

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The President's Proposal:

- Increases housing opportunities by providing a tax credit for developers of affordable single-family housing;
- Helps to increase minority homeownership rates by expanding homeownership opportunities;
- Strengthens and reforms public housing;
- Strengthens housing assistance programs and promotes self-sufficiency efforts;
- Seeks to end chronic homelessness over the next decade;
- Reforms the Community Development Block Grant program and eliminates poor performing community and economic development programs; and
- Improves agency management by setting aggressive short- and long-term goals to overcome chronic weaknesses.

Department of Housing and Urban Development

Mel Martinez, Secretary

www.hud.gov 202-708-1112

Number of Employees: 10,300

2002 Spending: \$30.9 billion

Field Offices: 80, including most major cities.

The Department of Housing and Urban Development (HUD) subsidizes housing costs for about five million low-income households through rental assistance, construction grants, and loans. It also helps revitalize over 4,000 localities through community development programs and provides housing and services to help families and the homeless toward self-sufficiency. HUD also encourages homeownership by providing mortgage insurance for over six million homeowners, many of whom otherwise

might not qualify for loans, and by managing billions of dollars in both guarantees of mortgages and mortgage-backed securities.

Overview

The budget proposes to maintain or increase support for housing assistance and other programs to help low-income families and communities achieve their goals. It provides 34,000 new housing vouchers targeted to ensure they provide assistance to those most in need and increases other effective programs to help meet HUD's strategic objectives.

In some cases, however, HUD programs have trapped families in poor quality buildings or neighborhoods with safety concerns and with limited educational and economic opportunities. Requiring families to accept these conditions in order to receive housing assistance is unacceptable.

This budget, therefore, proposes to improve housing quality and choice for the people HUD assists. It will strengthen public housing using an "asset management" approach modeled on private sector practices to address the large backlog of capital needs and provide better incentives for sound local management.

It will provide subsidized families with increased ability to move when their needs or conditions warrant, without giving up their subsidy.

Helping families with their shelter costs is an important goal, yet HUD would fail in its mission if families were not moving toward eventual self-sufficiency. An important measure of HUD's success should be the number of families that no longer need to reside in assisted housing because they have moved to safe, decent, and affordable private housing. To that end, the Administration will propose changes and work with the Congress to ensure that HUD programs support self-sufficiency efforts.

The budget also proposes reforms to the Community Development Block Grant (CDBG) program to return its focus to low-income communities by redirecting funds from the wealthiest, highest-income communities to lower-income areas. Requiring that more CDBG funds be provided to those communities with the greatest need will make the program truer to its intended purpose and less like a general revenue sharing program.

The budget includes proposals addressing other ambitious goals for HUD, such as increasing homeownership rates among minority households and ending childhood lead poisoning in 10 years.

HUD Strategic Objectives

- Reduce complexity, paperwork, and costs of the homebuying process.
- Help families move from rental housing to homeownership.
- Improve the quality of public and assisted housing, and help families find affordable housing.
- Strengthen and expand faith-based and community partnerships.
- End chronic homelessness and increase housing opportunities for other homeless households.
- Embrace a new sense of ethics and accountability.
- Ensure equal opportunity and access to housing.
- Support community development efforts.

Status Report on Select Programs

The budget seeks to redirect funds from poorly performing programs to higher priority or more effective ones, while working to improve the management of ineffective programs.

Program	Assessment	Explanation
Public Housing	Ineffective	Serves 1.2 million low-income households, but properties are too often of poor quality and in high poverty or isolated locations.
Housing Vouchers	Effective	Cost-effective, market-driven portable rental assistance. Serves over 1.8 million low-income households.
Federal Housing Administration	Moderately effective	Increases homeownership opportunity. But inadequate, out-dated systems and controls hamper ability to monitor private partners.
Homeless Program	Unknown	Provides flexibility to serve homeless families and individuals through coordinated local planning and consolidated funding. Lack of data makes it difficult to measure progress toward achieving nationwide objectives.
Community Development Block Grant	Unknown	Designed to boost low-income communities, its effectiveness is diluted by the inclusion of some of the richest cities in the country. Its flexibility permits use for a wide variety of community and economic development activities. Because each community has different needs and goals, it is difficult to assess performance, despite over \$100 billion in grants since 1974.
Lead Hazard Control Grants	Effective	Program has clear, measurable objectives, and use of efficient technology is emphasized.

