FISCAL YEAR 2014

BUDGET

OF THE U.S. GOVERNMENT

OFFICE OF MANAGEMENT AND BUDGET | BUDGET.GOV efforts. Since its establishment in 2001, the Aviation Passenger Security Fee has been statutorily limited to $2.50 per enplanement, with a maximum fee of $5.00 per one-way trip. This recovers less than 30 percent of the Transportation Security Administration's aviation security costs, including overhead and the Federal Air Marshal Service, which have risen over the years while the fee has remained the same. The Budget proposes to replace the current "per enplanement" fee structure so that passengers pay the fee only one time per one-way trip; remove the current statutory fee limit and replace it with a statutory fee minimum of $5.00, with annual incremental increases of 50 cents from 2015 to 2019, resulting in a fee of $7.50 in 2019 and thereafter; and allow the Secretary of Homeland Security to adjust the fee through regulation when necessary. The proposed fee would collect an estimated $9 billion in additional fee revenue over five years, and $25.9 billion over 10 years. Of this amount, $18 billion will go towards debt reduction.

Share Payments More Equitably for Air Traffic Services. All flights that use controlled air space require a similar level of air traffic services. However, commercial and general aviation can pay very different aviation fees for those same air traffic services. To reduce the deficit and more equitably share the cost of air traffic services across the aviation user community, the Budget proposes to create a $100 per flight fee, payable to the Federal Aviation Administration, by aviation operators who fly in controlled airspace. All piston aircraft, military aircraft, public aircraft, air ambulances, aircraft operating outside of controlled airspace, and Canada-to-Canada flights would be exempted. This fee would generate an estimated $7.3 billion over 10 years. Assuming the enactment of the fee, total charges collected from aviation users would finance roughly three-fourths of airport investments and air traffic control system costs. To ensure appropriate input from stakeholders on the design of the fee, the proposal would also establish an expert Commission that could recommend to the President a replacement charge, or charges, that would raise no less in revenue than the enacted fee.

Provide Postal Service Financial Relief and Undertake Reform. The Budget includes a comprehensive and balanced legislative proposal to provide short-term financial relief and longer term reforms to the financially strapped Postal Service. It includes flexibilities that will allow the Postal Service to realign its business plan to better compete in the changing marketplace of increasingly digital communication, including provisions that enable the agency to reduce its costs and increase its revenues. These reforms will result in savings of more than $20 billion over 10 years, and build on the Postal Service's ongoing initiatives to implement operating efficiencies and business solutions to return it to sustainability.

Strengthen Pension Benefit Guaranty Corporation to Protect Worker Pensions. The Budget gives the Board of Directors of the Pension Benefit Guaranty Corporation (PBGC) discretion to increase premium rates to generate up to an additional $25 billion beginning in 2015. This reform is necessary to ensure the continued financial soundness of PBGC, which currently has a deficit of $35 billion. PBGC premiums are currently much lower than what a private financial institution would charge for insuring the same risk, and unlike private insurers (or even other similar agencies, such as the FDIC), the PBGC is currently unable to adjust the premiums it assesses from plan sponsors to cover potential liabilities.

Strengthen UI Safety Net and Improve Program Integrity. The combination of chronically underfunded reserves and the economic downturn has placed a considerable financial strain on States' Unemployment Insurance (UI) operations. Currently, 23 States owe more than $28 billion to the Federal UI trust fund, and employers in those States are now facing automatic Federal tax increases.

The Budget would put the UI system back on the path to solvency by providing immediate tax relief to employers to encourage job creation now and reestablishing State fiscal responsibility going forward. Under this proposal, employers in

Table S–8. Bridge From Balanced Budget and Emergency Control Act (BBEDCA) Baseline to Adjusted Baseline

(Deficit increases (+) or decreases (–) in billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014–2018	Totals 2014–2023
BBEDCA baseline deficit	**1,087**	**912**	**687**	**655**	**698**	**728**	**764**	**815**	**869**	**928**	**1,041**	**1,041**	**3,532**	**8,227**
Adjustments for current policy:														
Continue tax benefits provided under the American Taxpayer Relief Act (ATRA) [1]	....	....	....	....	....	....	2	30	31	32	33	33	2	161
Prevent reduction in Medicare physician payments	....	....	15	21	22	23	22	25	27	29	32	32	103	249
Reflect incremental cost of funding existing Pell maximum grant award	....	....	–1	–1	5	5	3	3	3	3	3	3	12	28
Reflect Postal Service default on 2013 retiree health benefit payment	....	6	....	....	....	–*	–*	–*	–*	–*	–*	–*	–1	–3
Subtotal	....	6	14	20	28	27	26	58	61	64	68	68	115	436
Adjustments for provisions contained in the Budget Control Act:														
Set discretionary budget authority at cap levels	....	*	–20	–34	–43	–48	–53	–57	–62	–68	–71	–74	–198	–531
Reflect Joint Committee enforcement	....	....	–50	–86	–101	–105	–107	–108	–108	–109	–48	–15	–450	–838
Subtotal	....	*	–70	–120	–145	–154	–160	–165	–171	–176	–120	–88	–648	–1,369
Adjustments for disaster costs:														
Remove non-recurring emergency costs	....	....	–9	–27	–40	–46	–50	–52	–55	–56	–58	–59	–171	–451
Add placeholder for future emergency costs [2]	....	1	5	7	8	9	9	10	10	10	10	10	38	88
Reclassify surface transportation outlays:														
Remove outlays from appropriated category	–1	–1	–1	–1	–2	–2	–2	–2	–2	–2	–2	–2	–8	–16
Add outlays to mandatory category	1	1	1	1	2	2	2	2	2	2	2	2	8	16
Subtotal	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Total program adjustments	....	7	–60	–120	–148	–164	–174	–150	–154	–159	–99	–69	–666	–1,297
Debt service on adjustments	....	*	–*	–*	–2	–8	–18	–29	–37	–46	–53	–58	–29	–252
Total adjustments	....	7	–60	–120	–151	–172	–192	–179	–191	–204	–152	–127	–695	–1,549
Adjusted baseline deficit	**1,087**	**919**	**627**	**536**	**547**	**556**	**571**	**637**	**678**	**723**	**889**	**913**	**2,837**	**6,678**

*$500 million or less.

[1] The baseline permanently continues the tax benefits provided to individuals and families that were extended only through taxable year 2017 under ATRA.

[2] These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction.

S–9. Mandatory and Receipt Proposals—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014–2018	Totals 2014–2023
Extend SSI time limits for qualified refugees	....	46	53	....	....	....	....	....	....	....	....	99	99
Medicaid effects	....	11	13	....	....	....	....	....	....	....	....	24	24
SNAP effects	....	–8	–9	....	....	....	....	....	....	....	....	–17	–17
Conform treatment of State and local government earned income tax credit (EITC) and child tax credit (CTC) for SSI [17]	....	....	....	....	....	....	....	....	....	....	....	....	....
Total, Social Security Administration (SSA)	....	74	92	90	....	....	....	....	....	....	....	256	256
Other Independent Agencies:													
Postal Service:													
Enact Postal Service financial relief and reform:													
PAYGO effects	582	2,894	–903	–3,057	–3,185	–3,185	–3,185	–3,185	–3,185	–3,185	–3,185	–7,436	–23,361
Non-scoreable effects	972	1,822	5,117	8,675	2,835	2,835	2,835	2,835	2,835	2,835	2,835	21,284	35,459
Railroad Retirement Board (RRB):													
Allow the electronic certification of certain RRB benefits	....	....	....	....	....	....	....	....	....	....	....	....	....
Total, other independent agencies	1,554	4,716	4,214	5,618	–350	–350	–350	–350	–350	–350	–350	13,848	12,098
Multi-Agency:													
Provide the Secretary of the Treasury authority to access and disclose prisoner data to prevent and identify improper payments:													
Labor effects	....	–5	–10	–10	–10	–10	–10	–10	–11	–11	–12	–45	–99
Treasury effects [1]	....	–24	–35	–36	–37	–38	–39	–40	–41	–42	–43	–170	–375
SSA effects	....	15	....	....	....	....	....	....	....	....	....	15	15
Total, Provide the Secretary of the Treasury authority to access and disclose prisoner data to prevent and identify improper payments	....	–14	–45	–46	–47	–48	–49	–50	–52	–53	–55	–200	–459
Increase TRICARE Prime enrollment fee, impose Standard/Extra annual enrollment fee, and deductible/catastrophic cap adjustments (mandatory effects in Coast Guard, Public Health Service and National Oceanic and Atmospheric Administration)	....	–5	–13	–19	–25	–30	–32	–35	–37	–40	–43	–92	–279
Enact Spectrum License User Fee and allow the FCC to auction predominantly domestic satellite services	–50	–225	–325	–425	–550	–550	–550	–550	–550	–550	–550	–2,075	–4,825

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APPENDIX

BUDGET OF THE U.S. GOVERNMENT

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DETAILED BUDGET ESTIMATES

The Budget *Appendix* contains various tables and schedules in support of the budget. It includes explanations of the work to be performed and the money needed. It includes the language proposed for enactment by Congress on each item that requires congressional action in an appropriations bill. It also contains the language proposed for the general provisions of appropriations acts that apply to entire agencies or groups of agencies. The chapter, "Budget Concepts", in the *Analytical Perspectives*, explains the terms and budget concepts used throughout the budget.

ARRANGEMENT

The second chapter in the *Appendix* presents general provisions of law that apply to all Government activities (see explanation below). Chapters for the Legislative Branch and the Judiciary follow. These are followed by chapters for the Executive Branch. The cabinet departments appear first in alphabetical order and are followed by the larger non-departmental agencies, such as Other Defense—Civil Programs, and the Executive Office of the President. The remaining small agencies are listed under the heading Other Independent Agencies. If the amounts in the individual accounts for other independent agencies are below the million dollar reporting threshold applicable to data in the *Appendix*, the data are consolidated into a single set of schedules under "Other Commissions and Boards." Appropriations language for these agencies is presented individually under the same heading.

