

VI. INVESTING IN THE COMMON GOOD: PROGRAM PERFORMANCE IN FEDERAL FUNCTIONS

11. OVERVIEW

The commitment of the President and Congress to balance the budget—and keep it in balance—means that, if all Federal programs want to continue receiving funds, they will have to distinguish themselves by demonstrating good, measurable performance. Policy makers will have to allocate resources to programs that can prove they are well-run and can successfully produce results.

The Administration's focus on results is not new. As the Administration said in last year's budget:

Led by Vice President Gore's National Performance Review, the Administration has made real progress in creating a Government that, in the words of the NPR, "works better and costs less." We have eliminated layers of bureaucracy, cut paperwork burdens, scrapped thousands of pages of regulations and, most important, improved service to Government's customers—the American people.

The President's commitment to better performance was a key reason that he actively supported, and eagerly signed, the 1993 Government Performance and Results Act (GPRA). In this budget, the Administration highlights three aspects of performance:

- Fiscal performance (see Section III, "Creating a Bright Economic Future");
- Management performance (see Section IV, "Improving Performance Through Better Management"); and
- Program performance, which is contained in this section.

Together, these sections constitute what GPRA contemplated—the Nation's first comprehensive, Government-wide Performance Plan.

The performance of Government programs is inextricably linked to the fiscal and eco-

nomic environment and the management framework in which they operate. The President's commitment to not only balance the budget but to invest in the future while improving public management—to do more with less—has prompted the Administration to maintain or expand programs that demonstrate good performance.

Often, experts look at performance only across single organizational units, such as departments or agencies. In this section, the budget categorizes activities according to budget "functions" in order to group similar programs together and begin to present the relationship between their goals. This year, for the first time, the Administration relied heavily on key performance measures and annual performance goals that were drawn from agency Annual Performance Plans. They were first articulated in the context of the long-term goals and objectives in the Strategic Plans that agencies submitted to OMB and to Congress in September 1997.

In preparing this budget, the Administration studied the measures and goals of the Annual Performance Plans and took a hard look at what the public is getting for what it is financing. Thus, the Administration has made a good start on the process that GPRA envisioned. Nevertheless, more work remains. Agencies will modify Annual Performance Plans to reflect changing circumstances and resource levels, the plans will provide a backdrop for further discussion about allocating resources, and the President's future budgets will contain new and better information.

The Administration looks forward to working with Congress and other stakeholders to use these tools to create better performance.

Table 11-1. FEDERAL RESOURCES BY FUNCTION

(In billions of dollars)

Function	1997 Actual	Estimate					
		1998	1999	2000	2001	2002	2003
NATIONAL DEFENSE:							
Spending:							
Discretionary Budget Authority	266.2	268.6	271.6	277.0	284.8	288.1	298.0
Mandatory Outlays:							
Existing law	-1.2	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Credit Activity:							
Direct loan disbursements		*		0.2	0.3	0.3	0.3
Guaranteed loans		*	0.2	0.2	1.2	1.2	1.2
Tax Expenditures:							
Existing law	2.1	2.1	2.1	2.1	2.2	2.2	2.2
INTERNATIONAL AFFAIRS:							
Spending:							
Discretionary Budget Authority	18.2	19.0	20.2	19.2	18.9	18.8	18.8
Mandatory Outlays:							
Existing law	-3.8	-4.5	-4.1	-3.8	-3.6	-3.4	-3.2
Credit Activity:							
Direct loan disbursements	1.8	2.1	2.0	2.8	1.8	1.5	1.5
Guaranteed loans	13.0	12.8	12.2	12.7	13.4	13.9	13.9
Tax Expenditures:							
Existing law	7.1	7.7	8.3	9.0	9.6	10.3	11.0
Proposed legislation			-0.6	-1.4	-1.5	-1.5	-1.6
GENERAL SCIENCE, SPACE, AND TECHNOLOGY:							
Spending:							
Discretionary Budget Authority	16.6	17.9	18.5	18.5	18.7	19.0	19.1
Mandatory Outlays:							
Existing law	*	*	*	*	*	*	*
Tax Expenditures:							
Existing law	1.1	2.6	1.4	1.1	0.9	0.8	0.8
Proposed legislation		0.4	0.8	0.6	0.3	0.1	*
ENERGY:							
Spending:							
Discretionary Budget Authority	4.2	2.8	3.5	3.2	3.1	3.0	3.0
Mandatory Outlays:							
Existing law	-3.4	-2.8	-4.6	-3.3	-3.3	-3.3	-3.3
Credit Activity:							
Direct loan disbursements	1.0	2.0	1.6	1.4	1.3	1.3	1.5
Tax Expenditures:							
Existing law	2.0	2.0	2.0	2.1	2.0	2.0	1.9
Proposed legislation		—*	0.4	0.6	0.6	0.8	1.2
NATURAL RESOURCES AND ENVIRONMENT:							
Spending:							
Discretionary Budget Authority	22.4	23.2	22.6	22.3	22.0	22.0	22.3
Mandatory Outlays:							
Existing law	0.1	1.1	0.7	0.8	0.7	0.5	0.7
Proposed legislation			0.2	0.2	0.3	0.3	0.3
Credit Activity:							
Direct loan disbursements	*	*	*	*	*	*	0.1
Tax Expenditures:							
Existing law	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Proposed legislation			-0.1	-0.1	-0.1	-0.1	-0.1
AGRICULTURE:							
Spending:							
Discretionary Budget Authority	4.2	4.3	4.1	3.9	3.9	3.9	3.8
Mandatory Outlays:							
Existing law	5.0	6.4	7.0	6.8	5.4	5.4	5.6
Proposed legislation			-0.2	-0.3	-0.2	-0.2	-0.2
Credit Activity:							
Direct loan disbursements	6.4	7.4	8.7	8.5	7.7	7.2	6.9