Congressional Earmarks

The County Sheriff's Department of Ashland, Wisconsin, received \$80,000 as a congressional earmark to purchase an Ice Angel Windsled, similar to the one shown here. Windsleds have been used during the winter for rescue activities. Ashland's gain was Wisconsin's loss, however, because if earmarked funds had been distributed through the CDBG formula, Wisconsin would have received an additional \$2.5 million. That's enough for 30 windsleds, if you believe windsleds are the best possible use of community development funds.



The Administration objects to the Congress's traditional practice of funding unrequested earmarks. In 2002, the \$336 million that might have been used for HUD's programs was earmarked instead for 831 congressional projects. These earmarks avoid the competitive process and often come at the expense of more urgent needs. For example, Carmel, Indiana, with a poverty rate of one percent and median household income over \$77,000, received \$1 million for its parks. On the other hand, Gary, Indiana, with a 26 percent poverty rate and a median income less than a third of Carmel's, did not receive a project grant. Since 1998, the Congress has siphoned off over \$1.2 billion for unrequested earmarks in HUD appropriations.

Notable Congressional Earmarks

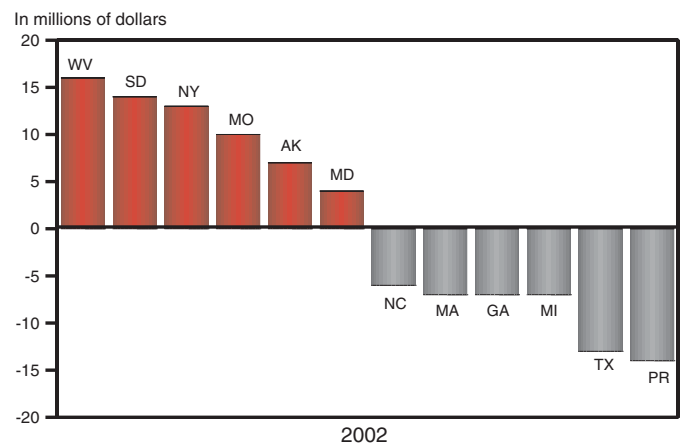
\$2,250,000 for the city of Fairbanks, AK to provide winter recreation opportunities at the Fairbanks North Star Borough Birch Hill recreation area;

\$1,000,000 for the Southern New Mexico Fair and Rodeo;

\$2,450,000 to restore six zoos; and

\$340,000 to restore opera houses in Connecticut, Michigan, and Washington.

Funds Misallocated by Earmarks



Moreover, many states do not receive their share of earmarked funding—that's a natural consequence of earmarking. The accompanying chart shows each state's earmarked dollars less the amount of funds they would have received if the \$336 million had been distributed through the congressionally authorized state CDBG formula.

Reform Community Development Block Grants and Eliminate Poor Performing Community and Economic Development Programs

Under a two decade old formula, over 1,000 cities, urban counties, and the states (for non-metropolitan areas) receive about \$4.3 billion of CDBG funds annually. CDBG supports various community development activities that are supposed to be directed primarily at low- and moderate-income persons. Several smaller programs are also funded within CDBG. A three-fold increase for the Self-Help Homeownership Opportunity Program will provide \$65 million for competitive grants to non-profit faith-based and community-oriented organizations that support homeownership.

Reform CDBG

While it favors poorer communities, the current distribution of CDBG formula funds includes many grants to higher income cities and counties. The budget proposes a legislative change to reduce grants to the wealthiest one percent of eligible communities, defined as those with per capita income two times the national average. The savings from this proposal will fund a regional initiative to enhance the availability of affordable housing, economic opportunity, and infrastructure in the Colonias. Colonias are communities within 150 miles of the U.S.-Mexican border that lack adequate infrastructure and other basic services. These communities have greater needs and fewer resources, and are better targets for such funds.

In addition, the CDBG formula program grows by \$95 million in 2003, giving communities an increase in their annual allocations. As 2000 Census data become available, HUD will develop proposals for a new CDBG allocation formula and process, to allocate more to those who need these funds and will use them effectively.

