75.3)	(72.1)	(72.5)	(73.3)	(74.1)	(80.3)	(85.3)	(91.9)	(97.8)	(105.9)	(118.7)	(132.1)
Nondefense	(21.7)	(22.7)	(28.4)	(28.4)	(30.5)	(37.6)	(40.4)	(48.4)	(52.9)	(56.5)	(66.9)	(70.8)
Transfer payments	57.0	70.1	78.9	89.7	104.7	134.3	156.5	169.6	182.0	201.7	235.1	267.6
Domestic ("to persons")	(55.0)	(67.7)	(76.1)	(87.1)	(101.7)	(131.2)	(153.5)	(166.4)	(178.5)	(197.7)	(230.9)	(263.2)
Foreign	(2.0)	(2.3)	(2.8)	(2.7)	(3.0)	(3.1)	(3.0)	(3.2)	(3.5)	(4.0)	(4.2)	(4.4)
Grants-in-aid to State and local governments	22.6	26.8	32.6	40.4	41.6	48.4	57.6	66.3	74.7	79.3	84.3	90.7
Net interest paid	13.6	14.2	14.1	15.9	19.8	21.9	25.2	28.4	33.1	40.4	49.2	52.2
Subsidies less current surplus of Government enterprises	5.4	6.8	6.4	9.1	8.0	5.7	6.2	6.9	9.6	9.8	10.0	12.9
Wage disbursements less accruals	−.1	.1	.....	−.5	.2	.4	.....	.....	−*	*	.....	.....
Total expenditures, national income basis	**195.6**	**212.7**	**232.9**	**256.2**	**278.8**	**328.7**	**371.1**	**411.4**	**450.1**	**493.6**	**564.2**	**626.3**
Excess of receipts (+) or expenditures (−), national income basis	**−.6**	**−20.2**	**−19.5**	**−15.7**	**−7.0**	**−45.3**	**−57.3**	**−45.5**	**−35.4**	**−9.9**	**−33.6**	**−18.6**

Note.—Excludes the transition quarter. *$50 million or less.

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Table 21. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958–83

(Dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts		Outlays						Federal debt, end of year			
				Unified budget		Off-budget Federal entities		Total		Total		Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958	442.1	79.6	18.0	82.6	18.7	.....	.....	82.6	18.7	279.7	63.3	226.4	51.2
1959	473.3	79.2	16.7	92.1	19.5	.....	.....	92.1	19.5	287.8	60.8	235.0	49.7
1960	497.3	92.5	18.6	92.2	18.5	.....	.....	92.2	18.5	290.9	58.5	237.2	47.7
1961	508.3	94.4	18.6	97.8	19.2	.....	.....	97.8	19.2	292.9	57.6	238.6	46.9
1962	546.9	99.7	18.2	106.8	19.5	.....	.....	106.8	19.5	303.3	55.5	248.4	45.4
1963	576.3	106.6	18.5	111.3	19.3	.....	.....	111.3	19.3	310.8	53.9	254.5	44.2
1964	616.2	112.7	18.3	118.6	19.2	.....	.....	118.6	19.2	316.8	51.4	257.6	41.8
1965	657.1	116.8	17.8	118.4	18.0	.....	.....	118.4	18.0	323.2	49.2	261.6	39.8
1966	721.1	130.9	18.1	134.7	18.7	.....	.....	134.7	18.7	329.5	45.7	264.7	36.7
1967	774.4	149.6	19.3	158.3	20.4	.....	.....	158.3	20.4	341.3	44.1	267.5	34.5
1968	829.9	153.7	18.5	178.8	21.5	.....	.....	178.8	21.5	369.8	44.6	290.6	35.0
1969	903.7	187.8	20.8	184.5	20.4	.....	.....	184.5	20.4	367.1	40.6	279.5	30.9
1970	959.0	193.7	20.2	196.6	20.5	.....	.....	196.6	20.5	382.6	39.9	284.9	29.7
1971	1,019.2	188.4	18.5	211.4	20.7	.....	.....	211.4	20.7	409.5	40.2	304.3	29.9
1972	1,110.5	208.6	18.8	232.0	20.9	.....	.....	232.0	20.9	437.3	39.4	323.8	29.2
1973	1,237.5	232.2	18.8	247.1	20.0	.1	*	247.1	20.0	468.4	37.9	343.0	27.7
1974	1,359.2	264.9	19.5	269.6	19.8	1.4	.1	271.1	19.9	486.2	35.8	346.1	25.5
1975	1,457.3	281.0	19.3	326.2	22.4	8.1	.6	334.2	22.9	544.1	37.3	396.9	27.2
1976	1,621.0	300.0	18.5	366.4	22.6	7.3	.4	373.7	23.1	631.9	39.0	480.3	29.6
1977	1,843.3	357.8	19.4	402.7	21.8	8.7	.5	411.4	22.3	709.1	38.5	551.8	29.9
1978	2,060.4	402.0	19.5	450.8	21.9	10.3	.5	461.2	22.4	780.4	37.9	610.9	29.7
1979	2,313.4	465.9	20.1	493.7	21.3	12.4	.5	506.1	21.9	833.8	36.0	644.6	27.9
1980 estimate	2,518.0	523.8	20.8	563.6	22.4	16.8	.7	580.3	23.0	892.8	35.5	688.9	27.4
1981 estimate	2,764.4	560.0	21.7	615.8	22.3	18.1	.7	633.9	22.9	939.4	34.0	722.0	26.1
1982 estimate	3,107.6	691.1	22.2	686.3	22.1	15.1	.5	701.4	22.6	972.6	31.3	731.3	23.5
1983 estimate	3,513.0	798.8	22.7	774.3	22.0	12.9	.4	787.2	22.4	988.8	28.1	718.5	20.5