Table 11–1. FEDERAL RESOURCES BY FUNCTION—Continued
(In billions of dollars)

Function	1997 Actual	Estimate					
		1998	1999	2000	2001	2002	2003
Guaranteed loans	4.0	7.3	6.9	6.9	6.9	6.9	6.9
Tax Expenditures:							
Existing law	0.7	0.7	0.7	0.8	0.8	0.8	0.8
COMMERCE AND HOUSING CREDIT:							
Spending:							
Discretionary Budget Authority	2.8	3.2	3.3	5.1	2.9	2.9	2.9
Mandatory Outlays:							
Existing law	–17.6	0.2	0.7	7.1	8.2	8.4	7.7
Proposed legislation .....	.....	–*	–0.3	–0.4	–0.4	–0.4	–0.4
Credit Activity:							
Direct loan disbursements	8.7	2.7	1.5	1.4	1.3	1.3	1.3
Guaranteed loans	180.1	190.5	200.7	203.8	205.9	206.4	210.4
Tax Expenditures:							
Existing law	186.9	183.6	182.7	188.7	196.1	203.5	210.3
Proposed legislation .....	.....	–0.3	–0.4	–0.4	–0.3	–0.3	–0.4
TRANSPORTATION:							
Spending:							
Discretionary Budget Authority	38.7	41.4	41.8	42.3	42.6	43.1	43.7
Mandatory Outlays:							
Existing law	2.3	2.4	2.2	2.2	1.9	1.2	1.8
Proposed legislation .....	.....	*	0.1	0.1	0.1	*	–*
Credit Activity:							
Direct loan disbursements	0.2	0.2	0.2	*	*	*	*
Guaranteed loans	0.3	0.5	0.5	0.5	0.5	0.5	0.5
Tax Expenditures:							
Existing law	1.4	1.4	1.4	1.5	1.5	1.6	1.6
Proposed legislation .....	.....	.....	*	*	*	*	*
COMMUNITY AND REGIONAL DEVELOPMENT:							
Spending:							
Discretionary Budget Authority	13.0	8.7	9.2	8.0	7.8	7.7	7.8
Mandatory Outlays:							
Existing law	0.3	–0.1	–0.4	–0.4	–0.1	–0.2	–0.5
Proposed legislation .....	.....	.....	*	0.1	0.1	0.2	0.2
Credit Activity:							
Direct loan disbursements	2.2	2.2	2.0	2.3	2.4	2.3	2.3
Guaranteed loans	0.9	1.8	2.0	2.0	2.2	2.3	2.3
Tax Expenditures:							
Existing law	1.4	1.7	1.9	2.0	2.0	1.9	1.7
Proposed legislation .....	.....	.....	*	*	0.1	0.2	0.2
EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES:							
Spending:							
Discretionary Budget Authority	42.5	46.4	48.6	49.1	49.4	49.3	48.9
Mandatory Outlays:							
Existing law	13.7	13.1	12.1	11.2	10.9	10.1	12.1
Proposed legislation .....	.....	–0.2	1.8	2.9	3.5	4.0	4.4
Credit Activity:							
Direct loan disbursements	10.3	13.3	13.7	14.5	15.3	16.1	17.0
Guaranteed loans	19.5	25.1	25.7	27.3	28.8	30.4	32.0
Tax Expenditures:							
Existing law	27.4	33.8	57.3	59.5	61.1	62.9	64.6
Proposed legislation .....	.....	*	1.0	2.9	3.2	2.8	2.7
HEALTH:							
Spending:							
Discretionary Budget Authority	25.1	26.4	27.5	28.3	29.2	30.5	33.0
Mandatory Outlays:							
Existing law	100.9	106.3	115.0	122.4	131.6	141.3	152.4
Proposed legislation .....	.....	.....	*	0.1	0.2	–0.1	–0.1

Table 11-1. FEDERAL RESOURCES BY FUNCTION—Continued
(In billions of dollars)