Tale of Two Cities		
	Newton, MA*	Compton, CA
Population	83,829	93,493
Per capita income	\$28,840	\$7,842
Average home sale price	\$512,000	\$120,000
CDBG dollars per resident	\$31.76	\$31.16
Annual CDBG funds 2002	\$2.663 million	\$2.914 million
Proposed CDBG funds 2003	\$1.359 million	\$2.987 million
<p>* Newton allocated \$30,000 of its CDBG funding to design a traffic signal and \$80,000 to fund a historic lighting project.</p>		

Wealthiest CDBG Entitlement Communities		
Community	Per capita income as a multiple of the national average	2002 CDBG Funds
Greenwich, CT	3.2	\$1,157,000
Newport Beach, CA.....	3.2	\$490,000
Colorado Springs, CO.....	3.1	\$3,199,000
Lower Merion, PA.....	2.9	\$1,407,000
Naples, FL	2.9	\$149,000
Penn Hills, PA	2.8	\$849,000
Virginia Beach, VA.....	2.6	\$3,012,000
Palo Alto, CA	2.3	\$808,000
Malden, MA	2.2	\$1,780,000
Westchester County, NY.....	2.1	\$7,004,000
Santa Monica, CA.....	2.0	\$1,787,000
Brookline, MA.....	2.0	\$1,872,000
Newton, MA	2.0	\$2,663,000

Eliminate Poor Performing and Duplicative Community and Economic Development Programs

To stem mission creep, this budget proposes to streamline HUD’s efforts to promote community and economic development by eliminating two community planning and development programs, Rural Housing and Economic Development grants and Round II Empowerment Zones grants. Since 1999, these two programs have received over \$430 million. Evaluations and other performance information provide no convincing evidence that adding grants to the tax benefits of Empowerment Zones increases that program’s effectiveness. Moreover, HUD’s CDBG program lets localities meet the same needs. For example, through CDBG, smaller communities will receive \$1.3 billion in 2003 for locally designed programs that meet their own housing and economic development needs. The savings from eliminating these programs will be reinvested in the CDBG program.

Reinvigorating Renewal Communities and Empowerment Zones

To help develop the economies of distressed urban and rural areas, HUD has just designated 40 Renewal Communities (RCs) and seven additional Round III urban Empowerment Zones (EZs). Private investors in both RC and EZ areas are eligible for tax benefits over the next 10 years tied to the expansion of job opportunities in these locations. Like CDBG, these programs allow communities to design and administer their own economic development strategies with a minimum of federal involvement.

Strengthen Public Housing

HUD low-income housing assistance programs, including public housing, other project-based subsidies, and housing vouchers, help approximately five million low-income families pay the rent. They do much good, but the Administration is committed to improving their operation.

The budget will improve the physical condition and financial management of the 1.2 million public housing units subsidized by HUD, and give new choices to the families who live there. As a whole, these properties have approximately \$20 billion in modernization needs. While most are inhabitable, 30 percent fail HUD's physical quality standards.

The reform of public housing introduces a way to end the practice of subsidizing substandard housing. More specifically, the reforms, introduced on a voluntary basis in 2003, will contribute to:

- Meeting two goals stated in the President's Management Agenda—that 84 percent of public housing units will meet HUD's physical standards by 2005; and that HUD, working with the Congress, will ensure families are not required to live in substandard housing as a condition of retaining their subsidy;
- Providing better management of public housing with less intrusive federal micro-management;
- Using the market to test projects' viability and guide local investment decisions;
- Introducing choice and competition in public housing; and
- Substantially reducing, and within a decade eliminating, an estimated \$20 billion of accumulated capital needs.

Local housing authorities will be able to employ real estate management and financing practices that are standard in the private sector. This approach to public housing will treat each property as a separate real estate investment. Housing authorities will finance the capital needs of their individual properties with private mortgages, while the federal government will continue to subsidize operating and debt service costs not covered by rent collections. Properties that cannot support a private mortgage but are deemed worthy investments by local communities can use other local resources to make mortgages affordable and finance capital improvements.

The Administration also proposes to extend choice to families living in public housing properties that are refinanced and rehabilitated under this model. As the program operates now, low-income families are required to reside where public housing exists as a condition of receiving rental assistance—even if properties fail HUD's physical standards. The Administration's plan would allow families to move after the initial one year lease period and retain their subsidy, giving them choice in the selection of their housing and creating parity among HUD's assisted-housing programs. When residents have the option to leave a property, housing authorities must do a good job serving them or they will move out. Competitive market forces are thereby introduced and a property is more likely to be well managed and stay in good condition. This model corresponds to the existing project-based voucher program.

Strengthen Housing Assistance to Increase Affordable Housing and Promote Self-Sufficiency

The budget includes both funding increases and management reforms to create a full "toolbox" of options for overcoming particular obstacles to affordable housing. HUD will measure performance

against the goals for assisted housing, including a new measure to keep a count of the number of families moving from subsidized housing assistance to self-sufficiency.