A section for a large agency is usually organized by major subordinate organizations within the agency (usually bureaus) or by major program area (such as military personnel in the Department of Defense).

Within each bureau or major program area, accounts usually appear in the following order:

—general fund accounts;
—special fund accounts;
—public enterprise revolving funds;
—intragovernmental revolving funds and management funds;
—credit reform accounts, in the following order: program account, financing account, and liquidating account;
—trust funds;
—trust revolving funds.

By law, the Old-Age and Survivors Insurance and Disability Insurance trust funds (Social Security) are outside the budget totals. These accounts are presented in the Social Security Administration section. Also, by law, the Postal Service Fund is outside the budget totals. A presentation for the Fund is included in the Other Independent Agencies section.

General provisions are provisions in appropriations acts that apply to more than one appropriation. They usually appear in separate titles of the appropriations acts. The proposed language for general provisions of appropriations acts that are applicable to one agency appear at the end of the section for that agency. When they apply only to the appropriations for two or more agencies covered by the act, they will appear at the end of the section for one of those agencies. The Government-wide general provisions apply to all appropriations Government-wide.

The following table indicates the location of all general provisions. The first column of the table lists the most recently enacted appropriations and the major agencies responsible for programs funded by each act. The second column provides the location of the general provisions that apply to the agencies listed in the first column. The general provisions that are Government-wide in scope (identified as "Departments, Agencies, and Corporations") contained in the Financial Services and General Government Appropriations Act, appear in a separate chapter following this one. At the time the President's 2014 Budget request was developed, none of the full-year appropriations bills for 2013 was enacted; therefore, the programs and activities normally provided for in the full-year appropriations bills were operating under a continuing resolution (Public Law 112–175). The continuing resolution is based on language enacted for 2012.

Appropriations Act	Chapter in which general provisions appear
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, P.L. 112–55.	
Department of Agriculture, excluding Forest Service	Department of Agriculture
Department of Health and Human Services, Food and Drug Administration.	Department of Agriculture
Commerce, Justice, Science, and Related Agencies Appropriations Act, P.L. 112–55.	
Department of Commerce	Department of Commerce
Department of Justice	Department of Justice
National Aeronautics and Space Administration	Department of Commerce
National Science Foundation	Department of Commerce
Department of Defense Appropriations Act, P.L. 112–74	Department of Defense
Energy and Water Development and Related Agencies Appropriations Act, P.L. 112–74.	
Department of Energy	Department of Energy
Corps of Engineers	Corps of Engineers—Civil Works
Department of the Interior, Bureau of Reclamation	Department of the Interior
Financial Services and General Government Appropriations Act, P.L. 112–74.	
Department of the Treasury	Department of the Treasury
District of Columbia	Other Independent Agencies
Executive Office of the President	Department of the Treasury
Department of Homeland Security Appropriations Act, P.L. 112–74	Department of Homeland Security

Flexible Benefits Plan Reserve—Continued

Program and Financing—Continued

Identification code 24–0800–0–1–805		2012 actual	2013 CR	2014 est.
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	12	33	34
	Outlays, gross:			
4100	Outlays from new mandatory authority	4	23	24
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4120	Federal sources	–4	–4	–4
4123	Non-Federal sources	–8	–29	–30
4130	Offsets against gross budget authority and outlays (total)	–12	–33	–34
4170	Outlays, net (mandatory)	–8	–10	–10
4190	Outlays, net (total)	–8	–10	–10

This account contains reserve resources required under the Office of Personnel Management's contract with the administrator of the Flexible Benefits program. This account is funded by payments from Federal agencies based on the participation of their employees in the program and from net forfeitures, as authorized by the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108–136). Account assets are available to indemnify the administrator when benefit payments exceed contributions, and for program enhancements.

Object Classification (in millions of dollars)

Identification code 24–0800–0–1–805		2012 actual	2013 CR	2014 est.
99.0	Reimbursable obligations	4	23	24

Postal Service Retiree Health Benefits Fund

Special and Trust Fund Receipts (in millions of dollars)

Identification code 24–5391–0–2–551		2012 actual	2013 CR	2014 est.
0100	Balance, start of year	43,707	45,347	47,347
	Receipts:			
0240	Postal Service Contributions for Current Workers, Postal Service Retiree Health Benefits Fund		3,339	3,521
0241	Earnings on Investments, Postal Service Retiree Health Benefits Fund	1,640	1,573	1,528
0242	Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund		5,600	5,700
0243	Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund			–5,700
0244	Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund		–5,600	
0299	Total receipts and collections	1,640	4,912	5,049
0400	Total: Balances and collections	45,347	50,259	52,396
	Appropriations:			
0500	Postal Service Retiree Health Benefits Fund	–1,640	–7,173	–7,228
0501	Postal Service Retiree Health Benefits Fund	1,640	7,173	7,228
0502	Postal Service Retiree Health Benefits Fund		–2,912	–3,199
0599	Total appropriations		–2,912	–3,199
0799	Balance, end of year	45,347	47,347	49,197

Program and Financing (in millions of dollars)

Identification code 24–5391–0–2–551		2012 actual	2013 CR	2014 est.
	Budgetary Resources:			
	Budget authority:			
	Appropriations, mandatory:			
1201	Appropriation (special or trust fund)	1,640	7,173	7,228
1235	Appropriations precluded from obligation	–1,640	–7,173	–7,228
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	43,708	45,347	52,670
5001	Total investments, EOY: Federal securities: Par value	45,347	52,670	59,898

The Postal Accountability and Enhancement Act (P.L. 109–435) created the Postal Service Retiree Health Benefits Fund to help fully fund the Postal Service's retiree (annuitant) health benefits liabilities.

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108–18) that were held in escrow during 2006; 2) payments defined within P.L. 109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service.

As a result of this health benefits financing system, beginning in 2017, the Postal Service will cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund. Instead, these premium payments will be paid from amounts that the Postal Service remits to this fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Postal Service Retiree Health Benefits Fund

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24–5391–4–2–551		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0001	Direct program activity		2,912	3,199
0900	Total new obligations (object class 12.1)		2,912	3,199
	Budgetary Resources:			
	Budget authority:			
	Appropriations, mandatory:			
1235	Appropriations precluded from obligation		2,912	3,199
1260	Appropriations, mandatory (total)		2,912	3,199
1930	Total budgetary resources available		2,912	3,199
	Change in obligated balance:			
	Unpaid obligations:			
3010	Obligations incurred, unexpired accounts		2,912	3,199
3020	Outlays (gross)		–2,912	–3,199
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross		2,912	3,199
	Outlays, gross:			
4100	Outlays from new mandatory authority		2,912	3,199
4180	Budget authority, net (total)		2,912	3,199
4190	Outlays, net (total)		2,912	3,199

Under the Postal Accountability and Enhancement Act of 2006 (P.L. 109–435), USPS must make a stream of payments set in statute through 2016 toward paying down retiree health benefit unfunded liabilities, as well as pay annual Federal Employees Health Benefits Program premiums for current retirees. Also under current law, starting in 2017, USPS must pay the per capita accruing costs (or normal cost) to fund future retiree health benefits of current employees and a 40-year amortization of the remaining unfunded liability (UFL) for current retirees. The Budget proposes to shift how the Postal Service (USPS) pre-funds its retiree health benefits UFL. Under the proposal, starting in 2013, USPS would pay the normal costs for the future retiree health benefits of current employees and also a stream of payments associated with paying down the remaining UFL for current retirees. Further, the Budget would provide USPS temporary financial relief as the 2013 ($5.6 billion) and 2014 ($5.7 billion) UFL payments would be adjusted so that USPS would pay through 2014 a total of $10.6 billion less than what it would have paid to this Fund under current law. USPS would make up this $10.6 billion payment to the Fund by paying larger amounts in future years through the 40-year amortization of the remaining UFL that starts in 2017. The Budget also proposes to codify two statutory RHB prefunding payments that USPS defaulted on in FY 2012. These defaults, totaling $11.1 billion, are factored into the 40-year amortization schedule starting in 2017, but currently remain on USPSs financial statements as outstanding liabilities.

This proposal provides the following benefits to USPS: 1) USPS would be provided temporary financial relief in the form of lower payments in 2013 and 2014; 2) The calculations of normal cost and UFL are based on actuarial assumptions (as of fall 2012) that reflect USPS's employee population change since 2006, when the prefunding mechanism was originally adopted (note, however, that the actual annual payments for the normal costs are reset each year based on the number of USPS employees); 3) This Fund would pay the premiums for current USPS retirees now, rather than starting in 2017—this accelerates what would have occurred anyway in 2017 under current law. See also the Postal Service section of this Appendix for information on this proposal.

