

27. GENERAL GOVERNMENT

Table 27-1. Federal Resources in Support of General Government
(In millions of dollars)

Function 800	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Spending:							
Discretionary Budget Authority ...	13,702	12,586	14,669	14,505	14,596	14,840	15,019
Mandatory Outlays:							
Existing law	3,346	1,737	1,385	1,340	1,332	1,606	1,370
Proposed legislation		32	22	370	401	394	404
Credit Activity:							
Direct loan disbursements		28	5	N/A	N/A	N/A	N/A
Guaranteed loans				N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	63,005	65,805	68,265	70,775	73,830	77,035	80,275
Proposed legislation			35	259	308	342	375

N/A = Not available.

The General Government function encompasses the central management activities of the executive and legislative branches. Its major activities include Federal finances (tax collection, public debt, currency and coinage, Government-wide accounting), personnel management, and general administrative and property management.

Four agencies are responsible for these activities: the Treasury Department (for which the budget proposes \$14.0 billion), the General Services Administration (\$942 million), the Office of Personnel Management (\$214 million), and the Office of Management and Budget in the Executive Office of the President (\$69 million).

Department of the Treasury

Treasury is the Federal Government's financial agent. It produces and protects the Nation's currency; helps set domestic and international financial, economic, and tax policy; enforces economic embargoes and sanctions; regulates financial institutions and the alcohol, tobacco, and firearms industries; manages the Federal Government's financial accounts; and, protects citizens and commerce against those who counterfeit money, engage

in financial fraud, violate our border, and threaten our leaders. Treasury's law enforcement functions are discussed in Chapter 26, "Administration of Justice".

In 2001 Treasury will seek to collect an estimated \$1.96 trillion in tax and tariff revenues due under law; issue \$2 trillion in marketable securities and savings bonds to finance the Government's operations and promote citizens' savings; and, produce nine billion Federal Reserve Notes, 15 billion postage stamps, and 17.9 billion coins.

Internal Revenue Service (IRS): The IRS is the Federal Government's primary revenue collector. The IRS' mission is to provide America's taxpayers with top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. To carry out its customer service-oriented mission, the IRS is engaged in a multi-year effort to modernize its technology infrastructure and organize into four operating divisions, each focused on serving groups of taxpayers with similar needs (i.e., wage and investment earners, small business and self-employed, middle and large cor-

porate, and tax exempt and government entities).

As it implements this technological and organizational modernization, the IRS is working to improve its work processes in order to enhance productivity and customer satisfaction. A critical component of this effort is the introduction of a new performance measurement system which balances business results (including quality and quantity measures), customer satisfaction, and employee satisfaction for each business unit. The IRS also is engaged in a long-term study to improve its understanding of taxpayer compliance burden so that this burden can be minimized. While this new measurement system is not yet fully in place, 2001 targets for several critical measures include the following:

- improve customer satisfaction (based on random surveys with a seven-point scale) to 6.3 for toll-free assistance (6.2 in 1998), 6.5 for walk-in customer service (6.4 in 1998), and 4.5 for field examination (4.1 in 1998), and 4.1 for field collection (3.9 in 1998);
- continue to improve customer service through its toll-free assistance, answering 60 percent of calls, (53.3 percent in 1999), with an accuracy rate of 84 percent for tax law questions (74.1 percent in 1999);
- receive 29.5 percent of individual returns filed electronically, up from 23.4 percent in 1999 (working toward a legislative goal of 80 percent of all returns and information documents by 2007), with over six million using Telefile, which allows taxpayers to file a simple tax return on the telephone in 10 minutes;
- receive 75.2 percent of tax revenues electronically (72.1 percent in 1999); and,
- continue to process 99 percent of refunds for electronic returns within 21 days and for paper returns process 85 percent within 40 days (99.6 percent for electronic and 83.2 percent for paper in 1999).

