

Focus on Function 800 – General Government

Function 800 (General Government) includes the activities of the White House and the Executive Office of the President, the legislative branch, and programs designed to carry out the legislative and administrative responsibilities of the federal government, including fiscal operations, personnel management, and property control.

Table 1: Function 800 Spending, 2019
(In billions of dollars)

| | |
|-----------------------------|------------|
| Discretionary BA | 18.3 |
| Discretionary Outlays | 17.9 |
| Mandatory Outlays | <u>7.0</u> |
| Total Outlays | 24.9 |

Note: Estimates assume 2018 emergency funding is one-time only.

Operations of the Internal Revenue Service and the legislative branch are the two largest components of Function 800 discretionary spending. The three largest mandatory expenditures are payments from the Judgment Fund, Build America Bond payments, and mineral leasing payments.

According to the Congressional Budget Office (CBO) spring 2018 baseline excluding emergencies, budget authority (BA) for discretionary programs in Function 800 for 2019 will account for 1 percent of total discretionary funding. Outlays for mandatory programs in Function 800 will account for less than 1 percent of total non-interest mandatory spending excluding undistributed offsetting receipts.

DISCRETIONARY

Internal Revenue Service (IRS): IRS is a bureau of the Department of the Treasury charged with collecting taxes and administering the internal revenue laws. Approximately 40 percent of the IRS Function 800 budget is for enforcement activities, including examination of tax returns and applications of organizations seeking tax-exempt status. The remainder funds operations support (such as facility maintenance, rent payments, printing costs and security) and taxpayer services, which help taxpayers understand their tax obligations and correctly file their tax returns. (Function 750, Administration of Justice, also includes \$654 million for IRS enforcement activities. These include investigations into criminal and civil violations of tax laws.)

Table 2: Discretionary BA in Function 800, by Major Program, 2019
(In billions of dollars, excluding emergencies)

| | |
|---|------|
| Internal Revenue Service..... | 11.2 |
| Legislative Branch..... | 4.4 |
| Other Treasury Activities..... | 1.1 |
| Interior Programs..... | 0.2 |
| Election Assistance Commission..... | 0.4 |
| National Archives and Records Administration..... | 0.4 |
| Executive Office of the President..... | 0.4 |
| District of Columbia Courts..... | 0.3 |
| Federal Buildings Fund..... | -0.9 |
| Other..... | 0.8 |
| Total..... | 18.3 |

Legislative Branch: Function 800 funds the operations of the House and Senate, including Member Representational Allowances (to pay for personal office staff, expenses, and franked mail) and committee staff and activities. It also funds the operations of the CBO, Government Accountability Office, Library of Congress, Capitol Police, Architect of the Capitol, and Government Publishing Office.

Other Treasury Activities: The Department of the Treasury’s Departmental Offices, Fiscal Service, and Alcohol and Tobacco Tax and Trade Bureau are funded in Function 800. Departmental Offices, which form the headquarters of the Treasury Department, are engaged in formulating economic and financial policy, overseeing terrorism and financial intelligence and efforts to fight financial crimes, and providing general management. The Fiscal Service works with other agencies to improve the financial integrity and operational efficiency of the federal government. The Alcohol and Tobacco Tax and Trade Bureau is responsible for enforcing laws regulating the alcohol and tobacco industries.

Interior Programs: There are several programs administered by the Department of the Interior that are funded in Function 800. The largest is the Payments in Lieu of Taxes (PILT) program. PILT makes payments to local governments with federal lands within their boundaries to make up for lost revenues due to their inability to collect property taxes.

Election Assistance Commission (EAC): The EAC was established to assist states in complying with the Help America Vote Act of 2002 that set minimum standards for administering elections. It also sets voting system guidelines, conducts research, and administers a national clearinghouse on elections that includes shared practices, information for voters, and other resources to improve elections.

National Archives and Records Administration (NARA): The NARA is the nation’s record keeper. In addition to keeping important national documents like the Declaration of

Independence and the Constitution, it holds records of ordinary citizens, such as military and naturalization records.

Executive Office of the President (EOP): EOP includes the staff and administrative services in support of the President. It includes the Office of Management and Budget, the Office of National Drug Control Policy, the National Security Council, the Homeland Security Council, Council of Economic Advisers, and the Office of the U.S. Trade Representative.

District of Columbia Courts: By law the federal government is required to finance the District of Columbia Courts. This payment finances the operations, as well as capital improvements, of the District of Columbia Court of Appeals, the Superior Court, and the Court System.

Federal Buildings Fund (FBF): The FBF is a revolving fund managed by the General Services Administration for the operation, maintenance, repair, and construction of federal buildings and land ports of entry. Negative budget authority reflects rent collections from agencies that exceed spending on these activities.

