

## Appendix Two

# Budget Enforcement Act Preview Report and Current Services Estimates



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## 36. Budget Enforcement Act Preview Report

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## 36. BUDGET ENFORCEMENT ACT PREVIEW REPORT

The Budget Enforcement Act of 1990 (BEA) contains procedures designed to enforce the deficit reduction agreement of the Omnibus Budget Reconciliation Act of 1990. The BEA divides the budget into two mutually exclusive categories—discretionary programs, on the one hand, and direct spending and receipts, on the other. For 1991 through 1995, the BEA limits discretionary spending and establishes a “pay-as-you-go” requirement that legislation changing direct spending and receipts must, in total, be at least deficit neutral. Deficit targets are also set by the BEA.

As required by the BEA, this Preview Report includes the status of discretionary, pay-as-you-go, and deficit

sequestration based on current law. In addition, it explains the differences between the OMB and CBO estimates of the maximum deficit amount. The OMB estimates use the economic and technical assumptions underlying the President’s budget submission, as required by the BEA. The OMB Update Report that will be issued in August, and the Final Report that will be issued after the end of the Congressional session, must also use these economic and technical assumptions. Estimates in the Update Report and the Final Report will only be revised to reflect laws enacted since the Preview Report.

### Discretionary Sequestration Report

Discretionary programs are, in general, those that have their program levels established annually through the appropriations process. The scorekeeping guidelines accompanying the BEA identify accounts with discretionary resources. The BEA limits budget authority and outlays available for discretionary programs each year through 1995. Appropriations that cause either the budget authority or outlay limits to be exceeded will trigger a sequester to eliminate any such breach. There is no requirement that the full amount available under the discretionary limits be appropriated.

For 1991–1993, limits are specified for three categories of discretionary programs: defense, international, and domestic. The limits on each of these categories are enforced independently. Thus savings in one category cannot be used to increase spending in another. Similarly, a breach of a category limit will result only in a sequester in the category where the breach occurs. For 1994 and 1995, there are no separate categories for discretionary programs, and the caps apply to total discretionary budget authority and outlays.

**Adjustments to the limits.**—The BEA permits certain adjustments to the discretionary limits—also known as caps. On January 13, 1992, the Office of Management and Budget submitted the Final Sequestration Report required by the BEA. This report described adjustments permitted by the BEA as of the time the report was issued. The caps resulting from these adjustments are the starting points for this Preview Report. Included in this report are cap adjustments for differences between actual and projected inflation, reestimates of subsidy amounts under credit reform, and changes in concepts and definitions. Adjustments apply to the budget year and each outyear through 1995. Table 36–1 shows the impact on the caps of these adjustments.

The discretionary caps enacted in the BEA reflect assumptions about inflation, as measured by the gross national product implicit price deflator. These assumptions are presented in the law for 1990 through 1993. The BEA requires an inflation adjustment if the actual rate of inflation for a year is different from the rate identified in the law for that year. Because the actual rate of inflation for 1991 was 3.9 percent, or 1.3 percentage points less than the 5.2 percent assumed in the BEA, a downward adjustment has been made to all three of the discretionary caps for 1992 through 1995.

Certain changes to the caps affect specific accounts, and they produce adjustments only to the category limits in which these accounts are included. An adjustment previously was made to the caps for accounting changes made by the Federal Credit Reform Act of 1990. Table 36–1 shows reestimates of these changes that result from better information on subsidy levels in credit programs.

Several cap adjustments represent changes in concepts and definitions resulting from legislative action that reclassified certain programs. These actions shifted programs between the mandatory (i.e., direct spending) category and the discretionary category. For instance, the Rural Development, Agriculture and Related Agencies Appropriations Act provided a discretionary appropriation for salaries and expenses of the Agricultural Stabilization and Conservation Service. This action represented a change in how the program was financed, since the program was funded by transfers from another account in previous years. Since the enacted discretionary caps assumed the program would be financed by a transfer, an adjustment was made to the caps. Another cap adjustment was made to account for appropriations action that affected interim assistance to States for legalization of aliens. This adjustment was made to comply with the scorekeeping guidelines that require the Appropriations Committees to be credited

(or charged) for actions affecting mandatory programs. Another adjustment to the caps resulted from the recently enacted highway legislation. That bill reduced discretionary highway spending, so a reduction to the caps was made.

**Adjustments to the limits: after appropriations.**—The BEA identifies other adjustments to the discretionary caps that can be made only after appropriations have been enacted. These adjustments can be made to reflect appropriations action taken in all years from 1991 through 1995 to cover the following:

- Internal Revenue Service (IRS) funding.—Funding for the IRS compliance initiative above the CBO baseline levels estimated in June 1990. Adjustments are limited to the budget authority and outlay amounts specified in the law.
- International Monetary Fund (IMF).—Funding to cover the increase in the U.S. quota as part of the IMF Ninth General Review of Quotas.
- Emergency appropriations.—Funding for accounts that the President designates as emergency requirements and that the Congress so designates in statute.
- Desert Shield/Desert Storm appropriations.—Funding for the costs of Operation Desert Shield are to be treated as emergency funding requirements.

Cap adjustments could also be made at the end of a Congressional session for the enactment, through appropriations action, of changes to governmental receipts. For example, the President's Budget includes a proposal to raise Federal Communications Commission fees to cover the cost of non-application services.

Enactment of this increase in receipts through appropriations language would result in an increase in the discretionary caps.

In addition, the BEA provides special allowances for budget authority in 1992 and 1993, and for outlays in 1991 through 1995. The outlay allowance is intended to provide a cushion for technical estimating differences between OMB and CBO. Thus an appropriation that meets both the budget authority and outlay caps under CBO scoring, but exceeds the outlay cap under OMB scoring, would not trigger a sequester if the excess is less than the available outlay allowance. The dollar amounts for the outlay allowances are specified in the BEA: In 1991 through 1993, the allowances are \$2.5 billion for defense, \$1.5 billion for international, \$2.5 billion for domestic; and, in 1994 and 1995, \$6.5 billion for total discretionary.

The special budget authority allowances apply primarily to the international and domestic discretionary categories. The budget authority allowances are based on a percentage of the total adjusted discretionary limits for budget authority in 1991 through 1993. The outlays associated with the budget authority allowances are calculated based on spendout rates contained in the law. These outlays are subtracted from the outlay allowance, reducing the amount available for technical estimating differences. In addition to the budget authority allowances for the international and domestic categories, there is a small budget authority allowance for technical estimating differences between OMB and CBO that can be applied to all three discretionary categories.

Table 36-1. DISCRETIONARY SPENDING LIMITS

(In millions of dollars)

		1991	1992	1993	1994	1995
<b>DOMESTIC</b>						
Domestic limits, January 13, 1992 Final Sequestration Report <sup>1</sup> .....	BA	182,935	202,726	205,933	.....	.....
	OL	200,470	215,105	224,254	.....	.....
Adjustments:						
1991 Inflation .....	BA	.....	.....	-1,917	-1,976	-2,022
	OL	.....	.....	-788	-1,509	-1,778
Credit reform:						
Reestimates of credit reform subsidies .....	BA	.....	.....	428	441	457
	OL	.....	.....	419	455	458
Reestimates of FmHA administrative expenses .....	BA	.....	.....	93	96	99
	OL	.....	.....	93	96	99
Statutory and other shifts between categories .....	BA	.....	.....	-274	1,024	1,013
	OL	.....	.....	304	857	734
Subtotal, domestic adjustments required for Preview Report .....	BA	.....	.....	-1,670	-415	-453
	OL	.....	.....	28	-101	-487
Preview report domestic limits .....	BA	182,935	202,726	204,263	.....	.....
	OL	200,470	215,105	224,282	.....	.....
Further adjustments to reflect enactment of the President's proposals:						
IRS funding .....	BA	.....	.....	183	187	188
	OL	.....	.....	179	187	188
Federal Communications Commission proposed fee .....	BA	.....	.....	71	71	71
	OL	.....	.....	71	71	71
Special allowances .....	BA	.....	.....	1,581	.....	.....
	OL	.....	.....	838	490	190
Change to special allowances that would result due to enactment of IMF funding .....	BA	.....	12	12	.....	.....
	OL	.....	7	10	6	1
Subtotal, further domestic adjustments .....	BA	.....	12	1,848	258	259
	OL	.....	.....	.....	.....	.....

Table 36-1. DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

		1991	1992	1993	1994	1995
	OL		7	1,098	754	450
Estimated end-of-session domestic limits	BA	182,935	202,738	206,111		
	OL	200,470	215,112	225,380		
<b>INTERNATIONAL</b>						
International limits, January 13, 1992 Final Sequestration Report <sup>1</sup>	BA	21,245	22,170	21,643		
	OL	20,296	19,833	20,075		
Adjustments:						
1991 Inflation	BA			-236	-244	-251
	OL			-106	-156	-202
Reestimates of credit reform subsidies	BA			92	95	98
	OL			41	66	83
Subtotal, international adjustments required for Preview Report	BA			-144	-149	-153
	OL			-65	-90	-119
Preview report international limits	BA	21,245	22,170	21,499		
	OL	20,296	19,833	20,010		
Further adjustments to reflect enactment of the President's proposals:						
IMF funding	BA		12,314			
	OL					
Special allowances	BA			1,249		
	OL			575	250	200
Change to special allowances that would result due to enactment of IMF funding	BA		10	10		
	OL		5	6	4	2
Subtotal, further international adjustments	BA		12,324	1,259		
	OL		5	581	254	202
Estimated end-of-session international limits	BA	21,245	34,494	22,758		
	OL	20,296	19,837	20,591		
<b>DEFENSE</b>						
Defense limits, January 13, 1992 Final Sequestration Report	BA	332,918	301,717	291,480		
	OL	330,802	309,238	297,092		
Adjustments:						
1991 Inflation	BA			-2,445	-2,525	-2,605
	OL			-1,134	-1,824	-2,213
Desert Shield/Desert Storm outlay reestimates	BA					
	OL			866	548	319
Subtotal, defense adjustments required for Preview Report	BA			-2,445	-2,525	-2,605
	OL			-268	-1,276	-1,894
Preview report defense limits	BA	332,918	301,717	289,035		
	OL	330,802	309,238	296,824		
Estimated end-of-session defense limits	BA	332,918	301,717	289,035		
	OL	330,802	309,238	296,824		
<b>TOTAL DISCRETIONARY</b>						
Discretionary limits, January 13, 1992 Final Sequestration Report <sup>1</sup>	BA	537,098	526,613	519,055	518,098	524,979
	OL	551,568	544,176	541,421	538,932	543,430
Adjustments required for Preview Report:						
Domestic	BA			-1,670	-415	-453
	OL			28	-101	-487
International	BA			-144	-149	-153
	OL			-65	-90	-119
Defense	BA			-2,445	-2,525	-2,605
	OL			-268	-1,276	-1,894
Subtotal, discretionary adjustments required for Preview Report	BA			-4,258	-3,089	-3,212
	OL			-305	-1,467	-2,499
Preview report discretionary limits	BA	537,098	526,613	514,797	515,009	521,767
	OL	551,568	544,176	541,116	537,465	540,931
Further adjustments for Final Sequestration Report:						
Domestic	BA		12	1,848	258	259
	OL		7	1,098	754	450
International	BA		12,324	1,259		
	OL		5	581	254	202
Estimated end-of-session discretionary limits	BA	537,098	538,949	517,904	515,267	522,026
	OL	551,568	544,187	542,795	538,473	541,584

<sup>1</sup>The end-of-session caps exclude the 1993 domestic and international special budget authority allowances, which will be reported in the Final Sequestration Report submitted at the end of the second session of the 102nd Congress. The 1993 allowances included in the January 13, 1992 end-of-session discretionary limits were \$1,586 million in budget authority and \$840 million in outlays for domestic, and \$1,253 million in budget authority and \$576 million in outlays for international.

