
GAO

Accounting and Information
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Budget Issues Issue Area

Active Assignments

Foreword

This report was prepared primarily to inform Congressional members and key staff of ongoing assignments in the General Accounting Office's Budget Issues issue area. This report contains assignments that were ongoing as of April 15, 1997, and presents a brief background statement and a list of key questions to be answered on each assignment. The report will be issued quarterly.

This report was compiled from information available in GAO's internal management information systems. Because the information was downloaded from computerized data bases intended for internal use, some information may appear in abbreviated form.

If you have questions or would like additional information about assignments listed, please contact Paul Posner, Director, on (202) 512-9573; or Susan Irving, Associate Director, on (202) 512-9142.

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Budget Issues

DEFICIT REDUCTION

TITLE: DEFICIT REDUCTION; CONTINUED PROGRESS REQUIRES FURTHER ASSESSMENT OF CERTAIN PROGRAMS (935227)

BACKGROUND : After the second budgetary implications report, GAO testified to the House Budget Committee on the implications of poor program performance for deficit reduction. The Committee would like us to provide similar testimony based on this year's budgetary implications report (GAO/OCG-97-2, March 14, 1997).

KEY QUESTIONS : What are the implications of poor program performance for deficit reduction?

IMPROVING BUDGET CHOICES

TITLE: ACCOUNTABILITY AND RELIABILITY OF FEE-BASED PROGRAMS (935209)

BACKGROUND : Federal programs have had to operate increasingly within a budget environment of spending controls. This same period has also marked a growth in fees from the public. OBRA 1990, subsequent reconciliation legislation, and many appropriation acts indicate growing interest in authorizing, or expanding, the use of these fees.

KEY QUESTIONS : (1) Which programs derive 20% or more of their funding from the public, and what are their budgetary attributes? (2) What budgetary controls govern the availability of these fees? (3) What changes have occurred in the growth of these programs since the enactment of BEA? (4) What are the budget issues to consider in creating or expanding user fees as a source of funding?

TITLE: INVESTING FEDERAL RETIREMENT TRUST FUNDS IN EQUITIES (935214)

BACKGROUND : The Social Security Advisory Council recommended, among other program changes, studying the feasibility of the government investing a portion of the Social Security trust fund revenues in the stock market. We are conducting such a study because little attention has been directed to analyzing the full implications of changing the current trust fund investment policy.

KEY QUESTIONS : 1) What are the current investment policies of Social Security and other federal trust funds?; 2) What are the investment practices of other public pension plans? 3) What are the implications of stock investing for a) budget deficits/debt; b) budgeting/accounting practices; c) Social Security trust fund earnings; and d) capital markets and national savings?

IMPROVING BUDGET CHOICES

TITLE: CREDIT REFORM: LESSONS LEARNED FROM BUDGET TREATMENT OF CREDIT ESTIMATES (935217)

BACKGROUND : Agencies are preparing budgets for the seventh year after credit reform. Agencies have taken different approaches to implementing credit reform because of dissimilar program requirements, resource and expertise levels, and varying levels of commitment and interest. We expect to gain some insight into the differences between agencies' implementation of credit reform.

KEY QUESTIONS : 1) When and how often have agencies re-estimated subsidy costs? 2) Have agencies complied with OMB Circular A-11? 3) What have agencies reported as the causes of each re-estimate (interest, default, fees, and other)? 4) What is the trend in size and reported causes of re-estimates? 5) What follow-on questions should be explored in future work?

TITLE: BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS (935218)

BACKGROUND : With the Congress and the President committed to balancing the budget by the year 2002, it is critical that the budget provide complete information on program costs. For nearly fifty years, budget experts have been calling for expanded use of accrual concepts in the budget to better reflect the cost of certain programs such as federal insurance.

KEY QUESTIONS : The Chairman of the House Budget Committee asked GAO to review the budgetary treatment of federal insurance programs. Specifically, he asked that we (1) assess whether the current cash budget provides complete information for decision making, (2) identify approaches for using accrual concepts, (3) highlight tradeoffs, and (4) discuss implementation issues.

TITLE: INCORPORATING AN INVESTMENT COMPONENT IN THE FEDERAL BUDGET (935225)

BACKGROUND : In November 1993 we issued a report (AIMD-94-40) on incorporating an investment component in the federal budget. This report called for establishing targets for appropriate levels of investment spending similar to BEA's discretionary spending limits.

KEY QUESTIONS : What is the trend of investment in the federal budget? How can Congress incorporate investment targets in the federal budget process?

GOVERNMENT RESTRUCTURING

TITLE: GPRA IMPLEMENTATION AND PROGRAM FRAGMENTATION (935224)

BACKGROUND : There is growing awareness of the extent and significance of federal program fragmentation. GAO, among others, has issued many reports dealing with this issue in a wide variety of program areas. The requester is interested in testing the assumption that GPRA, being fully implemented in 1997, can be an effective means to address the concerns of program duplication and overlap.

KEY QUESTIONS : Using the GPRA framework, what issues are posed by fragmentation identified in employment training and economic development in terms of execution, authorization/oversight, funding, and affected mission area categories (i.e., budget functions)?

OTHER ISSUE AREA WORK - BI

TITLE: BUDGET FUNCTION: ORIGINS AND TRENDS (935223)

BACKGROUND : The budget function classification system has been in use, in some form, for over 70 years and has proven remarkably adaptive to the often changing needs of the federal government. This adaptability will be called upon again in 1997 as it will likely provide the format for the governmentwide performance plan required under GPRA.

KEY QUESTIONS : (1) What are the origins of the budget function structure? (2) How have the budget functions changed over time? (3) What are the current and likely future uses of budget functions? (4) What are funding trends by superfunction, function and subfunction?