

10. COVERAGE OF THE BUDGET

The budget serves as the central instrument of national policy making. It is the Government's financial plan for proposing and deciding the allocation of resources to serve national objectives. The budget provides information on the cost and scope of Federal activities to inform decisions and serves as a means to control the allocation of resources. When enacted, it establishes the level of public goods and services provided by the Government, reflecting the fiscal policy of the Government for promoting high employment, price stability, healthy growth of the national economy, and equilibrium in the balance of payments.

Federal Government activities that involve the direct and measurable allocation of Federal resources are characterized as "budgetary." The payments to and from the public resulting from these activities are included in the budget's measures of receipts and expenditures. In contrast, Federal activities that do not involve the direct and measurable allocation of Federal resources are characterized as "non-budgetary," and are not included in the budget's measures of receipts and expenditures. However, the budget documents include information on some non-budgetary activities, because they can be important instruments of Federal policy and because the data provide insight into the scope and nature of Federal activities. For example, data on the deposit funds owned by Native American Indian Tribes are not included in the budget because these funds are privately owned. The Government manages these funds only in a fiduciary capacity. The budget includes information on cashflows that are a means of financing Federal activity to provide insight into the transactions. However, means of financing amounts are not included in the estimates of receipts or expenditures to avoid double-counting—the costs of the underlying Federal activities are already reflected in the deficit.¹ Similarly, while budget totals of receipts and expenditures do not include non-Federal costs resulting from Federal regulation, the Office of Management and Budget (OMB) annually reports on the costs and benefits of Federal regulation to non-Federal entities.² The budget includes detailed information on budgetary activities and selected information on non-budgetary activities.

Budgetary Activities

The Federal Government has used the unified budget concept as the foundation for its budgetary analysis and presentation since 1968, starting with the 1969 Budget.

¹ For more information on means of financing, please see the "Budget Deficit or Surplus and Means of Financing" section of chapter 9, "Budget Concepts," in this volume.

² For the 2013 draft of the "Report to Congress on the Benefits and Costs of Federal Regulation and Agency Compliance with the Unfunded Mandates Act," see http://www.whitehouse.gov/sites/default/files/omb/infocreg/2013_cb/draft_2013_cost_benefit_report.pdf.

This change implemented a recommendation made by the 1967 President's Commission on Budget Concepts (Commission) to include the financial transactions of all of the Federal Government's programs and agencies. For this reason, the budget includes information on the financial transactions of all 15 Executive departments, all independent agencies (from all three branches of Government), and all Government corporations. Government corporations are designated by statute.³ Many, though not all, Government corporations are entities with business-type operations, and charge the public for services at prices intended to allow the entity to be self-sustaining. Often these entities are more independent in nature than other agencies, and have limited exemptions from certain Federal personnel requirements to allow for flexibility. Government corporations are distinct from Government-Sponsored Enterprises (GSEs), which, as discussed below, are private entities and therefore are classified as non-budgetary.

All accounts in Table 29-1, "Federal Budget by Agency and Account," in the supplemental materials to this volume are budgetary.⁴ The majority of budgetary accounts are associated with the departments or other entities that are clearly Federal agencies. Some budgetary accounts reflect Government payments to entities that were created by the Government as private or non-Federal entities and some of these entities receive all or a majority of their funding from the Government. These include the Corporation for Public Broadcasting, Gallaudet University, Howard University, the Legal Services Corporation, the National Railroad Passenger Corporation (Amtrak), the Smithsonian Institution, the State Justice Institute, and the United States Institute of Peace. Although the Federal payments to these entities are budgetary, the entities themselves are non-budgetary, as discussed below.

