

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

12. OVERVIEW

The commitment of the President and the Congress to balance the budget—and keep it in balance—is promoting an increased focus on allocating ever scarcer resources to programs that demonstrate good performance. Departments are increasingly justifying funds for programs in terms of actual and expected performance. The Executive Branch and the Congress are asking the key questions: “What are we getting for what we are spending?” and “How will we know if we are successful?”.

The Administration’s focus on results is not new. Led by Vice President Gore’s National Partnership for Reinventing Government (NPR), the Administration has made real progress in creating a Government that in the words of the NPR, “works better, costs less, and gets results Americans care about.”

In this budget, the Administration highlights three aspects of performance:

- Fiscal performance (see Chapter 1, “Sustaining Growth”);
- Management performance (see Section IV, “Improving Performance Through Better Management”); and
- Program performance, which is contained in this section.

Together, these sections constitute what the Government Performance and Results Act (GPRA) contemplated—a comprehensive, Government-wide Performance Plan. The Plan reflects the budget and management decisions made throughout the process of formulating the President’s budget, presenting a results-oriented picture of more than 450 of year 2000 Federal Government performance goals.

The performance of Government programs is inextricably linked to the fiscal and economic 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. Performance by managers is increasingly being judged on program results.

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. As contemplated in GPRA, the Administration relied heavily on key performance measures and annual performance goals that were drawn from agency Annual Performance Plans. These were first articulated in the context of the long-term goals and objectives in the Strategic Plans that agencies submitted to OMB and to the Congress in September 1997.

Again this year, in preparing the budget, the Administration performed crosscutting analyses to augment analysis by agency and by budget functions to provide a more complete and useful picture of related missions and goals across programs. The Administration is continuing to discuss with the Congress and stakeholders how to apply crosscutting analyses to budget and management decision-making.

In preparing the 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. Going into this second year of Government-wide implementation, the agencies continue to improve and make good progress in managing for results. Nevertheless, more work remains. Agencies will modify Annual Performance Plans as they implement them to reflect changing circumstances and resource levels, the plans will provide a backdrop for further discussion about allocating and managing resources, and the President’s future budgets will contain new and better information. Going forward, the challenge remains to use these tools to create better performance to improve citizen confidence, service delivery, and program performance and management.

Table 12-1. FEDERAL RESOURCES BY FUNCTION
(In billions of dollars)

Function	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
NATIONAL DEFENSE:							
Spending:							
Discretionary Budget Authority	272.4	277.0	281.6	301.3	303.2	313.6	322.3
Mandatory Outlays:							
Existing law	-1.8	-0.8	-0.8	-0.6	-0.7	-0.7	-0.7
Credit Activity:							
Direct loan disbursements .....	.....	0.2	0.2	N/A	N/A	N/A	N/A
Guaranteed loans	*	*	*	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	2.1	2.1	2.1	2.2	2.2	2.2	2.2
INTERNATIONAL AFFAIRS:							
Spending:							
Discretionary Budget Authority	19.0	40.8	21.3	21.2	20.8	21.0	21.1
Mandatory Outlays:							
Existing law	-5.0	-4.4	-3.9	-3.7	-3.4	-3.2	-3.1
Credit Activity:							
Direct loan disbursements	2.3	4.0	1.8	N/A	N/A	N/A	N/A
Guaranteed loans	12.4	13.4	13.0	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	11.0	12.4	12.3	13.1	14.1	15.2	16.3
Proposed legislation .....	.....	.....	-0.3	-0.5	-0.6	-0.6	-0.6
GENERAL SCIENCE, SPACE, AND TECHNOLOGY:							
Spending:							
Discretionary Budget Authority	18.0	18.8	19.2	19.4	19.4	19.3	19.3
Mandatory Outlays:							
Existing law	*	0.1	0.1	0.1	*	*	*
Tax Expenditures:							
Existing law	2.4	2.0	1.5	1.0	0.9	0.8	0.8
Proposed legislation .....	.....	0.3	0.9	0.7	0.3	0.1	0.1
ENERGY:							
Spending:							
Discretionary Budget Authority	3.1	2.9	2.8	3.2	3.0	3.0	3.0
Mandatory Outlays:							
Existing law	-2.4	-3.2	-5.1	-4.4	-4.3	-4.2	-4.3
Credit Activity:							
Direct loan disbursements	1.0	1.6	1.3	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	1.5	1.6	1.6	1.6	1.6	1.4	1.2
Proposed legislation .....	.....	*	0.4	0.7	0.7	0.8	1.0
NATURAL RESOURCES AND ENVIRONMENT:							
Spending:							
Discretionary Budget Authority	23.5	23.4	23.8	24.0	23.9	23.9	24.0
Mandatory Outlays:							
Existing law	0.4	1.0	0.7	0.8	0.7	0.9	0.8
Proposed legislation .....	.....	.....	-0.8	-0.7	-0.8	-0.7	-0.7
Credit Activity:							
Direct loan disbursements	*	*	*	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	1.5	1.5	1.6	1.6	1.7	1.7	1.8
Proposed legislation .....	.....	.....	-0.1	-*	*	0.1	0.2
AGRICULTURE:							
Spending:							
Discretionary Budget Authority	4.3	4.3	4.1	4.1	4.2	4.1	4.1
Mandatory Outlays:							
Existing law	7.9	16.4	10.9	8.8	7.3	6.0	6.2