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24–4571–0–4–805		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0801	Talent services	998	851	831
0802	Investigation services	1,045	1,172	1,189
0803	Leadership capacity services	36		
0804	Enterprise human resources integration	49	58	36
0805	USAJOBS/PMF	18	11	11
0806	Presidential Management Fellows		4	4
0900	Total new obligations	2,146	2,096	2,071
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	413	404	294
1021	Recoveries of prior year unpaid obligations	135		
1050	Unobligated balance (total)	548	404	294
	Budget authority:			
	Spending authority from offsetting collections, mandatory:			
1800	Collected	2,166	1,986	1,991
1801	Change in uncollected payments, Federal sources	–164		
1850	Spending auth from offsetting collections, mand (total)	2,002	1,986	1,991
1900	Budget authority (total)	2,002	1,986	1,991
1930	Total budgetary resources available	2,550	2,390	2,285
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	404	294	214
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	1,141	1,131	1,241
3010	Obligations incurred, unexpired accounts	2,146	2,096	2,071
3020	Outlays (gross)	–2,021	–1,986	–1,991
3040	Recoveries of prior year unpaid obligations, unexpired	–135		
3050	Unpaid obligations, end of year	1,131	1,241	1,321
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	–971	–807	–807
3070	Change in uncollected pymts, Fed sources, unexpired	164		
3090	Uncollected pymts, Fed sources, end of year	–807	–807	–807
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	170	324	434
3200	Obligated balance, end of year	324	434	514
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	2,002	1,986	1,991
	Outlays, gross:			
4100	Outlays from new mandatory authority	887	548	1,991
4101	Outlays from mandatory balances	1,134	1,438	
4110	Outlays, gross (total)	2,021	1,986	1,991
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4120	Federal sources	–2,166	–1,986	–1,991
	Additional offsets against gross budget authority only:			
4140	Change in uncollected pymts, Fed sources, unexpired	164		
4170	Outlays, net (mandatory)	–145		
4190	Outlays, net (total)	–145		

Budget Program.—OPM's Revolving Fund provides financing for investigations, training, and other functions that OPM is authorized or required to perform on a reimbursable basis. OPM programs offer the following:

OPM's Human Resources Solutions (HRS) organization delivers human resources products and services to Federal agencies on a reimbursable basis. These products and services are designed to help Federal agency customers develop leaders committed to public service values, attract and build a top quality public sector workforce and aid in their transformation into high-performing organizations. As a revolving fund program, HRS recovers costs of operations by managing thousands of individual reimbursable agreements from more than 150 Federal Departments and agencies. HRS will continue to provide assisted acquisition services and project management to client agencies in the areas of HR Strategy, Learning Management, Recruitment & Branding, and Training. HRS will serve as the program office for USA Staffing and OPM's Talent Acquisition System for Federal agencies. Also, HRS will continue to partner with agencies to meet their missions by providing effective staff acquisition solutions that attract, assess, and build a high-quality public sector workforce and transform agencies into high performing organizations.

OPM's Office of the Chief Information Officer (CIO) will maintain USAJOBS, the official job site of the Federal government. It is the one-stop source for Federal jobs and employment information. The USAJOBS.gov website has emerged over the last decade as the face of Federal hiring. USAJOBS 3.0 yields alignment of Federal recruiting and hiring. A key element to this strategy is that the product is Government-hosted, with key enterprise components brought under full Government control, while the Federal Government leverages innovation from the private sector. CIO will provide a centralized secure platform that helps to streamline the Federal government's overall hiring process. USAJOBS will continue as a job board and a resume and document repository for candidate information. It will continue to provide extensive Federal employment information to the Public, coordinates recruitment information across agencies and interact with job seekers through the use of Social Media.

OPM's Presidents Management Fellows Program (PMF) is a leadership development program at the entry level for advanced degree candidates. The PMF Program attracts and selects candidates with the goal of developing future government leaders. PMF provides agencies with graduates from a variety of academic disciplines and career paths, who have a clear interest in, and commitment to, excellence in the leadership and management of public policies and programs.

OPM's Federal Investigative Services organization performs personnel background investigative services to determine indi-

	Receipts:			
0200	Employee Contributions, Civil Service Retirement and Disability Fund	3,012	3,023	3,003
0201	Employee Contributions, Civil Service Retirement and Disability Fund	....	....	800
0202	District of Columbia Contributions, Civil Service Retirement and Disability Fund	28	19	17
0203	Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund	655	661	670
0240	Agency Contributions, Civil Service Retirement and Disability Fund	21,484	21,824	22,190
0241	Agency Contributions, Civil Service Retirement and Disability Fund	....	....	–17
0242	Postal Service Agency Contributions, Civil Service Retirement and Disability Fund	3,879	3,600	3,524
0243	FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund	392	329	263
0244	Treasury Interest, Civil Service Retirement and Disability Fund	34,257	31,302	29,697
0245	General Fund Payment to the Civil Service Retirement and Disability Fund	33,023	32,374	33,174
0246	General Fund Payment to the Civil Service Retirement and Disability Fund	....	....	–34
0247	Re-employed Annuitants Salary Offset, Civil Service Retirement and Disability Fund	50	51	52
0299	Total receipts and collections	96,780	93,183	93,339
0400	Total: Balances and collections	894,259	912,936	925,948
	Appropriations:			
0500	Civil Service Retirement and Disability Fund	–102	–91	–98
0501	Civil Service Retirement and Disability Fund	–96,677	–93,183	–92,590
0502	Civil Service Retirement and Disability Fund	22,273	15,547	11,381
0503	Civil Service Retirement and Disability Fund	....	–2,600	–4,430
0599	Total appropriations	–74,506	–80,327	–85,737
0799	Balance, end of year	819,753	832,609	840,211

Program and Financing (in millions of dollars)

Identification code 24–8135–0–7–602		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0001	Annuities	73,981	77,352	80,921
0002	Refunds and death claims	377	284	288
0003	Administration - operations	142	85	92
0004	Transfer to MSPB	2	2	2
0005	Administration - OIG	4	4	4
0900	Total new obligations	74,506	77,727	81,307
	Budgetary Resources:			
	Budget authority:			
	Appropriations, discretionary:			
1101	Appropriation (special or trust fund)	102	91	98
1160	Appropriation, discretionary (total)	102	91	98
	Appropriations, mandatory:			
1201	Appropriation (special or trust fund)	96,677	93,183	92,590
1235	Portion precluded from balances	–22,273	–15,547	–11,381
1260	Appropriations, mandatory (total)	74,404	77,636	81,209
1900	Budget authority (total)	74,506	77,727	81,307
1930	Total budgetary resources available	74,506	77,727	81,307
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	6,368	6,817	7,123
3010	Obligations incurred, unexpired accounts	74,506	77,727	81,307
3020	Outlays (gross)	–74,057	–77,421	–81,025
3050	Unpaid obligations, end of year	6,817	7,123	7,405
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	6,368	6,817	7,123
3200	Obligated balance, end of year	6,817	7,123	7,405
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	102	91	98
	Outlays, gross:			
4010	Outlays from new discretionary authority	43	91	98
4011	Outlays from discretionary balances	58	....	....
4020	Outlays, gross (total)	101	91	98
	Mandatory:			
4090	Budget authority, gross	74,404	77,636	81,209
	Outlays, gross:			
4100	Outlays from new mandatory authority	67,646	70,804	74,226
4101	Outlays from mandatory balances	6,310	6,526	6,701
4110	Outlays, gross (total)	73,956	77,330	80,927
4180	Budget authority, net (total)	74,506	77,727	81,307
4190	Outlays, net (total)	74,057	77,421	81,025
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	803,813	826,555	842,276
5001	Total investments, EOY: Federal securities: Par value	826,555	842,276	853,789

Summary of Budget Authority and Outlays (in millions of dollars)

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Budget Authority	74,506	77,727	81,307
Outlays	74,057	77,421	81,025
Legislative proposal, subject to PAYGO:			
Budget Authority	....	2,600	4,430
Outlays	....	2,600	4,430
Total:			
Budget Authority	74,506	80,327	85,737
Outlays	74,057	80,021	85,455

The Civil Service Retirement and Disability Fund is the oldest and largest of the four trust funds administered by the Compensation Group. The Fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget Authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must thus be determined at some future point in time (e.g., when actual receipts and expenses become known).

The Civil Service Retirement and Disability Fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. The Retirement Fund is a single plan even though there are two different benefit tiers and funding methods. CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.

The Budget proposes that the United States Patent and Trademark Office (PTO) continue to fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

Financing.—The financing of the Retirement Fund is easily the most complex of the four trust funds. CSRS has been financed under a statutory funding method passed by Congress in 1969. This funding method is based on the static economic assumptions of no future inflation, no future general schedule salary increases, and a 5 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law Enforcement Officers, Firefighters, and Congressional employees contribute an extra 0.5 percent of pay, and Members of Congress an extra 1.0 percent of pay. Non-Postal Agencies match the employee contributions. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employ-

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

ees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age funding method as prescribed in Chapter 84 of Title 5, United States Code, and employees and agencies together contribute the full amount of the dynamic normal cost. During fiscal year 2010, the dynamic normal cost was 12.0 percent (employees share, 0.8% and employers share, 11.2%) of pay for regular employees. Effective fiscal year 2012, the normal cost will be 12.7 percent (employees share, 0.8% and employers share, 11.9). On February 22, 2012, President Obama signed into law Public Law (P.L.) 112–96, the Middle Class Tax Relief and Job Creation Act of 2012, which contains provisions related to Federal employee retirement contributions and benefits. P.L. 112–96 increased the FERS employe contribution rate by 2.3% for FERS employees hired (or rehired with less than five years of FERS service) after December 31, 2012. The total normal rate of cost for most newly hired/rehired FERS regular employees and agencies together is still 12.7% of pay (employee share, 3.1% and employer's share, 9.6%). Effective fiscal year 2013, a weighted average normal cost was utilized to corectly capture all other groups of employees and agencies normal cost rates.

This dynamic normal cost is for the defined payment plan only and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary that is equal to the difference between the contribution rate for CSRS employees, as set forth above, and the tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security, which until recently was 4.2 percent of pay. In December 2010, Prseident Obama signed The Middle Class Tax Relief Act of 2010 (P.L. 111–312) which reduced the FERS employees' Social Security payroll tax rate from 6.2 percent to 4.2 percent for two years (2011 and 2012). The Social Security rate reduction was temporary and was not extended as part of the American taxpayer Relief Act. Therefore, the 2013 Social Security tax rate will revert back to the historical level of 6.2 percent.

The Budget proposes amendments to employer and employee FERS and CSRS contributions, as well as the introduction of a FERS phased retirement program and elimination of the FERS annuity Supplement for new federal employees, described in legislative proposal sections, below.

