

Chapter 5. Expenditure

Introduction

Expenditure statistics are classified by function, and by character and object, within the Census Bureau's classification system for government finance. This cross classification provides a detailed picture of the services provided by governments – what is the service, how much money is being spent, and how is the service being performed or provided.

5.1 Expenditure Definition

Expenditure includes all amounts of money paid out by a government during its fiscal year – net of recoveries and other correcting transactions – other than for retirement of debt, purchase of investment securities, extension of loans, and agency or private trust transactions. Under this definition, expenditure relates to external payments of a government and excludes amounts transferred to funds or agencies of the same government (other than payments to intragovernmental service funds – see Section 3.9.2).

Expenditure includes payments from all sources of funds, including not only current revenues but also proceeds from borrowing and prior year fund balances. Note, however, that the statistics do not relate expenditure to the source of funding.

Expenditure includes amounts spent by all agencies, boards, commissions, or other organizations categorized as dependent on the government concerned. Stated in terms of the accounting procedures from which these data originate, expenditure covers outlays of all accounting funds of a government other than intragovernmental service (revolving), agency, and private trust funds.

Expenditures of business-type activities of governments (utilities and other commercial or auxiliary enterprises) are reported on a gross basis. That is, related revenues are not deducted from their expenditures to derive net expenditure amount.

See Table 5.1 for detailed explanations of expenditure transactions.

5.1.1 Financial Transactions Excluded From the Definition of Expenditure

The following types of outlays are excluded from expenditure, as a result of the above definition:

- Loans or other extensions of credit, except contingent loans and advances to other governments which are reported as intergovernmental expenditure (see Section 3.7.1).
- Refunds of revenues collected during the same fiscal year, which are deducted from gross receipts of revenue item involved (see Section 3.10.4).
- Erroneous payments and other outlays that are recovered during the same fiscal year, which are deducted from the expenditures that originally included them (see Section 3.10.4).
- Purchase of securities for investment purposes. Recorded loss on the sale of investments, however, is treated as an expenditure.
- Payments for the retirement of debt principal (long- or short-term), which are reported with

debt statistics (see Chapter 6). Interest on debt, however, is reported as an expenditure.

- Transfers to other agencies or funds of the same government, such as intragovernmental service funds and utilities operated by the same government.
- Agency or private trust transactions, i.e., where the government is acting on behalf of others (see Section 3.10).
- Noncash transactions, such as provision of perquisites (like the use of government-owned housing), technical services, commodities, property, noncash gifts or bequests, and other “payments in kind.” The cost of items distributed in-kind, however, are treated as purchase of goods and services (i.e., as a current operations expenditure).
- Depreciation of capital assets.

5.1.2 Refunds and Correcting Transactions

Expenditure data are adjusted for refunds and other correcting transactions, including those originally made in prior fiscal years. Adjustment transactions are not reported separately in Census statistics; instead, they reduce or increase amounts reported as revenue or expenditure. The exact treatment of such transactions depends on when the refund or correction occurred – i.e., whether it was in the same fiscal year or a prior fiscal year. The exact treatment of such transactions was detailed in Section 3.10.4.

5.2 Cross Classification of Expenditure – Function, Character, and Object Definitions

All expenditure is classified by character, object, and function in the Census Bureau system. This results in a three character, alpha numeric code, typically of the format “Ann,” where “A” represents the object code of the expenditure transaction and “nn” indicates the numeric functional code. Most expenditure code combinations, but not all, apply to all three levels of government, and to all types of local government. However, definitions restrict some expenditure codes by level or type of government. The applicability and restriction of expenditure codes is noted in the description code pages in Section 5.6.3 and in the valid code tables of this *Classification Manual*, especially Table 5.2. Also, Appendix Table 2.2 in Appendix 2 provides a different perspective of how expenditures are cross-classified.

Expenditure functions and character and object codes are defined and explained below.

