
INTRODUCTION

1. INTRODUCTION

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant data that place the President's 2022 Budget in context and assist the public, policymakers, the media, and researchers in better understanding the Budget. This volume complements the main *Budget* volume, which presents the President's Budget policies and priorities, and the *Budget Appendix* volume, which provides appropriations language, schedules for budget expenditure accounts, and schedules for selected receipt accounts.

Presidential Budgets have included separate analytical presentations of this kind for many years. The 1947 Budget and subsequent budgets included a separate section entitled *Special Analyses and Tables* that covered four, and later more, topics. For the 1952 Budget, the section was expanded to 10 analyses, including many subjects still covered today, such as receipts, investment, credit programs, and aid to State and local governments. With the 1967 Budget this material became a separate volume entitled *Special Analyses*, and included 13 chapters. The material has remained a separate volume since then, with the exception of the Budgets for 1991–1994, when all of the budget material was included in one volume. Beginning with the 1995 Budget, the volume has been named *Analytical Perspectives*. Since the 2022 Budget is being released following a presidential transition, OMB is publishing an abbreviated *Analytical Perspectives* volume this year. The 2023 Budget will include a more comprehensive *Analytical Perspectives* volume with additional key updates on areas including the Government's mission performance goals and objectives and the President's Management Agenda (PMA), effective utilization of Federal real property, statistics that offer a numerical picture of the United States and an overview of statistical agency budgets and priorities, and the importance of using evidence, evaluation, and data to improve Government effectiveness.

In addition to the information included in this volume, supplemental tables and other materials that are part of the *Analytical Perspectives* volume are available at <http://www.whitehouse.gov/omb/analytical-perspectives>. Tables included at this link are shown in the List of Tables in the front of this volume with an asterisk instead of a page number.

Overview of the Chapters

Economic and Budget Analyses

Economic Assumptions and Overview. This chapter reviews recent economic developments; presents the Administration's assessment of the economic situation and outlook; compares the economic assumptions on

which the 2022 Budget is based with the assumptions for last year's Budget and those of other forecasters; provides sensitivity estimates for the effects on the Budget of changes in specified economic assumptions; and reviews past errors in economic projections.

Long-Term Budget Outlook. This chapter assesses the long-term budget outlook under current policies and under the Budget's proposals. It focuses on 25-year projections of Federal deficits and debt to illustrate the long-term impact of the Administration's proposed policies. It also discusses the uncertainties of the long-term budget projections and discusses the actuarial status of the Social Security and Medicare programs.

Federal Borrowing and Debt. This chapter analyzes Federal borrowing and debt and explains the budget estimates. It includes sections on special topics such as trends in debt, debt held by the public net of financial assets and liabilities, investment by Government accounts, and the statutory debt limit.

Management

Strengthening the Federal Workforce. This chapter presents summary data on Federal employment and compensation, and discusses the approach the Administration is taking with Federal human capital management.

Budget Concepts and Budget Process

Budget Concepts. This chapter includes a basic description of the budget process, concepts, laws, and terminology, and includes a glossary of budget terms. It also discusses proposals specific to the 2022 Budget to improve budgeting under certain budget concepts.

Coverage of the Budget. This chapter describes activities that are included in budget receipts and outlays (and are therefore classified as "budgetary") as well as those activities that are not included in the Budget (and are therefore classified as "non-budgetary"). The chapter also defines the terms "on-budget" and "off-budget" and includes illustrative examples.

Federal Receipts

Governmental Receipts. This chapter presents information on estimates of governmental receipts, which consist of taxes and other compulsory collections. It includes descriptions of tax-related legislation enacted in the last year and describes proposals affecting receipts in the 2022 Budget.

Offsetting Collections and Offsetting Receipts. This chapter presents information on collections that offset outlays, including collections from transactions with the public and intragovernmental transactions. In addition, this chapter presents information on "user fees," charges associated with market-oriented activities and regulatory fees. Detailed tables of offsetting receipts and offsetting

collections in the Budget are available at the internet address cited above.

