

29. GENERAL GOVERNMENT

Table 29-1. FEDERAL RESOURCES IN SUPPORT OF GENERAL GOVERNMENT
(In millions of dollars)

Function 800	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Spending:							
Discretionary Budget Authority	12,071	13,200	12,722	13,509	13,181	13,259	13,224
Mandatory Outlays:							
Existing law	1,437	2,445	1,443	1,153	1,064	1,117	1,324
Proposed legislation			73	87	101	110	118
Tax Expenditures:							
Existing law	56,805	59,175	61,570	64,140	66,865	69,715	72,900
Proposed legislation			24	46	71	106	141

The General Government function encompasses the central management activities of the executive and legislative branches. Its major activities include Federal finances (tax collection, public debt, currency and coinage, Government-wide accounting), personnel management, and general administrative and property management.

Four agencies are responsible for these activities: the Treasury Department (for which the budget proposes \$12.5 billion), the General Services Administration (\$161 million), the Office of Personnel Management (\$198 million), and the Office of Management and Budget in the Executive Office of the President (\$63 million).

Department of the Treasury

Treasury is the Federal Government's financial agent. It produces and protects the Nation's currency; helps set domestic and international financial, economic, and tax policy; enforces economic embargoes and sanctions; regulates financial institutions and the alcohol, tobacco, and firearms industries; manages the Federal Government's financial accounts; and protects citizens and commerce against those who counterfeit money, engage in financial fraud, violate our border, and threaten our leaders. Treasury's law enforce-

ment functions are included in Chapter 28, "Administration of Justice."

In 2000 Treasury will seek to collect an estimated \$1.8 trillion in tax and tariff revenues due under law; pay electronically more than 75 percent of the 903 million payments that it makes; issue \$2 trillion in marketable securities and savings bonds to finance the Government's operations and promote citizens' savings; and produce nine billion Federal Reserve Notes, 15 billion postage stamps, and 17.9 billion coins.

The Internal Revenue Service (IRS): The IRS is the Federal Government's main revenue collector. The Service's newly revised mission is to provide America's taxpayers with top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. To carry out its new customer service oriented mission, IRS will reorganize into four operating divisions, each focused on serving a group of taxpayers with similar needs (i.e., wage and investment, small business/self-employment/supplemental income, middle market/large corporate, and tax exempt).

The IRS is introducing a new system in 1999 to assess organizational performance and identify opportunities for improvement.

The IRS is realigning management processes and activities to ensure that they support the Service's mission and incorporate the principles of a balanced measurement system. Organizational performance measures will balance business results (including quality and quantity measures), customer satisfaction, and employee satisfaction. In addition to the new measurement system, IRS is undertaking a study to improve its methodology for estimating taxpayer compliance burden.

Some performance targets will not be available for the IRS' new measures until the IRS establishes baselines. However, in 2000, the targets for the following critical areas of the Service's performance are:

- continue to improve customer service through its toll-free assistance, answering 80 to 90 percent of calls, (89.9 percent in 1998), with an accuracy rate of 85 percent for tax law questions;
- receive 25.0 percent of individual returns filed electronically, up from 19.8 percent in 1998, with seven to eight million using Telefile, which allows taxpayers to file a simple tax return on the telephone in 10 minutes;
- receive 78.0 percent of tax revenues electronically (up from 41 percent in 1997); and
- process 98 percent of refunds for electronic returns within 21 days.

The Financial Management Service (FMS): The FMS mission is to improve the quality of Federal Government financial management by providing financial services, information and advice to Federal program agencies and other clients. In 2000, FMS will:

- increase the percentage of Federal payments and associated information transmitted electronically from 58 percent in 1997 to 75 percent in 2000; and
- increase electronic collections as a percentage of total collections from 52 percent in 1997 to 75 in 2000.

The Bureau of Public Debt (BPD): BPD conducts all public debt operations for the Federal government and promotes the sale of U.S. savings-type securities. In 2000, BPD will:

- issue at least 95 percent of over-the-counter bonds within three weeks of their purchase; and
- announce auction results within one hour 95 percent of the time.

The U.S. Mint: The U.S. Mint produces the Nation's coinage and manufactures numismatic products for the public. In 2000, the U.S. Mint will:

- introduce a new dollar coin and the second five-State series in the 50 States Commemorative Quarter Program; and
- maintain high levels of customer service by shipping commemorative coins within four weeks and recurring coins within three weeks of order placement.

The Bureau of Engraving and Printing (BEP): BEP produces all U.S. currency, about half of U.S. postage stamps, and other government securities. In 2000, the BEP will:

- introduce the newly-designed \$10 and \$5 notes with enhanced security features; and
- meet all currency shipment requirements for the Federal Reserve.

General Services Administration (GSA)

GSA provides policy leadership and expertly managed space, products, and services to support the administrative needs of Federal agencies. In 2000, revenues from GSA's various business lines will approach \$14 billion. GSA is responsible for more than \$50 billion a year in Federal spending for property management and administrative services, and management of assets valued at nearly \$500 billion.

