

GAO

Briefing Report to
Congressional Requesters

March 1986

BUDGET ISSUES

Budgeting for Inflation in
Selected Civil Accounts



129683

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

ACCOUNTING AND FINANCIAL
MANAGEMENT DIVISION

March 20, 1986

B-222276

The Honorable David Pryor
The Honorable William Proxmire
The Honorable Thomas F. Eagleton
The Honorable William L. Armstrong
The Honorable Charles E. Grassley
The Honorable Nancy L. Kassebaum
United States Senate

Your November 19, 1985, letter requested that we identify those major civil accounts where inflation projections are applied in order to determine the inflation guidance used and projections contained in these accounts, the amount appropriated for inflation, the actual inflation that occurred, and the amount of funds appropriated for inflation that did not occur. You further requested that the work cover fiscal years 1982 through 1985 and whatever data were available for 1986.

In response, we interviewed officials in nine agencies and the Office of Management and Budget (OMB), examined OMB and agency documents on inflation policy, and reviewed congressional testimony, agency appropriation hearings, and other related material.

We conducted a detailed analysis of the potential for excess funding for inflation in four of the nine agencies--the Departments of Energy, the Interior, and Transportation and the Veterans Administration. We selected these four agencies because our initial work showed that appropriation accounts in these agencies are adjusted for inflation and adequate data were available to estimate the amount of the adjustment. Accounts in the other five agencies either are not inflated or data were not readily available for an analysis of their inflation practices.

We found the following:

- Use of OMB guidelines and inflation projections vary by agency and account.
- Unless a specific line item for inflation is provided in agency budget documents, the amount requested for inflation cannot be separately identified.

--The amount appropriated for inflation is usually not identified by the Congress.

We estimate that:

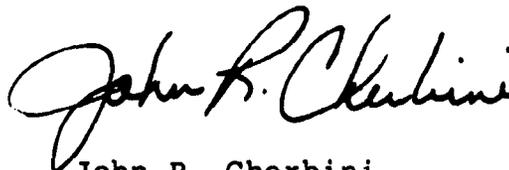
--The potential overfunding for inflation in selected accounts in the four agencies examined amounted to \$1.0 billion for fiscal years 1982 through 1985.

--While the potential overfunding of \$1.0 billion seems large, it represents, for the accounts examined over the 4 fiscal years, less than 2 percent of the total budget authority adjusted for inflation.

It should be stressed that this \$1.0 billion represents only an estimate of the potential overfunding for inflation, not the actual amount of overfunding. Lack of data on both the amount actually appropriated for inflation and the actual inflation realized by an agency kept us from identifying the precise amount of the overfunding for inflation.

The enclosed briefing report expands on the above information. At your request, we did not obtain agency comments on the report.

I would be pleased to discuss this information with you at your convenience. If you or your staff members have any questions about the results of our work, please call me on 275-9487. As arranged with your office, unless you publicly announce its content earlier, we will not release this report until 30 days from the date of this letter. Then, we will send copies to the agencies involved and other interested parties. Copies will also be available to others upon request.



John R. Cherbini
Associate Director

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ABBREVIATIONS

BA	budget authority
DOE	Department of Energy
EPA	Environmental Protection Agency
GNP	Gross National Product
HHS	Department of Health and Human Services
NASA	National Aeronautics and Space Administration
OMB	Office of Management and Budget
R&D	Research and Development
VA	Veterans Administration

**BUDGETING FOR INFLATION IN
SELECTED CIVIL ACCOUNTS**

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ORIGIN OF REVIEW

REQUEST OF NOVEMBER 19, 1985

FROM

- SENATOR DAVID PRYOR
- SENATOR WILLIAM PROXMIRE
- SENATOR THOMAS F. EAGLETON
- SENATOR WILLIAM L. ARMSTRONG
- SENATOR CHARLES E. GRASSLEY
- SENATOR NANCY L. KASSEBAUM

SCOPE

- **CONCENTRATED ON NINE CIVILIAN AGENCIES WITH MAJOR ACQUISITION, CONSTRUCTION, AND RESEARCH AND DEVELOPMENT EXPENDITURES**
- **FOCUSED ON NEW BUDGET AUTHORITY IN THESE NINE AGENCIES**
- **DETERMINED THAT SIX OF THESE AGENCIES APPLIED INFLATION PROJECTIONS TO THEIR NEW BUDGET AUTHORITY**
- **CONDUCTED A DETAILED ANALYSIS OF APPROPRIATION ACCOUNTS IN FOUR OF THE SIX AGENCIES**