	2012 actual	2013 est.	2014 est.
Active employees	2,784,000	2,733,000	2,706,000
Annuitants:			
Employees	1,950,514	1,982,388	2,033,580
Survivors	593,770	581,605	569,971
Total, annuitants	2,544,284	2,563,993	2,603,551

Status of Funds (in millions of dollars)

Identification code 24–8135–0–7–602		2012 actual	2013 CR	2014 est.
	Unexpended balance, start of year:			
0100	Balance, start of year	803,848	826,571	839,733
0199	Total balance, start of year	803,848	826,571	839,733
	Cash income during the year:			
	Current law:			
	Receipts:			
1200	Employee Contributions, Civil Service Retirement and Disability Fund	3,012	3,023	3,003
1202	District of Columbia Contributions, Civil Service Retirement and Disability Fund	28	19	17
1203	Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund	655	661	670
	Offsetting receipts (intragovernmental):			
1240	Agency Contributions, Civil Service Retirement and Disability Fund	21,484	21,824	22,190
1242	Postal Service Agency Contributions, Civil Service Retirement and Disability Fund	3,879	3,600	3,524
1243	FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund	392	329	263
1244	Treasury Interest, Civil Service Retirement and Disability Fund	34,257	31,302	29,697
1245	General Fund Payment to the Civil Service Retirement and Disability Fund	33,023	32,374	33,174
1247	Re-employed Annuitants Salary Offset, Civil Service Retirement and Disability Fund	50	51	52
1299	Income under present law	96,780	93,183	92,590
	Proposed legislation:			
	Receipts:			
2201	Employee Contributions, Civil Service Retirement and Disability Fund	....	....	800
	Offsetting receipts (intragovernmental):			
2241	Agency Contributions, Civil Service Retirement and Disability Fund	....	....	–17
2246	General Fund Payment to the Civil Service Retirement and Disability Fund	....	....	–34
2299	Income under proposed legislation	....	....	749
3299	Total cash income	96,780	93,183	93,339
	Cash outgo during year:			
	Current law:			
4500	Civil Service Retirement and Disability Fund	–74,057	–77,421	–81,025
4599	Outgo under current law (-)	–74,057	–77,421	–81,025
	Proposed legislation:			
5500	Civil Service Retirement and Disability Fund	....	–2,600	–4,430
5599	Outgo under proposed legislation (-)	....	–2,600	–4,430
6599	Total cash outgo (-)	–74,057	–80,021	–85,455
	Unexpended balance, end of year:			
8700	Uninvested balance (net), end of year	16	–2,543	–6,172
8701	Civil Service Retirement and Disability Fund	826,555	842,276	853,789
8799	Total balance, end of year	826,571	839,733	847,617

Object Classification (in millions of dollars)

Identification code 24–8135–0–7–602		2012 actual	2013 CR	2014 est.
	Direct obligations:			
25.2	Other services from non-Federal sources	148	91	98
42.0	Insurance claims and indemnities	73,981	77,352	80,921
44.0	Refunds and death claims	377	284	288
99.9	Total new obligations	74,506	77,727	81,307

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24–8135–4–7–602		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0006	USPS Refund	....	2,600	4,430
0900	Total new obligations (object class 44.0)	....	2,600	4,430
	Budgetary Resources:			
	Budget authority:			
	Appropriations, mandatory:			
1203	Appropriation (previously unavailable)	....	2,600	4,430
1260	Appropriations, mandatory (total)	....	2,600	4,430
1930	Total budgetary resources available	....	2,600	4,430
	Change in obligated balance:			
	Unpaid obligations:			
3010	Obligations incurred, unexpired accounts	....	2,600	4,430
3020	Outlays (gross)	....	–2,600	–4,430
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	....	2,600	4,430
	Outlays, gross:			
4100	Outlays from new mandatory authority	....	2,600	4,430
4180	Budget authority, net (total)	....	2,600	4,430
4190	Outlays, net (total)	....	2,600	4,430

The Budget proposes to return to the United States Postal Service (USPS) surplus amounts it has paid into its Office of Personnel Management (OPM) account for its share of Federal Employee Retirement System costs, and requires that OPM calculate these costs using factors specific to the demographics of the Postal Service workforce. OPM has determined this surplus, as of September 30, 2011, and based on government-wide demographic assumptions, is approximately $2.6 billion. Given the amount of time necessary for OPM to re-calculate this surplus to account for Postal-specific factors, the Budget would provide the current OPM calculation in 2013, and the remainder of any recalculated surplus in 2014 and 2015. Until OPM has re-calculated the surplus amount using Postal-specific factors, the Budget assumes as a placeholder a total surplus of $11.5 billion, as estimated by the Postal Service Office of Inspector General in December 2012 (and based on USPS investment returns, salary growth rates, cost of living adjustments granted to Postal retirees, and Postal Service demographic trends). See also the Postal Service section of this Appendix.

The 2014 Budget also contains a legislative proposal that impacts the financing and benefits payable under the Civil Service Retirement System. The Budget proposes to Increase Existing Employee Contributions to CSRS and FERS Retirement Systems by 1.2% of salaries phased in over three years. This proposal would increase the normal cost for employees and maintain the employers share at its current contribution rate. This proposal is projected to save the Federal Government approximately $20 Billion dollars over a ten-year period (2014 through 2023).

Employees Life Insurance Fund

Program and Financing (in millions of dollars)

Identification code 24–8424–0–8–602		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0801	Basic life insurance payments	1,569	1,575	1,623
0802	Optional life insurance payments	1,143	1,121	1,145
0803	Shenandoah life insurance payments	1	1	1
0804	Administration—OPM & OIG	2	5	6
0805	Administration—long term care	2	2	2
0900	Total new obligations (object class 25.2)	2,717	2,704	2,777
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	38,782	40,326	42,180
	Budget authority:			
	Spending authority from offsetting collections, discretionary:			
1700	Collected	2	5	6
1750	Spending auth from offsetting collections, disc (total)	2	5	6
	Spending authority from offsetting collections, mandatory:			
1800	Collected	4,255	4,594	4,089
1801	Change in uncollected payments, Federal sources	4	–41	3
1850	Spending auth from offsetting collections, mand (total)	4,259	4,553	4,092
1900	Budget authority (total)	4,261	4,558	4,098
1930	Total budgetary resources available	43,043	44,884	46,278
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	40,326	42,180	43,501
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	815	858	719
3010	Obligations incurred, unexpired accounts	2,717	2,704	2,777
3020	Outlays (gross)	–2,674	–2,843	–2,760
3050	Unpaid obligations, end of year	858	719	736
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	–376	–380	–339
3070	Change in uncollected pymts, Fed sources, unexpired	–4	41	–3
3090	Uncollected pymts, Fed sources, end of year	–380	–339	–342
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	439	478	380
3200	Obligated balance, end of year	478	380	394
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	2	5	6
	Outlays, gross:			
4010	Outlays from new discretionary authority	1	5	6
4011	Outlays from discretionary balances	1	1	
4020	Outlays, gross (total)	2	6	6
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
	Mandatory:			
4090	Budget authority, gross	4,259	4,553	4,092
	Outlays, gross:			
4100	Outlays from new mandatory authority	1,858	2,022	2,077
4101	Outlays from mandatory balances	814	815	677
4110	Outlays, gross (total)	2,672	2,837	2,754
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4120	Federal sources	–550	–517	–515
4121	Interest on Federal securities	–1,028	–1,474	–950
4123	Non-Federal sources	–2,679	–2,605	–2,630
4130	Offsets against gross budget authority and outlays (total)	–4,257	–4,596	–4,095
	Additional offsets against gross budget authority only:			
4140	Change in uncollected pymts, Fed sources, unexpired	–4	41	–3
4160	Budget authority, net (mandatory)	–2	–2	–6
4170	Outlays, net (mandatory)	–1,585	–1,759	–1,341
4180	Budget authority, net (total)		3	
4190	Outlays, net (total)	–1,583	–1,753	–1,335
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	39,678	41,250	41,522
5001	Total investments, EOY: Federal securities: Par value	41,250	41,522	42,843

This fund finances payments to private insurance companies for Federal Employees' Group Life Insurance and expenses of the Office of Personnel Management in administering the program.

The Administration proposes that PTO will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

Budget program.—The status of the basic (regular and optional) life insurance program on September 30 is as follows:

	2012 actual	2013 est.	2014 est.
Life insurance in force (in billions of dollars):			
On active employees	741.6	735.7	729.9
On retired employees	84.6	86.8	89.0
On tribal employees	0	0.3	0.6
Total	826.2	822.8	819.5
Number of participants (in thousands):			
Active employees	2,429	2,395	2,362
Annuitants	1,639	1,655	1,671
Tribal employees	0	1	2
Total	4,068	4,051	4,036

Financing.—Non-Postal Service employees, employees of Tribal organizations, and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies and tribal organizations pay the remaining third. Optional and certain post-retirement Basic coverages are paid entirely by enrollees. The status of the reserves at the end of the year is as follows:

Status of Reserves	2012 actual	2013 est.	2014 est.
Held in reserve (in millions of dollars):			
Contingency reserve	305	305	305
Beneficial association program reserve	0	0	0
U.S. Treasury reserve	40,770	42,624	42,965
Total reserves	41,075	42,929	43,270

PATIENT-CENTERED OUTCOMES RESEARCH TRUST FUND

Federal Funds

PAYMENT TO THE PATIENT-CENTERED OUTCOMES RESEARCH TRUST FUND

Program and Financing (in millions of dollars)

Identification code 95–1299–0–1–552		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0001	General Fund Payment	150	150	150
0900	Total new obligations (object class 94.0)	150	150	150
	Budgetary Resources:			
	Budget authority:			
	Appropriations, mandatory:			
1200	Appropriation	150	150	150
1260	Appropriations, mandatory (total)	150	150	150
1930	Total budgetary resources available	150	150	150
	Change in obligated balance:			
	Unpaid obligations:			
3010	Obligations incurred, unexpired accounts	150	150	150
3020	Outlays (gross)	–150	–150	–150
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	150	150	150
	Outlays, gross:			
4100	Outlays from new mandatory authority	150	150	150
4180	Budget authority, net (total)	150	150	150
4190	Outlays, net (total)	150	150	150

This fund exists for issuance of general fund appropriations to the Patient-Centered Outcomes Research Trust Fund. In accordance with Public Law 111–148, annual appropriations will continue through 2019.