* 0.05% or less.

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Table 22. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1958–83

(In billions of dollars)

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
			Nondefense						Nondefense			
	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other
1958	82.6	43.7	38.9	20.5	5.6	12.7	141.6	74.0	67.6	29.5	16.2	21.9
1959	92.1	46.0	46.1	22.3	5.8	18.1	153.7	75.3	78.4	31.7	16.5	30.2
1960	92.2	45.2	47.1	23.6	6.9	16.5	150.6	73.8	76.8	33.1	16.3	27.4
1961	97.8	46.6	51.2	27.3	6.7	17.1	156.7	74.8	81.9	37.8	16.2	27.9
1962	106.8	49.0	57.8	28.7	6.9	22.2	168.4	77.2	91.2	39.2	16.6	35.4
1963	111.3	50.1	61.2	30.4	7.7	23.1	170.4	76.8	93.6	41.1	16.8	35.7
1964	118.6	51.5	67.1	31.6	8.2	27.3	177.1	77.0	100.1	42.1	16.7	41.2
1965	118.4	47.5	71.0	32.3	8.6	30.1	173.0	69.3	103.7	42.5	16.7	44.5
1966	134.7	54.9	79.8	36.2	9.4	34.2	187.7	76.3	111.4	46.7	16.4	48.2
1967	158.3	68.2	90.0	43.1	10.3	36.7	211.8	92.0	119.8	53.8	16.1	49.8
1968	178.8	78.8	100.1	48.7	11.1	40.3	229.3	101.4	127.9	58.9	16.9	52.1
1969	184.5	79.4	105.1	55.3	12.7	37.2	222.9	97.9	125.0	63.8	15.5	45.8
1970	196.6	73.6	118.0	63.2	14.4	40.5	220.6	90.3	130.3	68.8	15.0	46.6
1971	211.4	75.8	135.6	78.7	14.8	42.1	222.9	81.2	141.7	81.5	15.2	45.0
1972	232.0	76.6	155.5	90.8	15.5	49.2	232.0	76.6	155.5	90.8	15.5	49.2
1973	247.1	74.5	172.5	102.1	17.3	53.1	233.3	70.0	163.3	98.1	15.4	49.8
1974	269.6	77.8	191.8	117.5	21.4	52.9	232.0	67.9	164.0	103.7	14.3	46.0
1975	326.2	85.6	240.6	150.4	23.2	67.0	253.6	67.2	186.4	119.5	14.6	52.4
1976	366.4	89.4	277.0	176.6	26.7	73.7	266.6	65.6	201.0	131.0	16.4	53.7
1977	402.7	97.5	305.2	192.4	29.9	83.0	272.2	66.5	205.7	132.7	17.4	55.6
1978	450.8	105.2	345.6	206.5	35.4	103.8	282.0	66.6	215.4	133.1	17.8	64.5
1979	493.7	117.7	376.0	227.5	42.6	105.9	280.0	69.3	210.7	132.8	17.0	60.9
1980 estimate	563.6	130.4	433.2	266.9	51.8	114.6	286.3	70.7	215.6	138.6	16.3	60.7
1981 estimate	615.8	146.2	469.5	302.6	54.2	112.7	286.8	73.2	213.5	143.3	15.3	54.9
1982 estimate	686.3	165.5	520.8	333.4	53.9	133.5	296.6	76.6	220.0	145.6	14.2	60.2
1983 estimate	774.3	185.9	588.5	390.4	53.0	145.1	312.3	80.0	232.3	158.5	13.2	60.7