Other: Function 800 includes funding for a number of programs and organizations with funding levels of less than \$200 million per year. These include federal drug control programs, the Office of Personnel Management, the Federal Election Commission, the Merit Systems Protection Board, and the Federal Labor Relations Authority.

MANDATORY

Table 3: Mandatory Outlays in Function 800, by Major Program
(In billions of dollars)

| | <u>2019</u> | <u>2019-2028</u> |
|---|-------------|------------------|
| Claims, Judgments, and Relief Acts | 3.5 | 35.0 |
| Build America Bond Payments | 3.6 | 38.4 |
| Mineral Leasing and Associated Payments | 1.5 | 18.3 |
| Other | <u>-1.7</u> | <u>-19.1</u> |
| Total | 7.0 | 72.6 |

Claims, Judgments, and Relief Acts: There is a permanent, indefinite appropriation to pay judicially ordered monetary awards against the United States where funds are not legally available to pay the award from an agency’s appropriation. Amounts paid may vary significantly from year to year.

Build America Bond Payments: The American Recovery and Reinvestment Act of 2009 established a subsidy program to help reduce the cost of borrowing for state and local governments as a way to incentivize projects and create jobs. This program is in effect only for certain bonds issued prior to January 1, 2011.

Mineral Leasing and Associated Payments: Under the Mine Leasing Act, the federal government provides to each state a portion of federal revenues generated from mineral production occurring on federal lands within that state.

Other: Function 800 mandatory also includes a number of other activities such as financial agent services, compensation of members of Congress, and miscellaneous receipts from the public coming in to more than 20 agencies.

TAX EXPENDITURES

There are four tax expenditures related to this function. The largest item – totaling about \$100 billion in 2017 and dropping to roughly \$25 billion per year thereafter – is the deduction of nonbusiness state and local government taxes. The 2017 Tax Act (P.L. 115-97) capped this deduction at \$10,000 for tax years 2018 through 2025. The other tax expenditures are the exclusion of interest on public purpose state and local government bonds, the tax credit for Build America Bonds, and the elimination of the requirement that financial institutions allocate interest expense attributable to tax-exempt interest.

RELEVANT AGENCIES AND CONGRESSIONAL COMMITTEES

Table 4: Discretionary BA in Function 800, by Agency, 2019
(In billions of dollars, excluding emergencies)

| | |
|--|------------|
| Legislative Branch | 4.4 |
| Department of the Interior | 0.2 |
| Department of the Treasury | 12.3 |
| Executive Office of the President | 0.4 |
| General Services Administration | -0.6 |
| Office of Personnel Management | 0.1 |
| District of Columbia | 0.4 |
| Election Assistance Commission | 0.4 |
| National Archives and Records Administration | 0.4 |
| Other | <u>0.3</u> |
| Total | 18.3 |

Table 5: Mandatory Outlays in Function 800, by Agency
(In billions of dollars)

| | <u>2019</u> | <u>2019-2028</u> |
|--------------------------------------|-------------|------------------|
| Department of Homeland Security..... | 0.2 | 1.8 |
| Department of the Interior..... | 2.2 | 22.5 |
| Department of the Treasury..... | 6.6 | 69.3 |
| Other..... | <u>-2.0</u> | <u>-21.0</u> |
| Total..... | 7.0 | 72.6 |

Table 6: Discretionary BA in Function 800, by Appropriations Subcommittee, 2019
(In billions of dollars, excluding emergencies)

| | |
|--|------------|
| Financial Services and General Government..... | 13.6 |
| Interior, Environment, and Related Agencies..... | 0.3 |
| Legislative Branch..... | 4.3 |
| Other..... | <u>0.1</u> |
| Total..... | 18.3 |

Table 7: Mandatory Outlays in Function 800, by Committee
(In billions of dollars)

| | <u>2019</u> | <u>2019-2028</u> |
|--|-------------|------------------|
| Education and Labor..... | -0.1 | -1.3 |
| Energy and Commerce..... | -0.3 | -3.4 |
| Financial Services..... | 1.4 | 14.7 |
| House Administration..... | 0.1 | 1.5 |
| Judiciary..... | 2.3 | 22.6 |
| Natural Resources..... | 2.1 | 21.9 |
| Oversight and Government Reform..... | -0.6 | -5.5 |
| Transportation and Infrastructure..... | -0.1 | -1.4 |
| Ways and Means..... | 3.1 | 33.0 |
| Other..... | <u>-0.8</u> | <u>-9.5</u> |
| Total..... | 7.0 | 72.6 |