The actual adjustments to the discretionary caps to be included in the final sequester report at the end of the current session of Congress cannot be determined until appropriations have been enacted. Table 36-1 shows the end-of-session adjustments that would result if the President's discretionary proposals were enacted. The President's request includes funding in 1993 for the IRS compliance initiative.

Consistent with the BEA, the President's request assumes an increase in budget authority and outlays for the international and domestic categories based on the special allowance formulas. For international affairs programs, the adjustment in 1993 would increase budget authority by \$1.2 billion and outlays by \$0.6 billion. For domestic programs, the adjustment in 1993 would be \$1.6 billion in budget authority and \$0.8 billion in outlays. In addition, about \$0.3 billion of the international outlay allowance and \$0.5 billion of the domestic outlay allowance has been used by the special budget authority allowance calculated for 1992. The remaining outlay allowance available for technical estimating differences in 1993 would be \$2.5 billion for defense, \$0.7 billion for international affairs, and \$1.2 billion for domestic.

The President's budget proposals for discretionary programs are below the adjusted caps, as currently estimated, in all years through 1995 and in all three discretionary categories in 1993. Table 36-2 compares the President's budget proposals with the adjusted discretionary caps.

**Sequester determinations.**—Five days after enactment of an appropriations act, OMB must submit a report to Congress estimating the budget authority and outlays provided by the legislation for the current year and the budget year. These estimates must be based on the same economic and technical assumptions used in the most recent President's budget. In addition, the report must include CBO estimates and explain the differences between the OMB and CBO estimates. The OMB estimates are used in all subsequent calculations to determine whether a breach of any of the budget authority or outlay caps has occurred, and whether a sequester is required.

Compliance with the discretionary caps is monitored throughout the fiscal year. The first determination of whether a sequester is necessary for a given fiscal year occurs when the final sequestration report is issued after Congress adjourns to end a session—near the beginning of the fiscal year. The monitoring process begins again after Congress reconvenes for a new session. Appropriations for the fiscal year in progress that cause a breach in any of the category caps would, if enacted before July 1st, trigger a sequester in that category. When such a breach is estimated, a "within-session" sequestration report and Presidential sequestration order are issued. For a breach that results from appropriations enacted on or after July 1st, reductions necessary to eliminate the breach are not applied to the budgetary resources available in the current year. Instead, the corresponding caps for the following fiscal year are reduced by the amount of the breach.

Table 36-2. BUDGET PROPOSALS

(In millions of dollars)

		1993	1994	1995
<b>BUDGET DISCRETIONARY PROPOSALS:</b>				
Domestic .....	BA	203,078	203,519	202,871
	OL	224,739	229,300	232,184
International .....	BA	22,139	21,788	21,300
	OL	20,591	21,382	21,335
Defense .....	BA	281,101	281,921	284,672
	OL	291,629	283,657	283,506
Total discretionary .....	BA	506,318	507,228	508,843
	OL	536,959	534,339	537,025
<b>ADJUSTED DISCRETIONARY LIMITS:<sup>1</sup></b>				
Domestic .....	BA	206,111	.....	.....
	OL	225,380	.....	.....
International .....	BA	22,758	.....	.....
	OL	20,591	.....	.....
Defense .....	BA	289,035	.....	.....
	OL	296,824	.....	.....
Total discretionary .....	BA	517,904	515,267	522,026
	OL	542,795	538,473	541,584
<b>AMOUNTS AVAILABLE BELOW THE ADJUSTED DISCRETIONARY LIMITS:</b>				
Domestic .....	BA	3,033	.....	.....
	OL	641	.....	.....
International .....	BA	619	.....	.....
	OL	.....	.....	.....
Defense .....	BA	7,934	.....	.....
	OL	5,195	.....	.....
Total discretionary .....	BA	11,586	8,039	13,183
	OL	5,836	4,134	4,558

<sup>1</sup>The discretionary limits include adjustments to be made following enactment of appropriations proposed in the President's Budget.



A within-session sequester can only be caused by newly enacted appropriations. Reestimates of budget authority and outlays for already enacted funds cannot trigger a sequester. A within-session sequester for any of the three discretionary categories for 1992 is possible only if additional appropriations for 1992 are enacted. OMB reported in the *Final Sequestration Report to the President and the Congress* that enacted discretionary appropriations for 1992 were within the prescribed spending limits.

**Sequester calculations.**—If either the budget authority or outlay caps were exceeded in a discretionary category, an across-the-board reduction of sequestrable

budgetary resources in that category would be required to eliminate the breach. The percentage reduction for certain special rule programs would be limited to 2 percent. Once this limit is reached, the uniform percentage reduction for all other discretionary sequestrable resources in that category would be increased to a level sufficient to achieve the required reduction.

If both the budget authority and outlay caps were exceeded, a sequester would first be calculated to eliminate the budget authority breach. If estimated outlays still remained above the cap, even after applying the available outlay allowance, further reductions in budgetary resources to eliminate the outlay breach would then be required.

### Pay-As-You-Go Sequestration Report

This part of Chapter 36 discusses the enforcement procedures that apply to the remainder of the budget—direct spending and receipts. The BEA defines direct spending as budget authority provided by law other than appropriations acts, entitlement authority, and the food stamp program. Social security and the Postal Service are not subject to pay-as-you-go enforcement. Legislation specifically designated as an emergency requirement and legislation fully funding the Government's commitment to protect insured deposits are also exempt from pay-as-you-go enforcement.

The BEA provides that, as determined by specific provisions of the Act, direct spending and receipts legislation enacted beginning with the 102nd Congress is to be deficit neutral or reduce the deficit in every year through 1995. Under these provisions, net savings enacted for one fiscal year can be used to offset net increases in the subsequent year.

**Sequester determinations.**—The BEA requires OMB, within five days after enactment of direct spending or receipts legislation, to submit a report to Congress estimating the change in outlays or receipts for

each fiscal year through 1995 resulting from that legislation. The estimates must use the economic and technical assumptions underlying the most recent President's budget. These OMB estimates are used to determine if the pay-as-you-go requirements have been met.

The cumulative nature of the pay-as-you-go process requires maintaining a "scorecard" that shows, beginning with the 102nd Congress, the deficit impact of enacted direct spending and receipts legislation and required pay-as-you-go sequesters. The pay-as-you-go Preview Report is intended to show how these past actions affect the upcoming fiscal year.

During the last Congressional session, OMB issued thirty-seven reports on legislation affecting direct spending and receipts. Table 36-3 shows OMB estimates for legislation enacted through January 3, 1992. The net impact of this legislation is to decrease the 1992 and 1993 deficits by a combined total of \$2.2 billion. As a result, legislation that reduces receipts or increases direct spending by a combined \$2.2 billion in 1992 and 1993 may be enacted during the current session of Congress without causing a sequester.

Table 36-3. PAY-AS-YOU-GO LEGISLATION ENACTED AS OF JANUARY 3, 1992

(In millions of dollars)

Change in the Baseline Deficit	1991	1992	1993	1994	1995	1991-95
Revenue impact of enacted legislation .....	1	-3,633	-509	-266	-764	-5,171
Outlay impact of enacted legislation .....	-1	2,537	-627	-209	-241	1,459
Total impact of enacted legislation .....	—*	-1,095	-1,136	-476	-1,005	-3,712

\*\$500,000 or less.

### Deficit Sequestration Report

The BEA specifies maximum deficit amounts for 1991 through 1995. These deficit amounts reflect the economic and technical assumptions as of the time the BEA was enacted. For the 1993 Budget, the BEA requires that the maximum deficit amounts for 1993 through 1995 be adjusted to reflect up-to-date economic and technical assumptions.

As specified in the BEA, the maximum deficit amounts reflect the on-budget current law levels for direct spending and receipts, and the spending limits

for discretionary programs. Table 36-4 shows for 1993 through 1995 the current maximum deficit amounts and the current estimated deficits calculated using BEA rules. It also shows the maximum deficit amounts as specified in OBRA 1990. The maximum deficit amounts exceed the estimated deficits for each year. Since no excess deficit is estimated for 1993, no sequester is currently estimated.

In its preview report, CBO estimates a maximum deficit amount for 1993 of \$390.8 billion, \$16.4 billion

Table 36-4. MAXIMUM DEFICIT AMOUNTS

(In billions of dollars)

	1993	1994	1995
Current maximum deficit amounts .....	407.2	334.3	322.8
Current estimated deficit .....	406.1	333.8	321.7
Excess deficit .....	-1.1	-0.5	-1.1
<b>ADDENDUM</b>			
Margin .....	0	15.0	15.0
Maximum deficit amounts in OBRA 1990 .....	285.2	157.5	117.3

\* \$50 million or less.

below the OMB estimate. As presented in Table 36-5, these differences are the result of the different economic and technical assumptions used by OMB and CBO, and of a change by OMB in the accounting basis for deposit insurance.

The Administration and CBO have similar forecasts of GDP, but CBO's is somewhat lower than the Administration's in fiscal years 1994 and 1995. In 1993, CBO's

forecast of GDP is slightly higher than OMB's but CBO assumes lower taxable personal income as a percentage of GDP. The net result of these assumptions contributes to CBO's lower forecasts for receipts in years 1993 through 1995. OMB estimates for Medicaid and Medicare are slightly higher than CBO's due largely to different assumptions regarding program growth.

Table 36-5. DIFFERENCES BETWEEN OMB AND CBO MAXIMUM DEFICIT AMOUNTS

(In billions of dollars)

	1993	1994	1995
OMB maximum deficit amounts .....	407.2	334.3	322.8
Differences:			
Economic:			
Receipts .....	1.1	8.5	15.7
Outlays .....	-0.2	1.1	5.5
Subtotal, economic .....	0.9	9.6	21.2
Technical:			
Receipts .....	-9.0	-4.8	-7.9
Outlays:			
Discretionary .....	-5.9	-4.8	-4.5
Mandatory:			
Deposit insurance .....	-7.4	50.4	-0.6
Medicaid .....	-4.9	-9.1	-13.4
Medicare .....	-0.7	-1.5	-2.6
Other .....	-2.1	-4.6	-1.0
Net interest .....	-2.2	-3.7	-7.5
Subtotal, outlays .....	-23.2	26.7	-29.6
Subtotal, technical .....	-32.2	22.0	-37.6
Accrual accounting for deposit insurance and pension benefit guaranty .....	14.9	-26.8	-20.1
Total, differences .....	-16.4	4.7	-36.5
CBO maximum deficit amounts .....	390.8	339.0	286.3
<b>ADDENDUM</b>			
OMB discretionary budget authority .....	517.9	515.3	522.0
Differences .....	-5.8	-3.2	-3.4
CBO discretionary budget authority .....	512.1	512.0	518.6

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## 37. Current Services Estimates

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### 37. CURRENT SERVICES ESTIMATES

The Congressional Budget Act of 1974, as amended, requires the President to submit current services estimates to Congress. These estimates provide a base against which the Administration's budget proposals and other proposals can be compared. Any difference between the estimates of current services and proposed budgets is a measure of the change from current policy being proposed.

In general, current services estimates are designed to show what outlays, receipts, and budget authority will be if no policy changes are made. For receipts and direct spending programs, current services is the estimate of receipts and outlays that would result under current law. For discretionary programs, the current services estimates are consistent with the discretionary spending limits that will be enforced by the procedures specified in the Budget Enforcement Act (BEA). The BEA set limits on discretionary spending for fiscal years 1991 through 1995 and provided for certain adjustments to these limits.

