INTRODUCTION

1. INTRODUCTION

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant data that contextualize the President's 2024 Budget 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*. Marking a change from previous editions, the 2024 *Analytical Perspectives* volume reorganizes chapters into four sections: Economic Analyses, Special Analyses and Presentations, Management Priorities, and Technical Budget Analyses. In an effort to increase accessibility to supplemental chapter materials, a number of tables are now available online in Excel.

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. This chapter reviews recent economic developments; presents the Administration's assessment of the economic situation and outlook; compares the economic assumptions on which the 2024 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.

Special Analyses and Presentations

Budget Process. This chapter describes the Administration's approach and proposals related to budget enforcement, such as sequestration and Pay-As-You-Go procedures, and budget presentation, such as adjustments to the baseline to improve comparisons of the cost of policy. It discusses suggested reforms in budgeting, including for large Federal capital projects.

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.

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 displaying 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.

Leveraging Federal Statistics to Strengthen Evidence-Based Decision-Making. This chapter discusses the role of the Federal statistical system in generating data that the public, businesses, and governments need to make informed decisions. The chapter describes how operating as a seamless Federal statistical system, with enhanced statistical capacity and infrastructure, will improve its ability to meet growing demands while addressing new and emerging challenges. The chapter also highlights

2024 Budget proposals for the Government's principal statistical agencies and units, and presents examples of innovative developments, as well as advancements in implementing the Foundations for Evidence-Based Policymaking Act of 2018.

Budget Exposure to Increased Costs and Lost Revenue Due to Climate Change. This chapter discusses the financial risks that the Federal Government faces from broad exposure to threats caused by global climate change. It summarizes recent OMB analyses of individual programmatic climate impacts that are informed by distinct climate scenarios, as well as potential impacts on revenues.

Management Priorities

Delivering a High-Performance Government. This chapter reviews the Administration's Performance Framework approach to performance management. It discusses the Federal Government's use of strategic planning and priority goal-setting to define success, and routines of data-driven performance reviews to remain on track. The chapter details actions and investments supported by the Budget to advance the Framework, and previews forthcoming efforts around "organization health" and "organization performance" to support agency decision-making related to future work environments.

Building and Using Evidence to Improve Government Effectiveness. This chapter discusses the Administration's commitment to evidence-based policymaking through its efforts to build and promote a culture of evidence and evaluation in the Federal Government. It highlights Government-wide progress and Administration accomplishments, efforts to implement Title I of the Evidence Act, and other new initiatives to advance an evidence-based Government. It also details investments in the Budget to enhance agency evaluation capacity, including qualified evaluators, and examples of other evidence investments at agencies. This chapter also provides examples of programmatic agency investments that are supported by evidence of effectiveness.

Strengthening the Federal Workforce. This chapter presents summary data on Federal employment, compensation, and personnel priorities, and discusses the Administration's strategic approach to rebuilding and investing in the Federal workforce.

Information Technology and Cybersecurity Funding. 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.

Technical Budget Analyses

Budget Concepts. This chapter includes a basic description of the budget process, concepts, laws, and terminology, and includes a glossary of budget terms.

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.

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 2024 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," which are 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.

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.

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. Supplemental 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—trust funds and Federal funds. In addition, it provides detailed information about income, outgo, and balances for the major trust funds and certain Federal fund programs.

Comparison of Actual to Estimated Totals. This chapter compares the actual receipts, outlays, and deficit for 2022 with the estimates for that year published in the 2022 Budget.

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

Detailed Functional Table

Detailed Functional Table. Table 24–1, "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 25–1, "Federal Budget by Agency and Account," displays budget authority and outlays for each account, organized by agency, bureau, fund type, and account.

Federal Drug Control Funding

Federal Drug Control Funding. The Federal Drug Control Funding crosscut displays enacted and proposed drug control funding for Federal Departments and Agencies to implement the President's National Drug Control Strategy.

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).

Lead Pipe Federal Budget Crosscut

Lead Pipe Federal Budget Crosscut. The lead pipe interagency budget crosscut report provides an estimate of Federal funding by agency that can be used for investments in lead pipe replacement and related activities, fulfilling the commitment made in the Biden-Harris Lead Pipe and Paint Action Plan.

Long Range Budget Projections for the FY 2024 Budget

Long Range Budget Projections for the FY 2024 Budget. The long range crosscut contains 25-year projections of deficits and debt as a percent of GDP under current policies, the Budget's proposals, and alternative assumptions.