5.2.1 Expenditure Function Definition

The expenditure “function” refers to the purpose for which a government spends money and, by extension, the service being provided by the government. Currently, there are 64 functions in the classification system for “regular” statistics. These are broken down as follows among the four sectors of government:

General government – 50
Utilities sector – 4
Liquor stores sector – 1
Social insurance trust sector – 9

In addition, there are sixteen exhibit code expenditure functions. The expenditure description pages of

Section 5.6.3 contain definitions and explanations of the functions.

5.2.2 Expenditure Character and Object Definitions

The character and object classifications reflect the time period benefited by the expenditure and the type of expenditure payment involved. The two classifications always are linked together in Census Bureau statistics on government finance. Expenditure character defines the nature of the expenditure payment and refers to the broad group of related expenditure types used for tabulation purposes. Expenditure object, on the other hand, refers to the specific type of financial transaction. Object classification categories are used in data collection, compilation, and processing. There are no specific classification codes for the character of expenditure, only categories. There are expenditure object codes, however, and they are critical in the Census Bureau's classification system.

Character categories (and their object codes) are as follows:

- Total expenditure
 - Direct expenditure
 - Current operations (E)
 - Interest on debt (I)
 - Assistance and Subsidies (J)
 - Insurance benefits and repayments (X,Y)
 - Capital outlay (F, G, K)
 - Intergovernmental expenditure (L, M, Q, S)

Object codes define the specific type of expenditure within the character groupings. Currently, the Census Bureau classification system contains twelve object codes to define the type of expenditure and one additional object code (Z) for some expenditure exhibit statistics. There have been some changes to the object codes used by Census Bureau over the years.

Character groupings and the specific object codes in the classification system are summarized in Chart 5.A, below. Summary definitions are found in Sections 5.2.2.1 and 5.2.2.2, while Table 5.1 at the close of this chapter contains more detailed definitions.

Chart 5.A Character and Object Categories	
Object Code	Character and Object Category
Direct Expenditure Categories:	
E	Current Operations
I	Interest on Debt
J ¹	Assistance and Subsidies
Capital Outlay:	
F	Construction
G ¹	Capital Outlay Other than Construction OR Purchase of Land and Existing Structures
K ¹	Purchase of Equipment
Social Insurance Trust Expenditure:	
X	Public Employee Retirement Systems
Y	All Other Social Insurance Trust Systems
Intergovernmental Expenditure Categories:	
L	To State Governments
M	To Local Governments
Q	To Independent School Districts
S	To the Federal Government
Exhibit Expenditure Categories :²	
Z	Used for various Public Employee Retirement System, Lottery, and Liquor Stores exhibit categories, plus total salaries and wages of a government.
¹ See the paragraphs following the table for a more detailed discussion of “G”, “J”, and “K.” ² One additional exhibit code exists that is an exception to the overall classification pattern. This is Tobacco Lawsuit Settlement – Expenditure of Proceeds, code CGE. See description pages in Section 5.6.3 for details.	

The “G” and “K” object codes require additional explanation. Object code “K” is used for “Purchase of Equipment” expenditure statistics of the Federal government and the state governments only. When this happens, object codes “G” represents the “Purchase of Land and Existing Structures” for expenditure statistics of Federal and state governments. These definitions apply in public use data files containing state only or Federal only data.

For expenditure statistics on local governments and for all expenditure statistics that cover more than

one level of government, however, “G” represents a different component of capital expenditure, namely “Capital Outlay Other Than Construction.” There is no separate measure of equipment only purchases for local governments in the Census Bureau program.

The use of the “G” code for “Purchase of Land and Existing Structures” applies only during the original compilation of data for the Federal and state governments. When these data are inserted into the Census Bureau’s data files for state and local governments, they are combined with “Purchase of Equipment” data (“K” codes) to produce the category called “Capital Outlay Other Than Construction.” The equipment only category (“K” codes), therefore, becomes a subcategory under this one, but applies only to states. For all local governments, and for all state plus local statistics, the “G” code represents the purchase of land, equipment, and existing structures – i.e., all capital outlays other than construction.

The “J” object code, representing “Assistance and Subsidies,” was introduced effective with 2005. Prior to 2005, this object category was represented by a mix of “E,” “I”, and “J” object codes that were used for multiple object categories.