Table 37-1 shows the current services estimates of receipts, outlays, and deficits for 1991 through 1995, the period covered by the BEA. The estimates are shown on a consolidated budget basis. The off-budget receipts and outlays of the social security trust funds and the Postal Service Fund are added to on-budget receipts and outlays to calculate the consolidated budget totals. The concepts used to develop the current services estimates are described below.

**Direct spending and receipts.**—The current services estimates for direct spending programs and receipts reflect the future implications of current law, including the impact of final and draft regulations that can be implemented under current law. They are based on the economic assumptions and technical estimating factors, such as beneficiary levels and crop forecasts, that underlie the President's budget estimates.

In general, provisions of law providing revenues and spending authority that expire under current law are

assumed to terminate as scheduled. However, expiring provisions affecting excise taxes dedicated to trust funds are assumed to be extended at current rates. In addition, direct spending programs that will expire under current law are assumed to be extended if their 1992 outlays exceed \$50 million.

**Deposit and pension insurance.**—In the past the budget has recorded the cash received or paid by the Government as the cost of Federal deposit insurance and pension guarantees. As discussed in Part One, Chapter 13, "Identifying Long-Term Obligations and Reducing Underwriting Risks," the budget proposes to begin accounting for these programs on an accrual basis beginning in 1992. In order to make a comparison between current services and the President's budget more meaningful, the current services estimates of deposit insurance and pension guarantees are also shown on the new basis. Table 12, at the end of this chapter, shows the budgetary impact of converting from cash to accrual accounting for these programs.

**Discretionary programs.**—For 1992 the current services estimates for defense and nondefense discretionary programs are equal to the enacted 1992 appropriations. For 1993 through 1995, the current services estimates, in total, equal the adjusted discretionary caps. As discussed in the Budget Enforcement Act Preview Report (Appendix Two, Chapter 36), several adjustments are made to the discretionary caps following the enactment of appropriations. The current services estimates are based on end-of-session caps that assume enactment of the President's budget.

**Economic assumptions.**—The current services estimates are based on the same economic assumptions as the President's budget proposals. The economic assumptions assume that the President's budget proposals will be adopted.

The economy and the budget interact with each other. Economic conditions significantly affect the estimates

Table 37-1. CURRENT SERVICES BUDGET TOTALS, 1991-1995

(In billions of dollars)

	1991 actual	Estimate			
		1992	1993	1994	1995
With Insurance on Accrual Basis					
Receipts .....	1,054.3	1,081.0	1,168.4	1,264.9	1,347.3
Outlays .....	1,323.0	1,450.0	1,509.4	1,520.0	1,579.4
Surplus or deficit (-) .....	-268.7	-369.1	-341.0	-255.2	-232.1
With Insurance on a Cash Basis					
Receipts .....	1,054.3	1,081.0	1,168.4	1,264.9	1,347.3
Outlays .....	1,323.0	1,474.8	1,524.2	1,493.2	1,559.3
Surplus or deficit (-) .....	-268.7	-393.8	-355.8	-228.3	-212.0

of tax receipts, unemployment benefits, payments to individuals that are automatically adjusted for changes in the cost-of-living (COLAs), interest on the Federal debt, and other spending that is sensitive to economic factors. Government receipts and spending, in turn, influence prices, consumption, savings, and investment.

Because of these interactions, it would be reasonable, from an economic perspective, to assume different economic paths for the current services budget and the President's budget. However, this would diminish the value of the current services estimates as a benchmark for measuring proposed policy changes, because it would be very difficult to separate the effects of proposed policy changes from the effects of differences in the economic assumptions. By using the same economic assumptions for both current services and Administration policy, this potential source of confusion is eliminated.

The economic assumptions underlying the budget and the current services estimates are summarized in Table 37-2. They are discussed in more detail in Part One, Chapter 3, "Economic Assumptions and Sensitivities."

**Current Services Receipts**

Table 37-3 shows current services receipts by major source. Current services receipts are projected to increase by \$87.4 billion from 1992 to 1993 and by \$178.9 billion from 1993 to 1995, largely due to assumed increases in incomes resulting from both real economic growth and inflation.

Individual income taxes are estimated to increase by \$40.5 billion from 1992 to 1993 under current law. This growth of 8.5 percent is the net effect of administrative actions, legislated tax changes, and increased collec-

tions resulting from rising personal incomes. Individual income taxes are projected to grow at an annual rate of 8.5 percent between 1993 and 1995.

Corporation income taxes under current law are estimated to grow by \$10.4 billion or 11.0 percent from 1992 to 1993, in large part due to higher corporate profits. Corporation income taxes are projected to increase at an annual rate of 9.2 percent from 1993 to 1995.

Social insurance taxes and contributions are estimated to increase by \$34.1 billion between 1992 and 1993, and by an additional \$61.2 billion between 1993 and 1995. The estimates reflect assumed increases in total wages and salaries paid, scheduled increases in the social security taxable earnings base from \$55,500 in 1992 to \$64,200 in 1995, and increases in the medicare taxable earnings base from \$130,200 in 1992 to \$150,000 in 1995.

Current services excise taxes are estimated to increase by \$1.9 billion from 1992 to 1993, in large part due to increased economic activity. Excise taxes are estimated to increase by \$3.0 billion from 1993 to 1995. The estimates reflect extension of the Oil Spill Liability Trust Fund taxes and the Vaccine Injury Compensation Trust Fund taxes that are scheduled to expire December 31, 1994, and December 31, 1992, respectively.

Other current services receipts (estate and gift taxes, customs duties, and miscellaneous receipts) are projected to increase by \$2.9 billion from 1992 to 1995.

**Current Services Outlays**

Current services outlays are estimated to be \$1,450 billion in 1992 and \$1,509 billion in 1993, a 4.1 percent increase. Between 1993 and 1995 current services out-

Table 37-2. SUMMARY OF ECONOMIC ASSUMPTIONS, 1991-1995

(Fiscal years)

	1991	1992	1993	1994	1995
Gross domestic product (in billions of current dollars) .....	5,627	5,865	6,232	6633	7,056
Constant dollar GDP (percent change) .....	-0.8	1.1	2.8	3.0	3.0
Inflation measures (percent change):					
GDP deflator .....	3.9	3.1	3.3	3.3	3.3
Consumer Price Index .....	4.9	2.8	3.2	3.2	3.2
Unemployment rate (percent) .....	6.4	6.7	6.5	6.1	5.8
Interest rate, 91-day Treasury bills (percent) .....	6.0	4.3	5.0	5.3	5.3
Interest rate, 10-year Treasury notes (percent) .....	8.1	7.2	7.0	6.8	6.6

Note: Based on data available as of mid-December 1991. These assumptions were used to prepare the detailed current services estimates. Slightly updated economic assumptions (as of January 10, 1992) are presented in Part One, Table 3-1.

Table 37-3. CURRENT SERVICES RECEIPTS BY SOURCE

(In billions of dollars)

	1991 actual	Current services	
		1992 estimate	1993 estimate
Individual income taxes .....	467.8	478.5	519.1
Corporation income taxes .....	98.1	94.9	105.3
Social insurance taxes and contributions .....	396.0	410.5	444.5
On-budget .....	(102.1)	(109.5)	(118.7)
Off-budget .....	(293.9)	(300.9)	(325.8)
Excise taxes .....	42.4	46.1	48.0
Other .....	49.9	51.0	51.5
<b>Total .....</b>	<b>1,054.3</b>	<b>1,081.0</b>	<b>1,168.4</b>
On-budget .....	(760.4)	(780.1)	(842.6)
Off-budget .....	(293.9)	(300.9)	(325.8)

lays are projected to increase at an average annual rate of 2.3 percent. These increases occur mainly in entitlement and other mandatory programs, such as social security, medicare and medicaid, Federal employee retirement, and deposit insurance. Most of the changes in entitlement and other mandatory spending are due to changes in the number of beneficiaries, to cost-of-living adjustments, and to the assumed pattern of spending to resolve insolvent commercial banks and savings and loan associations. Net interest payments

to the public also increase substantially, mainly as a result of the increased borrowing by the Government that is estimated to occur over this period.

Table 37-4 shows current services outlays by function for 1991 through 1993. Table 37-5 presents the outlay estimates arrayed by agency. A more detailed presentation (by function, subfunction, and program) of current services outlays appears in Table 37-11 at the end of this chapter.

Table 37-4. CURRENT SERVICES OUTLAYS BY FUNCTION

(In billions of dollars)

	1991 actual	Current Services	
		1992 estimate	1993 estimate
National defense:			
Department of Defense—Military .....	262.4	295.3	283.7
Other .....	10.9	12.7	12.5
International affairs .....	15.9	17.2	18.2
General science, space, and technology .....	16.1	16.4	16.3
Energy .....	1.7	4.0	5.0
Natural resources and environment .....	18.6	20.2	20.4
Agriculture .....	15.2	17.2	16.1
Commerce and housing credit .....	75.6	55.4	65.5
On-budget .....	(74.3)	(54.6)	(64.2)
Off-budget .....	(1.3)	(0.8)	(1.3)
Transportation .....	31.1	34.0	35.3
Community and regional development .....	6.8	7.9	8.1
Education, training, employment, and social services .....	42.8	45.3	49.6
Health .....	71.2	94.6	108.4
Medicare .....	104.5	118.7	130.6
Income security .....	170.8	202.6	200.3
Social security .....	269.0	286.7	302.1
On-budget .....	(2.6)	(6.1)	(6.4)
Off-budget .....	(266.4)	(280.7)	(295.7)
Veterans benefits and services .....	31.3	33.8	34.7
Administration of justice .....	12.3	14.0	14.4
General government .....	11.7	12.8	13.7
Net interest .....	194.5	200.2	214.6
On-budget .....	(214.8)	(224.1)	(241.6)
Off-budget .....	(-20.2)	(-23.9)	(-27.0)
Undistributed offsetting receipts:			
Employer share, employee retirement (on-budget) .....	-30.4	-30.4	-30.7
Employer share, employee retirement (off-budget) .....	-5.8	-6.1	-6.5
Rents and royalties on the Outer Continental Shelf .....	-3.2	-2.3	-2.8
Total Undistributed offsetting receipts .....	-39.4	-38.8	-40.0
On-budget .....	(-33.6)	(-32.7)	(-33.6)
Off-budget .....	(-5.8)	(-6.1)	(-6.5)
<b>Total outlays .....</b>	<b>1,323.0</b>	<b>1,450.4</b>	<b>1,509.4</b>
On-budget .....	(1,081.3)	(1,198.9)	(1,245.9)
Off-budget .....	(241.7)	(251.5)	(263.5)

Current services outlays for social security are estimated to increase from \$286.7 billion in 1992 to \$302.1 billion in 1993. Medicare outlays are estimated to increase from \$118.7 billion in 1992 to \$130.6 billion in 1993. Outlays for medicaid grants are estimated to increase from \$72.5 billion in 1992 to \$84.5 billion in

1993, a 12.0 billion increase. These increases in medicare and medicaid outlays are largely the result of increases in medical care prices and utilization. Table 37-6 shows caseload projections for these and other major benefit programs and other selected programmatic assumptions.

