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# INTRODUCTION

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# 1. INTRODUCTION

## Purpose of This Volume

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

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

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

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

## Overview of the Chapters

### *Introduction*

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

### *Performance and Management Assessments*

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

### *Crosscutting Programs*

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

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

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

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

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

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

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

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

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

11. *California-Federal Bay-Delta Program Budget Crosscut (CALFED)*. This chapter presents information on Federal and State funding for the California-Federal Bay-Delta Program, in fulfillment of the reporting requirements for this program. Detailed tables on funding and project descriptions are available at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

### ***Economic Assumptions and Analyses***

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

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

14. *National Income and Product Accounts*. This chapter discusses how Federal receipts and outlays fit into the framework of the National Income and Product Accounts (NIPAs) prepared by the Department of Com-

merce. The NIPA measures are the basis for reporting Federal transactions in the gross domestic product (GDP) and for analyzing the effect of the budget on aggregate economic activity.

### ***Budget Reform Proposals***

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

### ***Federal Borrowing and Debt***

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

### ***Federal Receipts and Collections***

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

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

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

### ***Dimensions of the Budget***

20. *Comparison of Actual to Estimated Totals*. This chapter compares the actual receipts, outlays, and deficit for 2007 with the estimates for that year published two years ago in the 2007 Budget. It also includes a historical comparison of the differences between receipts, outlays, and the deficit as originally proposed with final outcomes.

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

22. *Trust Funds and Federal Funds*. This chapter provides summary information on Federal funds and trust funds, which comprise the entire budget. For trust funds the information includes income, outgo, and balances.

23. *Off-Budget Federal Entities and Non-Budgetary Activities*. This chapter discusses off-budget Federal entities (Social Security and Postal Service) and non-budgetary activities (such as cash flows for credit programs, deposit funds, and regulation).

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

### **Current Services Estimates**

25. *Current Services Estimates.* This chapter presents estimates, based on rules similar to those contained in the Budget Enforcement Act (BEA), of what receipts, outlays, and the deficit would be if no changes were made to laws already enacted. It discusses the conceptual framework for these estimates and describes differences with the BEA requirements. Two detailed tables, “Table 25–13. Current Services Budget Authority by Function, Category, and Program” and “Table 25–14. Current Services Outlays by Function, Category, and Program,” are available at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for the electronic version

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

### **Budget System and Concepts**

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

### **Other**

The following materials are available at <http://www.whitehouse.gov/omb/budget/fy2009/spec.html> for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

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

