

## 22. TRUST FUNDS AND FEDERAL FUNDS

When money is received by the Federal Government, it is credited to an account, and when money is spent by the Government, it is taken from an account. All budget accounts belong to one of two groups of funds: Federal funds and trust funds. This section presents summary information about the transactions of each of these two fund groups. Information is provided about the income and outgo of the major trust funds and a number of Federal funds that are financed by earmarked collections in a manner similar to trust funds.

### Federal Funds Group

The Federal funds group accounts for a larger share of the budget than the trust funds group, and includes all transactions that are not required by law to pass through trust funds.

The Federal funds group includes the general fund, which is the largest fund in the Government and is used to carry out the general purposes of Government rather than being restricted by law to a specific program. The general fund receives all collections not earmarked by law for some other fund, including virtually all income taxes and many excise taxes. Together with Treasury borrowing, the general fund finances all expenditures not financed by earmarked collections.

The Federal funds group also includes special funds and revolving funds, which receive earmarked collections for spending on specific purposes. Where the law requires that Federal fund collections be earmarked to finance a particular program, the collections and associated disbursements are recorded in special fund receipt and expenditure accounts. An example is the portion of the Outer Continental Shelf mineral leasing receipts deposited into the Land and Water Conservation Fund. The majority of special fund collections are derived from the Government's power to impose taxes, fines, and other compulsory payments. Money in these funds must be appropriated before it can be obligated and spent. Although a majority of special fund collections are derived from the Government's power to compel payment, significant amounts of collections credited to special funds are derived from business-like activity, such as the receipts from Outer Continental Shelf mineral leasing.

Revolving funds are used to conduct continuing cycles of business-like activity. Revolving funds receive money collected from the sale of products or services and these proceeds are used to finance spending of the program providing the products or services. Instead of being deposited in receipt accounts, the programs' proceeds are recorded in the revolving funds, which are expenditure accounts. The proceeds collected in this way are generally available automatically for obligation and expenditure. Outlays for programs with revolving funds

are reported net of these collections, which are known as "offsetting collections" because they offset outlays rather than being recorded as Governmental receipts. There are two classes of revolving funds. Public enterprise funds, such as the Postal Service Fund, conduct business-like operations mainly with the public. Intragovernmental funds, such as the Federal Buildings Fund, conduct business-like operations mainly within and between Government agencies.

### Trust Funds Group

The trust funds group consists of funds that are designated by law as trust funds. Like special funds and revolving funds, they receive earmarked collections for spending on specific purposes. Many of the larger trust funds are used to finance social insurance payments, such as Social Security, Medicare, and unemployment compensation. Other major trust funds finance military and Federal civilian employees' retirement benefits, highway and transit construction, and airport and airway development. There are a few trust revolving funds that are credited with collections earmarked by law to carry out a cycle of business-type operations. There are also a few small trust funds that have been established to carry out the terms of a conditional gift or bequest.

There is no substantive difference between special funds in the Federal funds group and trust funds or, as noted below, between revolving funds and trust revolving funds. Whether a particular fund is designated in law as a trust fund is, in many cases, arbitrary. For example, the National Service Life Insurance Fund is a trust fund, but the Servicemen's Group Life Insurance Fund is a Federal fund, even though both are financed by earmarked fees paid by veterans and both provide life insurance payments to veterans' beneficiaries.<sup>1</sup>

The meaning of the term "trust" in the Federal Government budget differs significantly from the private sector usage. The beneficiary of a private trust owns the trust's income and often its assets. A custodian or trustee manages the assets on behalf of the beneficiary according to the stipulations of the trust, which neither the trustee nor the beneficiary can change unilaterally. In contrast, the Federal Government owns the assets and the earnings of most Federal trust funds, and it can unilaterally raise or lower future trust fund collections and payments, or change the purpose for which the collections are used, by changing existing law. Only a few small Federal trust funds are managed

<sup>1</sup>Another example is the Violent Crime Reduction Trust Fund, established pursuant to the Violent Crime Control and Law Enforcement Act of 1994. Because the Fund is substantively a means of accounting for general fund appropriations, and does not have any dedicated receipts, it is classified as a Federal fund rather than a trust fund, notwithstanding the presence of the words "Trust Fund" in its official name.

pursuant to a trust agreement whereby the Government acts as the trustee, and even then the Government generally owns these funds and has some ability to alter the amount deposited into or paid out of these funds. Deposit funds, which are funds held by the Government as a custodian on behalf of some non-governmental entity, are similar to private-sector trust funds. The Government makes no decisions about the amount of money placed in deposit funds or about how the proceeds are spent. Therefore, these funds are considered to be non-budgetary instead of Federal trust funds and are excluded from the Federal budget.

A trust fund must use its income for the purposes designated by law. Some, such as the Federal Employees Health Benefits fund, spend their income almost as quickly as it is collected. Others, such as the Social Security and the Federal civilian employees' retirement trust funds, currently spend considerably less than they collect each year. A surplus of income over outgo adds to the trust fund's balance, which is available to finance future expenditures. The balances are generally required by law to be invested in Treasury securities.<sup>2</sup>

A trust fund normally consists of one or more receipt accounts (to record income) and an expenditure account

(to record outgo). However, a few trust funds, such as the Veterans Special Life Insurance fund, are established by law as trust revolving funds. These funds are similar to revolving funds in the Federal funds group, in that they may consist of a single account to record both income and outgo. They are used to conduct a cycle of business-type operations; offsetting collections are credited to the funds (which are also expenditure accounts); and their outlays are displayed net of the offsetting collections.