Table 37-5. CURRENT SERVICES OUTLAYS BY AGENCY

(In billions of dollars)

	1991 actual	Current Services	
		1992 estimate	1993 estimate
Legislative Branch .....	2.3	2.8	2.7
The Judiciary .....	2.0	2.3	2.4
Executive Office of the President .....	0.2	0.2	0.2
Funds Appropriated to the President .....	11.7	10.7	11.0
Department of Agriculture .....	54.1	61.8	59.8
Department of Commerce .....	2.6	2.9	2.7
Department of Defense—Military .....	261.9	295.0	283.7
Department of Defense—Civil .....	26.5	27.9	29.3
Department of Education .....	25.3	26.8	30.1
Department of Energy .....	12.5	15.7	16.3
Department of Health and Human Services, except Social Security .....	218.0	263.5	291.9
Department of Health and Human Services, Social Security .....	266.4	280.7	295.7
Department of Housing and Urban Development .....	22.8	24.2	27.9
Department of the Interior .....	6.1	7.5	6.9
Department of Justice .....	8.2	9.4	9.3
Department of Labor .....	34.0	48.9	38.6
Department of State .....	4.3	4.6	4.9
Department of Transportation .....	30.5	33.4	34.6
Department of the Treasury .....	274.3	290.5	312.0
Department of Veterans Affairs .....	31.2	33.6	34.5
Environmental Protection Agency .....	5.8	5.9	6.0
General Services Administration .....	0.5	0.4	1.2
National Aeronautics and Space Administration .....	13.9	13.8	13.6
Office of Personnel Management .....	34.8	36.1	37.8
Small Business Administration .....	0.6	0.5	0.5
Other Independent Agencies .....	83.1	67.4	78.7
Allowances .....			.2
Undistributed offsetting receipts .....	-110.6	-116.0	-123.2
<b>Total outlays</b> .....	<b>1,323.0</b>	<b>1,450.4</b>	<b>1,509.4</b>
On-budget .....	(1,081.3)	(1,198.9)	(1,245.9)
Off-budget .....	(241.7)	(251.5)	(263.5)

\* \$50 million or less.

In the past year, questions were raised about certain assumptions underlying the current services estimates. In order to provide additional detail about these, Table 37-7 lists many of the regulations, extensions of expiring programs, and other important assumptions used

to construct the current services estimates. It is not intended to be an exhaustive listing; the variety and complexity of Government programs is too great to provide a complete list. Instead, only some of the more important assumptions are shown.

Table 37-6. PROGRAMMATIC ASSUMPTIONS 1992-1997

	Fiscal years					
	1992	1993	1994	1995	1996	1997
<b>Beneficiaries (annual average, in thousands):</b>						
Social security (OASDI) .....	40,680	41,305	41,850	42,336	42,792	43,246
Railroad retirement .....	863	844	825	805	783	761
Federal civil service retirement .....	2,203	2,239	2,274	2,305	2,335	2,365
Military retirement .....	1,703	1,739	1,773	1,806	1,838	1,869
Veterans compensation .....	2,489	2,481	2,476	2,475	2,477	2,482
Veterans pensions .....	984	932	888	851	819	793
Supplemental security income .....	4,835	5,155	5,460	5,775	6,080	6,380
Maintenance assistance (AFDC) <sup>1</sup> .....	4,692	4,739	4,753	4,767	4,774	4,808
Food stamps .....	25,640	25,803	25,527	24,851	24,282	23,952
Medicaid .....	30,796	32,379	33,360	34,250	35,141	36,055
<b>Medicare:</b>						
Hospital insurance .....	34,439	35,028	35,587	36,119	36,608	37,058
Supplementary medical insurance .....	33,385	33,909	34,427	34,909	35,352	35,800
<b>Automatic benefit increases (percent):</b>						
Social security and veterans pensions (January) .....	3.7	3.0	3.2	3.2	3.2	3.1
Federal employee retirement (January) .....	3.7	3.0	3.2	3.2	3.2	3.1
Food stamps (October) .....	0.1	3.2	3.2	3.2	3.2	3.2
<b>Unemployment rate (percent, annual average):</b>						
Total (civilian and military) .....	6.7	6.5	6.1	5.8	5.4	5.2
Insured <sup>2</sup> .....	3.2	2.9	2.7	2.5	2.3	2.2

<sup>1</sup> Average number of monthly cases.

<sup>2</sup> This 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.



Table 37-7. BUDGETARY IMPACT OF REGULATIONS, PROGRAM EXTENSIONS, AND OTHER ASSUMPTIONS INCLUDED IN CURRENT SERVICES

(In millions of dollars)

	1992	1993	1994	1995	1996	1997
<b>Major Regulations</b>						
<b>Medicare, Federal Hospital Insurance Trust Fund:</b>						
Safety standards for hospitals and Skilled Nursing Facilities (SNFs) .....	100	95	90	90	90	85
Revaluation of assets for hospitals and SNFs .....	-5	-5	-5	-5	-5	-5
Withdrawal of medicare coverage of thermography .....	-5	-5	-5	-5	-5	-5
Payment for preadmission services .....	-80	-100	-110	-120	-130	-140
Denial of payment for substandard care .....	15					
Recognition of certain accreditation standards for home health agencies .....	-10	-10	-10	-10	-10	-10
Minimum data set for nursing facility assessment screening .....	5	5	5	5	5	5
Cost report settlement adjustments for SNFs .....	-20	-20	-20	-20	-20	-20
Payment for nursing and allied health education .....	50	50	50	50	50	50
Changes to the FY 1992 inpatient hospital payment system .....	-50	-50	-50	-50	-50	-50
Using 95 percent of national average costs as a presumptive limit for payment for certain managed care organizations .....	-5	-5	-5	-5	-5	-5
SNF limits for 1992 .....	65	80	80	80	80	80
<b>Medicare, Supplementary Medical Insurance:</b>						
Payment for clinical lab diagnostic tests .....						
Fee schedule for durable medical equipment and orthotic and/or prosthetic devices (OBRA 90) .....	-360	-440	-500	-580	-620	
Other durable medical equipment regulations .....	-15	-15	-15	-15	-15	-15
All end-stage renal disease regulations .....	20	20	20	20	20	20
Payment for of clinical lab diagnostic tests .....	-200	-270	-330	-370	-420	
Coverage of clinical psychologists .....	250	340	410	500	570	
Requirements for coverage of seat lift chairs .....	-10	-10	-10	-10	-10	-10
Definition of customized wheelchairs .....	-3	-3	-3	-3	-3	-3
Continuous use of durable medical equipment .....						
Payment cap for home dialysis services .....	-15	-15	-15	-15	-15	-15
Conditions of coverage for organ procurement organizations .....						
ESRD definition revisions and resumption of entitlement .....	25	25	25	25	25	25
Ambulatory surgical centers payment update and expanded procedure list .....	20	40	50	60	70	
Revisions of Medicare Economic Index .....	-30					
A series of regulations that redefine physicians and other providers .....	-35	-35	-35	-35	-35	-35
Coverage of screening pap smears (OBRA 89) .....	60	70	80			
Coverage of screening mammography .....	290	360	440	440	480	520
Medicare secondary payor for disabled individuals (OBRA 90) .....	36	29	23	17		
<b>Medicaid:</b>						
Donations and taxes regulation—Implements P.L. 101-234. ....						
DSH regulation—implements Public Law 101-234 .....						
DSH regulations—payments to disproportionate share hospitals must be reasonably related to costs (OBRA89) .....	-60	-120	-150	-180	-220	-270
Medical child support—establishes more effective means of collecting medical child support .....		-10	-10	-15	-15	-20
Medicaid buy-out—implements OBRA90 requirement that States buy employer health insurance when cost effective .....		-25	-40	-50	-60	-75
Pre-admission screening (estimates reflect costs to medicare and medicaid) .....	5	5	5	5	5	5
Omnibus nursing home requirement (estimates reflect costs to medicare and medicaid) .....	10	10	10	10	10	10
Establish limits on OBRA89 mandatory EPSDT expansions .....		-60	-100	-120	-150	-180
Implement OBRA90 drug rebate and drug utilization review requirements .....						
Limit and establish reporting requirements for case management as an optional service .....		-15	-20	-25	-30	-40
<b>Foster Care and Adoption Assistance:</b>						
Implement new data collection system .....		13	18	19	10	6
<b>Child Support Enforcement:</b>						
Revised audit regulations .....	*	*	*	*	*	*
<b>Child nutrition:</b>						
FNS regulatory package .....	*	*	*	*	*	*
Implementing CLIA .....			*	*	*	*
<b>Disability Insurance:</b>						
Regulations to improve the accuracy and reliability of the disability determination process, and a modest increase in the monetary definition of SGA .....	-19	-53	-106	-155	-203	-258
<b>Supplemental Security Income:</b>						
Regulations to improve the accuracy and reliability of the disability determination process, and changes to the parent-to-child deeming rules .....	5	-19	-42	-71	-95	-115
<b>MAJOR PROGRAM EXTENSIONS</b>						
<b>Payments to States for Foster Care and Adoption Assistance:</b>						
Independent living .....		63	67	69	70	70
<b>Medicare, Federal Hospital Insurance Trust Fund:</b>						
HHA coverage denials and favorable payments to HHAs .....					10	20
Regional payment floor .....			80	100	110	120
10 percent capital reduction, PPS neutral .....					-890	-1,060
Medicare dependent small rural hospitals .....		70	80	85	90	95
Favorable payments to SNF's .....					30	40
IRS/SSA/HCFA data match .....					-15	-18

Table 37-7. BUDGETARY IMPACT OF REGULATIONS, PROGRAM EXTENSIONS, AND OTHER ASSUMPTIONS INCLUDED IN CURRENT SERVICES—  
Continued

(In millions of dollars)

	1992	1993	1994	1995	1996	1997
MSP for the disabled .....					-600	-780
MSP for ESRD after 18 months .....					-15	-21
Medicare, Federal Supplementary Medical Insurance:						
Part B premium-constrained .....					-765	-2,450
Secondary payor for end-stage renal disease .....					-25	-35
Staff-assisted home dialysis .....				-10	-12	
IRS/SSA/HCFR data match .....					-400	-520
Guaranteed student loans program (Higher Education Act exp. 9/30/92) .....		1,586	2,880	3,109	3,264	3,380
Crime Victims Fund:						
Authority to make deposits into fund expires 9/30/94; deposits in 1994 would be obligated in 1995 .....					150	150
Agriculture Credit Insurance Fund:						
Expires in 1995 .....					146	177
<b>OTHER IMPORTANT PROGRAM ASSUMPTIONS</b>						
Food Stamps:						
State payments for excessive erroneous overpayments .....	-1	-1		-19	-37	-48
Tax offset for recovering overpayments .....	-1	-2	-7	-13	-19	-25
Other recovered overpayments .....	-52	-52	-52	-52	-52	-52
Waivers and other administrative changes .....						
Railroad Retirement Board:						
Budgetary impact of better debt collection .....	*	*	*	*	*	*
Budgetary impact of better fraud control .....	1	1	1	1	1	1
Supplemental Security Income:						
State supplements .....	3,975	4,615	4,550	4,415	5,080	5,334
Sec. 1110 authority .....	7	7	7	7	7	7
Social Security-Disability Insurance:						
Collections .....	-122	-127	-132	-138	-143	-149
Debts written off .....	133	117	122	127	132	137
Child Nutrition:						
Demonstration of alternate counting/claiming procedure .....	*	*	*			
Homeless preschooler demonstration .....	*	*	*			
Child Support Enforcement:						
Audit recoveries .....	5	5	5	5	5	5
AFDC:						
Collections from quality control liabilities .....		-6	-20	-27	-28	-28
Medicare, Federal Hospital Insurance Trust Fund:						
Hospital market basket as indexing factor instead of CPI-U .....		464	2,688	2,897	3,662	3,819
Recoveries, uniform services treatment facility .....		-8	-12	-14		
Department of Justice and other recoveries for MSP .....			-100	-100	-100	-100
Medicaid:						
Prescription drug rebates .....	-300	-360	-420	-480	-540	-600
Drug Utilization Review (DUR) administrative costs .....		75	60	60	60	72
Medicaid Eligibility Quality Control (MEQC) disallowances and withholdings .....	-20	-30	-60	-100	-130	-20
Financial management recoveries based on Federal audits of State programs .....	-310	-340	-380	-410	-450	-500
Administrative action to eliminate payment for less-than-effective drugs .....		-10	-10	-10	-10	-10
Administrative action to require States to conform to multiple-source drug upper payment limits .....		-50	-50	-60	-60	-70
Optional service for community support living arrangements for the mentally retarded (Section 1930 of Title XIX) sunsets in 1995 .....	10	20	30	35		
Optional service for home and community care for frail elders (Section 1929 of Title XIX) sunsets in FY 1995 .....	70	130	160	180		
Coverage of personal care services outside the home (Section 1905(a)(7)) effective 1995 .....				70	140	170
Medicaid Demonstrations:						
Arizona AHCCS .....	620	680	750	825	900	1,000
HIV Demos .....		15				
Maternal and Child Eligibility .....	12					
Minnesota Voucher/Prepaid Capitation .....	76	85	95	150		
NJ respite care for frail elders and functionally impaired individuals .....	2					
Oregon basic health services .....						
Pregnant substance abusers .....	3	6	6	4	2	
Prospective drug utilization .....	8	10	20	25	15	10
Uninsured family demonstrations (OBRA90) .....	7	14	5			
Wisconsin Healthy Start .....	4	2				
Wisconsin medicaid extension .....	2	2				
Washington State welfare reform .....	2					
Medicare Demonstrations:						
AAPCC refinement .....	11					
Alzheimer's disease .....	20	3				
CABGs .....	60	60	65			
Cataracts .....	10	60	60	60	40	30
Community nursing organization .....		8	42	80	80	20
Home dialysis .....	5	4	3	2		

