
INTRODUCTION

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 and sometimes more topics. For the 1952 Budget, the section was expanded to 10 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*.

Again this year, several large tables are included at <http://www.whitehouse.gov/omb/budget/fy2010/spec.html> 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 briefly discusses each of the subsequent chapters.

Performance and Management Assessments

2. *Building a High-Performing Government*. This chapter discusses development of a new management and performance agenda based around the following themes:

- Putting Performance First: Replacing PART with a New Performance Improvement and Analysis Framework;
- Ensuring Responsible Spending of Recovery Act Funds;
- Transforming the Federal Workforce;
- Managing Across Sectors;
- Reforming Federal Contracting and Acquisition; and
- Enhancing Transparency, Technology and Participatory Democracy.

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 the Internet address cited above 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 2010 Budget proposals for the Government’s principal statistical programs.

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.

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). This year, the chapter also includes a section focusing on efforts to stabilize the economy and promote financial recovery, including the Troubled Asset Relief Program (TARP). The general portion of the chapter 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 terrorism-related risks). Additionally, 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 the Internet address cited above 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. An Appendix to this chapter includes State-by-State spending estimates of major grant

programs, including estimates for grant funding from the American Recovery and Reinvestment Act of 2009 (ARRA).

9. *Leveraging the Power of Technology to Transform the Federal Government.* This chapter presents a crosscutting look at Federal activities, policy, and spending related to information technology (IT). It describes the Administration's information technology agenda, aligned with the broad goals of transparency, participation, and collaboration, and promoting innovation for efficient and effective delivery of value to citizens.

10. *Federal Drug Control Funding.* This chapter displays enacted and proposed 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 CALFED program, in fulfillment of the reporting requirements for this program. Additional detailed tables on CALFED funding and project descriptions are available at the Internet address cited above 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; compares the economic assumptions on which the Budget is based with the assumptions for last year's Budget and those of other forecasters; and illustrates the budget impact of alternatives to the Budget's economic forecast. 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 future spending and dedicated income for 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.

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 Commerce. 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 proposals to make the budget process more responsible and to make budgets more transparent, accurate, and comprehensive.

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 statutory 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 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), and on receipts from regulatory fees. This chapter also presents information on all other collections that offset outlays, which result from both intragovernmental transactions and transactions with the public.

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.

Dimensions of the Budget

20. *Comparison of Actual to Estimated Totals.* This chapter compares the actual receipts, outlays, and deficit for 2008 with the estimates for that year published two years ago in the 2008 Budget. It also includes a historical comparison of the differences between receipts, outlays, and the deficit as originally proposed with final outcomes.

21. *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.

22. *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 deposit funds, regulation, and the cash flows for credit programs.

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

Current Services Estimates

24. *Current Services Estimates*. This chapter presents estimates of what receipts, outlays, and the deficit would be if current policies remained in force. It discusses the conceptual framework for these estimates and describes differences with the baseline under the Budget Enforcement Act (BEA) rules. 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 the Internet address cited above for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

The Budget System and Concepts

25. *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.

Detailed Displays of Program Costs

The following materials are available at the Internet address cited above for the electronic version of this volume and on the *Analytical Perspectives* CD-ROM enclosed with the printed version of this volume.

- 26. *Detailed Functional Tables*. Table 26–1. "Budget Authority and Outlays by Function, Category, and Program."
- 27. *Federal Programs by Agency and Account*. Table 27–1. "Federal Programs by Agency and Account."