### Income and Outgo by Fund Group

Table 22-1 shows income, outgo, and surplus or deficit by fund group and in the aggregate (netted to avoid double-counting) from which the total unified budget receipts, outlays, and surplus or deficit are derived. The estimates assume enactment of the President's budget proposals. Income consists mostly of receipts (derived from governmental activity—primarily income, payroll, and excise taxes—and gifts). It also consists of offsetting receipts, which include proprietary receipts (derived from business-like transactions with the public) and interfund collections (receipts by one fund of payments from a fund in the other fund group) that are deposited into receipt accounts. Outgo consists of

**Table 22-1. RECEIPTS, OUTLAYS AND SURPLUS OR DEFICIT BY FUND GROUP**

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Receipts:</b>							
Federal funds cash income:							
From the public .....	1,569.8	1,679.9	1,742.1	1,834.9	1,926.5	2,020.7	2,171.3
From trust funds: .....	2.1	24.8	4.2	1.5	1.5	1.6	1.8
Total, Federal funds cash income .....	1,572.0	1,704.7	1,746.3	1,836.3	1,928.1	2,022.3	2,173.1
Trust funds cash income:							
From the public .....	961.5	1012.1	1069.7	1114.7	1177.2	1241.1	1302.7
From Federal funds:							
Interest .....	171.3	183.5	194.8	208.1	223.7	239.7	254.8
Other .....	298.9	316.3	338.1	352.2	374.9	403.2	428.6
Total, trust funds cash income .....	1,431.7	1,511.9	1,602.6	1,675.0	1,775.8	1,884.0	1,986.1
Offsetting receipts .....	-596.4	-676.5	-686.4	-713.0	-749.1	-802.8	-851.9
Total, unified budget receipts .....	2,407.3	2,540.1	2,662.5	2,798.3	2,954.7	3,103.6	3,307.3
<b>Outlays:</b>							
Federal funds cash outgo .....	2,109.2	2,194.4	2,279.6	2,334.5	2,357.0	2,425.4	2,469.8
Trust funds cash outgo .....	1,142.6	1,266.3	1,308.7	1,363.9	1,441.2	1,534.7	1,628.4
Offsetting receipts .....	-596.4	-676.5	-686.4	-713.0	-749.1	-802.8	-851.9
Total, unified budget outlays .....	2,655.4	2,784.3	2,901.9	2,985.5	3,049.1	3,157.3	3,246.3
<b>Surplus or deficit (-):</b>							
Federal funds .....	-537.3	-489.7	-533.3	-498.2	-428.9	-403.1	-296.7
Trust funds .....	289.1	245.6	293.9	311.1	334.5	349.3	357.7
Total, unified surplus/deficit (-) .....	-248.2	-244.2	-239.4	-187.2	-94.4	-53.8	61.0

Note: Receipts include governmental, interfund, and proprietary receipts. Receipts exclude intrafund receipts, which are offset against intrafund payments so that cash income and cash outgo of the fund group are not overstated.

payments made to the public or to a fund in the other fund group.

Two types of transactions are treated specially in the table. First, income and outgo for each fund group net out all transactions that occur between funds within the same fund group.<sup>3</sup> These intrafund transactions constitute outgo and income for the individual funds that make and collect the payments, but they are offsetting for the fund group as a whole. The totals for each fund group measure only the group's transactions with the public and the other fund group. Second, income is computed net of the collections that are offset against outgo in revolving fund expenditure accounts.<sup>4</sup> It would be conceptually appropriate to classify these offsetting collections as income, but at present the data are not tabulated centrally for both fund groups. Consequently, they are offset against outgo in Table 22-1 and are not shown separately.

Some funds in the Federal funds group and some trust funds are authorized to borrow from the general

<sup>3</sup>For example, the railroad retirement trust funds pay the equivalent of Social Security benefits to railroad retirees, in addition to the regular railroad pension. These benefits are financed by a payment from the Federal Old-Age and Survivors Insurance trust fund to the railroad retirement trust funds. The payment and collection are both deducted so that total trust fund income and outgo measure disbursements to the public and to Federal funds.

<sup>4</sup>For example, postage stamp fees are deposited as offsetting collections in the Postal Service fund. As a result, the Fund's outgo is disbursements net of collections.

fund of the Treasury.<sup>5</sup> Borrowed funds are not recorded as receipts of the fund or included in the income of the fund. The borrowed funds finance outlays by the fund in excess of available receipts. Subsequently, fund receipts are transferred from the fund to the general fund in repayment of the borrowing. The repayment is not recorded as an outlay of the fund or included in fund outgo.

Some income in both Federal funds and trust funds consists of offsetting receipts. For most budget purposes, offsetting receipts are excluded from receipts figures and subtracted from gross outlays. There are two reasons for the normal treatment:

- *Business-like or market-oriented activities with the public:* The collections from such activities are deducted from gross outlays, rather than added to receipts, in order to produce budget totals for receipts and outlays that represent governmental rather than market activity.
- *Intragovernmental transactions:* Collections by one Government account from another are deducted from gross outlays, rather than added to receipts, so that the budget totals measure the transactions of the Government with the public.

<sup>5</sup>For example, the Bonneville Power Administration Fund, a revolving fund in the Department of Energy, is authorized to borrow from the general fund, and the Black Lung Disability Trust Fund in the Department of Labor is authorized to receive appropriations of repayable advances from the general fund (a form of borrowing).