- The number of households leaving assisted housing and achieving housing self-sufficiency will increase from 2002 to 2003.
- The number of households with worst case housing needs will drop three percent between 2001 and 2003.
- The share of assisted multifamily units that meet HUD-established physical standards will rise by 1.5 percentage points between 2002 and 2003.

The number of households assisted is maintained by renewing all subsidy contracts that expire in 2003. The budget also expands assistance with over 34,000 new housing vouchers that will give families the financial power to choose from a variety of housing options in the private rental market. The Administration favors vouchers because they are proven to provide greater benefits at lower cost than older subsidy approaches. By relying on the private market and competitive forces, vouchers allow families to choose the best available housing. Vouchers also relieve HUD of the difficult management burden of overseeing numerous housing properties.

Vouchers Have Lower Costs and Greater Benefits

On average, the cost per unit of public housing exceeds the voucher program by 18 percent.

All HUD subsidy programs target low-income households. However, 26 percent of all voucher recipients live in neighborhoods with poverty levels below 10 percent, while only about eight percent of public housing residents live in such areas. Vouchers give low income families a better chance of residing in a more economically diverse neighborhood.

Comparison of Housing Assistance Approaches			
	Public Housing	Housing Vouchers	Project-based Subsidies
Choice and Mobility	Low	High	Low
Cost Effectiveness and Avoidance of Federal Liability	Low	High	Low

The budget supports other approaches for increasing affordable housing, by including a \$100 million increase for the HOME block grant, a flexible program that localities can tailor to their particular housing needs. This program will produce about 23,000 new affordable rental units in 2003 and rehabilitate another 23,000. Other programs in the budget that support the supply of affordable housing are CDBG and the low-income housing tax credit. The budget increases CDBG formula funds, about 30 percent of which goes to housing, by \$95 million. The tax credit was recently increased by 40 percent and now supports the production of about 100,000 units of moderate-rent housing a year. HUD is working to ensure that tax credit and HOME units are available in all cases to voucher families.

End Chronic Homelessness in 10 Years

The Administration has made ending chronic homelessness in the next decade a top objective. The chronically homeless number perhaps 100,000 to 200,000 persons who are without a home for long periods of time, or on many occasions. They typically have many difficult-to-treat disabilities or mental health problems that lead to severe personal suffering. Serving this group consumes a large share of all resources dedicated to the homeless. HUD will work to move more of the chronically homeless from the dangerous streets to safe, permanent housing.

HUD will establish a baseline measure in 2003 of the chronic homeless population in communities with Homeless Management Information Systems. The performance measure for those communities will be achievement of a reduction in the number of chronically homeless persons by up to one-half over five years.

HUD's homeless assistance programs, along with those of the Department of Health and Human Services (HHS) and five other Departments, will all contribute to this result. Federal spending for the homeless will increase in 2003 to \$2.2 billion, including \$1.1 billion in HUD.

The budget proposes consolidating HUD's largest homeless programs into one. It also transfers two homeless programs from departments with other missions to departments with major responsibility for aiding the homeless. The result of the new structure will consolidate program administration into five agencies rather than the current structure that includes seven. The Federal Emergency Management Agency's Emergency Food and Shelter program will be shifted intact to HUD, where it will continue to operate with its non-profit, private sector partners. The Department of Labor's Homeless Veterans Reintegration program will be moved to the Department of Veterans Affairs. Both transfers will allow agencies to focus on the mission of reducing chronic homelessness without reducing programs that are vital to the homeless population.

Expand Homeownership Opportunity

Families took advantage of strong economic conditions in recent years, increasing the national homeownership rate to a record level of 68.1 percent in 2001. The homeownership rate among minority households also increased over this period, reaching 47.8 percent in 2001. HUD's goals for 2003 are to increase the homeownership rate for minority households and protect the recent homeownership gains nationwide. HUD's homeownership efforts will seek to increase the homeownership rate among minority households to 50 percent.

The Administration will use several means to reach these objectives:

- To promote the development of affordable single-family housing in low-income urban and rural neighborhoods, the budget proposes a tax credit of up to 50 percent of the cost of constructing a new home or rehabilitating an existing property. Eligible homebuyers would be required to have incomes of not more than 80 percent of area median income.
- The budget quadruples the President's Down Payment Assistance Initiative from its 2002 level to \$200 million. Through HUD's HOME program, this initiative provides state and local governments with matching grants to provide down payment assistance to first-time home buyers.
- The budget triples funding to \$65 million for the Self-Help Homeownership Opportunity program, which helps families realize their homeownership dreams through sweat equity.