5.2.2.1 Direct Expenditures Defined

Direct expenditure comprises all final expenditures paid to current employees, former employees (retirees) and to private sector entities outside of the government itself (e.g. all expenditure other than intergovernmental expenditure).

Types of direct expenditure are noted in Chart 5.A above, with fully detailed definitions and explanations contained in Table 5.1. Summary definitions of the types of direct expenditure follow:

Current Operations: Direct expenditure for compensation of own officers and employees and for supplies, materials, and contractual services except any amounts for capital outlay (i.e., for personal services or other objects used in contract construction or government employee construction of permanent structures and for acquisition of property and equipment).

Interest on Debt: Amounts paid for the use of borrowed money.

Assistance and Subsidies: Direct cash assistance to foreign governments, private individuals, and nongovernmental organizations (e.g., foreign aid, agricultural supports, public welfare, veteran bonuses, and cash grants for tuition and scholarships) neither in return for goods and services nor in repayment of debt and other claims against the government.

Capital Outlay: Direct expenditure for purchase or construction, by contract or government employee, construction of buildings and other improvements; for purchase of land, equipment, and existing structures; and for payments on capital leases.

Construction: Production, additions, replacements, or major structural alterations to fixed works, undertaken either on a contractual basis by private contractors or through a government’s own staff.

Purchase of Land and Existing Structures: Acquisition of these assets as such by outright purchase; payments on capital lease-purchase agreements or installment purchase contracts; costs associated with eminent domain (including purchase of rights-of-way); and tax or special assessment foreclosure.

Purchase of Equipment: Purchase and installation of apparatus, furnishings, motor vehicles, office equipment, and the like having a life expectancy of more than five years.

Other Than Construction: This object category represents the combined definitions for “Purchase of Land and Existing Structures” plus “Purchase of Equipment.”

5.2.2.2 Intergovernmental Expenditures Defined

Intergovernmental expenditure is defined as amounts paid to other governments for performance of specific functions or for general financial support. Includes grants, shared taxes, contingent loans and advances, and any significant and identifiable amounts or reimbursement paid to other governments for performance of general government services or activities.

By definition, it excludes amounts paid to other governments for purchase of commodities, property, or utility services and for any tax levied as such on facilities of the government. See Section 3.7.3 for a more extensive discussion of this topic.

Specific object codes further define the type of intergovernmental expenditure by level or type of receiving government, as noted in Chart 5.A (see Section 5.2.2).

5.3 The Four Sectors of Government – Expenditure Issues

As described in Section 2.1, the activities of governments are divided into four sectors for Census Bureau purposes. The explanations below provide additional information about these sectors in terms of how they apply to government expenditure statistics.

5.3.1 General Expenditure

General expenditure comprises all expenditure except that classified as utility, liquor store, or social insurance trust expenditure.

5.3.2 Utility Expenditure

Utility expenditure comprises outlays for the purchase or construction of utility facilities, interest on utility debt (including utility debt held by other funds of the same government), and production or acquisition and distribution of utility commodities and services for sale to the general public or to other governments by the four types of state and local government utilities recognized by the Census Bureau: water supply, electric power, gas supply, and public mass transit systems. Utility expenditure is reported on a gross amount without deducting its related revenue.

Utility expenditure excludes any identifiable costs for providing services or commodities to the parent government, which are reported at the function using them. For example, the cost of water used by a

fire department is classified as *Local Fire Protection*, code E24.

The following expenditures are excluded from the utility sector:

- Depreciation of assets (instead, capital outlays are reported at the time of their payment).
- Contributions or other intragovernmental transfers by a utility to its parent government. As a practical matter, interest on utility debt held for investment purposes by other funds of the parent government are included in utility interest expenditure.
- Expenditures relating to utility facilities owned but leased to others for operation (reported as general expenditure), except where the government maintains day-to-day financial oversight of the utility operation.
- Intergovernmental payments (which are always general expenditure) for support of or for contributions toward construction of utilities operated by other governments (see Section 5.3.2.2). Note that purchase of utility services or commodities as a regular customer from another government is treated as a current operation expenditure of the paying function.
- Any expenditure not directly related to the utility's acquisition, operation, capital improvements, or interest on its debt. This includes, for instance, administration of investments and other nonoperating expenses, and payments to other governments as "in-lieu-of-taxes" or as actual taxes on utility property. Generally, these would be classed in the general government sector.
- Contributions to an insurance trust fund administered by the same government (an intragovernmental transfer) or benefit payments to former utility employees who are members of a government public employee retirement system (reported as an insurance trust expenditure). Contributions to a social insurance trust system administered by another government, however, would be classified as utility current operation expenditure.
- Cost of producing electricity or natural gas as a by-product of waste resource recovery facilities (report at *Solid Waste Management*, code *81).

Utility expenditure is categorized according to the type of utility involved and by character and object.

5.3.2.1 Special Topics: Intergovernmental Expenditure Codes for Utilities

The Census Bureau classification system includes intergovernmental expenditure codes for utility purposes. However, despite the fact that these categories possess utility function codes (*91, *92, *93, and *94), they are classified as general government expenditure. These categories were added effective with fiscal year 1988 data. Prior to that time, they were reported under other intergovernmental expenditure codes (primarily *Other and Unallocable*, code *89, which still exists, and Transit Subsidies, code *47, which no longer exists).

5.3.2.2 Special Topics: Joint Utility Projects (Public and Private)

Because of the massive size of utility facilities (especially electric power), governments sometimes enter into joint construction projects with other private or public utilities. Below are two possible situations and their proper classification for Census Bureau purposes:

- In joint public/private utility projects, capital outlay expenditure from bond funds for new plants are classified as utility Construction expenditure (“F” code) rather than Purchase of Land and Existing Structures (“G” code). That is, it is assumed that the government is paying the private firm for the construction work unless there is strong evidence indicating that the government utility is taking over an existing private utility.
- In joint public/public utility projects, payments to another government either for construction or debt service generally is treated as intergovernmental expenditure (using the codes for utilities described in Section 5.3.2.1). However, if the receiving government utility treats the contribution as part of its basic rate structure (i.e., classified as utility revenue), then the government’s contribution is treated as a current operation expenditure.

5.3.3 Liquor Stores Expenditure

Liquor store expenditure is restricted to outlays for the establishment and operation of retail liquor stores or wholesale liquor monopolies owned and operated by state and local governments. It includes amounts for purchase of liquor for resale. It excludes expenditures for enforcement and licensing under liquor laws, even if financed by liquor store sales (reported as general expenditure). It also excludes the transfer of surplus or earnings of the liquor store system to the parent government (an intragovernmental transfer); and state liquor store earnings that are distributed to local governments (reported at *General Local Government Support*, code *30).

5.3.4 Social Insurance Trust Expenditure

Social insurance trust expenditure consists of social insurance payments to beneficiaries, public employee retirement annuities and other benefits, and withdrawals of insurance or employee retirement contributions. In effect, it only includes amounts paid to beneficiaries or members of the systems.

The following are excluded from social insurance trust expenditures:

- Costs of administering social insurance trust programs, including management of investments (classified as a general government expenditure).
- Contributions to a government’s own insurance trust funds (an intragovernmental transfer).
- Contributions or other payments to insurance trust funds administered by another government (classified as current operation expenditure when such amounts represent employer contributions on behalf of the contributing government’s employees and as agency transaction when such amounts represent sums withheld from employee salaries and wages).
- “Pay-as-you-go” plans or “gratuities” to former employees – i.e., payments not involving a plan of employee assessments or accumulation of retirement reserves (classified as current operation expenditure).

- Group insurance premiums covering the government’s own employees and contributions to private insurers or to public employee association retirement systems (classified as current operation expenditure).

Social insurance trust expenditure is classified according to the major types of insurance trust systems recognized by the Census Bureau.

5.4 Measurement Issues for Expenditure

This section notes several important concepts related to the measurement of expenditure in the Census Bureau’s statistical system. Further detail is available in Chapters 1, 2, and 3.