**Table 22-2. INCOME, OUTGO, AND BALANCES OF TRUST FUNDS GROUP**

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Total Trust Funds</b>							
Balance, start of year .....	3,148.5	3,437.5	3,683.1	3,976.7	4,287.8	4,622.3	4,971.6
Income:							
Governmental receipts .....	891.5	929.4	985.3	1,025.7	1,082.0	1,139.6	1,193.8
Proprietary receipts .....	83.2	96.3	98.7	104.1	111.2	118.6	127.0
Receipts from Federal funds:							
Interest .....	171.3	183.5	194.8	208.1	223.7	239.7	254.8
Other .....	334.6	353.3	377.0	393.0	417.9	448.9	476.8
Subtotal, income .....	1,480.7	1,562.5	1,655.8	1,730.8	1,834.7	1,946.8	2,052.4
Outgo:							
To the public .....	1189.5	1292.2	1357.7	1418.3	1498.7	1596.0	1692.9
Payments to Federal funds .....	2.1	24.8	4.2	1.5	1.5	1.6	1.8
Subtotal, outgo .....	1191.6	1317.0	1361.9	1419.8	1500.2	1597.5	1694.7
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	117.7	62.1	99.1	103.0	110.9	109.6	102.9
Interest .....	171.3	183.5	194.8	208.1	223.7	239.7	254.8
Subtotal, surplus or deficit (-) .....	289.1	245.6	293.9	311.1	334.5	349.3	357.7
Adjustments:							
Transfers/lapses (net) .....	*	*	-0.3	.....	.....	.....	.....
Other adjustments .....	*	*	*	.....	.....	.....	.....
Total, change in fund balance .....	289.1	245.6	293.6	311.1	334.5	349.3	357.7
Balance, end of year .....	3,437.5	3,683.1	3,976.7	4,287.8	4,622.3	4,971.6	5,329.4

Because the income for Federal funds and for trust funds recorded in Table 22–1 includes offsetting receipts, those offsetting receipts must be deducted from the two fund groups' combined gross income in order to reconcile to total (net) unified budget receipts. Similarly, because the outgo for Federal funds and for trust funds in Table 22–1 consists of outlays gross of offsetting receipts, the amount of the offsetting receipts must be deducted from the sum of the Federal funds' and the trust funds' gross outgo in order to reconcile to total (net) unified budget outlays. Table 22–3 reconciles, for fiscal year 2006, the gross total of all trust fund and Federal fund receipts with the net total of the Federal fund group's and the trust fund group's cash income (as shown in Table 22–1), and with the unified budget's receipt total.

### Income, Outgo, and Balances of Trust Funds

Table 22–2 shows, for the trust funds group as a whole, the funds' balance at the start of each year, income and outgo during the year, and the end of year balance. Income and outgo are divided between transactions with the public and transactions with Federal funds. Receipts from Federal funds are divided between interest and other interfund receipts.

The definition of income and outgo in this table differs from those in Table 22–1 in one important way. Trust fund collections that are offset against outgo (as offsetting collections) within expenditure accounts instead of being deposited in separate receipt accounts are classified as income in this table but not in Table 22–1. This classification is consistent with the definitions of income and outgo for trust funds used elsewhere in the budget. It has the effect of increasing both income and outgo by the amount of the offsetting collections. The difference was approximately \$49 billion in 2006. Table 22–2, therefore, provides a more transparent summary of trust fund income and outgo.

The trust funds group is expected to have large and growing surpluses over the projection period. As a consequence, trust fund balances are estimated to grow substantially, continuing a trend that has persisted over the past two decades. The size of the anticipated balances is unprecedented and results mainly from changes in the way some trust funds are financed.

Primarily because of these changes, but also because of the impact of real growth and inflation, trust fund balances increased tenfold from 1982 to 2000, from \$205 billion to \$2.1 trillion. The balances are estimated to increase by more than 150 percent by the year 2012,

**Table 22–3. RELATIONSHIP OF TOTAL FEDERAL FUND AND TRUST FUND RECEIPTS TO UNIFIED BUDGET RECEIPTS, FISCAL YEAR 2006**

(In billions of dollars)

Gross trust fund receipts .....	1,436.5
Gross Federal fund receipts .....	1,607.6
<b>Total of trust fund receipts and Federal fund receipts .....</b>	<b>3,044.1</b>
Deduct intrafund receipts (from funds within the same fund group):	
Trust intrafund receipts .....	–4.8
Federal intrafund receipts .....	–35.6
<b>Subtotal, intrafund receipts .....</b>	<b>–40.4</b>
<b>Total of trust funds cash income and Federal funds cash income .....</b>	<b>3,003.7</b>
Deduct offsetting receipts: <sup>1</sup>	
Trust fund receipts from Federal funds:	
Interest in receipt accounts .....	–169.3
General fund payment to Medicare Parts B and D .....	–162.6
Employing agencies' payments for pensions, Social Security, and Medicare .....	–49.7
General fund payments for unfunded liabilities of Federal employees retirement funds .....	–51.6
Transfer of taxation of Social Security and RRB benefits to OASDI, HI, and RRB .....	–33.5
Other receipts from Federal funds .....	–3.5
<b>Subtotal, trust fund receipts from Federal funds .....</b>	<b>–470.2</b>
Federal fund receipts from trust funds .....	–2.1
Proprietary receipts .....	–124.1
<b>Subtotal, offsetting receipts .....</b>	<b>–596.4</b>
<b>Unified budget receipts .....</b>	<b>2,407.3</b>

<sup>1</sup> Offsetting receipts are included in cash income for each fund group, but in the unified budget totals are excluded from the receipts total and instead deducted from outlays

rising to \$5.3 trillion.<sup>6</sup> Almost all of these balances are invested in Treasury securities and earn interest. Therefore, they represent the value, in current dollars, of taxes and user fees that have been paid in advance for future benefits and services.

Until the 1980s, most trust funds operated on a pay-as-you-go basis. Taxes and user fees were set at levels high enough to finance program expenditures and administrative expenses, and to maintain prudent reserves, generally defined as being equal to one year's expenditures. As a result, trust fund balances tended to grow at about the same rate as their annual expenditures.