SCOPE OF REVIEW

We focused on civil agencies having large acquisition, construction, and research and development programs. In theory, these programs would take the longest to complete and be the most likely to have inflation projections applied across several years. We initially examined nine civil agencies which met this criterion:

- Department of Agriculture
- Department of Energy
- Department of Education
- Department of Health and Human Services (HHS)1/
- Department of the Interior
- Department of Transportation
- Environmental Protection Agency (EPA)
- National Aeronautics and
Space Administration (NASA)
- Veterans Administration (VA)

In each of these agencies, we narrowed our scope further by focusing on new budget authority which is made available through annual congressional actions.2/

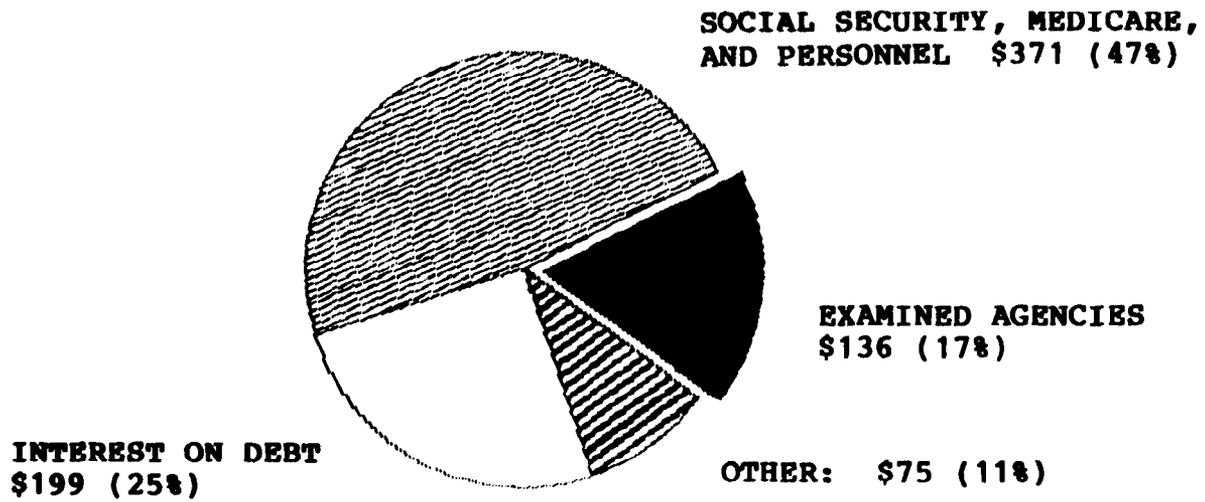
Our examination of new budget authority for fiscal year 1986 determined that six of the nine agencies adjusted their new budget authority using inflation projections either provided, or approved, by the Office of Management and Budget.

A detailed analysis was conducted on 10 appropriation accounts in four of the six agencies--the Departments of Energy, the Interior, and Transportation and the Veterans Administration. Completing work on the remaining two agencies (NASA and HHS) would have required extensive analysis beyond the time frame of this report. Additional work may be warranted in these agencies.

1/In HHS, we examined new budget authority for the Public Health Service and the Office of Human Development Services as well as grants to states for medicaid.

2/As opposed to permanent authority which is available annually as a result of previously enacted legislation and does not require current congressional action.

**TOTAL CIVIL BUDGET AUTHORITY
\$781 BILLION
(FISCAL YEAR 1986 - IN BILLIONS)**



1986 BUDGET REQUEST--
TOTAL CIVIL BUDGET AUTHORITY

Total civil budget authority for fiscal year 1986 amounted to \$781 billion. New budget authority for the nine agencies we examined represented \$136 billion (17 percent) of this total. The remaining budget authority, which was not examined, is composed of three categories: interest on the national debt, \$199 billion (25 percent); social security, medicare, and personnel, \$371 billion (47 percent); and other budget authority, \$75 billion (11 percent).