Trust Funds

PATIENT-CENTERED OUTCOMES RESEARCH TRUST FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 95–8299–0–7–552		2012 actual	2013 CR	2014 est.
0100	Balance, start of year	....	....	....
	Receipts:			
0200	Fees on Health Insurance and Self-insured Health Plans, PCORTF	....	178	365
0240	Interest Received by Trust Funds, PCORTF	....	....	1
0241	Payment from the General Fund, Patient-Centered Outcomes Research Trust Fund	150	150	150
0242	Transfers from FHI Trust Fund, PCORTF	....	25	50
0243	Transfers from FSMI Trust Fund, PCORTF	....	27	57
0299	Total receipts and collections	150	380	623
0400	Total: Balances and collections	150	380	623
	Appropriations:			
0500	Patient-Centered Outcomes Research Trust Fund	–150	–380	–623
0799	Balance, end of year	....	....	....

Program and Financing (in millions of dollars)

Identification code 95–8299–0–7–552		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0001	Payment to PCORI	120	304	498
0002	Transfer to HHS	30	76	125
0799	Total direct obligations	150	380	623
0801	Reimbursable Collections	....	120	....
0900	Total new obligations	150	500	623
	Budgetary Resources:			
	Budget authority:			
	Appropriations, mandatory:			
1201	Appropriation (special or trust fund)	150	380	623
1260	Appropriations, mandatory (total)	150	380	623
	Spending authority from offsetting collections, mandatory:			
1800	Collected	....	120	....
1850	Spending auth from offsetting collections, mand (total)	....	120	....
1900	Budget authority (total)	150	500	623
1930	Total budgetary resources available	150	500	623
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	41	....	349
3010	Obligations incurred, unexpired accounts	150	500	623
3020	Outlays (gross)	–191	–151	–325
3050	Unpaid obligations, end of year	....	349	647
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	41	....	349
3200	Obligated balance, end of year	....	349	647
	Budget authority and outlays, net:			
	Mandatory:			
4090	Budget authority, gross	150	500	623
	Outlays, gross:			
4100	Outlays from new mandatory authority	150	151	220
4101	Outlays from mandatory balances	41	....	105
4110	Outlays, gross (total)	191	151	325
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4123	Non-Federal sources	....	–120	....
4180	Budget authority, net (total)	150	380	623
4190	Outlays, net (total)	191	31	325
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	41	....	349
5001	Total investments, EOY: Federal securities: Par value	....	349	646

Public Law 111–148 authorized the establishment of the Patient-Centered Outcomes Research Trust Fund (PCORTF) to receive amounts from general fund appropriations, fees on health insurance and self-insured plans, transfers from the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, and interest earned on investments. Amounts appropriated or credited to the PCORTF are available to the Patient-Centered Outcomes Research Institute and the Secretary of Health and Human Services for carrying out part D of Title XI of the Social Security Act and section 937 of the Public Health Service Act, respectively.

Object Classification (in millions of dollars)

Identification code 95–8299–0–7–552		2012 actual	2013 CR	2014 est.
94.0	Direct obligations: Financial transfers	150	380	623
99.0	Reimbursable obligations	....	120	....
99.9	Total new obligations	150	500	623

POSTAL SERVICE

Federal Funds

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, $70,751,000 which shall not be available for obligation until October 1, 2014: Provided, That mail for overseas voting and mail for the blind shall continue to be free: Provided further, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an ad-

dress of a postal customer: Provided further, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices .

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 18–1001–0–1–372		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0004	Advance Appropriation from the previous year	74	78	78
0900	Total new obligations (object class 41.0)	74	78	78
	Budgetary Resources:			
	Budget authority:			
	Appropriations, discretionary:			
	Advance appropriations, discretionary:			
1170	Advance appropriation	74	78	78
1180	Advanced appropriation, discretionary (total)	74	78	78
1900	Budget authority (total)	74	78	78
1930	Total budgetary resources available	74	78	78
	Change in obligated balance:			
	Unpaid obligations:			
3010	Obligations incurred, unexpired accounts	74	78	78
3020	Outlays (gross)	–74	–78	–78
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	74	78	78
	Outlays, gross:			
4010	Outlays from new discretionary authority	74	78	78
4180	Budget authority, net (total)	74	78	78
4190	Outlays, net (total)	74	78	78

The Budget reflects $78,153,000 for Payment to the Postal Service Fund in 2014. This amount represents an advance appropriation from 2013 for the 2013 costs and the 2010 reconciliation adjustment for free mail for the blind and overseas voting. These resources were made available to the U.S. Postal Service in 2013 (pursuant to P.L. 112–175, the Consolidated Appropriations Resolution, 2013).

In addition, the Budget proposes $70,751,000 as an advance appropriation for 2015 for the 2014 costs ($71,800,000) and the 2011 reconciliation adjustment (-$1,049,000) for actual mail volume of free mail for the blind and overseas voting costs.

Pursuant to Public Law 93–328, the 2014 appropriation request of the U.S. Postal Service for Payment to the Postal Service Fund is $63,235,000. This amount includes $64,284,000 requested for free mail for the blind and overseas voting and -$1,049,000 as reconciliation adjustment for 2011 actual mail volume of free mail for the blind and overseas voting.

Postal Service Fund

Program and Financing (in millions of dollars)

Identification code 18–4020–0–3–372		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0801	Postal field operations	47,805	46,302	45,460
0802	Transportation	6,630	6,650	6,906
0803	Building occupancy	1,906	1,922	1,946
0804	Supplies and services	2,328	2,498	2,386
0805	Research and development	17	17	17
0806	Administration and area operations	8,400	12,234	12,469
0807	Interest	191	193	195
0808	Servicewide expenses	115	116	117
0809	Reimbursable program activities, subtotal	67,392	69,932	69,496
0810	Capital Investment	673	1,000	2,334
0900	Total new obligations	68,065	70,932	71,830
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	....	256	....
	Budget authority:			
	Borrowing authority, mandatory:			
1400	Borrowing authority	2,000	....	....
1440	Borrowing authority, mandatory (total)	2,000	....	....
	Spending authority from offsetting collections, discretionary:			
1700	Collected	....	257	255
1710	Transferred to other accounts [18–0100]	....	–241	–241
1710	Transferred to other accounts [18–0200]	....	–14	–14
1750	Spending auth from offsetting collections, disc (total)	....	2	....
	Spending authority from offsetting collections, mandatory:			
1800	Collected	66,576	64,284	64,642
1810	Spending authority from offsetting collections transferred to other accounts [18–0100]	–241	....	....
1810	Spending authority from offsetting collections transferred to other accounts [18–0200]	–14	....	....
1850	Spending auth from offsetting collections, mand (total)	66,321	64,284	64,642
1900	Budget authority (total)	68,321	64,286	64,642
1930	Total budgetary resources available	68,321	64,542	64,642
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	256	....	....
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	671	....	–1,269
3010	Obligations incurred, unexpired accounts	68,065	70,932	71,830
3020	Outlays (gross)	–68,736	–72,201	–71,623
3050	Unpaid obligations, end of year	....	–1,269	–1,062
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	671	....	–1,269
3200	Obligated balance, end of year	....	–1,269	–1,062
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	....	2	....
	Outlays, gross:			
4010	Outlays from new discretionary authority	....	2	....
	Mandatory:			
4090	Budget authority, gross	68,321	64,284	64,642
	Outlays, gross:			
4100	Outlays from new mandatory authority	68,065	72,199	71,623
4101	Outlays from mandatory balances	671	....	....
4110	Outlays, gross (total)	68,736	72,199	71,623
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4120	Federal sources	–891	–901	–861
4121	Interest on Federal securities	–1	....	....
4123	Non-Federal sources	–65,429	–63,640	–64,036
4130	Offsets against gross budget authority and outlays (total)	–66,321	–64,541	–64,897
4160	Budget authority, net (mandatory)	2,000	–257	–255
4170	Outlays, net (mandatory)	2,415	7,658	6,726
4180	Budget authority, net (total)	2,000	–255	–255
4190	Outlays, net (total)	2,415	7,660	6,726
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	1,815	2,590	2,590
5001	Total investments, EOY: Federal securities: Par value	2,590	2,590	2,590
	Unfunded deficiencies:			
7000	Unfunded deficiency, start of year	....	....	–6,390
	Change in deficiency during the year:			
7010	New deficiency	....	–6,390	–7,188
7020	Unfunded deficiency, end of year	....	–6,390	–13,578

Summary of Budget Authority and Outlays (in millions of dollars)

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Budget Authority	2,000	–255	–255
Outlays	2,415	7,660	6,726
Amounts included in the adjusted baseline:			
Outlays	....	–5,600	....

POSTAL SERVICE FUND—Continued

Summary of Budget Authority and Outlays—Continued

	2012 actual	2013 CR	2014 est.
Legislative proposal, subject to PAYGO:			
Outlays		–2,678	–11,818
Total:			
Budget Authority	2,000	–255	–255
Outlays	2,415	–618	–5,092

The Postal Reorganization Act of 1970, Public Law 91–375, converted the Post Office Department into the U.S. Postal Service (USPS), an independent establishment within the executive branch. The Postal Service commenced operations July 1, 1971. This agency is charged with providing patrons with reliable mail service at reasonable rates and fees.

The U.S. Postal Service is governed by an 11-member Board of Governors, including nine Governors appointed by the President, a Postmaster General who is selected by the Governors, and a Deputy Postmaster General who is selected by the Governors and the Postmaster General.