Whether an entity was created or chartered by the Government does not alone determine its budgetary status. The Commission recommended that the budget be comprehensive, but it also recognized that proper budgetary classification would require weighing all relevant factors regarding establishment, ownership, and control of an entity. Generally, entities that are primarily owned

³ Government corporations are Government entities that are defined as corporations pursuant to the Government Corporation Control Act, as amended (31 U.S.C. 9101), or elsewhere in law. Examples include the Commodity Credit Corporation, the Export-Import Bank of the United States, the Federal Crop Insurance Corporation, the Federal Deposit Insurance Corporation, the Millennium Challenge Corporation, the Overseas Private Investment Corporation, the Pension Benefit Guaranty Corporation, the Tennessee Valley Authority, the African Development Foundation (22 U.S.C. 290h-6), the Inter-American Foundation (22 U.S.C. 290f), the Presidio Trust (16 U.S.C. 460bb note), and the Valles Caldera Trust (16 U.S.C. 698v-4).

⁴ Table 29-1 can be found on the Budget CD-ROM and on the Internet at: http://www.budget.gov/budget/analytical_perspectives.

Table 10–1. COMPARISON OF TOTAL, ON-BUDGET, AND OFF-BUDGET TRANSACTIONS¹
(In billions of dollars)

Fiscal Year	Receipts			Outlays			Surplus or deficit (–)		
	Total	On-budget	Off-budget	Total	On-budget	Off-budget	Total	On-budget	Off-budget
1980	517.1	403.9	113.2	590.9	477.0	113.9	–73.8	–73.1	–0.7
1981	599.3	469.1	130.2	678.2	543.0	135.3	–79.0	–73.9	–5.1
1982	617.8	474.3	143.5	745.7	594.9	150.9	–128.0	–120.6	–7.4
1983	600.6	453.2	147.3	808.4	660.9	147.4	–207.8	–207.7	–0.1
1984	666.4	500.4	166.1	851.8	685.6	166.2	–185.4	–185.3	–0.1
1985	734.0	547.9	186.2	946.3	769.4	176.9	–212.3	–221.5	9.2
1986	769.2	568.9	200.2	990.4	806.8	183.5	–221.2	–237.9	16.7
1987	854.3	640.9	213.4	1,004.0	809.2	194.8	–149.7	–168.4	18.6
1988	909.2	667.7	241.5	1,064.4	860.0	204.4	–155.2	–192.3	37.1
1989	991.1	727.4	263.7	1,143.7	932.8	210.9	–152.6	–205.4	52.8
1990	1,032.0	750.3	281.7	1,253.0	1,027.9	225.1	–221.0	–277.6	56.6
1991	1,055.0	761.1	293.9	1,324.2	1,082.5	241.7	–269.2	–321.4	52.2
1992	1,091.2	788.8	302.4	1,381.5	1,129.2	252.3	–290.3	–340.4	50.1
1993	1,154.3	842.4	311.9	1,409.4	1,142.8	266.6	–255.1	–300.4	45.3
1994	1,258.6	923.5	335.0	1,461.8	1,182.4	279.4	–203.2	–258.8	55.7
1995	1,351.8	1,000.7	351.1	1,515.7	1,227.1	288.7	–164.0	–226.4	62.4
1996	1,453.1	1,085.6	367.5	1,560.5	1,259.6	300.9	–107.4	–174.0	66.6
1997	1,579.2	1,187.2	392.0	1,601.1	1,290.5	310.6	–21.9	–103.2	81.4
1998	1,721.7	1,305.9	415.8	1,652.5	1,335.9	316.6	69.3	–29.9	99.2
1999	1,827.5	1,383.0	444.5	1,701.8	1,381.1	320.8	125.6	1.9	123.7
2000	2,025.2	1,544.6	480.6	1,789.0	1,458.2	330.8	236.2	86.4	149.8
2001	1,991.1	1,483.6	507.5	1,862.8	1,516.0	346.8	128.2	–32.4	160.7
2002	1,853.1	1,337.8	515.3	2,010.9	1,655.2	355.7	–157.8	–317.4	159.7
2003	1,782.3	1,258.5	523.8	2,159.9	1,796.9	363.0	–377.6	–538.4	160.8
2004	1,880.1	1,345.4	534.7	2,292.8	1,913.3	379.5	–412.7	–568.0	155.2
2005	2,153.6	1,576.1	577.5	2,472.0	2,069.7	402.2	–318.3	–493.6	175.3
2006	2,406.9	1,798.5	608.4	2,655.0	2,233.0	422.1	–248.2	–434.5	186.3
2007	2,568.0	1,932.9	635.1	2,728.7	2,275.0	453.6	–160.7	–342.2	181.5
2008	2,524.0	1,865.9	658.0	2,982.5	2,507.8	474.8	–458.6	–641.8	183.3
2009	2,105.0	1,451.0	654.0	3,517.7	3,000.7	517.0	–1,412.7	–1,549.7	137.0
2010	2,162.7	1,531.0	631.7	3,457.1	2,902.4	554.7	–1,294.4	–1,371.4	77.0
2011	2,303.5	1,737.7	565.8	3,603.1	3,104.5	498.6	–1,299.6	–1,366.8	67.2
2012	2,450.2	1,880.7	569.5	3,537.1	3,029.5	507.6	–1,087.0	–1,148.9	61.9
2013 estimate	2,775.1	2,101.8	673.3	3,454.6	2,820.8	633.8	–679.5	–719.0	39.5
2014 estimate	3,001.7	2,269.4	732.3	3,650.5	2,939.3	711.2	–648.8	–669.9	21.1
2015 estimate	3,337.4	2,579.5	757.9	3,901.0	3,143.4	757.6	–563.6	–563.8	0.3
2016 estimate	3,568.0	2,756.5	811.5	4,099.1	3,291.5	807.6	–531.1	–535.1	3.9
2017 estimate	3,810.8	2,960.9	849.8	4,268.6	3,409.1	859.5	–457.8	–448.1	–9.7
2018 estimate	4,029.9	3,132.1	897.8	4,443.1	3,527.3	915.8	–413.3	–395.3	–18.0
2019 estimate	4,226.1	3,281.0	945.1	4,728.8	3,752.6	976.2	–502.7	–471.6	–31.1