Table 12-1. FEDERAL RESOURCES BY FUNCTION—Continued
(In billions of dollars)

Function	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Proposed legislation			—*	—*	—*	—*	—*
Credit Activity:							
Direct loan disbursements	8.2	10.8	11.6	N/A	N/A	N/A	N/A
Guaranteed loans	4.2	6.6	6.7	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	0.8	0.9	0.9	1.0	1.0	1.0	1.1
COMMERCE AND HOUSING							
CREDIT:							
Spending:							
Discretionary Budget Authority	3.1	3.7	5.4	3.3	2.9	2.9	2.9
Mandatory Outlays:							
Existing law	–2.2	–3.1	1.2	4.1	6.2	6.6	7.0
Proposed legislation			–0.1	–0.1	–0.1	–0.1	–0.1
Credit Activity:							
Direct loan disbursements	1.9	1.7	1.6	N/A	N/A	N/A	N/A
Guaranteed loans	256.1	233.2	250.9	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	219.3	227.6	236.2	245.1	254.4	261.8	268.3
Proposed legislation		–0.1	–1.3	–2.2	–2.0	–1.8	–1.8
TRANSPORTATION:							
Spending:							
Discretionary Budget Authority	16.0	13.3	13.5	14.2	14.7	15.3	15.8
Mandatory Outlays:							
Existing law	2.1	2.1	2.4	2.0	1.4	1.9	1.8
Proposed legislation			*	*	*	*	*
Credit Activity:							
Direct loan disbursements	0.2	0.8	0.9	N/A	N/A	N/A	N/A
Guaranteed loans	0.7	0.1	0.1	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	1.6	1.7	1.7	1.8	1.9	2.0	2.1
COMMUNITY AND REGIONAL DEVELOPMENT:							
Spending:							
Discretionary Budget Authority	10.3	8.9	8.9	8.9	8.9	8.9	8.9
Mandatory Outlays:							
Existing law	–0.4	–0.5	–0.6	–0.7	–0.7	–0.8	–0.8
Proposed legislation			*	0.1	0.2	0.2	0.2
Credit Activity:							
Direct loan disbursements	1.5	2.4	2.1	N/A	N/A	N/A	N/A
Guaranteed loans	1.4	2.2	3.1	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	1.2	1.3	1.4	1.3	1.2	1.1	1.1
Proposed legislation			*	0.2	0.4	0.5	0.5
EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES:							
Spending:							
Discretionary Budget Authority	46.7	46.6	52.1	54.2	54.2	54.1	54.0
Mandatory Outlays:							
Existing law	12.4	14.0	14.9	13.9	13.1	15.1	16.1
Proposed legislation		—*	–1.7	–0.1	–0.3	–0.6	–0.4
Credit Activity:							
Direct loan disbursements	12.1	16.1	16.0	N/A	N/A	N/A	N/A
Guaranteed loans	22.0	23.2	24.6	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	29.9	37.6	40.0	42.0	44.0	45.9	49.0
Proposed legislation		0.2	1.6	3.7	2.7	2.5	2.6
HEALTH:							
Spending:							
Discretionary Budget Authority	26.4	30.1	30.6	31.0	30.8	30.8	30.8

Table 12-1. FEDERAL RESOURCES BY FUNCTION—Continued
(In billions of dollars)