The social security, medicare, and personnel category consists of two types of budget authority:

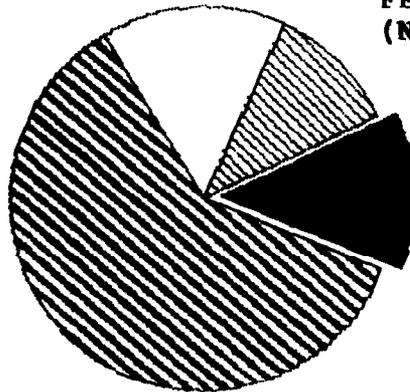
1. Large federal programs whose benefit levels are adjusted by law for inflation. These consist of social security, medicare, and civil service retirement.
2. Expenditures for personnel and benefits which under OMB guidelines are not adjusted for inflation.

The other category includes nonpersonnel-related budget authority in the Departments of Labor and of Housing and Urban Development as well as funds appropriated to the President and independent agencies.

**INFLATION PRACTICES IN AGENCIES EXAMINED
NEW CIVIL BUDGET AUTHORITY: \$136 BILLION
(FISCAL YEAR 1986 - IN BILLIONS)**

**ADJUSTED FOR INFLATION
STATE LEVEL \$21 (15%)
(NOT ANALYZED)**

**ADJUSTED FOR INFLATION
FEDERAL LEVEL \$15 (11%)
(NOT ANALYZED)**



**ADJUSTED FOR INFLATION
FEDERAL LEVEL \$18 (14%)
(ANALYZED)**

**NOT ADJUSTED FOR
INFLATION \$82 (60%)
(NOT ANALYZED)**

1986 BUDGET REQUEST--
NEW CIVIL BUDGET AUTHORITY EXAMINED

The nine agencies we examined requested \$136 billion of new budget authority in fiscal year 1986. We found that \$82 billion (60 percent) of this new budget authority was not adjusted for inflation and \$21 billion (15 percent) may have been adjusted for inflation at the state level; however, no adjustment of the \$21 billion was made at the federal level.

The remaining \$33 billion (25 percent) was in accounts that were adjusted for inflation at the federal level. We focused on 10 appropriation accounts whose 1986 budget requests represented \$18 billion which is 55 percent of this \$33 billion. However, since fiscal year 1986 was still in progress at the time of our study, we could not analyze the inflation adjustment for this \$18 billion of fiscal year 1986 budget authority. We chose instead to analyze the inflation adjustment for these 10 accounts over the fiscal years 1982-1985, years for which final figures were available.

Table I.1 provides more detailed information on the nine agencies examined. As can be seen from the table, there were three agencies whose budget requests were not affected by any inflation adjustments by federal officials: the Environmental Protection Agency and the Departments of Education and Agriculture. In EPA's case, however, some accounts may have been indirectly affected by inflation adjustments made by state and local (nonfederal) officials. In the programs of these EPA accounts, these officials developed estimates of future program costs, which are then submitted to EPA. EPA in turn uses these estimates in developing its annual budget requests. We were told that EPA budget officials make no adjustments for inflation, but that state and local budget officers might build in an estimate for future inflation. We did not contact these officials to confirm this.

We dropped the above three agencies from further analysis because of the lack of inflation adjustments at the federal level. Also, we dropped from further analysis HHS and NASA. Although these two agencies have accounts adjusted for inflation by federal officials, we determined that a detailed analysis of these accounts would have taken us beyond the time limits of the study. Data on the inflation adjustments in these agencies were located at numerous field and project sites.

This left us with four agencies on which we conducted detailed analyses--the Departments of Energy, the Interior, and Transportation and the Veterans Administration. We analyzed in detail 10 appropriation accounts in these four agencies. Total budget authority adjusted for inflation over the fiscal years 1982 through 1985 for these 10 accounts amounted to approximately \$58 billion. (See page 27.)

Table I.1
NEW BUDGET AUTHORITY ADJUSTED
FOR INFLATION
FISCAL YEAR - 1986

Agency	Total new budget authority	Adjusted for inflation-federal level		Adjusted for inflation state level	Not adjusted for inflation
		Analyzed ^a	Not analyzed	Not analyzed	
(-----in millions-----)					
Energy	\$12,184	\$11,489 94% ^b			\$695 6%
Transportation	\$ 8,268	\$2,811 34%	\$230 3%		\$5,227 63%
Interior	\$ 4,346	\$ 461 11%			\$3,885 89%
Veterans Administration	\$26,259	\$3,663 14%	\$415 2%		\$22,181 84%
Education	\$15,538				\$15,538 100%
National Aeronautics and Space	\$7,886		\$6,953 88%		\$933 12%
Agriculture	\$24,391				\$24,391 100%
Environmental Protection	\$4,668			\$2,400 51%	\$2,268 49%
Health and ^c Human Services	\$32,790		\$7,440 23%	\$18,650 57%	\$6,700 20%
TOTAL	\$136,330	\$18,424 14%	\$15,038 11%	\$21,050 15%	\$81,818 60%

