AUTHORIZATION TO SPEND DEBT RECEIPTS

The "authority to expend from public debt receipts" is a term identified with legislative authorizations to use, for specific purposes, Government funds realized from the sale of public debt securities. This method of funding agency activities came into use in 1932 to finance the Reconstruction Finance Corporation, and has since been used numerous times to finance various Government programs.

Authority to expend from debt receipts requires approval by the Congress. When contained in appropriation legislation, consideration is given by the Committees on Appropriations; when included in substantive legislation, consideration is given by those committees having jurisdiction over the particular area of law involved. Legislation containing this authority has the same force and effect as an appropriation and is so treated in Treasury accounts and reports and in the annual Budget Document.

Generally, authority to borrow from the Treasury is without fiscal year limitation; however, a limitation is usually provided as to the maximum amount of borrowings repayable to the Treasury that can be outstanding at any one time. The amount so authorized, together with collections and earnings realized under the program, remains available to the agency for an indefinite period. The amounts of borrowings are generally credited by the Treasury to a revolving fund account for the borrowing agency; repayments of borrowings reduce the agency's operating funds and restore the authorization for additional borrowings. However, some repayments are nonrestoring and thus act to reduce the agency's borrowing authority.

From 1932 through June 30, 1966, the Congress, through numerous acts, authorized borrowing authority of $107.6 billion for agencies and also reduced borrowing authority by $35.5 billion. Appropriations Committees handled $13.3 billion of the authorizations and $4.2 billion of the decreases. Other congressional committees handled $94.3 billion of the authorizations and $31.3 billion of the decreases. Agency nonrestoring payments since 1932 amount to $8.4 billion. Annual agency borrowing from the Treasury since fiscal year 1960 has ranged from $7.2 billion to $9 billion. During this same period, annual repayments by the agencies to the Treasury, which served to restore borrowing authority, have ranged from $5.5 billion to $10.1 billion.

As of June 30, 1966, agencies had unused borrowing authority of $29.5 billion and owed the Treasury $34.2 billion. The following table presents an agency breakdown of the unused borrowing authority and amounts due the Treasury as of June 30, 1966.