Effective in 1986, the Postal Service Fund (Fund) was included in the congressional and executive budget process and taken into account in making calculations under the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings). The Omnibus Budget Reconciliation Act of 1989 amended title 39 of the U.S. Code by adding a new section, 2009a, which provides that, beginning in 1990, the receipts and disbursements of the Fund shall not be considered as part of the congressional and executive budget process and shall not be taken into account in making calculations under Gramm-Rudman-Hollings.

Programs.—Included are all postal activities providing window services; processing, delivery, and transportation of mail; research and development; administration of postal field activities; and associated expenses of providing facilities and equipment.

The Postal Accountability and Enhancement Act (P.L. 109–435), was signed by the President on December 20, 2006. The Act made a number of changes affecting the operations and oversight of the Postal Service. The Act provided for separate accounting and reporting for Postal Service activities related to: (1) products where the Postal Service dominates the market; and (2) products where the Postal Service is in a competitive market. The Act amended the process for determining rate increases for market-dominant products, in part by imposing a limitation on rate increases for at least the next 10 years linked to the Consumer Price Index for All Urban Consumers (CPI-U). This was intended to provide the Postal Service with pricing flexibility and ratepayers with a degree of rate predictability. The Act also replaced the Postal Rate Commission with a Postal Regulatory Commission with expanded authorities, including subpoena powers.

Financing.—The activities of the U.S. Postal Service are financed from the following sources: (1) mail and services revenue; (2) reimbursements from Federal and non-Federal sources; (3) proceeds from borrowing; (4) interest from U.S. securities and other investments; and (5) appropriations by the Congress. All receipts and deposits are made to the Postal Service Fund and are available without fiscal year limitation for payment of all expenses incurred, retirement of obligations, investment in capital assets, and investment in obligations and securities.

Separate legislation also increased the Postal Service's statutory borrowing authority beginning in 1991. Section 2005 of title 39, United States Code, as amended, increased the Postal Service's borrowing authority by $2.5 billion in 1991 for a revised ceiling of $12.5 billion and an additional $2.5 billion in 1992 for a revised total ceiling of $15 billion. The total annual increase in net outstanding debt was also increased to annually grow by up to $2.0 billion in obligations issued for the purpose of capital improvements and by $1.0 billion for the purpose of paying operating expenses. P.L. 109–435 removed the separate limitations on borrowing for capital improvements and operating expenses so that under the $15 billion debt cap, the annual increase in outstanding debt cannot now exceed a combined total of $3.0 billion. As of September 30, 2012 the total debt instruments issued and outstanding pursuant to this authority amounts to the full $15 billion.

Operating.—According to USPS estimates, revenue will total approximately $65 billion in 2014. Total expenses are estimated at approximately $72 billion in 2014.

The Postal Reorganization Act of 1970 established the Postal Service as a self-sufficient, independent entity. Postal revenues were to cover the full costs of postal operations. When the Act was passed, the Postal Service received substantial taxpayer subsidies, both appropriated and unappropriated. Consistent with the intent of the 1970 Act, the Congress has taken steps over time to reduce these subsidies, particularly by requiring the Postal Service to assume greater portions of its personnel-related costs. Since 1982 the Postal Service had not received any public-service appropriations. At the end of 2011, the Postal Service employed 645,950 persons. Under the 1974 Civil Service Retirement Fund Postal Employee Benefits Act, the Postal Service assumed responsibility for paying unfunded retirement costs from wage schedule increases under Postal labor contracts that are not covered by normal employee/employer contributions to the retirement fund. The 1985 Reconciliation Act shifted responsibility for paying health benefit costs of Postal annuitants retiring after 1986 from the Office of Personnel Management (OPM) to the Postal Service. The 1987 Reconciliation Act had the Postal Service make one-time payments to defray annuitant health benefit costs in 1988 and 1989, and retirement COLA costs in 1988. (Retirement COLAs, like wage schedule increases, result in retirement liabilities not covered by normal retirement fund contributions.) Under the 1989 Reconciliation Act, the Postal Service assumed responsibility for paying health benefits of survivors of post-86 annuitants and unfunded retirement COLA liabilities for post-86 annuitants.

The Omnibus Budget Reconciliation Act of 1990 superseded certain existing legislation and expanded the Postal Service's responsibility for benefit costs of Postal annuitants. Effective October 1, 1990, the Postal Service was required to fund Civil Service Retirement System (CSRS) COLAs and the employer's share of Federal Employees Health Benefits Program (FEHBP) premiums for Postal annuitants who retired after June 30, 1971, and their survivors. In addition, the Postal Service was required to fund the retroactive CSRS COLA and FEHBP premium costs for which the Postal Service would have been liable if the provisions of this new legislation had been in effect as of July 1, 1971.

Under the Omnibus Reconciliation Act of 1993, the Postal Service was required to make certain payments for past COLAs and health benefits, over and above any other payments required by law. This amounted to $693 million to the Civil Service Retirement and Disability Fund, and $348 million to the Employees Health Benefits Fund. These two amounts were made in three equal annual installments, beginning in fiscal year 1996.

The Balanced Budget Act of 1997 repealed the authorization for transitional appropriations to the Postal Service which had funded the liabilities of the former Post Office Department to the Employees' Compensation Fund. Effective October 1, 1997, these remaining claims became liabilities of the Postal Service payable out of the Postal Service Fund.

Early in 2003, OPM determined that, at the then-current rate of funding, the Postal Service would pay substantially more than needed to fund the estimated future benefits of postal employees and retirees participating in the Civil Service Retirement System. This projected over-funding resulted from interest earned by the fund in excess of the assumed statutory rate of five percent. As a result, the Administration proposed and the Congress passed CSRS reform legislation that was enacted on April 23, 2003 (P.L. 108–18). The provisions of P.L. 108–18 eliminated all future retirement liability payments related to general wage increases and the retirement COLA payments, and the Postal Service became responsible for the Civil Service retirement obligations related to military service of Postal Service employees. In addition, the Postal Service funded CSRS retirement benefits at 17.4 percent of current CSRS employees' wages, beginning in May 2003. This was a dynamic funding requirement, not a static requirement, thus employer contributions could change based on interest earnings and amounts that are needed to fund the full cost of the future benefit. Annually, OPM was directed to calculate the amount of any potential supplemental retirement liability and the Postal Service was required to fund any such liability in annual payments through September 30, 2043.

P.L. 109–435 created the Postal Service Retiree Health Benefits (RHB) Fund to put the Postal Service on a path that fully funds its substantial retiree (annuitant) health benefits liabilities. This new Fund receives from the Postal Service: 1) The pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108–18) that were held in escrow during 2006; 2) A 10-year stream of payments defined within P.L 109–435 to begin the liquidation of the Postal Services unfunded liability for post-retirement health benefits; 3) Beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees; 4) Beginning in 2017, a 40-year amortization payment to fund any remaining unfunded liabilities associated with post-retirement health benefits of USPS employees; and 5) The surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under CSRS to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service, including the savings from shifting the responsibility for retirement credit related to military service from the Postal Service to the Treasury (effectively eliminating the need for the dynamic CSRS funding payments and supplemental liability payments noted in the previous paragraph). As a result, beginning in 2017, the Postal Service will no longer pay annual premiums for its post-1971 annuitants. Instead, these premium payments will be paid from the Postal Service Retiree Health Benefit Fund. Payments for the portion of the premium costs of Postal Service annuitants pre-1971 service will continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Section 164 of Division B of P.L. 111–68, the Continuing Appropriations Resolution, 2010, reduced the 2009 amount USPS was required to contribute toward the liquidation of its post-retirement health benefits liability (item 2 in the preceding paragraph) from $5.4 billion to $1.4 billion. This reduction had the effect of increasing the size of 40-year amortization payment for the remaining unfunded liability that USPS is required to make starting in 2017 (item 4 in the preceding paragraph).

Section 623 of Division C of P.L. 112–74, the Consolidated Appropriations Act, 2012, amended Title 5, United States Code by striking the date specified in Sec. 8909a(d)(3)(A)(v) of September 30, 2011 and inserting August 1, 2012 for the scheduled payment of $5.5 billion to the Postal Service Retiree Health Benefit (RHB) Fund. However, the Postal Service was unable to make any payments on its $11.1 billion in scheduled RHB payments due in FY 2012.

In its June 2012 notification letter to the White House and the Congress that it would not make two statutory RHB prefunding payments due in 2012, the USPS also indicated that, absent changes to its financial forecast (largely from legislative action), it would likely default on a $5.6 billion RHB prefunding payment due September 30, 2013. The USPS has since confirmed this likelihood. As such, the Budget includes two baselines to address this. The baseline required under Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended, reflects the 2013 RHB payment being made as required under current law. An adjusted baseline, which appears in the Budget, reflects adjustments to the BBEDCA baseline to account for the more realistic assumption that the USPS will not make its 2013 payment, as it has indicated in writing.