Function	1997 Actual	Estimate					
		1998	1999	2000	2001	2002	2003
Credit Activity:							
Direct loan disbursements	*						
Guaranteed loans	0.1	0.2	0.1	*	*		
Tax Expenditures:							
Existing law	75.5	80.6	85.9	91.5	97.6	104.4	112.1
MEDICARE:							
Spending:							
Discretionary Budget Authority	2.6	2.7	2.6	2.6	2.6	2.6	2.7
Mandatory Outlays:							
Existing law	187.4	195.4	204.7	214.2	230.1	232.5	253.4
Proposed legislation			-0.1	-*	-0.2	-0.3	-0.3
Credit Activity:							
INCOME SECURITY:							
Spending:							
Discretionary Budget Authority	22.7	31.9	33.0	36.7	37.8	39.0	40.3
Mandatory Outlays:							
Existing law	191.4	198.4	210.0	219.7	227.6	233.7	243.1
Proposed legislation		0.1	1.5	1.8	2.3	2.6	2.7
Credit Activity:							
Direct loan disbursements	0.1	0.1	*	*			
Guaranteed loans	*	*	0.1	0.1	0.1	0.1	*
Tax Expenditures:							
Existing law	101.4	104.0	103.7	105.6	106.5	107.6	109.1
Proposed legislation		*	0.1	0.2	0.3	0.3	0.3
SOCIAL SECURITY:							
Spending:							
Discretionary Budget Authority	3.5	3.2	3.2	3.2	3.2	3.2	3.2
Mandatory Outlays:							
Existing law	362.3	378.1	392.8	409.2	427.0	446.9	467.4
Proposed legislation			*	0.1	0.1	0.2	0.2
Tax Expenditures:							
Existing law	23.6	24.8	26.0	27.2	28.4	29.8	31.3
VETERANS BENEFITS AND SERVICES:							
Spending:							
Discretionary Budget Authority	18.9	19.0	18.9	18.9	18.9	18.9	19.6
Mandatory Outlays:							
Existing law	20.7	24.0	24.4	25.4	26.7	30.8	31.9
Proposed legislation			-0.2	-0.4	-0.9	-4.3	-3.9
Credit Activity:							
Direct loan disbursements	1.3	2.0	0.2	0.2	0.2	0.2	0.1
Guaranteed loans	24.3	24.8	23.4	22.9	23.4	22.8	23.3
Tax Expenditures:							
Existing law	3.0	3.1	3.3	3.5	3.7	3.9	4.2
ADMINISTRATION OF JUSTICE:							
Spending:							
Discretionary Budget Authority	22.9	24.2	25.7	24.6	24.4	24.6	25.1
Mandatory Outlays:							
Existing law	0.1	1.4	0.6	0.3	0.1	0.2	0.2
Proposed legislation		*	0.1	0.1	*	*	*
Credit Activity:							
GENERAL GOVERNMENT:							
Spending:							
Discretionary Budget Authority	11.8	12.5	13.0	12.1	12.2	12.0	12.1
Mandatory Outlays:							
Existing law	0.7	0.4	1.0	1.2	0.9	0.9	1.0
Proposed legislation			3.5	4.0	4.7	5.1	5.5
Credit Activity:							
Direct loan disbursements	0.2						

Table 11–1. FEDERAL RESOURCES BY FUNCTION—Continued
(In billions of dollars)

Function	1997 Actual	Estimate					
		1998	1999	2000	2001	2002	2003
Tax Expenditures:							
Existing law	47.2	49.2	51.0	52.9	54.8	56.7	58.5
Proposed legislation			*	0.1	0.1	0.2	0.2
NET INTEREST:							
Spending:							
Mandatory Outlays:							
Existing law	244.0	242.7	241.8	236.5	233.5	227.1	220.6
Proposed legislation			*	*	*	*	*
Tax Expenditures:							
Existing law	0.9	1.0	1.0	1.1	1.1	1.2	1.2
ALLOWANCES:							
Spending:							
Discretionary Budget Authority			3.2				
Mandatory Outlays:							
Credit Activity:							
UNDISTRIBUTED OFFSETTING RECEIPTS:							
Spending:							
Mandatory Outlays:							
Existing law	–50.0	–46.4	–42.5	–45.8	–47.2	–55.5	–48.3
Credit Activity:							
FEDERAL GOVERNMENT TOTAL:							
Spending:							
Discretionary Budget Authority	536.3	555.4	570.6	575.0	582.5	588.6	604.2
Mandatory Outlays:							
Existing law	1,053.0	1,115.2	1,160.5	1,202.8	1,249.5	1,275.7	1,341.6
Proposed legislation		–*	6.5	8.4	9.8	7.1	8.4
Credit Activity:							
Direct loan disbursements	32.2	32.0	29.8	31.3	30.5	30.2	30.9
Guaranteed loans	242.3	262.9	271.6	276.5	282.5	284.4	290.6

* \$50 million or less.