Financial Management Service (FMS): The FMS mission is to improve the quality of Federal Government financial management by providing financial services, information

and advice to Federal program agencies and other clients. FMS has been working toward an all electronic Treasury by promoting its electronic payment and collection programs. FMS has also been providing debt collection and debt management services to all Federal agencies to aid in its implementation of the Debt Collection Improvement Act. In 2001, FMS will:

- increase the percentage of Federal payments and associated information transmitted electronically from 68 percent in 1999 to 79 percent in 2001;
- increase electronic collections as a percentage of total collections from a level of 72 percent in 1999. FMS achieved its 2001 target of 72 percent two years ahead of schedule and is re-evaluating the program and will establish a new target; and,
- increase the percentage of eligible delinquent debt that is referred to Treasury for collection from 68 percent in 1999 to 75 percent in 2001.

Bureau of Public Debt (BPD): BPD conducts all public debt operations for the Federal government and promotes the sale of U.S. savings-type securities. Funding for 2001 will allow BPD to maintain its current level of service and will enable it to continue to meet the following baseline performance goals:

- issue at least 95 percent of over-the-counter bonds within three weeks of their purchase (99 percent in 1999);
- as in 1999, conduct all marketable securities auctions without error; and,
- announce auction results within one hour 95 percent of the time (100 percent in 1999).

U.S. Mint: The U.S. Mint produces the Nation's coinage and manufactures numismatic products for the public. In 2001, the U.S. Mint will:

- introduce the 35 State series in the 50 States Commemorative Quarter Program; and,
- maintain high levels of customer service by shipping commemorative coins within four weeks and recurring coins within three weeks of order placement.

In 1999, the Mint received a high customer satisfaction rating from buyers of numismatic and commemorative coins. Exceeding the scores of many private sector firms in the American Customer Satisfaction Index (ACSI), the Mint scored among the highest of the 29 “high impact” Federal agencies evaluated by ACSI.

Bureau of Engraving and Printing (BEP): BEP produces all U.S. currency, about half of U.S. postage stamps, and other Government securities. In 2001, BEP is expected to have a stable production year, with currency and postage production remaining at 2000 levels, thus allowing BEP to continue to achieve the following goals:

- meet all Federal Reserve and United States Postal Service orders as requested; and,
- prevent more than 0.05 notes per million from being returned by the Federal Reserve because of counterfeit deterrence defects.

General Services Administration (GSA)

GSA provides policy leadership and expertly managed space, products, and services to support the administrative needs of Federal agencies. In 2001, revenues from GSA’s various business lines will exceed \$14 billion. GSA is responsible for more than \$50 billion a year in Federal spending for property management and administrative services, and management of assets valued at \$466 billion.

In recent years, GSA has worked to develop a new Federal management model, focusing on performance measurement, accountability for agencies and employees, and the effective use of technology in changing work environments. GSA has established inter-agency groups to advise it on the policies, best practices, and performance benchmarks appropriate for each administrative service and information system. GSA’s ultimate goal is a Federal Government in which agencies receive the administrative services they need, according to the best known practices and at the least cost.

As a provider of many administrative services, GSA seeks to exceed all Government-wide performance goals and industry bench-

marks for these services, as these benchmarks are developed or identified. Its overall goals as a service provider are to exceed its customer agencies’ expectations for price, service, and quality. In 2001:

- the Public Buildings Service will deliver 81 percent of its construction, and 84 percent of its repair projects on schedule and within budget, up from 78 and 81 percent in 1999, respectively;
- the Federal Technology Service projects a 35-percent reduction from 1994 rates in monthly line charges for local telephone service;
- the Federal Supply Service will reduce its costs of operations in the Supply and Procurement Business Line by 45 percent of 1999 costs; and,
- the volume of purchases made with Federal purchase cards will total \$18.8 billion, a 27 percent increase over 1999.

Because GSA provides services on a reimbursable basis, agency budgets fund most of GSA’s activities. In 2001, for example, the budget proposes an appropriation of \$871 million for GSA, primarily for the Office of Government-wide Policy, the Office of the Inspector General, and the construction and repair of Federal buildings. However, the budget projects obligations over \$14 billion through GSA’s revolving funds. GSA also affects Federal spending through its delegation of authority for property disposal, building operations, and the procurement of pharmaceuticals. In addition, GSA will administer contracts through which agencies will purchase more than \$27 billion in goods and services outside of GSA’s revolving funds.