In recent years, GSA has worked to develop a new Federal management model, focusing on performance measurement, accountability for agencies and employees, and the effective use of technology in changing work environments. GSA has established inter-agency groups to advise it on the policies, best practices, and performance benchmarks appropriate for each administrative service and information system. GSA's ultimate goal is a Federal Government in which agencies receive the administrative services they need

according to the best practices known and at the least cost.

As a provider of many administrative services, GSA seeks to exceed all Government-wide performance goals and industry benchmarks for these services as such benchmarks are developed or identified. Its overall goals as a service provider are to exceed its customer agencies' expectations for price, service and quality. In 2000:

- the Public Buildings Service will deliver 80 percent of its construction and repair projects on schedule and within budget, up from 78 percent in 1998;
- the Federal Technology Service projects a monthly line charge for local telephone service of \$19.84, a 31-percent cut from 1994 rates; and
- the Federal Supply Service will lease automobiles and other motor vehicles to Federal agencies at rates that average 20 percent below comparable commercial lease rates.

Because GSA provides services on a reimbursable basis, agency budgets fund most of GSA's activities. In 2000, for example, the budget proposes an appropriation of \$161 million for GSA, primarily for the Office of Government-wide Policy and the Office of the Inspector General. However, the budget projects obligations of nearly \$14 billion through GSA's revolving funds. In addition, GSA will administer contracts through which agencies will buy more than \$19 billion in goods and services outside of GSA's revolving funds.

Office of Personnel Management (OPM)

OPM provides human resource management leadership and services, based on merit principles, to Federal agencies and employees. It provides policy guidance, advice, and direct personnel services and systems to the agencies; operates a Worldwide job information and application system; and provides fast, friendly, accurate, and cost-effective retirement, health benefit, and life insurance services to Federal employees, annuitants, and agencies.

In 2000, OPM will:

- maintain the average time to process an annuity application of 23 days (which exceeds the 1999 goal of 35 days—down from 83 days in 1994) and reduce survivor pay processing time from 20 days in 1998 to nine days;
- handle about 1,072,000 annuity inquiries, a 10-percent increase in volume, and increase its customer satisfaction rate to 95 percent;
- increase the percentage of health benefits program customer phone calls answered and completed within the performance standard of 1.5 minutes from 85 percent in 1998 to 90 percent; and
- reduce annuity rolls processing time from 4.5 days 1998 to 4.0 days.

OPM administers the Federal civil service merit systems, covering nearly 1.5 million employees. In 1998, OPM conducted nationwide reviews of eight major agencies, finding few serious problems and discovering many "best practices" it shared with other agencies. In 1999, OPM will conduct seven reviews. In 2000, additional reviews will expand to non-Title 5 agencies (e.g., personnel in the Executive Branch who are not covered by Title 5 of the U.S. Code) and more small agencies, increasing site visits from 120 to 134.

OPM plays a proactive role in diversity initiatives. In 1998, OPM issued a strengthened nine-point plan to increase Hispanic employment, an initiative for improving African-American representation at higher grade levels, and targeted recruitment guidance for women and for persons with disabilities. OPM will build upon these efforts by institutionalizing the successful outreach strategies employed in the Presidential Management Intern program, and utilizing competency-based assessment tools to identify high quality, diverse candidates for professional and administrative careers.

Office of Management and Budget (OMB)

OMB helps the President create policy relating to receipts and expenditures, regulations, information, and legislation; and manage the Executive Branch in the faithful execution of laws, policies, and programs. OMB also

provides the President with the highest-quality analysis and advice on a broad range of topics.

OMB advocates the appropriate allocation and effective use of Government resources. OMB helps the President prepare the Federal budget and oversee its execution in the departments and agencies. In helping formulate the President's spending plans, OMB examines the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies; and provides policy options. OMB works to ensure that proposed legislation, and agency testimony, reports, and policies are consistent with Administration policies. OMB focuses particular attention on managing the processes for coordinating and integrating policies for interagency programs. On behalf of the President, OMB often presents and justifies major policies and initiatives related to the budget and Government management before Congress.

OMB has a central role in developing, overseeing, coordinating, and implementing Federal procurement, financial management, information, and regulatory policies. OMB helps to strengthen administrative management, develop better performance measures,

and improve coordination among Executive Branch agencies.

In 2000, OMB will produce the annual budget for 2001 using a state-of-the-art off-site secure data center, to improve efficiency and timeliness, improve services to agency customers, and ensure Y2K compliance.

Tax Incentives

The Federal Government provides significant tax benefits for State and local governments. It permits tax-exempt borrowing for public purposes, costing \$20.4 billion in Federal revenue losses in 2000 and \$104.3 billion over five years, from 2000 to 2004. (The budget describes tax-exempt borrowing for non-public purposes in the chapters on other Government functions.) In addition, taxpayers can deduct State and local income taxes against their Federal income tax, costing \$37.0 billion in 2000 and \$210 billion over five years. Corporations with business in Puerto Rico and other U.S. possessions receive a special tax credit, costing an estimated \$4.6 billion in 2000 and \$21 billion over five years. This tax credit is phasing out and will expire at the end of 2005. Finally, up to certain limits, taxpayers can credit State death taxes against Federal estate taxes, costing \$28.4 billion over five years.