Statement of Annual Operations (estimates per USPS and on an accrual accounting basis)

	2011 actual	2012 actual	2013 est.	2014 est.
Revenue	65,739	65,248	64,541	64,897
Expense	–70,806	–81,154	–72,454	–71,878
Net income or loss from operations (-)	(5,067)	(15,906)	(7,913)	(6,981)

Object Classification (in millions of dollars)

Identification code 18–4020–0–3–372		2012 actual	2013 CR	2014 est.
	Reimbursable obligations:			
	Personnel compensation:			
11.1	Full-time permanent	27,740	26,722	25,985
11.3	Other than full-time permanent	4,341	4,168	4,099
11.5	Other personnel compensation	4,175	4,020	3,905
11.9	Total personnel compensation	36,256	34,910	33,989
12.1	Civilian personnel benefits	15,079	18,129	18,257
13.0	Benefits for former personnel	2,828	3,185	3,372
21.0	Travel and transportation of persons	119	113	112
22.0	Transportation of things	7,249	7,264	7,530
23.1	Rental payments to GSA	....	42	43
23.2	Rental payments to others	940	1,020	1,041
23.3	Communications, utilities, and miscellaneous charges	813	834	836
24.0	Printing and reproduction	68	58	56
25.2	Other services from non-Federal sources	2,415	2,829	2,744
26.0	Supplies and materials	1,484	1,257	1,222
31.0	Equipment	207	627	1,668
32.0	Land and structures	320	375	669
42.0	Insurance claims and indemnities	95	96	97
43.0	Interest and dividends	192	193	194
99.9	Total new obligations	68,065	70,932	71,830

Employment Summary

Identification code 18–4020–0–3–372		2012 actual	2013 CR	2014 est.
2001	Reimbursable civilian full-time equivalent employment	586,100	568,571	544,990

Postal Service Fund

(Amounts included in the adjusted baseline)

Program and Financing (in millions of dollars)

Identification code 18–4020–7–3–372		2012 actual	2013 CR	2014 est.
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	....	....	5,600
3020	Outlays (gross)	....	5,600	....
3050	Unpaid obligations, end of year	....	5,600	5,600
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	....	....	5,600
3200	Obligated balance, end of year	....	5,600	5,600

POSTAL SERVICE FUND—Continued

Program and Financing—Continued

Identification code 18–4020–7–3–372	2012 actual	2013 CR	2014 est.
Budget authority and outlays, net:			
Mandatory:			
Outlays, gross:			
4100 Outlays from new mandatory authority		–5,600	
4190 Outlays, net (total)		–5,600	

This account reflects adjustments to the baseline to reflect the realistic assumption that the United States Postal Service will not make its statutory $5.6 billion payment to prefund retiree health benefits, which is due to the Office of Personnel Management's Postal Service Retiree Health Benefits Fund by September 30, 2013.

POSTAL SERVICE FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 18–4020–4–3–372	2012 actual	2013 CR	2014 est.
Obligations by program activity:			
0801 Postal field operations		–2,600	–4,430
0806 Administration and area operations		–73	–7,378
0809 Reimbursable program activities, subtotal		–2,673	–11,808
0900 Total new obligations		–2,673	–11,808
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1			2,678
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected		5	10
1850 Spending auth from offsetting collections, mand (total)		5	10
1900 Budget authority (total)		5	10
1930 Total budgetary resources available		5	2,688
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year		2,678	14,496
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts		–2,673	–11,808
3020 Outlays (gross)		2,673	11,808
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross		5	10
Outlays, gross:			
4100 Outlays from new mandatory authority		–2,673	–11,808
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources		–5	–10
4190 Outlays, net (total)		–2,678	–11,818

The Administration recognizes the enormous value of the Postal Service (USPS) to the Nation's commerce and communications, as well as the urgent need for reform to ensure the future viability of USPS. Therefore, the Budget proposes specific authorities to improve USPS efficiency and net revenue, along with financial relief measures, grounded in principles of fiscal responsibility as well as sound financial management. The Administration will work with the Congress and postal stakeholders to secure these necessary reforms.

As to the structure of relief, the Budget would first improve USPS financial condition by returning to USPS surplus amounts it has paid into its OPM account for its share of Federal Employee Retirement System costs, and require that OPM calculate these costs using factors specific to the demographics of the Postal Service workforce. OPM has determined this surplus, as of September 30, 2011 and based on government-wide demographic assumptions, is approximately $2.6 billion. Given the amount of time necessary for OPM to re-calculate this surplus for Postal-specific factors, the Budget would provide the current OPM calculation in 2013, and the remainder of any recalculated surplus in 2014 and 2015. Until OPM has re-calculated the surplus amount using Postal-specific factors, the Budget assumes as a placeholder a total surplus of $11.5 billion, as estimated by the Postal Service Office of Inspector General in December 2012 (and based on USPS investment returns, salary growth rates, cost of living adjustments granted to Postal retirees, and Postal Service demographic trends).

Second, the Budget proposes to restructure USPS retiree health benefits payments that are currently specified in the Postal Accountability and Enhancement Act of 2006. This change would still prudently pre-fund retiree health liabilities, but on an accruing cost basis rather than the amounts fixed in current law. This restructuring would provide USPS with approximately $10 billion in temporary financial relief through 2016. The Budget also proposes to codify the two missed RHB payments in 2012; although these amounts are incorporated in the 40-year amortization schedule starting in 2017, they currently remain as outstanding liabilities on the Postal Service financial statement in 2012. See the Office of Personnel Management section of this Appendix for more information on these aspects of the proposal.

In addition, the Budget proposes operational reforms that would do the following: 1) reduce USPS operating costs by giving USPS authority to reduce mail delivery frequency from six days to five days, starting in June 2013; 2) allow USPS to increase collaboration with State and local governments; and 3) give the USPS the ability to better align the costs of postage with the costs of mail delivery by permitting USPS Board of Governors to enact a modest one-time increase in postage rates among market-dominant products, such as first-class and standard mail.

All together, these reforms would provide USPS with over $30 billion in cash relief, operational savings, and revenue through 2016, and produce PAYGO savings of $23 billion over 11 years.

Object Classification (in millions of dollars)

Identification code 18–4020–4–3–372	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
12.1 Civilian personnel benefits		–2,173	–9,808
22.0 Transportation of things		–500	–2,000
99.9 Total new obligations		–2,673	–11,808

UNSPECIFIED ADJUSTMENTS TO OPERATIONS

Program and Financing (in millions of dollars)

Identification code 18–9017–0–1–372	2012 actual	2013 CR	2014 est.
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1			7,660
3020 Outlays (gross)		7,660	6,726
3050 Unpaid obligations, end of year		7,660	14,386
Memorandum (non-add) entries:			
3100 Obligated balance, start of year			7,660
3200 Obligated balance, end of year		7,660	14,386
Budget authority and outlays, net:			
Mandatory:			
Outlays, gross:			
4100 Outlays from new mandatory authority		–7,660	–6,726
4190 Outlays, net (total)		–7,660	–6,726

Summary of Budget Authority and Outlays (in millions of dollars)

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Outlays	....	–7,660	–6,726
Amounts included in the adjusted baseline:			
Outlays	....	5,600	....
Legislative proposal, not subject to PAYGO:			
Outlays	....	972	1,822
Legislative proposal, subject to PAYGO:			
Outlays	....	1,087	4,904

This account includes unspecified adjustments to Postal operations that reflect the fact that the United States Postal Service (USPS) can only spend at amounts equal to its revenue and borrowing authority. For purposes of the Budget Baseline, the USPS is shown to operate at a break-even (i.e., revenues equal expenses) basis for 2013 and later years. This account is necessary because the USPS estimates of its revenues and expenses are unsustainable—estimated expenses far exceeded estimated revenues . The USPS fully exhausted its borrowing authority with the Department of the Treasury at the close of FY 2012. The Budget includes a legislative proposal that provides specific Postal financial relief and makes sustained reforms. The relief and reforms represent specific action the USPS would take, and would reduce the need for the unspecified adjustments contained in this account.

UNSPECIFIED ADJUSTMENTS TO OPERATIONS

(Amounts included in the adjusted baseline)

Program and Financing (in millions of dollars)

Identification code 18–9017–7–1–372	2012 actual	2013 CR	2014 est.
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	....	....	–5,600
3020 Outlays (gross)	....	–5,600	....
3050 Unpaid obligations, end of year	....	–5,600	–5,600
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	....	....	–5,600
3200 Obligated balance, end of year	....	–5,600	–5,600
Budget authority and outlays, net:			
Mandatory:			
Outlays, gross:			
4100 Outlays from new mandatory authority	....	5,600	....
4190 Outlays, net (total)	....	5,600	....

This account reflects adjustments to the baseline to reflect the realistic assumption that the United States Postal Service will not make its statutory $5.6 billion payment to prefund retiree health benefits, which is due to the Office of Personnel Management's Postal Service Retiree Health Benefits Fund by September 30, 2013.

UNSPECIFIED ADJUSTMENTS TO OPERATIONS

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 18–9017–2–1–372	2012 actual	2013 CR	2014 est.
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	....	....	–972
3020 Outlays (gross)	....	–972	–1,822
3050 Unpaid obligations, end of year	....	–972	–2,794
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	....	....	–972
3200 Obligated balance, end of year	....	–972	–2,794
Budget authority and outlays, net:			
Mandatory:			
Outlays, gross:			
4100 Outlays from new mandatory authority	....	972	1,822
4190 Outlays, net (total)	....	972	1,822

This schedule reflects the impact on the Unspecified Adjustments to Postal Operations account. This accounts for Postal financial relief and reform proposal to authorize the Postal Service to move from six- to five-day delivery and to permit USPS to enact a modest one-time increase in postage rates for market-dominant products.

