

GAO

Accounting and Information
Management Division

January 1997

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 January 2, 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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DEFICIT REDUCTION

TITLE: COMPLIANCE WITH THE BUDGET ENFORCEMENT ACT OF 1990, FISCAL YEAR 1997 (935208)

TITLE: BUDGETARY IMPLICATIONS OF SELECTED GAO WORK FOR FISCAL YEAR 1998 (935213)

BACKGROUND : We previously defined the deficit as a serious problem (AIMD/OCE-95-119, OGC-92-2) and identified ways to reduce the deficit (GAO/OCG-95-2, OCG-96-5). Congressional staff stated this work is most valuable biennially at the beginning of each new Congress. We will produce a compendium in early 1997 that contains both new and updated options based on GAO's work.

KEY QUESTIONS : (1) What GAO work (findings, recommendations, conclusions) should be included as new deficit reduction options? (2) What options proposed in last year's report are still relevant and should be updated?

TITLE: 1997 UPDATE OF LONG-TERM FISCAL POLICY MODEL (935216)

BACKGROUND : In 1992, GAO published a report examining the long-term economic effects of large deficits using a macroeconomic model originally developed by the Federal Reserve Bank of New York. In 1995, we issued an updated report. In 1996, we testified before the House Budget Committee on the same topic. Due to continued Budget Committee interest in this issue, we are undertaking this project.

KEY QUESTIONS : (1) What is the economic and budget outlook for the long-term? (2) How would alternative fiscal policy scenarios affect the long-term outlook? (3) How would potential changes to aggregate Social Security and health paths affect the outlook? (4) How sensitive are our results to key economic, demographic, and budget assumptions?

IMPROVING BUDGET CHOICES

TITLE: REVIEW OF THE 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 a significant amount of their funding from the public, and what are their budgetary, accounting, and programmatic attributes? (2) What budgetary controls govern the activity, use, and accountability of their fees? (3) What changes have occurred in the growth of these programs and the activities funded by their fees since the enactment of BEA?

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

BACKGROUND : Proposals have been made to invest the surpluses of trust funds in equities. However, little attention has been directed to uncovering the full implications of changing the policy of investing surpluses in Treasury securities. Senate Finance Comm. staff has expressed interest in having GAO examine the budget, economic and financial implications of this policy change.

KEY QUESTIONS : 1) What are the current investment policies of trust funds?; 2) What are the elements of proposals for changing current policies?; 3) What are the stock investment practices of state/foreign governments? 4) What are the implications of stock investments for budget deficits, public debt, budgeting and financial practices, capital markets, and national savings?

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

BACKGROUND : Agencies are preparing budgets for the seventh year after credit reform and we now can see if they are improving their ability to estimate subsidy costs. We would expect to see agencies using re-estimates as the starting point for subsequent budget estimates and to see fewer and/or smaller re-estimates from factors agencies should be increasingly able to accurately estimate.

KEY QUESTIONS : 1) Are agencies using re-estimated cash flows as a starting point for budget subsidy estimates? 2) Determine, if possible, the causes of re-estimates and identify as either outside the agency's control or an increasingly estimable factor? 3) Is there a trend of improvement in subsidy estimates as shown by smaller re-estimates due to increasingly estimable factors?

IMPROVING BUDGET CHOICES

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: BUDGETING FOR RESULTS: PAST FEDERAL PERFORMANCE BUDGETING INITIATIVES OFFER IMPLICATIONS FOR GPRA (935220)

BACKGROUND : The Government Performance and Results Act of 1993 (GPRA) is one of several federal efforts to align spending decisions with program results, termed performance budgeting. This job cites challenges faced by earlier efforts (#935168), and asks panel participants to comment on their relevance for GPRA, as well as any approaches that might mitigate these challenges.

KEY QUESTIONS : (1) How are the following challenges to performance budgeting a factor in GPRA implementation: (a) using program activities as a performance measurement base; (b) devising quantitative outcome measures; (c) consulting with congressional and other stakeholders; and (d) operating with shrinking resources (2) What implementation approaches might mitigate these challenges?