¹ Off-budget transactions consist of the Social Security trust funds and the Postal Service fund.

and controlled by the Government are classified as budgetary. Determinations regarding the budgetary classification of entities are made by the OMB, the Congressional Budget Office (CBO), and the Budget Committees of the Congress.

Off-budget Federal activities.—Despite the Commission’s recommendation that the budget be comprehensive,

every year since 1971, at least one Federal program or agency that would otherwise be included in the budget has been presented as off-budget because of a legal requirement.⁵ Such off-budget Federal activities are

⁵ While the term “off-budget” is sometimes used colloquially to mean non-budgetary, the term has a meaning distinct from non-budgetary. Off-budget activities would be considered budgetary, absent legal requirement to exclude these activities from the budget totals.

funded by the Government and administered according to Federal legal requirements, but their net costs are excluded, by law, from the rest of the budget totals, which are also known as the “on-budget” totals. The budget reflects the legal distinction between on-budget activities and off-budget activities by showing outlays and receipts for both types of activities separately.

Although there is a legal distinction between on-budget and off-budget activities, conceptually there is no difference between the two. Off-budget Federal activities reflect the same kinds of governmental roles as on-budget activities, and result in outlays and receipts. Like on-budget activities, off-budget activities are funded and controlled by the Government. The “unified budget” reflects the conceptual similarity between on-budget and off-budget activities by showing combined totals of outlays and receipts for both.

