



How is the Federal Government Spending Our Income Tax Dollars in 2011? -- Additional Details

FCNL prepares this analysis each year based on documents provided by the Office of Management and Budget (OMB), specifically Table 33-1 in Analytical Perspectives. We use the “estimated spending” (outlays) for the current fiscal year. This means that our “tax day” analysis presents decisions that have already been made by the President and Congress, rather than the proposals for the *next* fiscal year that the President submits each year to Congress.

We feed all of the line items into our own spreadsheet, which categorizes them according to their function or purpose. For *almost* every line item, we follow the categories set up by OMB, which uses a system called “function numbers.” The table below shows how OMB’s function numbers are grouped together into the categories we show in our coin stacks or pie slices; the footnotes show the places where we make a different choice as to how to categorize particular programs.

OMB Function Numbers	Description of Function Number and Departments that Carry These Programs?	Which FCNL Coin Stack (or Pie Slice)?
050 (including 051 – 054 ¹)	Military spending: Pentagon (DoD); Energy Dept - nuclear weapons; a few independent agencies	Pentagon and Related Spending
150, 151, 153 - 155	Foreign Assistance, non-military: Depts of State, Agriculture, Energy, Justice, Treasury, Executive Office of the President, a few independent agencies	Diplomacy, Development, and War Prevention
152 ²	Foreign Military Assistance: Executive; Office of the President	Included in Pentagon and Related Spending
250 – 306 ³ + some 376	Science, Environment & Technology programs: Multiple agencies (see back of coin chart)	Part of Energy, Science and Environment
351 – 373 + most 376 – 450s ⁴	Economic Support: Depts of Treasury, Transportation, non-military activities of FEMA and the Coast Guard, Small Business Administration, several independent agencies.	Supports for the Economy
501 – 503	Education: Depts of Education, Treasury, independent agencies	Included in Supports for the Economy
504, 505	Employment and Labor programs: Departments of Labor, Treasury, and independent agencies	Included in Supports for the Economy
506	Social and community programs: Health and Human Services, independent agencies	Included in Supports for the Economy
551 ⁵ – 571	Health and Health Research: Department of Health and Human Services, National Institutes of Health, Centers for Disease Control. Includes Medicaid.	Health Care
601 – 609 ⁶	Income Supports: Departments of Health and Human Services, Treasury, Agriculture and Housing and Urban Development	Responses to Poverty

651	Social Security	General Government and Supports for the Economy ⁷
700	Veterans: Department of Veterans' Affairs, Defense (civilian programs), Labor, Social Security Administration and independent agencies.	Cost of Past Wars
750 - 754	Justice, Law Enforcement: Judiciary Branch, Department of Justice, Department of Homeland Security, Inspectors General in multiple departments, independent agencies	Included in General Government
800 - 809	Government: Congress, various oversight boards and commissions, independent agencies	Included in General Government
908	Interest on the national debt	Divided between Cost of Past Wars and General Government ⁸

Exceptions and notes:

¹ Defense Nuclear Non-Proliferation funding carries an 053 function number; we categorize it as war prevention.

² Peacekeeping and the Non-proliferation, Anti-Terrorism, Demining Fund carry 152 function numbers; we categorize them as war prevention.

³ Department of Homeland Security has a "science and technology" program with a 251 function number. We classify it as a "general government" program, as it is part of a law enforcement operation.

Also, The Army Corps of Engineers carries a 301 function number, but we classify it as "supports for the economy", as its programs related more closely to highway and transportation investments than environmental protection investments. The Advisory Council on Historic Preservation carries a 303 function number, but we classify it as a "supports for the economy", because it relates more closely to housing and development programs than to science and environment programs.

⁴ Bureau of Indian Affairs & Indian Education carry a 452 function number, but we classified them with other Native American programs under "Responses to Poverty." The Transportation Safety Administration carries a 402 function number, but we classify it with other law enforcement program under "general government."

⁵ Health insurance benefits for civilian employees of the Department of Defense are listed as a 551 function but, in keeping with the practice of listing all employee expenses with the relevant department, we include this expense under Pentagon and Related Spending. The Medicare Trust Fund, which accounts for most spending on Medicare, is a dedicated trust fund with its own separate revenue from a dedicated payroll tax, not from income taxes. It is not part of the "federal funds budget" and is not included here.

⁶ Several government pensions and some administrative expenses of the Social Security Program carry "600" function numbers. We classify these as "general government."

⁷ The Social Security Trust Fund, as a separate trust fund with separate dedicated revenue stream is not part of the "federal funds budget" and is not included here. Related payments for Social Security Administration are included under "general government." Supplemental payments to Social Security Recipients for economic recovery are included under "Supports for the Economy."

⁸ We use a cumulative formula that takes into account the proportion of each past year's budget that supported military activities, assigning a proportionate responsibility for debt accumulation to military spending and to other spending.