Function	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Mandatory Outlays:							
Existing law	106.6	115.5	122.8	131.6	141.7	153.0	165.0
Proposed legislation		*	-0.1	0.7	0.8	0.9	0.7
Credit Activity:							
Guaranteed loans	0.1	0.1	*	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	80.5	85.8	91.8	97.9	104.4	111.6	119.7
Proposed legislation			0.1	1.2	1.3	1.5	1.6
MEDICARE:							
Spending:							
Discretionary Budget Authority	2.7	3.0	2.9	2.9	2.9	2.9	2.9
Mandatory Outlays:							
Existing law	190.2	202.0	214.9	229.2	233.2	251.2	265.2
Proposed legislation			-1.2	-1.5	-1.5	-1.7	-1.8
INCOME SECURITY:							
Spending:							
Discretionary Budget Authority	29.7	32.8	30.2	36.4	36.2	36.2	36.2
Mandatory Outlays:							
Existing law	192.3	202.4	214.8	223.4	232.4	240.9	250.1
Proposed legislation			0.8	1.9	2.2	2.2	2.8
Credit Activity:							
Direct loan disbursements	*	*	*	N/A	N/A	N/A	N/A
Guaranteed loans	*	0.1	0.1	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	117.9	132.4	135.3	138.6	141.8	144.9	147.8
Proposed legislation		*	0.3	0.8	0.8	0.8	0.7
SOCIAL SECURITY:							
Spending:							
Discretionary Budget Authority	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Mandatory Outlays:							
Existing law	376.1	389.2	405.2	423.5	443.9	464.9	487.2
Proposed legislation			*	0.1	0.1	0.2	0.2
Tax Expenditures:							
Existing law	22.8	23.4	24.6	25.9	27.4	29.0	30.7
VETERANS BENEFITS AND SERVICES:							
Spending:							
Discretionary Budget Authority	18.9	19.3	19.3	19.3	19.3	19.3	19.3
Mandatory Outlays:							
Existing law	23.3	24.3	24.7	25.3	25.9	27.0	27.6
Proposed legislation			0.3	0.6	1.0	0.6	0.9
Credit Activity:							
Direct loan disbursements	1.3	2.0	0.7	N/A	N/A	N/A	N/A
Guaranteed loans	39.9	32.6	31.2	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	3.0	3.1	3.3	3.4	3.6	3.7	3.9
ADMINISTRATION OF JUSTICE:							
Spending:							
Discretionary Budget Authority	24.8	26.2	26.4	26.8	26.9	26.7	26.8
Mandatory Outlays:							
Existing law	0.7	1.0	0.8	0.6	0.6	0.5	2.1
Proposed legislation							-1.5
GENERAL GOVERNMENT:							
Spending:							
Discretionary Budget Authority	12.1	13.2	12.7	13.5	13.2	13.3	13.2
Mandatory Outlays:							
Existing law	1.4	2.4	1.4	1.2	1.1	1.1	1.3
Proposed legislation			0.1	0.1	0.1	0.1	0.1

Table 12-1. FEDERAL RESOURCES BY FUNCTION—Continued
(In billions of dollars)

Function	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Tax Expenditures:							
Existing law	56.8	59.2	61.6	64.1	66.9	69.7	72.9
Proposed legislation			*	*	0.1	0.1	0.1
NET INTEREST:							
Mandatory Outlays:							
Existing law	243.4	227.2	215.2	205.9	194.7	183.2	173.0
Tax Expenditures:							
Existing law	1.0	1.0	1.1	1.1	1.2	1.2	1.3
ALLOWANCES:							
Spending:							
Discretionary Budget Authority		7.6	-0.3	-47.7	-41.6	-20.5	-22.5
Mandatory Outlays:							
Proposed legislation				-2.8	-3.9	-4.6	-4.7
UNDISTRIBUTED OFFSETTING							
RECEIPTS:							
Spending:							
Discretionary Budget Authority			-2.8	1.1	1.1	-0.2	-0.2
Mandatory Outlays:							
Existing law	-47.2	-40.0	-42.3	-45.3	-51.3	-45.9	-46.7
Proposed legislation			-0.6	-0.8	-0.9	-1.0	-1.0
FEDERAL GOVERNMENT TOTAL:							
Spending:							
Discretionary Budget Authority	534.2	575.0	555.0	540.3	547.2	578.0	585.5
Mandatory Outlays:							
Existing law	1,097.9	1,145.9	1,177.4	1,215.6	1,241.8	1,297.7	1,348.0
Proposed legislation		-*	-3.2	-2.6	-3.2	-4.6	-5.3
Credit Activity:							
Direct loan disbursements	28.7	39.6	36.2	N/A	N/A	N/A	N/A
Guaranteed loans	336.8	311.4	329.8	N/A	N/A	N/A	N/A

* \$50 million or less.

N/A = Not available.