Off-budget Federal activities currently consist of the U.S. Postal Service and the two Social Security Trust Funds: Old-Age and Survivors Insurance and Disability Insurance. Social Security has been classified as off-budget since 1986, and the Postal Service has been classified as off-budget since 1990.⁶ Other activities that had been designated in law as off-budget at various times before 1986 have been classified as on-budget by law since at least 1985. Activities that were off-budget at one time but that are now on-budget are classified as on-budget for all years. Table 10–1 divides total Federal Government receipts, outlays, and the surplus or deficit between on-budget and off-budget amounts. Within this table, the Social Security and Postal Service transactions are classified as off-budget for all years to provide a consistent comparison over time.

Because Social Security is the largest single program in the unified budget and is classified by law as off-budget, the off-budget accounts constitute a significant part of total Federal spending and receipts. In 2015, off-budget receipts are an estimated 22.7 percent of total receipts and off-budget outlays are a smaller, but still significant, percentage of total outlays at 19.4 percent. The estimated unified budget deficit in 2015 is \$563.6 billion—comprised of a \$563.8 billion on-budget deficit and a \$0.3 billion off-budget surplus. There is an off-budget surplus of \$21.1 billion projected for 2014, almost entirely due to Social Security.⁷ Social Security had small deficits or surpluses from its inception through the early 1980s and large

and growing surpluses from the mid-1980s until 2008. The surplus fell sharply in 2009 because of the economic downturn, and Social Security is projected to remain in deficit after 2016 over the 10-year budget window. Without further legislative action, the trust funds will be depleted in 2033, according to the 2013 Social Security trustees’ report.

Non-Budgetary Activities

Some important Government activities are characterized as non-budgetary because they do not involve the direct allocation of resources by the Government.⁸ Some of the Government’s major non-budgetary activities are discussed below. Some of these activities affect budget outlays or receipts, even though they have components that are non-budgetary.

Federal credit programs: budgetary and non-budgetary transactions.—Federal credit programs make direct loans or guarantee private loans to non-Federal borrowers. The Federal Credit Reform Act of 1990 (FCRA), as amended by the Balanced Budget Act of 1997, established the current budgetary treatment for credit programs. Under FCRA, the budgetary cost of a credit program is known as the “subsidy cost.” The subsidy cost is the estimated lifetime cost to the Government of a loan or a loan guarantee on a net present value basis, excluding administrative costs. Outlays equal to the subsidy cost are recorded in the budget up front as they are incurred—for example, when a loan is made or guaranteed. Credit program cash flows to and from the public underlying the subsidy cost are recorded in non-budgetary financing accounts, and the information is included in budget documents to provide insight into the program size and costs. For more information, the mechanisms of credit programs are discussed in more detail in Chapter 9 of this volume, “Budget Concepts,” and credit programs are discussed in more detail in Chapter 20 of this volume, “Credit and Insurance.”

Deposit funds.—Deposit funds are non-budgetary accounts that record amounts held by the Government temporarily until ownership is determined (such as earnest money paid by bidders for mineral leases) or held by the Government as an agent for others (such as State income taxes withheld from Federal employees’ salaries and not yet paid to the States). The largest deposit fund is the Government Securities Investment Fund, which is also known as the G-Fund. It is one of several investment funds managed by the Federal Retirement Thrift Investment Board, as an agent, for Federal employees who participate in the Government’s defined contribution retirement plan, the Thrift Savings Plan (which is similar

⁶ See 42 U.S.C. 911, and 39 U.S.C. 2009a, respectively. The off-budget Postal Service accounts consist of the Postal Service Fund, which is classified as a mandatory account and the Office of the Inspector General and the Postal Regulatory Commission, both of which are classified as discretionary accounts. The Postal Service Retiree Health Benefits Fund is an on-budget mandatory account with the Office of Personnel Management. The off-budget Social Security accounts consist of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, both of which have mandatory and discretionary funding.

⁷ The 2015 off-budget surplus reflects a \$0.7 billion deficit for Social Security, offset by a \$1.0 billion surplus for the Postal Service. The estimated 2016 off-budget surplus reflects a \$4.4 billion surplus for Social Security and a \$0.5 billion deficit for the Postal Service. The projected 2017 off-budget deficit reflects a \$10.1 billion deficit for Social Security and a \$0.4 billion surplus for the Postal Service.