Pay-as-you-go financing was replaced in the 1980s by full or partial advance funding for some of the larger trust funds. In order to partially prefund the Social Security benefits of the "baby-boomers", the Social Security Amendments of 1983 raised payroll taxes above the levels necessary to finance current expenditures. In 1984 a new system was set up to finance military retirement benefits on a full accrual basis. In 1986 full accrual funding of retirement benefits was mandated for Federal civilian employees hired after December 31, 1983. The latter two changes require Federal agencies and their employees to make annual payments to the Federal employees' retirement trust funds in an amount equal to the retirement benefits earned by employees. Since many years will pass between the time when benefits are earned and when they are paid, the trust funds will accumulate substantial balances over time.

These balances are available to finance future benefit payments and other trust fund expenditures—but only in a bookkeeping sense. These funds are not set up to be pension funds, like the funds of private pension plans. The holdings of the trust funds are not assets of the Government as a whole that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury. When trust fund holdings are redeemed to pay benefits, Treasury will have to finance

<sup>6</sup>The trust fund balances shown here reflect the Administration's proposal to add Personal Retirement Accounts (PRAs) as part of a reform to return the Social Security program to solvency. Because the PRAs would be privately owned, their balances would not be included in the budget or in trust fund balances. Diverting a portion of payroll taxes into PRAs would slow the growth of aggregate trust fund balances in the short term, but in combination with other reforms to restore Social Security to solvency would have a positive effect on trust fund balances in the long run.

the expenditure in the same way as any other Federal expenditure: out of current receipts, by borrowing from the public, or by reducing benefits or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, increase the Government's ability to pay benefits.

From an economic standpoint, the Government is able to prefund benefits only by increasing saving and investment in the economy as a whole. This can be fully accomplished only by simultaneously running trust fund surpluses equal to the actuarial present value of the accumulating benefits while maintaining an unchanged Federal fund deficit, so that the trust fund surplus reduces the unified budget deficit or increases the unified budget surplus. This would reduce Federal borrowing by the amount of the trust funds surplus and increase the amount of national saving available to finance investment. As long as the increase in Government saving is not offset by a reduction in private saving, greater investment would increase future incomes and wealth, which would provide more real economic resources to support the benefits.

Table 22-4 shows estimates of income, outgo, and balances for 2006 through 2012 for the major trust funds. With the exception of transactions between trust funds, the data for the individual trust funds are conceptually the same as the data in Table 22-2 for the trust funds group. As explained previously, transactions between trust funds are shown as outgo of the fund that makes the payment and as income of the fund that collects it in the data for an individual trust fund, but the collections are offset against outgo in the data for the trust fund group as a whole. Additional information for these and other trust funds can be found in the Status of Funds tables in the *Budget Appendix*.

Table 22-5 shows income, outgo, and balances of five Federal funds—three revolving funds and two special funds. All these funds are similar to trust funds in that they are financed by earmarked receipts, the excess of income over outgo is invested, the interest earnings add to balances, and the balances remain available to finance future expenditures. The table is illustrative of the Federal funds group, which includes many other revolving funds and special funds in addition to the ones shown.

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Airport and Airway Trust Fund</b>							
Balance, start of year .....	11.3	10.3	10.2	8.6	9.2	10.2	11.5
Income:							
Governmental receipts .....	10.6	11.4	12.1	4.3	4.7	5.1	5.5
Proprietary receipts .....	0.1	*	*	*	*	*	*
Receipts from Federal funds:							
Interest .....	0.5	0.5	0.5	0.4	0.4	0.4	0.4
Other .....	*	0.2	*	*	*	*	0.1
Receipts from Trust funds .....							
Subtotal, income .....	11.2	12.1	12.6	4.8	5.1	5.5	5.9
Outgo:							
To the public .....	12.1	12.3	14.2	4.2	4.1	4.2	4.3
Payments to Other funds .....							
Subtotal, outgo .....	12.1	12.3	14.2	4.2	4.1	4.2	4.3
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	-1.4	-0.7	-2.0	0.2	0.6	0.9	1.2
Interest .....	0.5	0.5	0.5	0.4	0.4	0.4	0.4
Subtotal, surplus or deficit (-) .....	-1.0	-0.2	-1.5	0.6	1.0	1.3	1.6
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	-1.0	-0.2	-1.5	0.6	1.0	1.3	1.6
Balance, end of year .....	10.3	10.2	8.6	9.2	10.2	11.5	13.2
<b>Memorandum commitments against balance, end of year:</b>							
Obligated balances .....	7.6	6.5	3.9	5.0	5.5	5.6	5.6
Unobligated balances .....	1.0	1.7	1.6	0.4			
Total commitments .....	8.6	8.2	5.5	5.4	5.5	5.6	5.6
Uncommitted balance, end of year .....	1.8	2.0	3.1	3.8	4.7	5.9	7.5
<b>Federal Civilian Employees Retirement Funds</b>							
Balance, start of year .....	674.8	704.5	716.9	754.5	793.5	835.0	878.4
Income:							
Governmental receipts .....	4.3	4.7	4.6	4.8	4.9	5.0	5.0
Proprietary receipts .....							
Receipts from Federal funds:							
Interest .....	37.2	42.9	44.6	45.5	46.6	47.0	46.3
Other .....	46.9	50.1	53.4	56.2	59.7	63.3	67.4
Receipts from Trust funds .....							
Subtotal, income .....	88.5	97.7	102.6	106.5	111.1	115.2	118.6
Outgo:							
To the public .....	58.7	62.3	65.0	67.4	69.7	71.8	74.0
Payments to Other funds .....		23.0 <sup>1</sup>					
Subtotal, outgo .....	58.7	85.3	65.0	67.4	69.7	71.8	74.0
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	-7.5	-30.5	-7.0	-6.5	-5.1	-3.6	-1.6
Interest .....	37.2	42.9	44.6	45.5	46.6	47.0	46.3
Subtotal, surplus or deficit (-) .....	29.7	12.4	37.6	39.0	41.4	43.4	44.6
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....		*	*				

