
INTRODUCTION

1. INTRODUCTION

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant data that place the President's 2017 Budget in context and assist the public, policymakers, the media, and researchers in better understanding the budget's effects on the Nation. 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 sometimes 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*.

Several supplemental tables as well as several longer tables that were previously published within the volume are available at http://www.budget.gov/budget/Analytical_Perspectives and on the Budget CD-ROM. These tables 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 Interactions Between the Economy and the Budget. This chapter reviews recent economic developments; presents the Administration's assessment of the economic situation and outlook, including the effects of macroeconomic policies; compares the economic assumptions on which the 2017 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. It also provides estimates of the cyclical and structural components of the budget deficit.

Long-Term Budget Outlook. This chapter assesses the long-term budget outlook under policies currently in effect and under the Budget's proposals as well as progress towards fiscal sustainability since 2010. It focuses on 25-year projections of Federal deficits, debt, and the fiscal gap, and shows how alternative long-term budget assumptions affect the results. It also discusses the long-term uncertainties of the budget projections over a 75-year horizon 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.

Performance and Management

Social Indicators. This chapter presents a selection of statistics that offers a numerical picture of the United

States and illustrates how this picture has changed over time. Included are economic, demographic and civic, socioeconomic and health statistics. There are also indicators covering security and safety, environment, and energy.

Delivering a High-Performance Government. This chapter describes the Administration's approach to performance management—the Federal Government's use of performance goals, measurement, regular data-driven reviews, and information dissemination to improve outcomes that matter to the American people and deliver returns on the taxpayers' investment. It explains why this approach was chosen, progress made, and future plans. It also discusses implementation of the Government Performance and Results Modernization Act.

Building the Capacity to Produce and Use Evidence. This chapter discusses evidence and its role in decision-making, articulates important principles and practices of agencies with strong evaluation functions, and highlights Administration efforts to build the capacity to produce and use evidence—particularly through the use of administrative data and the establishment of centralized evaluation functions. The chapter also provides examples of successes of the broader evidence agenda during this Administration.

Strengthening the Federal Workforce. Strengthening the Federal workforce is essential to building a high-performing Government. This chapter presents summary data on Federal employment and compensation; examines Federal workforce challenges; presents opportunities for strengthening the personnel system to achieve critical agency missions; and discusses progress in improving employee engagement, performance, and 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.

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.

Budget Process. This chapter discusses proposals to improve budgeting and fiscal sustainability within individual programs as well as across Government, describes the system of scoring mandatory and revenue legislation for purposes of the Statutory Pay-As-You-Go Act of 2010, and presents proposals to revise the budget baseline and improve budget presentation.

Federal Receipts

Governmental Receipts. This chapter presents information on estimates of governmental receipts, which consist of taxes and other compulsory collections. It includes detailed descriptions of tax legislation enacted in the last year and the receipts proposals in the 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. The user fee information includes a description of each of the user fee proposals in the Budget. A detailed table, “Table 13–5, Offsetting Receipts by Type” is available at the Internet address cited above and on the Budget CD-ROM.

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, including highlights of Administration proposals in the Budget. Detailed tables, including “Table 15–2, Federal Grants to State and Local Governments—Budget Authority and Outlays” and tables showing State-by-State spending for major grant programs, are available at the Internet address cited above and on the Budget CD-ROM.

Strengthening Federal Statistics. This chapter discusses 2017 Budget proposals for the Government’s principal statistical programs.

Information Technology. This chapter gives an overview of Federal investments in information technology (IT), and the major Administration initiatives to improve the management of Federal data and IT by integrating modern technology solutions to enhance mission

and service delivery and security. To achieve this, the Administration prioritizes four core objectives across the Federal IT portfolio discussed in the chapter: driving value in Federal IT investments; delivering world-class digital services, including opening Government data to fuel entrepreneurship and innovation; protecting Federal IT assets and information; and developing the next generation IT workforce.

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, including discussions about priorities and coordination across agencies.

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 Government-sponsored enterprises. These tables are available at the Internet address cited above and on the Budget CD-ROM.

Budgetary Effects of the Troubled Asset Relief Program. The chapter provides special analyses of the Troubled Asset Relief Program (TARP) as described in Sections 202 and 203 of the Emergency Economic Stabilization Act of 2008, including information on the costs of TARP activity and its effects on the deficit and debt.

Homeland Security Funding Analysis. This chapter discusses homeland security funding and provides information on homeland security program requirements, performance, and priorities. Additional detailed information is available at the Internet address cited above and on the Budget CD-ROM.

Federal Drug Control Funding. This chapter displays enacted and proposed drug control funding for Federal departments and agencies.

Federal Budget Exposure to Climate Risk. This chapter discusses climate change-related risks for the Federal budget, including the potential for rising direct and indirect costs and lost revenue. The chapter presents estimates of costs incurred as a result of the types of extreme weather projected to grow in frequency and intensity as the climate changes, and discusses additional areas of vulnerability across the Federal budget.

Technical Budget Analyses

Current Services Estimates. This chapter presents estimates of what receipts, outlays, and the deficit would be if current policies remained in effect, using modified versions of baseline rules in the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA). Two

detailed tables addressing factors that affect the baseline and provide details of the baseline budget authority and outlays are available at the Internet address cited above and on the Budget CD-ROM.

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 2015 with the estimates for that year published in the President’s 2015 Budget.

The following materials are available at the Internet address cited above and on the Budget CD-ROM:

Detailed Functional Table

Detailed Functional Table. Table 28–1, “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 health care, transportation, or national defense), category, and program.

Federal Budget by Agency and Account

The Federal Budget by Agency and Account. Table 29–1, “Federal Budget by Agency and Account,” displays budget authority and outlays for each account, organized by agency, bureau, fund type, and account.