⁸ Tax expenditures, which are discussed in Chapter 14 of this volume, are an example of Government activities that could be characterized as either budgetary or non-budgetary. Tax expenditures refer to the reduction in tax receipts resulting from the special tax treatment accorded certain private activities. Because tax expenditures reduce tax receipts and receipts are budgetary, tax expenditures clearly have budgetary effects. However, the size and composition of tax expenditures are not explicitly recorded in the budget as outlays or as negative receipts and, for this reason, tax expenditures might be considered a special case of non-budgetary transactions.

to private-sector 401(k) plans). Because the G-Fund assets, which are held by the Department of the Treasury, are the property of Federal employees and are held by the Government only in a fiduciary capacity, the transactions of the Fund are not resource allocations by the Government and are therefore non-budgetary.⁹ For similar reasons, the budget excludes funds that are owned by Native American Indians but held and managed by the Government in a fiduciary capacity.

Government-Sponsored Enterprises (GSEs).—The Federal Government has chartered GSEs such as the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Home Loan Banks, the Farm Credit System, and the Federal Agricultural Mortgage Corporation to provide financial intermediation for specified public purposes. Although federally-chartered to serve public-policy purposes, the GSEs are classified as non-budgetary. This is because they are intended to be privately owned and controlled, with any public benefits accruing indirectly from the GSEs' business transactions. Estimates of the GSEs' activities are reported in a separate chapter of the Budget *Appendix*, and their activities are discussed in Chapter 20 of this volume, "Credit and Insurance."

In September 2008, in response to the financial market crisis, the director of the Federal Housing Finance Agency (FHFA)¹⁰ placed Fannie Mae and Freddie Mac into conservatorship for the purpose of preserving the assets and restoring the solvency of these two GSEs. As conservator, FHFA has broad authority to direct the operations of these GSEs. However, these GSEs remain private companies with Boards of Directors and management responsible for their day-to-day operations. This Budget continues to treat these two GSEs as non-budgetary private entities in conservatorship rather than as Government agencies. By contrast, CBO treats these GSEs as budgetary Federal agencies. Both treatments include budgetary and non-budgetary amounts.

All of the GSEs' transactions with the public are reflected as non-budgetary in the Budget, because the GSEs are not considered to be Government agencies. However, the payments from the Treasury to the GSEs are recorded as budgetary outlays and dividends received by the Treasury are recorded as budgetary receipts. Under CBO's approach, the subsidy costs, or expected losses over time, of Fannie Mae's and Freddie Mac's past credit activities have already been recorded in the budget estimates and the subsidy costs of future credit activities will be recorded when the activities occur. Lending and borrowing activities between the GSEs and the public apart from the subsidy costs are treated as non-budgetary by CBO, and Treasury payments to the

GSEs are intragovernmental transfers (from Treasury to the GSEs) that net to zero in CBO's budget estimates.

Overall, both the Budget's accounting and CBO's accounting present Fannie Mae's and Freddie Mac's losses as Government outlays, which increase Government deficits. The two approaches, however, reflect the losses as budgetary costs at different times.

Other federally-created non-budgetary entities.—In addition to chartering the GSEs, the Federal Government has created a number of other entities that are classified as non-budgetary. These include federally-funded research and development centers (FFRDCs), non-appropriated fund instrumentalities (NAFIs), and other entities, some of which are incorporated as non-profit entities and some of which are incorporated as for-profit entities.¹¹

FFRDCs are entities that conduct agency-specific research under contract or cooperative agreement. Most FFRDCs were created by and conduct research for the Departments of Defense and Energy, and most are administered by colleges, universities, or other non-profit entities. Examples of federally-funded research and development centers are the Center for Naval Analysis, Los Alamos National Laboratory, and the Jet Propulsion Laboratory.¹² Though FFRDCs are non-budgetary, Federal payments to the FFRDC are recorded as budget outlays. In addition to Federal funding, FFRDCs may receive funding from non-Federal sources.