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
Total, change in fund balance .....	29.7	12.4	37.6	39.0	41.4	43.4	44.6
Balance, end of year .....	704.5	716.9	754.5	793.5	835.0	878.4	923.0
<b>Federal Employees Health Benefits Fund</b>							
Balance, start of year .....	12.5	14.8	16.4	17.1	17.7	18.4	19.4
Income:							
Governmental receipts .....							
Proprietary receipts .....	9.1	9.4	10.0	10.7	11.6	12.6	13.5
Receipts from Federal funds:							
Interest .....	0.6	0.7	0.7	0.8	0.8	0.8	0.9
Other .....	23.9	24.7	26.3	28.1	30.2	32.7	34.8
Receipts from Trust funds .....							
Subtotal, income .....	33.5	34.8	37.1	39.6	42.6	46.1	49.1
Outgo:							
To the public .....	31.3	33.2	36.4	39.0	41.9	45.0	48.3
Payments to Other funds .....							
Subtotal, outgo .....	31.3	33.2	36.4	39.0	41.9	45.0	48.3
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	1.7	0.9	-*	-0.1	-0.2	0.2	-*
Interest .....	0.6	0.7	0.7	0.8	0.8	0.8	0.9
Subtotal, surplus or deficit (-) .....	2.3	1.6	0.7	0.6	0.7	1.1	0.8
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	2.3	1.6	0.7	0.6	0.7	1.1	0.8
Balance, end of year .....	14.8	16.4	17.1	17.7	18.4	19.4	20.3
<b>Foreign Military Sales Trust Fund</b>							
Balance, start of year .....	6.7	7.9	7.9	7.9	7.9	7.9	7.9
Income:							
Governmental receipts .....							
Proprietary receipts .....	14.2	15.1	13.1	11.4	11.7	11.9	12.1
Receipts from Federal funds:							
Interest .....							
Other .....							
Receipts from Trust funds .....							
Subtotal, income .....	14.2	15.1	13.1	11.4	11.7	11.9	12.1
Outgo:							
To the public .....	13.0	15.1	13.1	11.4	11.7	11.9	12.1
Payments to Other funds .....							
Subtotal, outgo .....	13.0	15.1	13.1	11.4	11.7	11.9	12.1
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	1.2						
Interest .....							
Subtotal, surplus or deficit (-) .....	1.2						
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	1.2						

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
Balance, end of year .....	7.9	7.9	7.9	7.9	7.9	7.9	7.9
<b>Highway Trust Fund</b>							
Balance, start of year .....	12.5	15.1	15.8	12.2	6.8	*	-7.0
Income:							
Governmental receipts .....	38.4	39.7	40.9	41.9	42.7	43.3	43.9
Proprietary receipts .....	*	*	*	*	*	*	*
Receipts from Federal funds:							
Interest .....							
Other .....	0.1	0.1	0.2	0.1	0.1	0.2	0.2
Receipts from Trust funds .....							
Subtotal, Income .....	38.5	39.9	41.0	42.1	42.8	43.5	44.1
Outgo:							
To the public .....	36.0	39.1	44.4	47.4	49.7	50.5	51.6
Payments to Other funds .....							
Subtotal, Outgo .....	36.0	39.1	44.4	47.4	49.7	50.5	51.6
Change in fund balance:							
Surplus or deficit:							
Excluding interest .....	2.5	0.7	-3.3	-5.4	-6.8	-7.0	-7.5
Interest .....							
Subtotal, surplus or deficit .....	2.5	0.7	-3.3	-5.4	-6.8	-7.0	-7.5
Adjustments:							
Transfers/lapses (net) .....	-*	-*	-0.3				
Other adjustments .....							
Total, Change in fund balance .....	2.5	0.7	-3.6	-5.4	-6.8	-7.0	-7.5
Balance, End of Year .....	15.1	15.8	12.2	6.8	*	-7.0	-14.5
<b>Medicare: Hospital Insurance (HI) Trust Fund</b>							
Balance, start of year .....	277.7	303.1	316.0	338.8	362.8	391.4	417.3
Income:							
Governmental receipts .....	177.7	185.5	199.0	209.0	221.5	234.1	246.1
Proprietary receipts .....	4.7	5.0	5.2	5.4	5.7	6.0	6.3
Receipts from Federal funds:							
Interest .....	15.4	15.2	16.0	17.5	18.8	20.3	21.9
Other .....	14.5	15.3	17.2	18.4	20.2	22.2	24.2
Receipts from Trust funds .....							
Subtotal, income .....	212.4	221.0	237.4	250.4	266.3	282.6	298.4
Outgo:							
To the public .....	186.9	208.1	214.6	226.3	237.7	256.7	260.7
Payments to Other funds .....		*	*	*	*	*	0.1
Subtotal, outgo .....	186.9	208.2	214.6	226.3	237.7	256.7	260.8
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	10.1	-2.4	6.8	6.5	9.8	5.6	15.7
Interest .....	15.4	15.2	16.0	17.5	18.8	20.3	21.9
Subtotal, surplus or deficit (-) .....	25.5	12.8	22.8	24.1	28.6	25.9	37.6
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....	-*						
Total, change in fund balance .....	25.5	12.8	22.8	24.1	28.6	25.9	37.6
Balance, end of year .....	303.1	316.0	338.8	362.8	391.4	417.3	455.0

