FEDERAL BUDGET

Agency Obligations by Budget Function and Object Classification for Fiscal Year 2003

Why GAO Did This Study

Members of the Congress and governmental experts have expressed repeated interest in examining the overlapping and fragmented functions and activities of the federal government. As a first-level look at potential overlap and fragmentation, the Chairwoman, Subcommittee on Civil Service and Agency Organization, House Committee on Government Reform, asked GAO to present information on which federal agencies spend funds in which federal mission areas. This report examines federal spending through two commonly used analytical approaches—budget functions and object classifications.

What GAO Found

This report, and its accompanying e-supplement—available on GAO's Web site—present quantitative data on fiscal year 2003 obligations from several perspectives and levels of detail that can be used to examine spending patterns reported against federal mission areas (budget functions). The federal budget is divided into 20 functions, that combined, provide a comprehensive basis for analysis, offer a window into potential areas of overlap and fragmentation, and serve as a starting point for discussions about government restructuring.

Most executive branch agencies address more than one mission area; in fact, most made obligations in 2003 to three or more budget functions. Focusing on the missions of government, rather than federal organizations, produces a similarly intricate picture. Excluding Social Security, Medicare, Net Interest, and two functions with no data (allowances and undistributed offsetting receipts), 12 of the remaining 15 budget functions are addressed by five or more executive branch departments and major agencies. Sometimes there is a "match" between a function and a department—for example, the Department of Transportation is associated almost exclusively with the Transportation function (400) and over 80 percent of spending within the Transportation function (400) is by the Department of Transportation. Sometimes, however, there is an imbalance between the importance of an agency in a mission area and the importance of the mission area within the department. For example, while almost all obligations in the Agriculture function (350) are by the USDA, that function represents only about 41 percent of the spending by the department. Over 40 percent of USDA's obligations are for the Income Security function (600).

In addition, this report provides object classification information as a resource for helping to shape and consider options once there is evidence to suggest that restructuring is warranted. Organized by major types of expenditure, an object class analysis shows how agencies spend funds to deliver federal programs and is a shorthand way of identifying whether these services are provided primarily through grants and direct payments to qualified beneficiaries, contracts, or directly by federal employees.

The e-supplement contains tabular data that provide additional layers of information by budget subfunctions. This allows a user to "drill down" as needed to inquire into any particular spending pattern of interest within a function, subfunction, object class, or agency. These tables are not available in a hard copy version. If you would like to view the tables, please click on the following link (GAO-04-884SP) or access on the Internet at www.gao.gov and enter the report number.

United States General Accounting Office