Office of Personnel Management (OPM)

OPM provides human resource management leadership and services, based on merit principles, to Federal agencies and employees. It provides policy guidance, advice, and direct personnel services and systems to the agencies; operates USAJOBS, a worldwide job information and application system; and provides fast, friendly, accurate, and cost-effective retirement, health benefit, and life insurance services to Federal employees, annuitants, and agencies. Several OPM programs and

related performance measures are discussed elsewhere in the budget. For example, see Chapters 5 and 23 for a discussion of the health benefits program and Chapter 25 for a discussion of the retirement program.

OPM provides oversight of the Federal civil service merit systems, covering nearly 1.8 million employees. In 1993, OPM was only conducting sporadic reviews at local level installations. In 2000 and 2001, OPM will conduct 15 to 16 Nation-wide agency oversight reviews each year, including reviews of agencies whose personnel in the Executive Branch are not covered by Title 5 of the U.S. Code, and a number of small agencies.

OPM promotes programs and personnel flexibilities that enable employees to successfully balance work and family issues, such as quality child care and family friendly programs. In 2001, OPM will continue to conduct programs promoting lifelong learning (e.g., Individual Learning Accounts), diversity in the workplace, employment of persons with disabilities, and alternative dispute resolution, to foster effective labor-management relationships.

In 2001, OPM will:

- Continue to expand access to Federal employment information by all Americans by increasing usage of USAJOBS by five percent from the 1999 high of 14.8 million (usage which has tripled since 1993), and maintain a 90 percent or better (up from 60 percent in 1993) customer satisfaction level with USAJOBS users by implementing a student employment job search feature and email notification of job matches to job seekers.
- The Office of the Inspector General will initiate program performance audits of OPM mission-critical programs, beginning with the retirement and investigations programs.
- The Office of Executive and Management Development will establish a minimum of twelve strategic partnerships with high impact agencies, emphasizing custom-designed programs to meet their strategic needs in promoting organizational effectiveness of the agencies' partners.

- The Office of Investigations will continue to work with its contractor to further improve the quality of casework, reduce the cost of a standard background investigation to the agencies (reducing it from \$2,795 to \$2,695 in 2000), and to meet new business requirements from the Drug Enforcement Administration and the Department of Defense.

Office of Management and Budget (OMB)

OMB assists the President in policy development relating to the budget, regulations, information, and legislation; and in the management of the Executive Branch. OMB also provides the President with high quality analysis and advice on a broad range of topics.

OMB prepares the Federal budget and oversees its execution in the departments and agencies by helping to formulate the President's spending plans, reviewing the performance of agency programs, and the effectiveness of policies and procedures; assessing competing funding demands among agencies; and, providing policy options. OMB works to ensure that proposed legislation, and agency testimony, reports, and policies are consistent with Administration policies, leveraging use of interagency programs and Councils. On behalf of the President, OMB often presents and justifies major policies and initiatives related to the budget and Government management before Congress.

OMB has a central role in developing, overseeing, coordinating, and implementing Federal procurement, financial management, information, and regulatory policies. OMB helps to strengthen administrative management, develop better performance measures, and improve coordination among Executive Branch agencies.

In 2000, OMB will use a state-of-the art off-site secure data center to produce the annual budget. In 2001, OMB will invest in additional information technology applications to improve efficiency and effectiveness of the OMB's staff. In addition, OMB staffing will be increased to permit completion of more thorough technical and analytical work in key functional areas such as financial management, procurement, regulatory anal-

ysis, economic forecasting, and technology systems investment analyses.

Tax Incentives

The Federal Government provides significant tax incentives that benefit State and local governments. It permits tax-exempt borrowing for public purposes, costing \$23.4 billion in Federal revenue losses in 2001 and \$118 billion over five years, from 2001 to 2005. (The budget describes tax-exempt borrowing for non-public purposes in the chapters on other Government functions.) In

addition, taxpayers can deduct State and local income taxes against their Federal income tax, costing \$44.7 billion in 2001 and \$239 billion over five years. Corporations with business in Puerto Rico and other U.S. possessions receive a special tax credit, costing an estimated \$2.6 billion in 2001 and \$13 billion over five years. This tax credit is phasing out and will expire at the end of 2005. Finally, up to certain limits, taxpayers can credit State inheritance and estate taxes against Federal estate taxes, costing \$35 billion over five years.