Table 37-7. BUDGETARY IMPACT OF REGULATIONS, PROGRAM EXTENSIONS, AND OTHER ASSUMPTIONS INCLUDED IN CURRENT SERVICES—  
Continued

(In millions of dollars)

	1992	1993	1994	1995	1996	1997
Home health prospective payment .....	100	135	240	280	325	250
Influenza vaccine .....	27					
Medicare insured groups .....		90	125	150	175	200
Municipal health services .....	41	44	13			
Renal disease diet modification .....	3					
Texas nursing home case mix .....	1	1				
Therapeutic shoes .....	1					
United Mine Workers .....	175	140				
Ventilator dependent .....	10	10	10			
Medicaid/Medicare Demonstrations:						
Medical assistance facility (Montana) .....	1	1	1			
Multi-State nursing home case mix payments .....		300	425	500	600	200
On-Lok continuation .....	8	9	10	11	12	13
PACE .....	30	50	60	75	35	
S/HMOs, managed health and long-term care for elderly .....	105	130	145	105		
Social Security-OASI:						
Collections .....	-775	-798	-822	-847	-873	-900
Debts written off .....	174	177	180	183	196	210
Commodity Credit Corporation:						
GATT trigger adjustment .....		80	150	150		
Payments to States for Foster Care and Adoption Asst.:						
Disapproval of certain State claims for reimbursement which do not meet the statutory requirements of Title IV-B and IV-E of Social Security Act .....	-54	-56	-56	-57	-59	-61
HHS recoveries .....	-335	-335	-335	-335	-335	-335
Federal Employees Health Benefits (FEHB):						
Expiration of "phantom big 6" Government premium contribution formula .....			-231	-348	-407	-473
Administrative action to introduce cost-sharing arrangements for FEHB enrollees with Medicare coverage .....		-75	-110	-120	-140	-155

\* \$500,000 or less.

**Current Services Budget Authority**

Current services budget authority is estimated to total \$1,509.4 billion in 1993. Table 37-8 shows budget authority estimates for current services by function. These estimates, arrayed by agency, are presented in Table 37-9. More detailed estimates (by function, subfunction, and program) appear in Table 37-11 at the end of the chapter.

**Current Services Outlays and Budget Authority by Function and Program**

Table 37-10 presents outlay estimates of mandatory and related programs for 1991 through 1997. Table 37-11 presents current services budget authority and outlay estimates in function order, with subfunction and program level detail.

Table 37-8. CURRENT SERVICES BUDGET AUTHORITY BY FUNCTION

(in billions of dollars)

	1991 actual	Current Services	
		1992 estimate	1993 estimate
National defense:			
Department of Defense—Military .....	290.9	282.8	274.8
Other .....	12.7	12.9	13.6
International affairs .....	22.7	19.6	21.2
General science, space, and technology .....	16.5	17.4	17.1
Energy .....	5.4	4.7	5.4
Natural resources and environment .....	19.2	21.0	20.8
Agriculture .....	17.2	17.7	15.7
Commerce and housing credit .....	86.5	59.5	-2.4
On-budget .....	(83.2)	(57.3)	(-6.0)
Off-budget .....	(3.3)	(2.2)	(3.6)
Transportation .....	31.4	36.8	39.8
Community and regional development .....	7.8	9.3	8.5
Education, training, employment, and social services .....	45.7	48.1	49.9
Health .....	75.4	95.5	109.0
Medicare .....	103.2	118.2	127.7
Income security .....	176.3	193.3	205.7
Social security .....	272.5	290.5	305.0
On-budget .....	(2.7)	(6.1)	(6.4)
Off-budget .....	(269.8)	(284.4)	(298.6)
Veterans benefits and services .....	33.3	33.7	34.6
Administration of justice .....	13.1	14.6	14.7
General government .....	13.6	12.9	13.5
Net interest .....	194.1	200.2	214.7
On-budget .....	(214.3)	(224.1)	(241.7)
Off-budget .....	(-20.2)	(-23.9)	(-27.0)
Allowances .....			3.8
Undistributed offsetting receipts:			
Employer share, employee retirement (on-budget) .....	-30.4	-30.4	-30.7
Employer share, employee retirement (off-budget) .....	-5.8	-6.1	-6.5
Rents and royalties on the Outer Continental Shelf .....	-3.2	-2.3	-2.8
Total Undistributed offsetting receipts .....	-39.4	-38.8	-40.0
On-budget .....	(-33.6)	(-32.7)	(-33.6)
Off-budget .....	(-5.8)	(-6.1)	(-6.5)
<b>Total budget authority .....</b>	<b>1,398.2</b>	<b>1,449.9</b>	<b>1,453.0</b>
On-budget .....	(1,151.2)	(1,193.2)	(1,184.3)
Off-budget .....	(247.0)	(256.7)	(268.7)

Table 37-9. CURRENT SERVICES BUDGET AUTHORITY BY AGENCY

(In billions of dollars)

	1991 actual	Current Services	
		1992 estimate	1993 estimate
Legislative Branch .....	2.5	2.7	2.7
The Judiciary .....	2.1	2.4	2.4
Executive Office of the President .....	0.2	0.2	0.2
Funds Appropriated to the President .....	15.7	11.3	12.1
Department of Agriculture .....	60.1	62.2	65.5
Department of Commerce .....	2.6	2.9	2.9
Department of Defense—Military .....	290.4	282.6	274.7
Department of Defense—Civil .....	26.5	28.0	29.3
Department of Education .....	27.5	29.7	30.2
Department of Energy .....	16.1	16.9	16.4
Department of Health and Human Services, except Social Security ....	222.9	264.3	289.7
Department of Health and Human Services, Social Security .....	269.8	284.4	298.6
Department of Housing and Urban Development .....	27.6	25.2	24.4
Department of the Interior .....	6.9	7.4	6.9
Department of Justice .....	9.0	9.9	9.7
Department of Labor .....	32.6	36.9	36.2
Department of State .....	4.4	4.7	5.2
Department of Transportation .....	31.0	36.1	39.1
Department of the Treasury .....	276.2	292.1	313.7
Department of Veterans Affairs .....	33.2	33.6	34.5
Environmental Protection Agency .....	6.0	6.5	6.4
General Services Administration .....	2.0	0.6	0.3
National Aeronautics and Space Administration .....	14.0	14.3	14.1
Office of Personnel Management .....	36.8	36.8	39.9
Small Business Administration .....	0.5	1.2	1.1
Other Independent Agencies .....	92.4	73.0	12.8
Allowances .....	.....	.....	5.2
Undistributed offsetting receipts .....	-110.6	-116.0	-123.2
<b>Total budget authority .....</b>	<b>1,398.2</b>	<b>1,449.9</b>	<b>1,453.0</b>
On-budget .....	(1,151.2)	(1,193.2)	(1,184.3)
Off-budget .....	(247.0)	(256.7)	(268.7)

\* \$50 million or less.

Table 37-10. OUTLAYS FOR MANDATORY AND RELATED PROGRAMS UNDER CURRENT LAW

(In billions of dollars)

	Actual 1991	Estimate					
		1992	1993	1994	1995	1996	1997
<b>Mandatory programs:</b>							
<b>Human resources programs:</b>							
Education, training, employment, and social services .....	12.5	11.7	14.5	13.6	13.1	8.7	13.0
<b>Health:</b>							
Medicaid .....	52.5	72.5	84.5	98.2	113.7	131.1	150.8
Other .....	2.5	3.9	4.8	5.1	5.2	6.0	7.4
Subtotal, health .....	55.0	76.4	89.3	103.3	118.9	137.1	158.1
Medicare .....	102.0	116.1	127.9	142.3	158.8	179.5	201.7
<b>Income security:</b>							
General retirement and disability .....	4.4	11.9	8.5	7.8	7.5	8.7	7.5
Federal employee retirement and disability .....	56.0	57.6	60.0	63.0	66.2	71.6	75.6
Unemployment compensation .....	25.1	31.8	25.3	24.6	24.3	23.9	24.2
Food and nutrition assistance .....	25.7	30.4	30.8	31.6	32.5	33.4	34.5
Other .....	33.9	41.6	44.1	48.4	52.6	53.7	58.7
Subtotal, income security .....	145.1	176.3	168.8	175.5	183.1	191.2	200.4
Social Security .....	266.8	284.3	299.6	315.0	330.8	347.4	364.8
<b>Veterans benefits and services:</b>							
Income security for veterans .....	17.0	17.2	17.5	18.9	18.7	17.9	19.7
Other .....	0.3	1.3	1.5	1.6	1.6	1.6	1.6
Subtotal, veterans benefits and services .....	17.3	18.5	19.0	20.5	20.3	19.4	21.3
Subtotal, mandatory human resources programs .....	598.7	680.3	719.1	770.2	825.0	883.3	959.3
<b>Other mandatory programs:</b>							
Agriculture .....	12.4	13.3	12.1	10.7	8.3	8.1	7.8
Commerce and housing credit .....	72.3	52.3	62.1	8.2	2.6	-4.5	-9.4
Other functions .....	-50.3	-6.3	-1.4	-1.5	-2.1	-3.4	-3.6
Subtotal, other mandatory programs .....	34.3	59.3	72.9	17.5	8.7	0.3	-5.3
Subtotal, mandatory programs .....	636.0	739.6	792.0	787.7	833.7	883.6	954.0
<b>Undistributed offsetting receipts:</b>							
Employer share, employee retirement .....	-36.2	-36.5	-37.2	-35.7	-37.5	-38.9	-41.0
Rents and royalties on the Outer Continental Shelf .....	-3.2	-2.3	-2.8	-2.6	-2.7	-2.7	-2.8
Subtotal, undistributed offsetting receipts .....	-39.6	-38.8	-40.0	-38.4	-40.2	-41.6	-43.8