^a Refers to fiscal year 1986 budget authority for those appropriation accounts that had new budget authority for fiscal years 1982 through 1985 that we analyzed in detail. Budget authority adjusted for inflation for these accounts totals \$58 billion over the 1982 through 1985 period.

^b Equals percent of total new budget authority.

^c In HHS, we examined new budget authority for the Public Health Service and the Office of Human Development Services as well as grants to states for medicaid.

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METHODOLOGY

- **INTERVIEWED OMB AND AGENCY OFFICIALS**
- **EXAMINED RELEVANT DOCUMENTS**
- **COMPARED GAO'S ESTIMATE OF WHAT WAS APPROPRIATED FOR INFLATION TO ACTUAL INFLATION**
- **ASSESSED LIMITATIONS OF THE ANALYSIS**

METHODOLOGY USED TO IDENTIFY
POTENTIAL OVERFUNDING FOR INFLATION

To obtain information on how agencies adjust their budgets for inflation, we interviewed officials in each of the nine agencies and the Office of Management and Budget, examined OMB and agency documents on inflation policy, and reviewed congressional testimony, agency appropriation hearings, and other material related to specific appropriation acts.

To estimate the potential overfunding (or underfunding) for inflation, we compared the difference between what was projected for inflation when the funds for the 1982 through 1985 fiscal years were appropriated and what would have been appropriated if decisionmakers knew what actual inflation would be. The methodology basically compares the difference between the projected annual rate of inflation for a given deflator (e.g., GNP deflator ^{3/}) used by an agency for projecting inflation and the rate of inflation that actually occurred as measured by that deflator. By applying these rates to the total dollar amount appropriated for a given fiscal year, we arrived at an estimate of the amount of potential overfunding for inflation.

In 9 of 10 appropriation accounts we analyzed, agency officials adjusted their appropriation requests for the inflation expected in the coming budget year, assuming that the majority of funds would be outlaid within that year. In these cases, we compared the projected inflation for that year with the actual inflation that occurred. These nine accounts represented 95 percent of the new budget authority we examined.

In the remaining account (Federal Aviation Administration's Facilities and Equipment account), a portion of the amount requested for inflation each fiscal year was based not only on projected inflation for the coming fiscal year, but for inflation projected 2 to 4 years beyond. In theory, our method for each fiscal year should have compared projected to actual inflation for several years. However, due to a lack of readily available data on the precise number of years for which the account was adjusted for inflation and the portion of the account so adjusted, we could not do this. We chose instead to apply the single-year method (used for the other nine accounts) to the account. This, in effect, biased our results downward and led to a conservative estimate of the potential overfunding for inflation.

^{3/}The term deflator refers to one of several price indices produced by either the Bureau of Economic Analysis or the Bureau of Labor Statistics. OMB provides federal agencies with 5-year projections of these price indices which are then used to estimate future inflation.

Our analysis for all 10 accounts included two assumptions. First, as discussed on page 23, the amount actually appropriated for inflation is not usually identified in congressional appropriations. Therefore, it was necessary to assume that the percent of funding requested for inflation by an agency is not increased or reduced by the Congress in the final appropriation.

There are no data available to test the soundness of this assumption; however, note that the total appropriated in a given budget year is a function of political, economic, and program-related factors and can be either greater or less than that requested by an agency. Therefore, our assumption could result in either an under- or overestimate of annual funding for inflation.

Our second assumption was that the deflator used in our analysis is in fact a good measure of the actual inflation realized by a specific program. It could, in fact, be argued, that actual inflation for a given program was higher than that measured by the GNP or other deflator, thus reducing, or completely eliminating, any overfunding for inflation.

However, the opposite could be true. Inflation could actually be lower than that measured by the deflator used, resulting in a larger overfunding than our analysis shows.

We did not test the accuracy of the GNP or other deflators used in our analysis. However, for DOE's Atomic Energy Defense Activities account (which accounts for 60 percent of our overfunding for inflation), we developed a range using several different inflation factors--the GNP deflator, the Producer Price Index for Industrials, and the Department of Defense Implicit Price Deflator. The GNP deflator resulted in the lowest overfunding for inflation.