Non-appropriated fund instrumentalities (NAFIs) are entities that support an agency's personnel (current and retired). Virtually all NAFIs are associated with the Departments of Defense, Homeland Security (Coast Guard), and Veterans Affairs. Most NAFIs are located on military bases and include the armed forces exchanges (which sell goods to military personnel and their fami-

⁹ The administrative functions of the Federal Retirement Thrift Investment Board are carried out by Government employees and included in the budget totals.

¹⁰ The Housing and Economic Recovery Act of 2008 (12 U.S.C. 4511), established the FHFA as the regulator for Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. FHFA reflects the merger of the Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board, and the Department of Housing and Urban Development's Government-sponsored enterprise mission team.

¹¹ Although most entities created by the Federal Government are budgetary, as discussed in this section, the GSEs and the Federal Reserve System were created by the Federal Government, but are classified as non-budgetary. In addition, Congress and the President have chartered, but not necessarily created, approximately 100 non-profit entities that are non-budgetary. These include patriotic, charitable, and educational organizations under Title 36 of the U.S. Code and foundations and trusts chartered under other titles of the Code. Title 36 corporations include the American Legion, the American National Red Cross, Big Brothers—Big Sisters of America, Boy Scouts of America, Future Farmers of America, Girl Scouts of the United States of America, the National Academy of Public Administration, the National Academy of Sciences, and Veterans of Foreign Wars of the United States. Virtually all of the non-profit entities chartered by the Government existed under State law prior to the granting of a Government charter, making the Government charter an honorary rather than governing charter. A major exception to this is the American National Red Cross. Its Government charter requires it to provide disaster relief and to ensure compliance with treaty obligations under the Geneva Convention. Although any Government payments (whether made as direct appropriations or through agency appropriations) to these chartered non-profits, including the Red Cross, would be budgetary, the non-profits themselves are classified as non-budgetary. On March 14, 2013, the Subcommittee on Immigration Policy and Enforcement of the Committee on the Judiciary in the U.S. House of Representatives adopted a policy prohibiting Congress from granting new Federal charters to private, non-profit organizations. This policy has been adopted by every subcommittee with jurisdiction over charters since the 101st Congress.

¹² The National Science Foundation maintains a list of FFRDCs at www.nsf.gov/statistics/ffrdc.

lies), recreational facilities, and child care centers. NAFIs are financed by the proceeds from the sale of goods or services and do not receive direct appropriations. As a result, they have been characterized as non-budgetary and any agency payments to the NAFIs are recorded as budget outlays.

As noted above in the section on “Budgetary Activities,” a number of entities created by the Government receive a significant amount of non-Federal funding. In addition, some such entities are significantly controlled by non-Federal individuals or organizations. These entities include Gallaudet University, Howard University, the United States Enrichment Corporation, and the Universal Services Administrative Company, among others.¹³ Most of these entities receive direct appropriations or other recurring payments from the Government, and the appropriations or other payments are budgetary and included in Table 29-1, mentioned above. However, many of these entities are themselves non-budgetary. Generally, entities that receive a significant portion of funding from non-Federal sources and that are not controlled by the Government are treated as non-budgetary.

Regulation.—Federal Government regulations often require the private sector or other levels of government make expenditures for specified purposes that are intended to have public benefits, such as workplace safety and pollution control. Although the budget reflects the Government’s cost of conducting regulatory activities, the costs imposed on the private sector as a result of regulation are treated as non-budgetary and not included in the budget. The Government’s regulatory priorities and plans are described in the annual Regulatory Plan and the semi-annual Unified Agenda of Federal Regulatory and Deregulatory Actions.¹⁴

The estimated costs and benefits of Federal regulation have been published annually by OMB since 1997. In the most recent report, OMB indicates that the estimated annual benefits of Federal regulations it reviewed from October 1, 2001, to September 30, 2012, range from \$193 billion to \$800 billion, while the estimated annual costs range from \$57 billion to \$84 billion. In its report, OMB discusses the impact of Federal regulation on State, local, and tribal governments, and agency compliance with the Unfunded Mandates Reform Act of 1995.