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
<b>050 NATIONAL DEFENSE</b>						
<b>051 Department of Defense-Military:</b>						
Military personnel .....	84,213	79,217	76,479	83,439	79,289	76,366
Operation and maintenance .....	131,930	91,790	87,966	101,769	97,333	89,130
Procurement .....	71,740	66,680	62,892	82,028	74,356	68,924
Research, development, test and evaluation .....	36,193	38,104	36,027	34,589	36,735	36,824
Military construction .....	5,188	4,918	4,655	3,497	4,539	6,060
Family housing .....	3,296	3,650	3,446	3,296	3,404	3,440
Revolving and management funds .....	2,701	4,324	4,098	-1,812	5,527	3,761
Desert Storm contribution .....	-43,154	-4,988	.....	-43,154	-4,988	.....
Offsetting receipts and other .....	-1,203	-880	-759	-1,263	-935	-792
Subtotal, Department of Defense-Military .....	290,904	282,816	274,804	262,389	295,260	283,713
<b>053 Atomic energy defense activities:</b>						
Weapons activities .....	4,636	4,704	4,441	3,926	4,822	4,613
New production reactor .....	375	516	487	343	389	547
Defense environmental restoration and waste management .....	3,160	3,681	3,475	2,434	3,282	3,531
Materials production and other defense programs .....	3,396	3,068	2,897	* 3,292	3,177	2,850
Defense Nuclear Facilities Safety Board .....	11	12	11	9	15	11
Subtotal, Atomic energy defense activities .....	11,578	11,980	11,311	10,004	11,685	11,553
<b>054 Defense-related activities</b> .....	1,092	968	2,319	899	980	941
Total .....	303,574	295,763	288,434	273,292	307,926	296,208
<b>150 INTERNATIONAL AFFAIRS</b>						
<b>151 International development and humanitarian assistance:</b>						
Agency for International Development .....	3,318	2,804	3,357	2,659	2,227	2,757
Multilateral development banks .....	1,619	1,572	1,721	1,256	1,556	1,521
Food aid .....	1,004	1,484	1,625	753	1,234	1,185
Refugee programs .....	664	566	620	549	597	594
Voluntary contributions to international organizations .....	285	285	312	264	274	319
State Department narcotics assistance .....	150	150	165	109	141	153
Peace Corps .....	187	188	206	176	181	195
Other programs .....	78	88	96	-97	-76	-53
Offsetting receipts .....	-527	-356	-358	-527	-356	-358
Allowances .....	.....	.....	.....	.....	.....	212
Subtotal, International development and humanitarian assistance .....	6,778	6,782	7,743	5,141	5,779	6,526
<b>152 International security assistance:</b>						
Foreign military financing .....	5,158	3,877	4,342	5,567	4,303	4,120
Economic support fund .....	4,036	3,249	3,555	4,321	3,285	3,433
Other programs .....	104	83	95	172	232	159
Foreign military credit sales repayment .....	-237	-424	-529	-237	-424	-529
Subtotal, International security assistance .....	9,061	6,784	7,464	9,823	7,395	7,183
<b>153 Conduct of foreign affairs:</b>						
State Department salaries and expenses .....	1,906	2,015	2,252	1,888	2,022	2,204
Foreign buildings .....	228	545	596	374	394	445
United Nations programs .....	938	955	1,046	874	966	1,035
Other programs .....	167	170	189	146	179	188
Subtotal, Conduct of foreign affairs .....	3,238	3,686	4,084	3,282	3,560	3,872
<b>154 Foreign information and exchange activities:</b>						
U.S. Information Agency .....	1,022	1,084	1,204	1,001	1,085	1,174
Board for International Broadcasting .....	206	207	233	228	240	249
Other programs .....	16	17	19	24	18	19
Subtotal, Foreign information and exchange activities .....	1,243	1,308	1,455	1,253	1,343	1,442
<b>155 International financial programs:</b>						
Export-Import Bank .....	170	650	712	-88	651	683
International Monetary Fund .....	470	.....	.....	179	8	11
Exchange stabilization fund .....	.....	.....	.....	-2,206	-1,600	-1,500
Foreign military sales trust fund (net) .....	1,891	452	-130	-1,061	-112	84
Other programs .....	256	93	.....	-55	257	-5
Offsetting receipts .....	-418	-125	-100	-418	-125	-100
Subtotal, International financial programs .....	2,369	1,071	483	-3,648	-920	-826
Total .....	22,689	19,630	21,230	15,851	17,158	18,197
<b>250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY</b>						
<b>251 General science and basic research:</b>						
National Science Foundation programs .....	2,333	2,595	2,548	2,081	2,335	2,488
Department of Energy general science programs .....	1,139	1,472	1,465	1,073	1,219	1,201
DOD general science programs .....	.....	75	74	.....	59	71
Subtotal, General science and basic research .....	3,472	4,142	4,086	3,154	3,612	3,760
<b>252 Space flight, research, and supporting activities:</b>						
Research and program management .....	1,849	1,298	1,320	1,827	1,468	1,325

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
Space flight control and data communications .....	5,271	5,352	5,248	5,590	5,311	5,137
Construction of facilities .....	452	483	473	285	392	452
Research and development .....	5,464	6,066	5,948	5,245	5,576	5,593
Other .....	11	15	15	9	14	15
Subtotal, Space flight, research, and supporting activities .....	13,046	13,213	13,004	12,957	12,761	12,522
Total .....	16,519	17,356	17,090	16,111	16,373	16,281
<b>270 ENERGY</b>						
<b>271 Energy supply:</b>						
Research and development .....	3,417	3,821	3,820	2,711	3,294	3,506
Petroleum reserves .....	-350	-309	-298	-373	-322	-299
Federal power marketing .....	-228	-346	-363	-768	-472	-350
Tennessee Valley Authority .....	116	794	1,304	-129	255	1,202
Uranium enrichment .....	26	-233	-229	-116	-197	-274
Nuclear waste program .....	243	278	274	300	270	284
Nuclear waste fund receipts .....	-605	-538	-400	-605	-538	-400
Subsidies for nonconventional fuel production .....	*	-53	.....	101	73	87
Rural electric and telephone .....	1,601	210	217	44	628	-102
Isotopes .....	.....	8	8	5	8	8
Subtotal, Energy supply .....	4,220	3,631	4,333	1,170	3,000	3,664
<b>272 Energy conservation</b> .....	461	506	497	386	463	501
<b>274 Emergency energy preparedness</b> .....	336	282	277	-235	336	595
<b>276 Energy information, policy, and regulation:</b>						
Nuclear Regulatory Commission (NRC) .....	26	20	20	-1	6	18
Other energy programs .....	343	244	248	342	221	232
Subtotal, Energy information, policy, and regulation .....	369	264	268	340	226	250
Total .....	5,386	4,683	5,375	1,662	4,026	5,011
<b>300 NATURAL RESOURCES AND ENVIRONMENT</b>						
<b>301 Water resources:</b>						
Corps of Engineers .....	3,410	3,850	3,851	3,468	3,640	3,799
Bureau of Reclamation .....	1,097	1,052	975	1,007	1,276	968
Other .....	234	256	255	262	297	251
Offsetting receipts .....	-371	-484	-470	-371	-484	-470
Subtotal, Water resources .....	4,370	4,675	4,611	4,366	4,729	4,548
<b>302 Conservation and land management:</b>						
Management of national forests, cooperative forestry, and forestry research (Forest Service) .....	2,755	2,882	2,856	2,607	2,716	2,799
Management of public lands (BLM) .....	819	908	910	809	945	908
Mining reclamation and enforcement .....	309	299	296	323	262	300
Conservation reserve program .....	1,315	1,611	1,607	1,631	1,751	1,799
Other conservation of agricultural lands .....	781	894	1,009	772	861	959
Other resources management .....	342	359	358	315	360	358
Offsetting receipts .....	-2,409	-2,521	-2,535	-2,409	-2,521	-2,535
Subtotal, Conservation and land management .....	3,912	4,433	4,500	4,047	4,374	4,586
<b>303 Recreational resources:</b>						
Federal land acquisition .....	352	331	330	281	351	317
Urban park and historic preservation funds .....	54	40	40	34	39	44
Operation of recreational resources .....	2,182	2,397	2,372	1,928	2,236	2,349
Offsetting receipts .....	-107	-142	-139	-107	-142	-139
Subtotal, Recreational resources .....	2,482	2,627	2,603	2,137	2,484	2,571
<b>304 Pollution control and abatement:</b>						
Regulatory, enforcement, and research programs .....	2,353	2,594	2,572	2,017	2,376	2,539
Hazardous substance response fund .....	1,616	1,616	1,592	1,417	1,486	1,494
Oil pollution funds (gross) .....	113	176	176	62	158	170
Sewage treatment plant construction grants .....	2,101	2,403	2,356	2,389	2,205	2,172
Leaking underground storage tank trust fund .....	65	75	74	66	87	86
Offsetting receipts .....	-98	-180	-243	-98	-180	-243
Subtotal, Pollution control and abatement .....	6,150	6,685	6,526	5,853	6,131	6,219
<b>306 Other natural resources:</b>						
Program activities .....	2,324	2,585	2,577	2,164	2,541	2,449
Offsetting receipts .....	-15	-19	-18	-15	-19	-18
Subtotal, Other natural resources .....	2,309	2,566	2,559	2,148	2,522	2,431
Total .....	19,224	20,986	20,799	18,552	20,241	20,354
<b>350 AGRICULTURE</b>						
<b>351 Farm income stabilization:</b>						
Commodity Credit Corporation .....	9,745	12,328	11,324	10,110	11,966	11,750
Crop insurance .....	729	583	604	770	936	891



Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
Agricultural credit insurance .....	4,043	1,159	136	1,996	1,017	123
Farm Credit System assistance .....		*		-163	-97	-187
Temporary emergency food assistance program .....	170	165	162	168	168	162
Other .....	47	728	753	43	683	713
Subtotal, Farm income stabilization .....	14,734	14,963	12,978	12,924	14,675	13,451
<b>352 Agricultural research and services:</b>						
Research programs .....	1,063	1,153	1,133	1,003	1,083	1,093
Extension programs .....	398	419	412	367	414	414
Marketing programs .....	172	184	185	158	175	181
Animal and plant health programs .....	428	470	463	395	452	465
Economic intelligence .....	239	259	260	231	256	257
Other programs and unallocated overhead .....	313	346	339	222	285	310
Offsetting receipts .....	-116	-115	-117	-116	-115	-117
Subtotal, Agricultural research and services .....	2,497	2,716	2,674	2,259	2,550	2,603
Total .....	17,232	17,680	15,652	15,183	17,224	16,054
<b>370 COMMERCE AND HOUSING CREDIT</b>						
<b>371 Mortgage credit:</b>						
Mortgage-backed securities (GNMA) .....				-275	-281	1,932
Mortgage purchase activities (GNMA) .....				-5	-4	-4
Mortgage credit (FHA) .....	4,202	1,338	862	1,892	940	610
Housing for the elderly or handicapped .....	75	-750		515	651	244
Rural housing programs (FmHA) .....	3,539	2,246	1,178	3,238	1,897	1,135
Federal Housing Finance Board .....				-3	-2	-1
Subtotal, Mortgage credit .....	7,816	2,834	2,041	5,362	3,201	3,914
<b>372 Postal service:</b>						
Payments to the Postal Service fund .....	511	511	513	511	511	499
Postal Service .....	3,301	2,226	3,564	1,317	825	1,332
Subtotal, Postal service .....	3,812	2,737	4,077	1,828	1,335	1,831
<b>373 Deposit insurance:</b>						
Resolution Trust Corporation Fund:						
Existing law .....	51,401	35,808	32,504	50,744	40,437	32,503
Conversion to accrual accounting basis .....		-10,808	-13,564		-15,567	-8,803
Bank Insurance Fund:						
Existing law .....	8,291	32,958	38,047	7,363	32,960	38,047
Conversion to accrual accounting basis .....		-19,767	-78,317		-19,767	-14,148
FSLIC Resolution Fund .....	13,087	9,458	6,772	8,556	7,020	6,383
Savings Association Insurance Fund:						
Existing law .....				-36		-1,012
Conversion to accrual accounting basis .....		3,700	3,518		3,700	4,530
National Credit Union Administration funds:						
Existing law .....				-262	-312	-227
Conversion to accrual accounting basis .....					-27	162
Other mandatory .....				-36	10	-2
Discretionary .....	11	30	30	64	70	61
Subtotal, Deposit insurance .....	72,789	51,380	-11,010	66,394	48,525	57,493
<b>376 Other advancement of commerce:</b>						
Small and minority business assistance .....	634	1,013	923	605	745	750
Science and technology .....	548	583	601	461	605	598
Economic and demographic statistics .....	420	331	333	485	448	319
International trade and other .....	530	618	618	503	582	610
Subtotal, Other advancement of commerce .....	2,132	2,546	2,476	2,054	2,380	2,278
Total .....	86,548	59,497	-2,417	75,639	55,441	65,517
On-budget .....	(83,247)	(57,271)	(-5,981)	(74,321)	(54,617)	(64,184)
Off-budget .....	(3,301)	(2,226)	(3,564)	(1,317)	(825)	(1,332)
<b>400 TRANSPORTATION</b>						
<b>401 Ground transportation:</b>						
Highways .....	14,485	18,097	21,207	14,447	16,064	17,134
Highway safety .....	360	378	437	358	374	371
Mass transit .....	3,310	3,819	3,608	3,912	3,799	3,869
Railroads .....	897	957	987	785	859	958
Regulation .....	44	41	40	45	40	40
Offsetting receipts .....	-1	-45	-45	-1	-45	-45
Subtotal, Ground transportation .....	19,096	23,247	26,236	19,545	21,090	22,327
<b>402 Air transportation:</b>						
Airports and airways (FAA) .....	7,938	8,872	8,928	7,241	7,944	8,335
Aeronautical research and technology .....	968	1,107	1,095	920	1,057	1,027
Air carrier subsidies and other .....	27	39	39	22	40	37
Offsetting receipts .....	*			*		

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
Subtotal, Air transportation .....	8,932	10,018	10,063	8,184	9,042	9,400
<b>403 Water transportation:</b>						
Marine safety and transportation .....	2,995	3,233	3,250	2,945	3,471	3,152
Ocean shipping .....	130	162	132	218	316	310
Panama Canal Commission .....	14	14	.....	-12	12	-11
Offsetting receipts .....	-2	-166	-186	-2	-166	-186
Subtotal, Water transportation .....	3,122	3,242	3,195	3,148	3,633	3,264
<b>407 Other transportation:</b>						
Miscellaneous programs .....	262	291	308	235	291	300
Offsetting receipts .....	-12	-21	-35	-12	-21	-35
Subtotal, Other transportation .....	251	270	273	223	270	265
Total .....	31,401	36,777	39,766	31,099	34,035	35,256
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>						
<b>451 Community development:</b>						
Community development block grants .....	3,213	3,400	3,334	2,976	3,125	3,357
Pennsylvania Avenue Development Corporation .....	13	8	8	40	139	177
Other .....	468	378	379	526	646	497
Subtotal, Community development .....	3,694	3,786	3,720	3,543	3,911	4,031
<b>452 Area and regional development:</b>						
Rural development .....	2,544	2,040	1,820	1,382	1,712	1,629
Economic development assistance .....	177	257	253	174	186	223
Indian programs .....	1,347	1,893	1,538	1,225	1,782	1,547
Appalachian Regional Commission .....	175	195	192	167	122	145
Tennessee Valley Authority .....	135	135	136	107	117	115
Other .....	-10	.....	.....	-5	*	.....
Offsetting receipts .....	-307	-378	-430	-307	-378	-430
Subtotal, Area and regional development .....	4,061	4,141	3,509	2,743	3,541	3,230
<b>453 Disaster relief and insurance:</b>						
Small business disaster loans .....	-129	200	196	46	-250	-195
Disaster relief .....	.....	983	964	552	660	1,004
Other .....	131	155	154	-72	68	76
Subtotal, Disaster relief and insurance .....	1	1,337	1,314	525	478	885
Total .....	7,757	9,265	8,543	6,811	7,930	8,145
<b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES</b>						
<b>501 Elementary, secondary, and vocational education:</b>						
School improvement programs .....	1,583	1,578	1,547	1,366	1,720	1,636
Compensatory education .....	6,224	6,707	6,576	5,219	6,171	6,576
Special education .....	2,467	2,855	2,799	2,174	2,554	2,832
Impact aid .....	781	772	757	754	802	794
Vocational and adult education .....	1,253	1,437	1,409	1,090	1,081	1,212
Educational excellence .....	.....	100	98	.....	12	80
Other .....	822	724	715	769	712	728
Subtotal, Elementary, secondary, and vocational education .....	13,130	14,173	13,901	11,372	13,052	13,858
<b>502 Higher education:</b>						
Student financial assistance .....	6,715	6,888	6,754	6,334	6,476	6,923
Guaranteed student loan program .....	4,581	5,086	5,979	4,782	3,914	5,790
Higher education .....	771	828	811	615	687	807
Other .....	307	306	302	230	329	302
Subtotal, Higher education .....	12,374	13,108	13,846	11,961	11,406	13,822
<b>503 Research and general education aids .....</b>	1,914	2,078	2,043	1,773	1,969	2,070
<b>504 Training and employment:</b>						
Training and employment services .....	4,079	4,029	3,953	3,808	4,083	4,151
Trade adjustment assistance .....	71	72	75	51	66	72
Older Americans employment .....	390	395	387	360	385	393
Federal-State employment service .....	1,161	1,201	1,180	1,097	1,187	1,193
Other .....	69	73	74	72	71	70
Subtotal, Training and employment .....	5,771	5,771	5,669	5,388	5,792	5,879
<b>505 Other labor services .....</b>	808	894	898	788	871	885
<b>506 Social services:</b>						
Social services block grant .....	2,800	2,800	2,800	2,822	2,785	2,800
Grants to States for special services .....	436	437	429	420	453	433
Rehabilitation services .....	1,889	2,077	2,138	1,902	2,053	2,109
Payments to States for foster care and adoption assistance .....	2,584	2,614	2,989	2,120	2,500	2,835
ACF service programs .....	3,545	3,901	3,820	3,233	3,753	3,814
Domestic volunteer programs .....	191	199	196	192	191	193
Interim assistance to States for legalization .....	273	.....	1,123	827	451	921

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
Points of Light Initiative .....	5	5	5	5	5	5
Other social services .....	11	10	10	4	13	11
Subtotal, Social services .....	11,735	12,043	13,509	11,526	12,204	13,121
Total .....	45,732	48,066	49,866	42,809	45,294	49,635
<b>550 HEALTH</b>						
<b>551 Health care services:</b>						
Medicaid grants .....	53,393	72,503	84,500	52,533	72,503	84,500
Health insurance tax credit .....		558	610		558	610
Federal employees' health benefits .....	3,510	2,504	4,149	2,308	3,137	3,833
Other health care services .....	6,977	7,475	7,391	5,882	6,612	7,196
Subtotal, Health care services .....	63,880	83,039	96,651	60,723	82,810	96,139
<b>552 Health research and training:</b>						
National Institutes of Health .....	8,277	8,936	8,784	7,677	8,513	8,865
Clinical training .....	260	374	367	241	344	363
Other research and training .....	1,339	1,414	1,394	981	1,213	1,306
Subtotal, Health research and training .....	9,877	10,724	10,545	8,899	10,070	10,534
<b>554 Consumer and occupational health and safety:</b>						
Consumer safety .....	1,176	1,274	1,270	1,124	1,247	1,252
Occupational safety and health .....	469	490	491	436	477	480
Subtotal, Consumer and occupational health and safety .....	1,646	1,764	1,761	1,560	1,724	1,732
Total .....	75,402	95,527	108,957	71,183	94,605	108,405
<b>570 MEDICARE</b>						
<b>571 Medicare:</b>						
Hospital insurance (HI) .....	68,865	77,646	84,340	69,642	77,560	84,254
Supplementary medical insurance (SMI) .....	46,516	53,609	58,402	47,021	54,221	61,375
Medicare premiums and collections .....	-12,174	-13,084	-15,016	-12,174	-13,084	-15,016
Total .....	103,208	118,171	127,726	104,489	118,697	130,613
<b>600 INCOME SECURITY</b>						
<b>601 General retirement and disability insurance (excluding social security):</b>						
Railroad retirement .....	4,240	4,506	4,651	4,108	4,393	4,453
Special benefits for disabled coal miners .....	1,505	1,318	1,401	1,466	1,463	1,444
Pension Benefit Guaranty Corporation:						
Existing law .....				-787	-491	-446
Conversion to accrual accounting basis .....		3,933	2,944		6,900	3,402
Other .....	166	180	191	159	173	185
Subtotal, General retirement and disability insurance (excluding social security) .....	5,911	9,937	9,186	4,945	12,437	9,038
<b>602 Federal employee retirement and disability:</b>						
Civilian retirement and disability programs .....	33,534	34,605	35,565	33,625	34,407	35,411
Military retirement .....	23,091	24,300	25,587	23,093	24,300	25,587
Federal employees workers' compensation (FECA) .....	320	190	297	235	177	252
Federal employees life insurance fund .....	9	14	12	-847	-1,166	-1,167
Subtotal, Federal employee retirement and disability .....	56,954	59,110	61,462	56,106	57,718	60,082
<b>603 Unemployment compensation</b> .....	24,258	24,916	27,225	27,084	34,283	27,375
<b>604 Housing assistance:</b>						
Subsidized housing .....	8,813	8,329	8,166	13,566	14,127	14,828
Renewal of Section 8 contracts .....	7,891	7,355	6,653	387	1,264	2,238
HOPE grants .....		361	354		7	96
Public housing operating subsidies .....	2,175	2,450	2,402	2,004	2,196	2,219
Low-rent public housing loans .....	150	100	50	241	176	121
Transitional housing and emergency shelter for the homeless .....	223	223	219	116	151	150
Home investment partnerships program .....		1,500	1,471		30	284
Shelter plus care .....		111	108		9	31
Other housing assistance .....	494	746	736	886	1,504	1,742
Subtotal, Housing assistance .....	19,746	21,175	20,159	17,200	19,463	21,709
<b>605 Food and nutrition assistance:</b>						
Food stamps .....	19,577	22,350	28,000	18,684	22,724	22,696
Aid to Puerto Rico .....	963	1,002	1,051	965	1,002	1,051
Child nutrition and other programs .....	8,895	9,706	10,401	8,832	9,835	10,234
Subtotal, Food and nutrition assistance .....	29,435	33,059	39,452	28,481	33,562	33,982
<b>609 Other income security:</b>						
Supplemental security income (SSI) .....	17,391	18,877	21,083	15,926	19,794	21,083
Family support payments .....	13,795	15,201	15,442	13,520	15,114	15,472
JOBS training program for welfare recipients .....	1,000	1,000	1,000	546	832	885
Earned income tax credit (EITC) .....	4,885	7,171	7,894	4,885	7,171	7,894
Refugee assistance .....	411	411	403	269	371	388
Low income home energy assistance .....	1,610	1,500	1,471	1,742	1,143	1,437

