

GAO

Accounting and Information
Management Division

July 1995

**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 July 6, 1995, 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: UPDATE OF INVENTORY OF ACCOUNTS WITH SPENDING AUTHORITY AND PERMANENT APPROPRIATIONS (935147)

BACKGROUND : The Balanced Budget and Emergency Deficit Control Act of 1985 (PL 99-177) requires GAO to study the provisions of law which provide permanent appropriations and spending authority not provided by prior appropriations. GAO issued a report to Congress in 1987 detailing accounts with this authority. The Senate Budget Committee has requested that GAO update the 1987 report.

KEY QUESTIONS : (1) What accounts have been provided permanent appropriations or spending authority since the 1987 report was issued? (2) Which accounts no longer have such "backdoor authority" ? (3) For all accounts with "backdoor authority", what are the current reasons for having it and what are the amounts used?

TITLE: FISCAL SUBSTITUTION OF FEDERAL GRANTS BY STATE AND LOCAL GOVERNMENTS (935166)

BACKGROUND : The federal government has initiated grant programs both to stimulate spending where state and local governments had been inactive (e.g. community development) and to assure minimum service levels (e.g. income support). Now, because state and local spending exceeds federal spending in many areas, federal aid may no longer be having its intended effects.

KEY QUESTIONS : 1) What have been states' fiscal responses to increases and decreases in federal aid in different programmatic areas? 2) Does a state's share of spending in grant areas affect replacement rates? 3) What other factors (e.g. business cycles, fiscal capacity) are likely to affect state and local ability to replace federal funding?

TITLE: BUDGETARY IMPLICATIONS OF SELECTED GAO WORK FOR FISCAL YEAR 1997 (935167)

BACKGROUND : We have previously defined the budget deficit as a serious problem (GAO/OGC-92-2 and GAO/AIMD/OCE-95-119) and identified options to reduce the deficit (GAO/OCG-94-3 and GAO/OCG-95-2). We intend to issue a third report examining the budgetary implications of GAO's work.

KEY QUESTIONS : (1) What are the next steps in coordinating with CBO to enhance our product? (2) What data are needed to score options CBO would not score (i.e. estimate) last year? (3) What options need updating? (4) What new options can be added? (5) What options should be dropped? (6) How can Budget Issues best help the rest of GAO consider scorability of options in future work?

IMPROVING BUDGET CHOICES

TITLE: ACCRUAL BUDGETING FOR FEDERAL INSURANCE PROGRAMS (935143)

BACKGROUND : The current cash-based budget does not accurately reflect the full cost of all federal insurance programs. In 1992, OMB proposed extending the accrual concepts embodied in credit reform to selected insurance programs and to all insurance programs in 1993. Although this proposal was not adopted, OMB has continued to refine its accrual estimation models and may include a similar proposal in future budgets.

KEY QUESTIONS : As a logical follow-up to GAO's 1992 letter on OMB's accrual budgeting proposal, this study will attempt to answer the following questions: 1) What is the appropriate budget treatment for insurance programs? 2) How could the full cost of these programs be estimated?

TITLE: PLANNING AND BUDGETING FOR FEDERAL FIXED CAPITAL AND INVESTMENT (935160)

BACKGROUND : Some in Congress suggest that the lack of distinction in the federal budget between a dollar spent on an asset that will return benefits into the future and a dollar spent on consumption results in a bias against capital spending.

KEY QUESTIONS : (1) What do historical trends indicate about federal capital spending? (2) How do selected agencies plan and budget for capital acquisitions? (3) What obstacles do they face in acquiring capital? (4) What innovative financing methods have they used to overcome obstacles? (5) How has recent OMB guidance been implemented? (6) Does budget account structure impact capital decisions?

TITLE: TESTIMONY--BUDGET AND FINANCIAL INFORMATION (935164)

BACKGROUND : Subcommittee Chairman Horn wants GAO to testify on (1) the objectives of information reported in the budget and financial statements, (2) ways to make the information contained in the budget more reflective of the full long-term costs of programs, and (3) how to communicate information on government spending and the costs of programs to the average citizen.

KEY QUESTIONS : (1) What kinds of reporting do managers and the budget community need? (2) How can financial statements and accounting concepts help address shortfalls in budgetary reporting? (3) How can information on the budget and government finances be communicated to the public?

Budget Issues

IMPROVING BUDGET CHOICES

TITLE: BUDGETARY IMPLICATIONS OF PRIVATIZATION (935165)

BACKGROUND : This review follows up on recent correspondence to Senator Roth on the privatization experiences of six countries covered in our report "Deficit Reduction: Experiences of Other Nations" (GAO/AIMD-95-30). Each of these countries sold assets as part of their deficit reduction strategies.

KEY QUESTIONS : (1) What has been the experience of other governments with asset valuation? (2) How do other governments display proceeds of asset sales for budgetary purposes? (3) How do other governments use the proceeds of asset sales? (4) How do other governments treat the prior obligations of the entity that is being divested?

BUDGET ISSUES - REINVENTING GOVERNMENT

TITLE: REVIEW OF THE REORGANIZATION OF THE OFFICE OF MANAGEMENT AND BUDGET (OMB 2000) (935152)

BACKGROUND : "OMB 2000" is a major reorganization of OMB intended to better integrate management and budget functions. Requestors have asked GAO to (1) describe what changes OMB 2000 has brought about, including effects on statutory offices and responsibilities, and (2) determine what OMB views as the effort's objectives and measureable results.

KEY QUESTIONS : (1) What are the goals of OMB 2000? (2) How will OMB measure results? (3) To what extent have OMB management and budget functions been integrated? (4) How has the reorganization affected OMB statutory offices (OFFM, OFPP, OIRA) and responsibilities? (5) Has OMB 2000 affected the implementation of government-wide initiatives, such as GPRA or the CFO Act?

TITLE: BUDGET ACCOUNT STRUCTURE: A PRIMER AND IMPLICATIONS FOR CHANGE (935157)

BACKGROUND : This job builds on the foundation of job 935145 and will provide a primer on the budget account structure and establishes a context for evaluating the effects of initiatives included in the Government Performance and Results Act and the National Performance Review.

KEY QUESTIONS : (1) Describe the current budget account structure in terms of characteristics such as size, orientation, distribution among agencies, functions, fund types, resource types, and appropriations subcommittees. (2) What are the initial implications for initiatives contained in NPR and GPRA?