UNSPECIFIED ADJUSTMENTS TO OPERATIONS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 18–9017–4–1–372	2012 actual	2013 CR	2014 est.
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	....	....	–1,087
3020 Outlays (gross)	....	–1,087	–4,904
3050 Unpaid obligations, end of year	....	–1,087	–5,991
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	....	....	–1,087
3200 Obligated balance, end of year	....	–1,087	–5,991
Budget authority and outlays, net:			
Mandatory:			
Outlays, gross:			
4100 Outlays from new mandatory authority	....	1,087	4,904
4190 Outlays, net (total)	....	1,087	4,904

This schedule reflects the impact on the Unspecified Adjustments to Postal Operations account. This accounts for the Postal financial relief and reform proposal to refund to the Postal Service its Federal Employees Retirement System (FERS) surplus and to restructure Postal Service payments for retiree health benefits.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $241,468,000, to be derived by transfer from the Postal Service Fund and expended as authorized by section 603(b)(3) of the Postal Accountability and Enhancement Act (Public Law 109–435): Provided, That unobligated balances remaining in this account on October 1, 2014, shall be transferred back to the Postal Service Fund.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 18–0100–0–1–372	2012 actual	2013 CR	2014 est.
Obligations by program activity:			
0001 Audit	75	76	76
0002 Investigations	166	166	166
0900 Total new obligations	241	242	242
Budgetary Resources:			
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700 Collected	....	1	1
1711 Transferred from other accounts [18–4020]	241	241	241
1750 Spending auth from offsetting collections, disc (total)	241	242	242

Office of Inspector General—Continued

Program and Financing—Continued

Identification code 18–0100–0–1–372		2012 actual	2013 CR	2014 est.
1930	Total budgetary resources available	241	242	242
	Change in obligated balance:			
	Unpaid obligations:			
3010	Obligations incurred, unexpired accounts	241	242	242
3020	Outlays (gross)	–241	–242	–242
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	241	242	242
	Outlays, gross:			
4010	Outlays from new discretionary authority	241	242	242
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4030	Federal sources		–1	–1
4180	Budget authority, net (total)	241	241	241
4190	Outlays, net (total)	241	241	241

United States Postal Service (USPS) Office of Inspector General (OIG) is an independent organization charged with reporting to Congress on the overall efficiency, effectiveness, and economy of USPS programs and operations. The OIG meets this responsibility by conducting audits, investigations, and other reviews. The OIG focuses on the prevention, identification, and elimination of 1) waste, fraud, and abuse; 2) violations of laws, rules, and regulations; and 3) inefficiencies in USPS programs and operations.

Pursuant to Public Law 109–435, the 2014 appropriation request of the Office of Inspector General of the U.S. Postal Service is $241,468,000.

Section 603(b)(1) of Public Law 109–435 (Postal Accountability and Enhancement Act) authorizes appropriations for the Office of Inspector General out of the off-budget Postal Service Fund beginning in 2009. The authorization resulted in the reclassification of the USPS Office of Inspector General spending from off-budget mandatory to off-budget discretionary.

Object Classification (in millions of dollars)

Identification code 18–0100–0–1–372		2012 actual	2013 CR	2014 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	132	138	141
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	2	2
11.8	Special personal services payments		1	
11.9	Total personnel compensation	134	142	144
12.1	Civilian personnel benefits	47	49	51
21.0	Travel and transportation of persons	6	7	6
22.0	Transportation of things	1	1	1
23.2	Rental payments to others	5	6	7
23.3	Communications, utilities, and miscellaneous charges	3	3	3
25.1	Advisory and assistance services	22	22	17
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	2	2	2
31.0	Equipment	13	7	7
32.0	Land and structures	7	1	2
99.0	Direct obligations	241	241	241
99.0	Reimbursable obligations		1	1
99.9	Total new obligations	241	242	242

Employment Summary

Identification code 18–0100–0–1–372		2012 actual	2013 CR	2014 est.
1001	Direct civilian full-time equivalent employment	1,135	1,136	1,136

Postal Regulatory Commission

Salaries and Expenses

(including transfer of funds)

For necessary expenses of the Postal Regulatory Commission in carrying out the provisions of the Postal Accountability and Enhancement Act (Public Law 109–435), $14,304,000, to be derived by transfer from the Postal Service Fund and expended as authorized by section 603(a) of such Act: Provided, That unobligated balances remaining in this account on October 1, 2014, shall be transferred back to the Postal Service Fund.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 18–0200–0–1–372		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0001	Postal Service Accountability	14	4	4
0002	Public Access and Participation		4	4
0003	Integration and Support		5	5
0004	Office of the Inspector General		1	1
0900	Total new obligations	14	14	14
	Budgetary Resources:			
	Budget authority:			
	Spending authority from offsetting collections, discretionary:			
1711	Transferred from other accounts [18–4020]	14	14	14
1750	Spending auth from offsetting collections, disc (total)	14	14	14
1930	Total budgetary resources available	14	14	14
	Change in obligated balance:			
	Unpaid obligations:			
3010	Obligations incurred, unexpired accounts	14	14	14
3020	Outlays (gross)	–14	–14	–14
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	14	14	14
	Outlays, gross:			
4010	Outlays from new discretionary authority	14	14	14
4180	Budget authority, net (total)	14	14	14
4190	Outlays, net (total)	14	14	14

The Postal Regulatory Commission is an independent agency that has exercised regulatory oversight over the U.S. Postal Service (USPS) since its creation by the Postal Reorganization Act of 1970. That oversight consisted primarily of conducting public, on-the-record hearings concerning proposed rates, mail classification, and major service changes, and recommended decisions for action to the Postal Service Board of Governors.

The Postal Accountability and Enhancement Act (PAEA, Public Law 109–435) assigned new responsibilities to the Commission, including providing regulatory oversight of the pricing of USPS products and services, ensuring USPS transparency and accountability, and serving as a forum to act on complaints with postal products and services. The Commission provides leadership and recommends policies that foster a robust and viable postal system.

Pursuant to Public Law 109–435, the 2014 appropriation request of the Postal Regulatory Commission is 14,304,000.

Section 603(a) of PAEA authorizes appropriations for the Commission out of the off-budget Postal Service Fund beginning in 2009. The authorization resulted in the reclassification of the Commission's spending from off-budget mandatory to off-budget discretionary.

Object Classification (in millions of dollars)

Identification code 18–0200–0–1–372		2012 actual	2013 CR	2014 est.
	Direct obligations:			
11.1	Personnel compensation: Full-time permanent	8	8	8
12.1	Civilian personnel benefits	2	2	2
23.2	Rental payments to others	2	2	2
25.1	Advisory and assistance services	2	2	2
99.9	Total new obligations	14	14	14

Employment Summary

Identification code 18–0200–0–1–372		2012 actual	2013 CR	2014 est.
1001	Direct civilian full-time equivalent employment	75	75	77

PRESIDIO TRUST

Federal Funds

Presidio Trust Fund

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 95–4331–0–3–303		2012 actual	2013 CR	2014 est.
	Obligations by program activity:			
0801	Reimbursable program activity	109	137	89
	Budgetary Resources:			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	32	40	65
	Budget authority:			
	Appropriations, discretionary:			
1100	Appropriation	12	12	....
1160	Appropriation, discretionary (total)	12	12	....
	Spending authority from offsetting collections, discretionary:			
1700	Collected	98	143	105
1701	Change in uncollected payments, Federal sources	7	7	7
1750	Spending auth from offsetting collections, disc (total)	105	150	112
1900	Budget authority (total)	117	162	112
1930	Total budgetary resources available	149	202	177
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	40	65	88
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	74	51	47
3010	Obligations incurred, unexpired accounts	109	137	89
3020	Outlays (gross)	–132	–141	–119
3050	Unpaid obligations, end of year	51	47	17
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	–5	–12	–19
3070	Change in uncollected pymts, Fed sources, unexpired	–7	–7	–7
3090	Uncollected pymts, Fed sources, end of year	–12	–19	–26
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	69	39	28
3200	Obligated balance, end of year	39	28	–9
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	117	162	112
	Outlays, gross:			
4010	Outlays from new discretionary authority	86	91	62
4011	Outlays from discretionary balances	46	50	57
4020	Outlays, gross (total)	132	141	119
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4030	Federal sources	–1	–4	–4
4031	Interest on Federal securities	....	–4	–4
4033	Non-Federal sources	–97	–135	–97
4040	Offsets against gross budget authority and outlays (total)	–98	–143	–105
	Additional offsets against gross budget authority only:			
4050	Change in uncollected pymts, Fed sources, unexpired	–7	–7	–7
4070	Budget authority, net (discretionary)	12	12	....
4080	Outlays, net (discretionary)	34	–2	14
4180	Budget authority, net (total)	12	12	....
4190	Outlays, net (total)	34	–2	14
	Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	77	73	45
5001	Total investments, EOY: Federal securities: Par value	73	45	40

The Presidio Trust (Trust) is a wholly-owned Government corporation established by the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333) to manage, improve, maintain and lease property in the Presidio of San Francisco and to operate the Presidio as a self-sustaining part of the national park system. The Trust has jurisdiction over 80% of the Presidio and has successfully converted the historic Army base into a thriving park community that will operate without annual appropriations beginning in FY 2013. Funds to operate the park and its public programs will come from lease revenues and other non-Federally appropriated funding sources. The Presidio of San Francisco is an historic preservation success, and a success for the American taxpayer.

Object Classification (in millions of dollars)

Identification code 95–4331–0–3–303		2012 actual	2013 CR	2014 est.
	Reimbursable obligations:			
11.1	Personnel compensation: Full-time permanent	24	23	23
12.1	Civilian personnel benefits	8	8	7
23.3	Communications, utilities, and miscellaneous charges	7	4	4
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	10	12	4
25.2	Other services from non-Federal sources	23	48	9
25.3	Other goods and services from Federal sources	4	4	4
26.0	Supplies and materials	12	8	8
31.0	Equipment	4	5	5
32.0	Land and structures	12	20	20
43.0	Interest and dividends	4	4	4
99.9	Total new obligations	109	137	89

Employment Summary

Identification code 95–4331–0–3–303		2012 actual	2013 CR	2014 est.
2001	Reimbursable civilian full-time equivalent employment	304	308	308

Presidio Trust Guaranteed Loan Financing Account

Status of Guaranteed Loans (in millions of dollars)

Identification code 95–4332–0–3–303		2012 actual	2013 CR	2014 est.
	Position with respect to appropriations act limitation on commitments:			
2121	Limitation available from carry-forward	200	200	200
2143	Uncommitted limitation carried forward	–200	–200	–200
2150	Total guaranteed loan commitments	....	....	....

PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD

Federal Funds

Salaries and Expenses

For necessary expenses of the Privacy and Civil Liberties Oversight Board, as authorized by section 1061 of the Intelligence Reform and Ter-