Tax Expenditures. This chapter describes and presents estimates of tax expenditures, which are defined as revenue losses from special exemptions, credits, or other preferences in the tax code.

Special Topics

Aid to State and Local Governments. This chapter presents crosscutting information on Federal grants to State and local governments. The chapter also includes a table showing historical grant spending, and a table with budget authority and outlays for grants in the Budget. Tables showing State-by-State spending for major grant programs are available at the internet address cited above.

Information Technology and Cybersecurity. This chapter addresses Federal information technology (IT) and cybersecurity, highlighting initiatives and proposed funding levels to deliver critical citizen services, keep sensitive data and systems secure, and further the vision of modern Government. The Administration will invest in modern, secure technologies and services to drive enhanced efficiency and effectiveness. This will include undertaking complex Government-wide modernization efforts, driving improved delivery of citizen-facing services, and improving the overall management of the Federal IT portfolio. The Administration will also continue its efforts to further build the Federal IT workforce and seek to reduce the Federal Government's cybersecurity risk in order to better serve and protect the American public.

Federal Investment. This chapter discusses federally financed spending that yields long-term benefits. It presents information on annual spending on physical capital, research and development, and education and training.

Research and Development. This chapter presents a crosscutting review of research and development funding in the Budget.

Credit and Insurance. This chapter provides crosscutting analyses of the roles, risks, and performance of Federal credit and insurance programs and Government-sponsored enterprises (GSEs). The chapter covers the major categories of Federal credit (housing, education, small business and farming, energy and infrastructure, and international) and insurance programs (deposit insurance, pension guarantees, disaster insurance, and insurance against terrorism-related risks). Five additional tables address transactions including direct loans, guaranteed loans, and GSEs. These tables are available at the internet address cited above.

Federal Drug Control Funding. This chapter displays enacted and proposed drug control funding for Federal Departments and Agencies.

Technical Budget Analyses

Current Services Estimates. This chapter discusses the conceptual basis of the Budget's current services, or "baseline," estimates, which are generally consistent with the baseline rules in the Balanced Budget and Emergency

Deficit Control Act of 1985 (BBEDCA). The chapter presents estimates of receipts, outlays, and the deficit under this baseline. Two detailed tables addressing factors that affect the baseline and providing details of baseline budget authority and outlays are available at the internet address cited above.

Trust Funds and Federal Funds. This chapter provides summary information about the two fund groups in the Budget—Federal funds and trust funds. In addition, for the major trust funds and certain Federal fund programs, the chapter provides detailed information about income, outgo, and balances.

Comparison of Actual to Estimated Totals. This chapter compares the actual receipts, outlays, and deficit for 2020 with the estimates for that year published in the 2020 Budget, published in March 2019.

The following materials are available at the internet address cited above.

Detailed Functional Table

Detailed Functional Table. Table 20–1, "Budget Authority and Outlays by Function, Category, and Program," displays budget authority and outlays for major Federal program categories, organized by budget function (such as healthcare, transportation, or national defense), category, and program.

Federal Budget by Agency and Account

Federal Budget by Agency and Account. Table 21–1, "Federal Budget by Agency and Account," displays budget authority and outlays for each account, organized by agency, bureau, fund type, and account.

Budgets of the Federal Statistical Agencies

Budgets of the Federal Statistical Agencies. Table 22–1, "Budgets of the Federal Statistical Agencies," displays the budgets of the Principle Statistical Agencies recognized by OMB, organized by agency.

Calfed Bay-Delta Program Federal Budget Crosscut

Calfed Bay-Delta Program Crosscut. The Calfed Bay-Delta Program interagency budget crosscut report provides an estimate of Federal funding by each of the participating Federal Agencies with authority and programmatic responsibility for implementing this program, fulfilling the reporting requirements of section 106(c) of Public Law 108–361.

Columbia River Basin Federal Budget Crosscut

Columbia River Basin Federal Budget Crosscut. The Columbia River interagency budget crosscut report includes an estimate of Federal funding by each of the participating Federal agencies to carry out restoration activities within the Columbia River Basin, fulfilling the reporting requirements of section 123 of the Clean Water Act (33 U.S.C. 1275).