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
Payments to states for day-care assistance .....	732	825	809	.....	574	811
Other .....	140	153	150	143	146	149
Subtotal, Other income security .....	39,963	45,137	48,252	37,030	45,145	48,119
Total .....	176,266	193,334	205,735	170,846	202,608	200,304
<b>650 SOCIAL SECURITY</b>						
<b>651 Social security:</b>						
Old-age and survivors insurance (OASI) .....	244,049	260,248	272,490	241,242	256,349	269,774
Disability insurance (DI) .....	28,338	30,271	32,537	27,773	30,383	32,323
Interfund transactions .....	103	.....	.....	.....	.....	.....
Total .....	272,490	290,518	305,028	269,015	286,732	302,097
On-budget .....	(2,722)	(6,078)	(6,434)	(2,619)	(6,078)	(6,434)
Off-budget .....	(269,768)	(284,440)	(298,593)	(266,395)	(280,654)	(295,663)
<b>700 VETERANS BENEFITS AND SERVICES</b>						
<b>701 Income security for veterans:</b>						
Compensation and pensions:						
Existing law .....	16,397	16,118	16,495	16,169	16,301	16,268
Proposed legislation .....	.....	.....	313	.....	.....	288
National service life insurance trust fund .....	1,483	1,458	1,414	1,247	1,282	1,297
All other insurance programs .....	28	38	33	-37	-6	38
Insurance program receipts .....	-419	-383	-350	-419	-383	-350
Subtotal, Income security for veterans .....	17,490	17,231	17,905	16,961	17,193	17,541
<b>702 Veterans education, training, and rehabilitation:</b>						
Readjustment benefits (GI Bill and related programs) .....	1,004	635	729	552	818	1,011
Post-Vietnam era education .....	-124	-85	-65	-124	-85	-65
All-volunteer force educational assistance trust fund .....	-153	-209	-215	-159	-157	-159
Other .....	103	67	58	158	120	96
Subtotal, Veterans education, training, and rehabilitation .....	830	409	506	427	696	883
<b>703 Hospital and medical care for veterans:</b>						
Medical care and hospital services .....	12,335	13,610	13,686	12,211	13,234	13,571
Medical administration, research, and other .....	268	281	282	261	277	282
Construction .....	810	710	697	648	634	680
Third-party medical recoveries .....	-225	-406	-488	-236	-412	-474
Fees and other charges for medical services .....	5	-6	-6	5	-6	-6
Subtotal, Hospital and medical care for veterans .....	13,194	14,189	14,171	12,889	13,727	14,052
<b>704 Veterans housing:</b>						
Loan guaranty revolving fund .....	670	179	340	360	428	516
Direct loan revolving fund .....	.....	1	1	-13	-8	-6
Guaranty and indemnity .....	59	685	643	-262	733	665
Subtotal, Veterans housing .....	730	866	984	85	1,153	1,174
<b>705 Other veterans benefits and services:</b>						
Cemeteries, administration of veterans benefits, and other .....	970	925	930	908	926	936
Non-VA support programs .....	90	90	89	79	124	94
Subtotal, Other veterans benefits and services .....	1,060	1,015	1,019	987	1,050	1,029
Total .....	33,303	33,709	34,586	31,349	33,819	34,680
<b>750 ADMINISTRATION OF JUSTICE</b>						
<b>751 Federal law enforcement activities:</b>						
Criminal investigations (DEA, FBI, FCEN, OCDE) .....	2,770	3,052	3,057	2,566	2,948	2,773
Alcohol, tobacco, and firearms investigation (ATF) .....	308	337	344	300	332	338
Border enforcement activities (Customs and INS) .....	2,519	2,767	2,824	2,482	2,691	2,792
Customs user fee .....	-644	-696	-692	-644	-696	-692
Protection activities (Secret Service) .....	445	512	517	443	494	509
Other enforcement .....	554	657	659	513	652	669
Subtotal, Federal law enforcement activities .....	5,952	6,629	6,709	5,661	6,421	6,390
<b>752 Federal litigative and judicial activities:</b>						
Civil and criminal prosecution and representation .....	2,146	2,285	2,294	1,975	2,264	2,297
Federal judicial activities .....	2,118	2,368	2,386	2,011	2,369	2,389
Representation of indigents in civil cases .....	328	350	343	344	346	344
Other .....	21	23	22	23	24	26
Subtotal, Federal litigative and judicial activities .....	4,614	5,026	5,046	4,352	5,004	5,057
<b>753 Federal correctional activities</b> .....	1,728	2,051	2,051	1,600	1,901	2,015
<b>754 Criminal justice assistance</b> .....	853	870	871	663	709	892
Total .....	13,147	14,576	14,677	12,276	14,036	14,354
<b>800 GENERAL GOVERNMENT</b>						
<b>801 Legislative functions</b> .....	2,021	2,181	2,203	1,916	2,230	2,156

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
<b>802 Executive direction and management</b> .....	188	224	224	190	197	199
<b>803 Central fiscal operations:</b>						
Collection of taxes .....	6,113	6,681	7,243	5,984	6,514	7,028
Other fiscal operations .....	144	270	245	114	276	255
Subtotal, Central fiscal operations .....	6,257	6,951	7,489	6,097	6,790	7,282
<b>804 General property and records management:</b>						
Federal buildings fund .....	1,814	594	281	275	339	1,144
Property and other receipts .....	-54	-213	-207	-54	-213	-207
Records management .....	139	153	156	172	263	291
Other .....	195	214	216	264	315	210
Subtotal, General property and records management .....	2,095	748	446	657	704	1,438
<b>805 Central personnel management</b> .....	164	171	653	138	167	171
<b>806 General purpose fiscal assistance:</b>						
Payments and loans to the District of Columbia .....	637	663	648	636	653	658
Payments to States and counties from Forest Service receipts .....	334	325	323	330	328	324
Payments to States from receipts under the Mineral Leasing Act .....	480	420	471	480	420	471
Payments to States and counties from Federal land management activities .....	132	120	122	95	153	122
Payments in lieu of taxes .....	104	104	102	100	104	102
Payments to territories and Puerto Rico .....	170	219	223	175	219	223
Other .....	281	283	283	283	282	283
Subtotal, General purpose fiscal assistance .....	2,138	2,133	2,172	2,100	2,159	2,182
<b>808 Other general government:</b>						
Compact of free association .....	188	163	165	168	161	165
Territories .....	154	117	115	104	100	111
Treasury claims .....	460	445	484	460	445	484
Civil liberties public education fund .....	500	500	250	499	501	250
Presidential election campaign fund .....	32	32	32	21	151	4
Other .....	134	162	160	28	147	146
Subtotal, Other general government .....	1,469	1,419	1,206	1,280	1,505	1,160
<b>809 Deductions for offsetting receipts</b> .....	-718	-914	-925	-718	-914	-925
Total .....	13,613	12,912	13,467	11,661	12,838	13,662
<b>900 NET INTEREST</b>						
<b>901 Interest on the public debt</b> .....	286,004	294,338	315,440	286,004	294,338	315,440
<b>902 Interest received by on-budget trust funds</b> .....	-50,976	-53,372	-55,348	-50,976	-53,372	-55,348
<b>903 Interest received by off-budget trust funds</b> .....	-20,222	-23,853	-26,998	-20,222	-23,853	-26,998
<b>908 Other interest:</b>						
Interest on loans to Federal Financing Bank .....	-17,276	-15,701	-16,529	-17,276	-15,701	-16,529
Interest on refunds of tax collections .....	2,821	2,646	2,475	2,821	2,646	2,475
Interest paid to loan guarantee financing accounts .....		132	523		132	523
Interest received from direct loan financing accounts .....		-174	-484		-174	-484
Other .....	-6,243	-3,771	-4,378	-5,811	-3,806	-4,440
Subtotal, Other interest .....	-20,698	-16,868	-18,393	-20,266	-16,904	-18,455
Total .....	194,109	200,245	214,702	194,541	200,209	214,639
On-budget .....	(214,331)	(224,098)	(241,700)	(214,763)	(224,062)	(241,637)
Off-budget .....	(-20,222)	(-23,853)	(-26,998)	(-20,222)	(-23,853)	(-26,998)
<b>920 ALLOWANCES</b>						
<b>925 Allowances</b> .....			3,795			
Total .....			3,795			
<b>950 UNDISTRIBUTED OFFSETTING RECEIPTS</b>						
<b>951 Employer share, employee retirement (on-budget):</b>						
Contributions to military retirement fund .....	-17,193	-16,238	-15,769	-17,193	-16,238	-15,769
Contributions to HI trust fund .....	-2,205	-2,321	-2,395	-2,205	-2,321	-2,395
Postal Service contributions to CSRS .....	-4,425	-4,780	-5,045	-4,425	-4,780	-5,045
Other civilian agencies contributions to CSRS .....	-6,579	-7,044	-7,515	-6,579	-7,044	-7,515
Subtotal, Employer share, employee retirement (on-budget) .....	-30,402	-30,383	-30,723	-30,402	-30,383	-30,723
<b>952 Employer share, employee retirement (off-budget)</b> .....	-5,804	-6,095	-6,484	-5,804	-6,095	-6,484
<b>953 Rents and royalties on the Outer Continental Shelf</b> .....	-3,150	-2,282	-2,828	-3,150	-2,282	-2,828
Total .....	-39,356	-38,761	-40,034	-39,356	-38,761	-40,034
On-budget .....	(-33,553)	(-32,665)	(-33,551)	(-33,553)	(-32,665)	(-33,551)
Off-budget .....	(-5,804)	(-6,095)	(-6,484)	(-5,804)	(-6,095)	(-6,484)

Table 37-11. CURRENT SERVICES BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In millions of dollars)

Major missions and programs	Budget Authority			Outlays		
	1991 actual	1992 estimate	1993 estimate	1991 actual	1992 estimate	1993 estimate
<b>Total</b> .....	<b>1,398,243</b>	<b>1,449,934</b>	<b>1,452,976</b>	<b>1,323,011</b>	<b>1,450,431</b>	<b>1,509,379</b>
On-budget .....	(1,151,199)	(1,193,216)	(1,184,300)	(1,081,324)	(1,198,901)	(1,245,866)
Off-budget .....	(247,043)	(256,718)	(268,676)	(241,687)	(251,530)	(263,513)

Table 37-12. DEPOSIT AND PENSION INSURANCE: CASH AND ACCRUAL BASIS

(In millions of dollars)

	1992	1993	1994	1995	1996	1997
<b>Accrual basis:<sup>1</sup></b>						
Deposit insurance:						
Deposit insurance baseline .....	48,455	57,432	7,002	2,345	-2,670	-6,549
Proposed reforms .....	-700	-1,800	-500	-4,400	-5,400	-3,400
Deposit insurance with reforms .....	47,755	55,632	6,502	-2,055	-8,070	-9,949
Pension guarantees:						
Pension Benefit Guaranty Corporation base- line .....	6,362	2,909	2,140	1,874	3,010	1,848
Proposed reforms .....	-8,700	-2,500	-2,700	-1,700	-3,300	-2,900
Pension Benefit Guaranty Corporation with ..	-2,338	409	-560	174	-290	-1,052
<b>Cash basis:</b>						
Deposit insurance:						
Deposit insurance baseline .....	80,115	75,692	-17,219	-15,441	-15,155	-39,926
Proposed reforms .....			-7,806	-11,724	-6,570	7,765
Deposit insurance with reforms .....	80,115	75,692	-25,025	-27,165	-21,725	-32,161
Pension guarantees:						
Pension Benefit Guaranty Corporation base- line .....	-538	-493	-455	-416	-373	-327
Proposed reforms .....						
Pension Benefit Guaranty Corporation with reforms .....	-538	-493	-455	-416	-373	-327

<sup>1</sup> These estimates assume enactment of proposals to apply long-established accrual accounting insurance activities and PBGC.