Considering all of the above information, we believe that the results of our analysis should be viewed as a reasonable estimate of the potential overfunding by agencies for inflation rather than an estimate of the actual amount of excess funds appropriated for inflation.

Finally, it should be stressed that even if our estimates are accurate, much of the potential overfunding for inflation may no longer be available. For example, some may have lapsed, been reprogrammed, or spent on additional programs required by the Congress but not individually funded. We did not examine these factors to determine what portion of the potential overfunding for inflation may still be available.

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SUMMARY OF FINDINGS

- **USE OF OMB INFLATION PROJECTIONS VARY BY AGENCY AND ACCOUNT**
- **INFORMATION GAPS ON INFLATION EXIST AT ALL LEVELS IN THE BUDGET PROCESS**
- **AMOUNT APPROPRIATED FOR INFLATION IS NOT IDENTIFIED BY THE CONGRESS**
- **AN ANALYSIS OF FOUR AGENCIES SHOWED A POTENTIAL OVERFUNDING FOR INFLATION OF \$1.0 BILLION - - LESS THAN 2 PERCENT OF THE BUDGET AUTHORITY EXAMINED**

SUMMARY OF FINDINGS

We found that the use of OMB inflation projections varied by agency and account examined. Of the nine agencies we reviewed, two used OMB's inflation guidance exclusively. The other seven used a combination of OMB and other projections, used estimates other than those provided by OMB, or did not budget for inflation. We found little evidence of specific requirements provided by OMB on which programs to adjust for inflation or which deflator to use. Indeed, the overall decision as to which deflator to use for what programs appears to result from negotiations between agency budget officials and OMB budget examiners.

We also found that unless a specific line item for inflation is provided in the budget documents, the amount requested for inflation cannot be separately identified.

In addition, our work revealed that even if a line item exists in the budget request, the Congress is usually silent on the amount of funds appropriated specifically for inflation.

Finally, for fiscal years 1982 through 1985, our analysis of 10 appropriation accounts in four agencies--the Departments of Energy, the Interior, and Transportation and the Veterans Administration--resulted in a potential overfunding for inflation of \$1,034 million.

While this amount seems large, it represents less than 2 percent of the new budget authority which was adjusted for inflation by these agencies over the 4 years examined.

OMB GUIDANCE ON INFLATION

- **GENERAL GUIDANCE PROVIDED
IN OMB CIRCULAR A-11**
- **SPECIFIC INFLATION FACTORS
INCLUDED IN PACKAGE OF
ECONOMIC ASSUMPTIONS
PROVIDED BY OMB**
- **NO SPECIFIC GUIDELINES ON
WHICH INFLATION FACTOR OR
METHOD TO EMPLOY**

OMB GUIDANCE ON INFLATION

Although OMB provides general guidance on inflation through its Circular A-11 and publication of various economic assumptions, requirements for using this guidance to estimate inflation in the budget year request are not explicit. The predominant uses of OMB inflation guidance seem to be for producing the current services estimates and updating the budget during the midsession review.

Section 27 of Circular A-11 provides instructions on preparing current services estimates--that is, the proposed budget authority and estimated outlays that would be required if all programs and activities were carried on at the same level as the fiscal year in progress and without policy changes in such programs and activities. This section also provides guidance for adjusting these estimates for the effects of future inflation. Section 13 of the circular does mention inflation in the budget year request. However, this section does not elaborate on how projections of anticipated inflation should be made or how agencies should apply these projections. It only states that agency totals approved by OMB will reflect consideration of the effect of inflation, but the approved totals may include an allowance for less than the full rate of anticipated inflation or make no allowance at all.

Since OMB does not (1) mandate that agencies apply inflation projections to their budget request or (2) specify which deflator to use for specific programs, agencies must be prepared to provide, upon request, information on how OMB economic assumptions--particularly those for inflation--are used in preparing their estimates.

The OMB document providing economic assumptions includes a section entitled "Alternative Price Measures: Percent Change," providing estimates of the GNP; federal nondefense, nonpay purchases; and other deflators. They are distributed at least quarterly and contain projections for the budget year, 2 prior years, and at least 4 years beyond the budget year.