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Medicare: Supplementary Medical Insurance (SMI) Trust Fund</b>							
Balance, start of year .....	16.9	33.3	41.9	48.2	51.6	54.0	51.1
Income:							
Governmental receipts .....							
Proprietary receipts .....	47.2	59.2	63.6	69.0	74.5	80.5	87.5
Receipts from Federal funds:							
Interest .....	1.5	2.0	2.5	2.7	2.9	3.0	3.2
Other .....	162.6	175.7	186.1	194.2	206.9	224.0	237.9
Receipts from Trust funds .....							
Subtotal, income .....	211.3	236.8	252.2	266.0	284.4	307.6	328.6
Outgo:							
To the public .....	194.9	228.2	245.9	262.5	282.0	310.5	319.8
Payments to Other funds .....		*	*	*	*	*	0.1
Subtotal, outgo .....	194.9	228.2	245.9	262.5	282.0	310.5	319.9
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	14.9	6.6	3.8	0.7	-0.5	-6.0	5.5
Interest .....	1.5	2.0	2.5	2.7	2.9	3.0	3.2
Subtotal, surplus or deficit (-) .....	16.4	8.6	6.3	3.4	2.4	-2.9	8.6
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....	*						
Total, change in fund balance .....	16.4	8.6	6.3	3.4	2.4	-2.9	8.6
Balance, end of year .....	33.3	41.9	48.2	51.6	54.0	51.1	59.8
<b>Military Retirement Fund</b>							
Balance, start of year .....	194.7	206.0	214.2	221.7	229.1	237.0	245.7
Income:							
Governmental receipts .....							
Proprietary receipts .....							
Receipts from Federal funds:							
Interest .....	13.0	9.7	8.9	8.6	9.2	9.9	10.7
Other .....	39.4	42.2	44.3	46.4	48.1	50.0	51.7
Receipts from Trust funds .....							
Subtotal, income .....	52.4	51.9	53.2	55.0	57.4	59.9	62.4
Outgo:							
To the public .....	41.1	43.7	45.7	47.6	49.4	51.2	52.4
Payments to Other funds .....							
Subtotal, outgo .....	41.1	43.7	45.7	47.6	49.4	51.2	52.4
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	-1.7	-1.5	-1.4	-1.2	-1.3	-1.2	-0.6
Interest .....	13.0	9.7	8.9	8.6	9.2	9.9	10.7
Subtotal, surplus or deficit (-) .....	11.3	8.2	7.5	7.4	8.0	8.7	10.0
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	11.3	8.2	7.5	7.4	8.0	8.7	10.0
Balance, end of year .....	206.0	214.2	221.7	229.1	237.0	245.7	255.7

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Railroad Retirement Trust Funds</b>							
Balance, start of year .....	25.6	27.3	28.3	28.4	28.3	27.9	27.4
Income:							
Governmental receipts .....	4.2	4.4	4.5	4.7	4.7	4.8	5.0
Proprietary receipts .....	2.7	2.4	1.4	1.5	1.5	1.5	1.5
Receipts from Federal funds:							
Interest .....	*	0.1	0.1	0.1	0.1	0.1	0.1
Other .....	0.5	0.5	0.5	0.5	0.5	0.6	0.6
Receipts from Trust funds .....	4.8	5.2	5.3	5.4	5.7	6.2	6.0
Subtotal, income .....	12.2	12.5	11.8	12.1	12.5	13.1	13.1
Outgo:							
To the public .....	9.5	9.9	10.2	10.6	11.0	11.4	11.8
Payments to Other funds .....	1.1	1.5	1.6	1.6	1.8	2.2	1.8
Subtotal, outgo .....	10.6	11.4	11.8	12.2	12.8	13.6	13.6
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	1.5	1.0	—*	-0.2	-0.4	-0.6	-0.6
Interest .....	*	0.1	0.1	0.1	0.1	0.1	0.1
Subtotal, surplus or deficit (-) .....	1.6	1.1	*	-0.1	-0.3	-0.6	-0.5
Adjustments:							
Transfers/lapses (net) .....	*	*	*	.....	.....	.....	.....
Other adjustments .....	.....	.....	.....	.....	.....	.....	.....
Total, change in fund balance .....	1.6	1.1	*	-0.1	-0.3	-0.6	-0.5
Balance, end of year .....	27.3	28.3	28.4	28.3	27.9	27.4	26.9
<b>Social Security: Old-Age, Survivors and Disability Insurance (OASDI) Trust Funds</b>							
Balance, start of year .....	1,809.0	1,994.2	2,179.6	2,388.9	2,616.4	2,862.6	3,129.0
Income:							
Governmental receipts .....	608.4	634.1	674.1	711.4	753.3	795.8	835.3
Proprietary receipts .....	*	0.1	0.1	0.1	0.1	0.1	0.1
Receipts from Federal funds:							
Interest .....	97.7	106.2	114.6	124.8	136.5	149.3	162.1
Other .....	33.7	31.6	33.1	35.9	39.0	42.9	46.6
Receipts from Trust funds .....	.....	.....	.....	.....	.....	.....	.....
Subtotal, income .....	739.8	772.1	821.8	872.1	928.8	988.0	1,044.1
Outgo:							
To the public .....	549.6	581.8	607.7	639.8	677.6	716.5	789.6
Payments to Other funds .....	5.1	4.8	4.8	4.9	5.0	5.1	5.3
Subtotal, outgo .....	554.6	586.6	612.6	644.7	682.6	721.7	795.0
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	87.5	79.2	94.7	102.6	109.7	117.1	87.1
Interest .....	97.7	106.2	114.6	124.8	136.5	149.3	162.1
Subtotal, surplus or deficit (-) .....	185.2	185.5	209.3	227.4	246.2	266.4	249.2
Adjustments:							
Transfers/lapses (net) .....	.....	.....	.....	.....	.....	.....	.....
Other adjustments .....	.....	.....	.....	.....	.....	.....	.....
Total, change in fund balance .....	185.2	185.5	209.3	227.4	246.2	266.4	249.2
Balance, end of year .....	1,994.2	2,179.6	2,388.9	2,616.4	2,862.6	3,129.0	3,378.2