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Table 23. BUDGET RECEIPTS AND OUTLAYS, 1789–1983

(In millions of dollars)

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (–)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	–991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	–52
1911–1915	3,517	3,568	–49
1916–1920	17,286	40,195	–22,909
1921	5,571	5,062	+509
1922	4,026	3,289	+736
1923	3,853	3,140	+713
1924	3,871	2,908	+963
1925	3,641	2,924	+717
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	–462
1932	1,924	4,659	–2,735
1933	1,997	4,598	–2,602
1934	3,015	6,645	–3,630
1935	3,706	6,497	–2,791
1936	3,997	8,442	–4,425
1937	4,956	7,733	–2,777
1938	5,588	6,765	–1,177
1939	4,979	8,841	–3,862
1940	6,361	9,456	–3,095
1941	8,621	13,634	–5,013
1942	14,350	35,114	–20,764
1943	23,649	78,533	–54,884
1944	44,276	91,280	–47,004
1945	45,216	92,690	–47,474
1946	39,327	55,183	–15,856
1947	38,394	34,532	+3,862
1948	41,774	29,773	+12,001
1949	39,437	38,834	+603
1950	39,485	42,597	–3,112
1951	51,646	45,546	+6,100
1952	66,204	67,721	–1,517
1953	69,574	76,107	–6,533
1954	69,719	70,890	–1,170
1955	65,469	68,509	–3,041
1956	74,547	70,460	+4,087
1957	79,990	76,741	+3,249
1958	79,636	82,575	–2,939
1959	79,249	92,104	–12,855
1960	92,492	92,223	+269
1961	94,389	97,795	–3,406
1962	99,676	106,813	–7,137
1963	106,560	111,311	–4,751
1964	112,662	118,584	–5,922
1965	116,833	118,430	–1,596
1966	130,856	134,652	–3,796
1967	149,552	158,254	–8,702
1968	153,671	178,833	–25,161
1969	187,784	184,548	+3,236
1970	193,743	196,588	–2,845
1971	188,392	211,425	–23,033
1972	208,649	232,021	–23,373
1973	232,225	247,074	–14,849
1974	264,932	269,620	–4,688
1975	280,997	326,185	–45,188
1976	300,005	366,439	–66,434
TQ	81,773	94,729	–12,956
1977	357,762	402,725	–44,963
1978	401,997	450,836	–48,839
1979	465,940	493,673	–27,733
1980 est	523,829	563,583	–39,754
1981 est	599,988	615,761	–15,773
1982 est	691,097	686,279	+4,818
1983 est	798,844	774,335	+24,509

Totals, including outlays of off-budget Federal entities

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total budget surplus or deficit (–)
1973	60	247,134	–14,908
1974	1,447	271,067	–6,135
1975	8,054	334,239	–53,242
1976	7,285	373,724	–73,719
TQ	1,785	96,514	–14,741
1977	8,684	411,409	–53,647
1978	10,327	461,163	–59,166
1979	12,428	506,102	–40,162
1980 est	16,766	580,349	–56,519
1981 est	18,090	633,851	–33,862
1982 est	15,078	701,357	–10,259
1983 est	12,852	787,187	+11,657

Data for 1789–1939 are for the administrative budget: data for 1940 and all following years are for the unified budget.

In calendar year 1976, the Federal fiscal year was converted from a July 1–June 30 basis to an Oct. 1–Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Off-budget Federal entity outlays begin in 1973.

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