Monetary policy.—As a fiscal policy tool, the budget is used by elected Government officials to promote economic growth and achieve other public policy objectives. Monetary policy is another tool that governments use to promote public policy objectives. In the United States, monetary policy is conducted by the Federal Reserve System, which is composed of a Board of Governors and 12 regional Federal Reserve Banks. The Federal Reserve

Act provides that the goal of monetary policy is to “maintain long-run growth of the monetary and credit aggregates commensurate with the economy’s long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.”¹⁵ The dual goals of full employment and price stability were reaffirmed by the Full Employment and Balanced Growth Act of 1978, also known as the Humphrey-Hawkins Act.¹⁶

By law, the Federal Reserve System is a self-financing entity that is independent of the Executive Branch and subject only to broad oversight by the Congress. Consistent with the recommendations of the Commission, the effects of monetary policy and the actions of the Federal Reserve System are non-budgetary, with exceptions for excess income generated through its operations. The Federal Reserve System earns income from a variety of sources including interest on Government securities, foreign currency investments and loans to depository institutions, and fees for services (e.g., check clearing services) provided to depository institutions. The Federal Reserve System remits to Treasury any excess income over expenses annually. In 2013, Treasury recorded \$75.8 billion in receipts from the Federal Reserve System. In addition to remitting excess income to Treasury, the Federal Reserve is required by law to transfer a portion of its excess earnings to the Consumer Financial Protection Bureau (CFPB), an independent bureau of the Federal Reserve.¹⁷

The Board of Governors of the Federal Reserve is a Federal Government agency, but because of its independent status, its budget is not subject to Executive Branch review and is included in the *Budget Appendix* for informational purposes only. The Federal Reserve Banks are subject to Board oversight and managed by boards of directors chosen by the Board of Governors and member banks, which include all national banks and State banks that choose to become members. The budgets of the regional Banks are subject to approval by the Board of Governors and are not included in the *Budget Appendix*.

Indirect macroeconomic effects of Federal activity.—Government activity has many effects on the Nation’s economy that extend beyond the amounts recorded in the budget. Government expenditures, taxation, tax expenditures, regulation, and trade policy can all affect the allocation of resources among private uses and income distribution among individuals. These effects, resulting indirectly from Federal activity, are generally not part of the budget, but the most important of these are discussed in this volume. For example, the effects of the American Recovery and Reinvestment Act of 2009 (ARRA) among other things, are discussed in Chapter 2 of this volume, “Economic Assumptions and Interactions with the Budget.”

¹³ Under section 415(b) of the Amtrak Reform and Accountability Act of 1997, (49 U.S.C. 24304 and note), Amtrak was required to redeem all of its outstanding common stock. Once all outstanding common stock is redeemed, Amtrak will be wholly-owned by the Government and, at that point, its non-budgetary status may need to be reassessed.

¹⁴ The most recent Regulatory Plan and introduction to the Unified Agenda issued by the General Services Administration’s Regulatory Information Service Center are available on-line at www.reginfo.gov and at www.gpoaccess.gov.

¹⁵ See 12 U.S.C. 225a.

¹⁶ See 15 U.S.C. 3101 et seq.

¹⁷ See section 1011 of Public Law 111-203 (12 U.S.C. 5491), (2010). The CFPB is an executive agency, led by a director appointed by the President and reliant on Federal funding, that serves the governmental function of regulating Federal consumer financial laws. Accordingly, it is included in the Budget.