We found little evidence of specific requirements provided to agencies on (1) which programs to adjust for inflation and (2) which deflator to use. The only consistent requirement to agencies is to exclude personnel compensation and benefits when projecting future inflation rates. Of the nine agencies, two used OMB's inflation guidance exclusively. The other seven used a combination of OMB and other projections, used estimates other than those provided by OMB, or did not budget for inflation. The overall decision as to which deflator to use for each program appears to result from negotiations between agency budget officials and OMB budget examiners.

With regard to OMB's inflation projections, table I.2 shows that the actual rates for fiscal years 1982 through 1985 for the

GNP deflator; the federal nondefense, nonpay purchases deflator; and the federal construction nonresidential structures deflator have been lower than OMB's projections. The difference between a budget request based on these inflation projections and the request adjusted for actual inflation yields a potential overfunding for inflation in the program being adjusted.

Table I.2
OMB INFLATION PROJECTIONS VERSUS ACTUAL INFLATION

Fiscal year	GNP deflator ^a			Construction - nonresidential		
	Projection	Actual	Difference	Projection	Actual	Difference
1982	9.1	7.1	2.0	5.9	5.2	.7
1983	7.0	4.0	3.0	5.0	.8	4.2
1984	6.7	3.8	2.9	5.1	2.0	3.1
1985	4.9	3.7	1.2	5.2	3.0	2.2
1986	4.6	NA	NA	4.9	NA	NA

^a The GNP deflator and the federal nondefense, nonpay purchases deflator are the same under OMB guidelines.

INFORMATION GAPS EXIST ON INFLATION

- **EXCEPT FOR APPROPRIATION ACCOUNTS WITH SPECIFIC LINE ITEMS FOR INFLATION, THE AMOUNTS ACTUALLY REQUESTED FOR INFLATION ARE NOT IDENTIFIED**
- **AMOUNTS APPROPRIATED FOR INFLATION ARE NOT IDENTIFIED IN CONGRESSIONAL APPROPRIATIONS**
- **ASSUMPTIONS MUST BE MADE REGARDING THE AMOUNTS REQUESTED AND APPROPRIATED FOR INFLATION**

INFORMATION GAPS
EXIST ON INFLATION

Our analysis revealed that depending on the agency and/or account examined, information on the amount actually requested for inflation is not available. Nor, for any of the agencies examined, is the amount appropriated for inflation identified by the Congress.

Except for those accounts with line items for inflation, the amount requested by the agency for inflation cannot be identified. Five of the six agencies examined reported that although inflation projections are used at the program level, by the time the budget request goes through OMB and internal agency review, the amount for inflation can no longer be identified. Agencies noted, for example, that OMB's response to their budget request often lacks any specific information on inflation.

Finally, our examination of congressional hearings and specific appropriation acts, as well as interviews with agency officials, revealed that the Congress is usually silent on the amount of funds appropriated specifically for inflation.

Given this lack of information on both the amounts requested and appropriated for inflation, it became necessary, in order to complete our analysis, to assume the following: that once an agency adjusted its budget request for inflation that amount actually equaled the amount finally appropriated for inflation.

POTENTIAL FOR OVERFUNDING IN ACCOUNTS ANALYZED

- **AN ANALYSIS OF THE POTENTIAL OVERFUNDING FOR INFLATION WAS CONDUCTED ON SELECTED ACCOUNTS IN FOUR AGENCIES: ENERGY, INTERIOR, TRANSPORTATION, AND THE VETERANS ADMINISTRATION**
 - **OVER FISCAL YEARS 1982 - 1985, THE POTENTIAL OVERFUNDING TOTALED \$1,034 MILLION**
 - **THE LARGEST POTENTIAL OVERFUNDING (\$759 MILLION) OCCURRED IN THE DEPARTMENT OF ENERGY; THE SMALLEST, IN THE VETERANS ADMINISTRATION (\$25 MILLION)**
 - **WHILE LARGE IN ABSOLUTE TERMS, THE POTENTIAL OVERFUNDING IS SMALL COMPARED TO THE AMOUNT OF TOTAL BUDGET AUTHORITY ADJUSTED FOR INFLATION OVER THE 4 FISCAL YEARS**

POTENTIAL FOR OVERFUNDING
IN ACCOUNTS ANALYZED

An analysis of the potential overfunding for inflation was conducted on 10 accounts in 4 agencies: the Departments of Energy, the Interior, and Transportation and the Veterans Administration. Table I.3 provides the amount of overfunding for each of the accounts for fiscal years 1982 through 1985. As can be seen from the table, three accounts in the DOE are responsible for \$759 million (73 percent) of the \$1,034 million in potential overfunding. The Atomic Energy Defense Activities account alone represents \$616 million (60 percent) of this total.