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Unemployment Trust Fund</b>							
Balance, start of year .....	54.8	66.6	79.8	91.9	103.3	113.8	123.9
Income:							
Governmental receipts .....	43.4	45.0	45.2	44.6	45.3	46.3	47.6
Proprietary receipts .....	*	*	*	0.6	0.6	0.5	0.5
Receipts from Federal funds:							
Interest .....	2.7	3.3	3.9	4.6	5.1	5.5	5.9
Other .....	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Receipts from Trust funds .....							
Subtotal, income .....	47.0	49.1	50.0	50.6	51.8	53.2	54.8
Outgo:							
To the public .....	35.2	35.8	37.8	39.2	41.3	43.1	44.8
Payments to Other funds .....							
Subtotal, outgo .....	35.2	35.8	37.8	39.2	41.3	43.1	44.8
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	9.1	10.0	8.2	6.9	5.4	4.5	4.2
Interest .....	2.7	3.3	3.9	4.6	5.1	5.5	5.9
Subtotal, surplus or deficit (-) .....	11.7	13.3	12.1	11.4	10.5	10.0	10.0
Adjustments:							
Transfers/lapses (net) .....	—*	—*	—*				
Other adjustments .....							
Total, change in fund balance .....	11.7	13.2	12.1	11.4	10.5	10.0	10.0
Balance, end of year .....	66.6	79.8	91.9	103.3	113.8	123.9	133.9
<b>Veterans Life Insurance Trust Funds</b>							
Balance, start of year .....	12.6	12.2	11.7	11.2	10.6	9.9	9.2
Income:							
Governmental receipts .....							
Proprietary receipts .....	0.5	0.5	0.5	0.4	0.4	0.4	0.3
Receipts from Federal funds:							
Interest .....	0.8	0.7	0.7	0.6	0.6	0.5	0.5
Other .....	*	*	*	*	*	*	*
Receipts from Trust funds .....							
Subtotal, income .....	1.3	1.2	1.1	1.1	1.0	0.9	0.8
Outgo:							
To the public .....	1.7	1.7	1.7	1.7	1.6	1.6	1.6
Payments to Other funds .....							
Subtotal, outgo .....	1.7	1.7	1.7	1.7	1.6	1.6	1.6
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	-1.2	-1.2	-1.2	-1.2	-1.3	-1.2	-1.2
Interest .....	0.8	0.7	0.7	0.6	0.6	0.5	0.5
Subtotal, surplus or deficit (-) .....	-0.4	-0.5	-0.5	-0.6	-0.7	-0.7	-0.7
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....	—*	*	*				
Total, change in fund balance .....	-0.4	-0.5	-0.5	-0.6	-0.7	-0.7	-0.7
Balance, end of year .....	12.2	11.7	11.2	10.6	9.9	9.2	8.5

Table 22-4. INCOME, OUTGO, AND BALANCES OF MAJOR TRUST FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Other Trust Funds</b>							
Balance, start of year .....	39.4	42.4	44.4	47.4	50.6	54.1	57.8
Income:							
Governmental receipts .....	4.4	4.6	4.9	5.0	5.1	5.3	5.4
Proprietary receipts .....	4.6	4.7	4.8	4.9	5.0	5.1	5.3
Receipts from Federal funds:							
Interest .....	2.0	2.1	2.3	2.5	2.7	2.9	3.0
Other .....	12.2	12.1	15.2	12.3	12.2	12.2	12.5
Receipts from Trust funds .....							
Receipts adjustments .....							
Subtotal, income .....	23.2	23.6	27.2	24.6	25.0	25.5	26.2
Outgo:							
To the public .....	19.5	20.8	21.1	21.1	21.1	21.5	21.9
Payments to Other funds .....	0.7	0.7	3.1	0.3	0.4	0.4	0.4
Subtotal, outgo .....	20.2	21.5	24.2	21.4	21.5	21.9	22.3
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	1.0	-0.1	0.7	0.7	0.9	0.8	0.9
Interest .....	2.0	2.1	2.3	2.5	2.7	2.9	3.0
Subtotal, surplus or deficit (-) .....	3.0	2.1	3.0	3.2	3.5	3.6	3.9
Adjustments:							
Transfers/lapses (net) .....	*	*	*				
Other adjustments .....	-*	-*	-*				
Total, change in fund balance .....	3.0	2.1	3.0	3.2	3.5	3.6	3.9
Balance, end of year .....	42.4	44.4	47.4	50.6	54.1	57.8	61.6

<sup>1</sup> This amount reflects a payment from the Civil Service Retirement and Disability Fund to the newly-created Postal Service Retiree Health Benefits Fund at the Office of Personnel Management as required by the Postal Accountability and Enhancement Act (P.L. 109-435).

\* \$50 million or less.

Note: Balances shown include committed and uncommitted cash balances.