Neighborhood Reinvestment Corporation

I look forward to the day when we measure compassion not by the number of families living in assisted housing, but the number of families who have moved into a home of their own.

Secretary Martinez
December 13, 2001

Continued support for the Neighborhood Reinvestment Corporation is another element of the Administration's homeownership strategy. The Corporation is a non-profit organization outside of HUD and chartered by the Congress. It is primarily funded by the American taxpayer. The Corporation's Campaign for Homeownership enabled over 34,000 low-income families to become new

homeowners since 1998 by using \$155 million in public funds to generate \$2.3 billion in private investment (a 15-to-1 ratio).

Meet the Simpsons

Dimple Simpson, a single mother of three living in Nashville, Tennessee, yearned to own a home, but thought she faced overwhelming odds. As a cook and cashier at an area high school, her income plunges during the summer break, making it a challenge to save for a down payment. She had received HUD housing assistance for the last 16 years, but did not know how she could afford to purchase a home or find her way through an unknown process.



Through an innovative programmatic partnership among HUD, the Neighborhood Reinvestment Corporation and a private lender, Ms. Simpson's dreams became a reality. She purchased the home she longed for by using her HUD voucher as part of the financing structure, and relying on the Neighborhood Reinvestment Corporation and local partners to guide her through the process.

After building home equity for a few years, Ms. Simpson will be self-sufficient, thereby freeing up her housing subsidy to help another needy family. "I have proved to my girls that [their] Mom... can do ANYTHING," Simpson says. "This was a hand up, not a hand out."

Other HUD Programs

Lead Paint Hazards

HUD is committed to eliminating childhood lead poisoning by 2010, working with other federal agencies, including HHS and the Environmental Protection Agency. HUD's primary role in keeping

children from lead exposure is through grants to localities for control of lead paint hazards in low-income housing. HUD promotes the use of new, low-cost technologies that can be replicated across the nation. For 2003, the budget proposes a 15 percent increase (to \$126 million) for this program.

Faith-Based and Community Initiatives

HUD is one of the five agencies that has established an Office of Faith-Based and Community Initiatives in response to the President's Executive Order published in January 2001. Expanding the opportunities and success of faith-based and community development organizations is a HUD strategic goal. More information on the coordinated effort across the federal government regarding faith-based and community initiatives appears in the HHS chapter.

Strengthening Management

HUD is one of the nation's largest financial guarantors, with large mortgage obligations and exposure. It is responsible for managing more than \$500 billion worth of insured mortgages, more than \$700 billion in outstanding mortgage-backed securities, and about \$120 billion in still-to-be-outlaid funds from past appropriations. To meet its commitments, HUD must improve its management capability and performance.

HUD's chronic management weaknesses are well documented. The General Accounting Office labeled HUD at high risk of waste, fraud, abuse, and mismanagement from 1994 to 2000. HUD's weaknesses harm those whom the agency was created to serve. For example, subsidized families are sometimes trapped in substandard, poorly maintained housing; homebuyers are exposed to fraudulent practices; and some families receive excessive rental subsidies that could have been used to aid others in need. HUD has resolved to fix these problems as part of the President's Management Agenda. HUD will adopt a rating system to objectively measure subsidized housing performance with mandatory remedies for lack of performance. HUD will greatly reduce fraudulent practices in FHA by holding lenders accountable for the performance of brokers and appraisers. HUD will develop an expert system to help lower the 60 percent error rate in calculating the rents of subsidized tenants.