The main reason that the DOE accounts make up so much of the total potential overfunding for inflation is the large amounts of DOE new budget authority which are adjusted for inflation. Table I.4 provides, by account, for the fiscal years 1982 through 1985, our estimates of total new budget authority adjusted for inflation, new budget authority appropriated for inflation, the amount needed for inflation, the potential overfunding, and the potential overfunding as a percent of total inflated new budget authority adjusted for inflation.

As can be seen from table I.4, total new budget authority adjusted for inflation for the three DOE accounts examined amounted to \$34 billion as compared to \$2 billion for the Department of the Interior and \$9 billion for the Department of Transportation.

Size was not as much of a factor, however, for VA's medical care account. New budget authority adjusted for inflation in this account amounted to \$11 billion; however, the total potential overfunding was estimated at only \$8 million. The account actually showed an underfunding of \$24 million for inflation in fiscal year 1983. The relatively small overfunding for inflation in this account is due to the fact that OMB's inflation projections for medical care have been close to, or lower than, the actual rate of inflation as measured by the Consumer Price Index for medical care.

An examination of table I.4 also reveals for fiscal years 1982 through 1985 the small size of the potential overfunding for inflation as compared to the total amount of new budget authority adjusted for inflation. Our total potential overfunding for inflation of \$1,034 million represents only 1.8 percent of the \$57,543 million of total new budget authority examined. The potential overfunding as a percent of new budget authority adjusted for inflation ranges from a high of 2.7 percent for DOE's Atomic Energy Defense Activities account to less than 0.1 percent for VA's medical care account. After VA's medical care account, DOE's (1) General Science and Research and (2) Energy Supply, Research and Development (R&D) accounts show the next lowest percentage, 1.3 percent.

Table I.3
POTENTIAL OVERFUNDING FOR INFLATION

Accounts	Fiscal years				
	1982	1983	1984	1985	Total ^a
	(- - - - - in millions - - - - -)				
Department of Energy:					
Atomic Energy Defense					
Activities	\$ 64	\$190	\$253	\$109	\$616
General Science & Research	9	8	7	8	32
Energy Supply, R&D	37	34	20	20	111
Department of Transportation:					
Federal Aviation Administration					
Operations	12	19	18	8	57
Facilities & Equipment	4	17	19	15	55
Coast Guard					
Acquisition, Construction, & Improvements	5	4	7	2	19
Operating Expenses	13	22	22	10	67
Department of the Interior:					
Bureau of Reclamation					
Construction Program	3	20	16	13	52
Veterans Administration:					
Medical Care	7	-24	19	6	8
General Operating Expenses	3	5	6	3	17
Total^a	\$157	\$295	\$387	\$193	\$1,034

^a Amounts may not total due to rounding.

Table I.4
NEW BUDGET AUTHORITY ADJUSTED FOR INFLATION
SUMMARY TOTALS
(Fiscal Years 1982-1985)

Accounts	Estimated budget authority adjusted for inflation	Estimated budget authority appropriated for inflation	Estimated budget authority required for inflation	Estimated potential over- funding	Percent ^a of adjusted budget authority
(----- in millions -----)					
Department of Energy:					
Atomic Energy Defense Activities	\$22,815	\$1,436	\$820	\$616	2.7
General Science & Research	2,415	132	100	32	1.3
Energy Supply, R&D	8,492	485	374	111	1.3
Department of Transportation:					
Federal Aviation Administration					
Operations	2,649	171	114	57	2.2
Facilities & Equipment	2,865	164	109	55	1.9
Coast Guard					
Acquisition, Construction, & Improvements	852	57	38	19	2.2
Operating Expenses	3,082	196	129	67	2.2
Department of the Interior:					
Bureau of Reclamation Construction Program	2,111	105	53	52	2.5
Veterans Administration:					
Medical Care	11,482	794	786	8	0.1
General Operating Expenses	780	50	33	17	2.2
Total	\$57,543	\$3,590	\$2,556	\$1,034	1.8

^a Potential overfunding as a percent of total budget authority adjusted for inflation.

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