Table 22-5. INCOME, OUTGO, AND BALANCES OF SELECTED FEDERAL FUNDS

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Abandoned Mine Reclamation Fund</b>							
Balance, start of year .....	2.1	2.3	2.4	2.5	2.5	2.6	2.7
Income:							
Governmental receipts .....	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Proprietary receipts .....							
Receipts from Federal funds:							
Interest .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other .....							
Receipts from Trust funds .....							
Subtotal, income .....	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Outgo:							
To the public .....	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Payments to Other funds .....							
Subtotal, outgo .....	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	*	*	-*	-0.1	-0.1	-*	-0.1
Interest .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Subtotal, surplus or deficit (-) .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Balance, end of year .....	2.3	2.4	2.5	2.5	2.6	2.7	2.8
<b>National Credit Union Share Insurance Fund</b>							
Balance, start of year .....	6.4	6.7	7.0	7.5	7.9	8.3	8.8
Income:							
Governmental receipts .....							
Proprietary receipts .....	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Receipts from Federal funds:							
Interest .....	0.2	0.3	0.3	0.3	0.3	0.3	0.4
Other .....	*						
Receipts from Trust funds .....							
Subtotal, income .....	0.4	0.5	0.5	0.6	0.5	0.6	0.6
Outgo:							
To the public .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Payments to Other funds .....							
Subtotal, outgo .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	*	0.1	0.1	0.1	0.1	0.1	0.1
Interest .....	0.2	0.3	0.3	0.3	0.3	0.3	0.4
Subtotal, surplus or deficit (-) .....	0.3	0.4	0.4	0.5	0.4	0.4	0.5
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	0.3	0.4	0.4	0.5	0.4	0.4	0.5
Balance, end of year .....	6.7	7.0	7.5	7.9	8.3	8.8	9.2

Table 22-5. INCOME, OUTGO, AND BALANCES OF SELECTED FEDERAL FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Overseas Private Investment Corporation</b>							
Balance, start of year .....	4.0	4.2	4.3	4.4	4.6	4.8	4.9
Income:							
Governmental receipts .....							
Proprietary receipts .....	0.1	*	*	*	*	*	*
Receipts from Federal funds:							
Interest .....	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other .....	*	*	*	*	*	*	*
Receipts from Trust funds .....							
Subtotal, income .....	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Outgo:							
To the public .....	*	0.1	0.1	0.1	0.1	0.1	0.1
Payments to Other funds .....							
Subtotal, outgo .....	*	0.1	0.1	0.1	0.1	0.1	0.1
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	0.1	-0.1	-*	-*	-0.1	-*	-*
Interest .....	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Subtotal, surplus or deficit (-) .....	0.3	0.1	0.2	0.2	0.2	0.2	0.2
Adjustments:							
Transfers/lapses (net) .....	-*	-*	-0.1				
Other adjustments .....							
Total, change in fund balance .....	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Balance, end of year .....	4.2	4.3	4.4	4.6	4.8	4.9	5.1
<b>Pension Benefit Guaranty Corporation</b>							
Balance, start of year .....	12.5	15.1	14.8	13.7	14.6	15.6	16.5
Income:							
Governmental receipts .....							
Proprietary receipts .....	3.2	3.8	3.5	6.5	7.5	7.9	8.5
Receipts from Federal funds:							
Interest .....	3.9	0.7	0.7	0.7	0.8	0.8	0.8
Other .....							
Receipts from Trust funds .....							
Subtotal, income .....	7.1	4.5	4.2	7.2	8.2	8.7	9.3
Outgo:							
To the public .....	4.4	4.8	5.3	6.3	7.2	7.8	8.4
Payments to Other funds .....							
Subtotal, outgo .....	4.4	4.8	5.3	6.3	7.2	7.8	8.4
Change in fund balance:							
Surplus or deficit (-):							
Excluding interest .....	-1.3	-1.0	-1.8	0.2	0.3	0.1	0.1
Interest .....	3.9	0.7	0.7	0.7	0.8	0.8	0.8
Subtotal, surplus or deficit (-) .....	2.6	-0.3	-1.1	1.0	1.0	0.9	0.9
Adjustments:							
Transfers/lapses (net) .....							
Other adjustments .....							
Total, change in fund balance .....	2.6	-0.3	-1.1	1.0	1.0	0.9	0.9
Balance, end of year .....	15.1	14.8	13.7	14.6	15.6	16.5	17.4

Table 22-5. INCOME, OUTGO, AND BALANCES OF SELECTED FEDERAL FUNDS—Continued

(In billions of dollars)

	2006 Actual	Estimate					
		2007	2008	2009	2010	2011	2012
<b>Uniformed services retiree health care fund</b>							
Balance, start of year .....	60.2	84.7	108.1	132.2	158.6	187.1	218.1
Income:							
Governmental receipts .....	.....	.....	.....	.....	.....	.....	.....
Proprietary receipts .....	.....	.....	.....	.....	.....	.....	.....
Receipts from Federal funds:							
Interest .....	3.8	3.8	5.0	6.3	7.8	9.4	11.1
Other .....	27.8	27.2	27.4	29.0	30.4	32.0	33.5
Receipts from Trust funds .....	.....	.....	.....	.....	.....	.....	.....
Subtotal, Income .....	31.5	31.0	32.4	35.3	38.2	41.4	44.6
Outgo:							
To the public .....	7.1	7.7	8.3	8.9	9.7	10.4	11.3
Payments to Other funds .....	.....	.....	.....	.....	.....	.....	.....
Subtotal, Outgo .....	7.1	7.7	8.3	8.9	9.7	10.4	11.3
Change in fund balance:							
Surplus or deficit:							
Excluding interest .....	20.7	19.5	19.1	20.1	20.8	21.5	22.2
Interest .....	3.8	3.8	5.0	6.3	7.8	9.4	11.1
Subtotal, surplus or deficit .....	24.5	23.3	24.1	26.4	28.5	30.9	33.3
Adjustments:							
Transfers/lapses (net) .....	.....	0.2	.....	.....	.....	.....	.....
Other adjustments .....	.....	.....	.....	.....	.....	.....	.....
Total, Change in fund balance .....	24.5	23.5	24.1	26.4	28.5	30.9	33.3
Balance, End of Year .....	84.7	108.1	132.2	158.6	187.1	218.1	251.4

\* \$50 million or less.

Note: Balances shown include committed and uncommitted cash balances.