Initiative	2001 Status
<p>Human Capital—HUD has the oldest workforce of any Cabinet department. After many years of downsizing, HUD faces a potential retirement wave and loss of experienced staff. HUD’s managers for many years have been hindered by a lack of workforce measurement tools to evaluate how long tasks take or determine staff productivity. In addition, after several reorganizations, HUD workers are not all in the right places with the right skills to do priority work. The Department is taking actions to correct these deficiencies. HUD is expanding recruitment programs, including a new intern program to help replace those who could retire soon. The Department is delegating more hiring to the field offices to accelerate the filling of vacancies. The Department’s new work measurement system will complete its first full year of data collection in December. Managers then will create a staffing plan based on needs to better align work effort with priority tasks.</p>	●
<p>Competitive Sourcing—HUD works primarily through intermediaries or grantees to deliver its programs to recipients, seeking to maintain a proper balance between in-house expertise and oversight capacity and outsourcing. The General Accounting Office and the HUD Inspector General have repeatedly found long-standing deficiencies in HUD’s program oversight. HUD has failed to analyze regularly its tasks to determine if competition of functions identified as commercial would result in better performance and value for the government. However, given HUD’s significant downsizing over the past decade, opportunities for additional outsourcing may be limited. In an effort to eventually compete 50 percent of all commercial activities in accordance with the President’s Management Agenda, HUD will need to compete at least five percent, or 290 positions, in 2002 and an additional 10 percent, or 580 positions, in 2003.</p>	●
<p>Financial Management—HUD’s financial systems have been plagued with deficiencies for many years. HUD’s financial statements improved last year to merit an unqualified audit opinion, albeit with citations for 10 reportable conditions and four material weaknesses. In 2002, the Department will continue progress by maintaining an unqualified audit opinion and eliminating at least three of its material weaknesses or reportable conditions. The Department will revamp its funds control system in 2002 to overcome internal control deficiencies that led to overspending of its appropriation in 2000. The Department will improve the inadequate FHA accounting system with a new FHA general ledger by October 2002. A Departmental task force has been working with HUD’s intermediaries and clients for several months on plans to reduce the overpayment of rent subsidies; HUD will set aggressive interim targets to reduce overpayments in each of the next three years.</p>	●

Initiative	2001 Status
<p>E-Government—HUD has encountered chronic implementation problems in delivering information technology (IT) systems. Often HUD’s IT investments start well but then experience problems and start to lag, and some projects are never completed. Recently, HUD made improvements. It installed a capital planning process for all major IT systems. HUD now requires a business case to make better investment decisions. HUD stages projects in modular increments that can be more carefully tracked for success or failure. The challenge is to deliver IT systems on time and within budget.</p>	●
<p>Budget/Performance Integration—HUD has too little focus on outcomes, or how programs influence them. Some programs do not measure important outcomes, only inputs. For example, HUD measures the amount of money spent to subsidize housing for a low-income household. However, HUD does not measure if that subsidized household now does better in terms of employment, earnings, children’s education, or stability of the family, nor does it track the length of time the household continues to receive housing assistance. This lack of performance information inhibits HUD’s ability to compare different types of programs and strategies. HUD is also hindered by inconsistent collaboration between performance planning and budgeting. Recently, though, HUD has made progress in simplifying its budget to a more understandable presentation. In the coming year, HUD will integrate its performance planning into the 2004 budget process in the proper sequence, i.e., to determine the outcomes it aims for first and then the program and resources required.</p>	●

Department of Housing and Urban Development

(In millions of dollars)

	2001	Estimate	
	Actual	2002	2003
Spending:			
Discretionary Budget Authority:			
Community Development Block Grant:			
Existing law	5,112	5,000	4,716
Legislative proposal	—	—	16
HOME Investment Partnership	1,796	1,846	2,084
Homeless Grants			
Existing law	1,123	1,123	1,130
Legislative proposal	—	—	153
AIDS Housing Grants	257	277	292
Housing Certificate Fund (Housing Vouchers)	13,941	15,641	17,527
Public Housing	6,228	6,338	5,956
Revitalization of Severely Distressed Housing (HOPE IV)	574	574	574
Housing for Special Populations (elderly and disabled)	994	1,024	1,024
Federal Housing Administration (FHA)	-2,702	-2,066	-2,285
Fair Housing and Equal Opportunity	46	46	46
Lead Hazard Reduction	100	110	126
All other programs	943	-443	138
Subtotal, Discretionary budget authority adjusted ¹	28,412	29,470	31,497
Remove contingent adjustments	-55	-55	-56
Total, Discretionary budget authority	28,357	29,415	31,441
Emergency Response Fund, Budgetary Resources:			
Community Development Block Grant	—	2,700	—
Inspector General	—	1	—
Total Emergency Response Fund, Budgetary resources	—	2,701	—
Mandatory Outlays	921	-3,445	-1,607
Credit activity:			
Direct Loan Disbursements			
FHA	2	129	54
Other loans	24	17	1
Total, Direct loan disbursements	26	146	55
Guaranteed Loans			
FHA	122,687	150,584	141,566
Community Development Loan Guarantees	335	400	400
Other Guaranteed Loans	21	47	59
Total, Guaranteed loans	123,043	151,031	142,025

¹ Adjusted to include the full share of accruing employee pensions and annuitants health benefits. For more information on these items, see Chapter 14, "Preview Report," in *Analytical Perspectives*.