

**GAO**

Accounting and Information  
Management Division

September 1997

# Budget Issues Issue Area

## Active Assignments

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# Foreword

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This report was prepared primarily to inform Congressional members and key staff of ongoing assignments in the General Accounting Office's Budget Issues issue area. This report contains assignments that were ongoing as of August 29, 1997, and presents a brief background statement and a list of key questions to be answered on each assignment. The report will be issued quarterly.

This report was compiled from information available in GAO's internal management information systems. Because the information was downloaded from computerized data bases intended for internal use, some information may appear in abbreviated form.

If you have questions or would like additional information about assignments listed, please contact Paul Posner, Director, on (202) 512-9573; or Susan Irving, Associate Director, on (202) 512-9142.

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**IMPROVING BUDGET CHOICES**

**TITLE: ACCOUNTABILITY AND RELIABILITY OF FEE-BASED PROGRAMS (935209)**

**KEY QUESTIONS :** (1) Which programs derive 20% or more of their funding from the public, and what are their budgetary attributes? (2) What budgetary controls govern the availability of these fees? (3) What changes have occurred in the growth of these programs since the enactment of BEA? (4) What are the budget issues to consider in creating or expanding user fees as a source of funding?

**TITLE: INVESTING FEDERAL RETIREMENT TRUST FUNDS IN EQUITIES (935214)**

**KEY QUESTIONS :** 1) What are the current investment policies of Social Security and other federal trust funds?; 2) What are the investment practices of other public pension plans? 3) What are the implications of stock investing for a) budget deficits/debt; b) budgeting/accounting practices; c) Social Security trust fund earnings; and d) capital markets and national savings?

**TITLE: CREDIT REFORM: LESSONS LEARNED FROM BUDGET TREATMENT OF CREDIT ESTIMATES (935217)**

**KEY QUESTIONS :** 1) When and how often have agencies re-estimated subsidy costs? 2) Have agencies complied with OMB Circular A-11? 3) What have agencies reported as the causes of each re-estimate (interest, default, fees, and other)? 4) What is the trend in size and reported causes of re-estimates? 5) What follow-on questions should be explored in future work?

**TITLE: BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS (935218)**

**KEY QUESTIONS :** GAO was asked to review the budgetary treatment of federal insurance programs. Specifically, we were asked to (1) assess whether the current cash budget provides complete information for decision making, (2) identify approaches for using accrual concepts, (3) highlight tradeoffs, and (4) discuss implementation issues.

**TITLE: CAPITAL DECISION-MAKING LEADING PRACTICES (935230)**

**KEY QUESTIONS :** (1) What key processes have been implemented by federal, state and local entities, and private sector businesses, that have measurably improved their ability to plan, budget, procure and manage capital? (2) How can these leading practices be applied to the federal government experience?

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## ***Budget Issues***

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**TITLE: STATE FISCAL RESPONSES TO WELFARE REFORM (935235)**

**KEY QUESTIONS :** Welfare reform significantly changes the fiscal relationship between the federal government and the states in providing a safety net. State planning for economic downturns will affect its ability to finance its programs without additional federal aid. Emergency requests for additional resources would have an adverse impact on efforts to achieve and maintain a balanced budget. How have state budgetary resources, including federal aid, been reallocated since welfare reform? What plans have states made to assure programmatic stability in times of fiscal and economic stress, eg. "rainy day" funds? To what extent have states used, or plan to use, provisions in the new welfare law, such as the "Contingency Fund for State Welfare Programs" and loans if they need additional funds?

### **GOVERNMENT RESTRUCTURING**

**TITLE: NATIONAL PARK SERVICE -- LINKING PLANNING AND BUDGETING UNDER GPRA (935236)**

**KEY QUESTIONS :** Under the Government Performance and Results Act (GPRA), agencies are required to align their annual performance plans with their budgets to demonstrate what results are to be achieved with available resources. The National Park Service's incremental budget process provides a case study in the challenges to be overcome in shifting from a budget process in which last year's budget is a given to one that is linked to results to be achieved. Key Questions: 1) What processes does NPS use to plan and budget for its operations and execute its budget? 2) Are NPS' budget formulation and execution processes linked to its strategic and operational planning processes under GPRA? 3) What challenges does NPS face in linking its planning and budgeting processes?

### **OTHER ISSUE AREA WORK - BI**

**TITLE: BUDGET FUNCTION: ORIGINS AND TRENDS (935223)**

**KEY QUESTIONS :** (1) What are the origins of the budget function structure? (2) How have the budget functions changed over time? (3) What are the current and likely future uses of budget functions? (4) What are funding trends by superfunction, function and subfunction?