5.4.1 Measurement Issues: Timing

Expenditure statistics represent all transactions made during the fiscal year. In cases where a dependent agency of a government has a fiscal year that differs from the parent government, expenditures for the dependent agency are combined with that of the parent, even though they represent different time frames.

Similarly, when expenditure statistics are tabulated for more than one government, the fiscal year differences are ignored. All data are summed as if they covered the same time periods, without any adjustments.

The treatment of fiscal years and the definition applied by the Census Bureau are explained in Section 3.2.

5.4.2 Measurement Issues: Valuation

All statistics are reported or compiled in current dollars only. The Census Bureau makes no effort to account for historical price level changes in its statistical program on government finances. This is because of the diversity of users, and uses for, the data. By reporting only in current dollar values, the Census Bureau recognizes the various needs and special circumstances of its data users and does not introduce any statistical bias to the time series.

5.4.3 Measurement Issues: Aggregation and Tabulation

Aggregate statistics for an individual government reflect the expenditure of the parent government and all of its dependent agencies. However, flows of funds between these entities are considered internal transfers and are excluded, by definition, from expenditure totals. The basic concept of total expenditure for an individual government thus represents all monies spent outside of the defined government entity.

Tabulated statistics on expenditure for multiple governments reflect the fiscal years of the governments being summed. Since these fiscal years differ, total statistics (such as for all local government in a state, or all townships nationally) reflect a mix of fiscal periods. The Census Bureau makes no effort to adjust aggregates so that they represent a standard time period.

5.5 Types of Expenditure Statistics – Regular, Exhibit, and Derived

Government expenditures are presented using three of the four basic statistic types in the classification

system – regular, exhibit, and derived. These were explained in Section 2.2. There are no descriptive statistics for government expenditure categories.

The exhibit codes and derived statistics provide additional detail about financial transactions that are deemed important for certain statistical users, or that are used to develop special tabulations of government activities.

These special codes are labeled “expenses” to distinguish them from the “expenditure” categories used in the Census Bureau’s classification system. These expense codes are explained briefly in this chapter under their related expenditure category. Additional information is contained in Chapters 8, 9, and 10. The exhibit codes and derived statistics related to expenditure are noted in the description sheets for expenditure function categories (Section 5.6.3), as well as in the tables that accompany this chapter. In total, there are seventeen exhibit code statistics and one derived statistic (found in the liquor stores sector) for expenses.

Two exhibit codes fall outside of the standard “sector” designations used in the classification system:

Z00 = total salaries and wages

V98 = total capital outlay

See the Expenditure Function description pages in Section 5.6.3 for more detail.

5.6 Functional Categories for Regular Finance Expenditure Statistics

The following pages contain the complete list of functional categories and codes used for classifying the Census Bureau’s government finance statistics on expenditures.

5.6.1 Overview

The functional expenditure categories used in the finance survey are similar to those used for statistics in the government employment survey. Most of the functional categories are the same in both surveys, and they are defined identically, covering the same types of government services or programs. See Chapter 12 for detailed information about employment statistic functions.

5.6.2 Special Topics: Federal Government Expenditure Statistics

The Census Bureau has included government expenditure statistics of the Federal Government in its government finance program over the years. However, such statistics were temporarily discontinued effective with the 1996 survey year. Nevertheless, this edition of the *Classification Manual* contains detailed information on classification of expenditure statistics for the Federal Government.

There are several aspects of Federal expenditure statistics that differ from the state and local government expenditure statistics developed by the Census Bureau. There are eleven general sector expenditure functions that apply only to the Federal Government. There also are three specific function/object combinations within the insurance trust sector that represent Federal-only benefit payments. These are shown here and detailed later in this chapter:

Code *02 - Federal Space Research and Technology

Code *06 - Federal National Defense and International Relations

Code *14 - Federal Postal Service

Code *20 - Federal Veterans’ Education Benefits

Code *28 - Federal Veterans' Health
Code *37 - Federal Own Hospitals - Veterans
Code *39 - Federal Other Hospitals - Veterans
Code *51 - Federal Farm Credit Programs
Code *53 - Federal Farm Income Stabilization
Code *57 - Federal Soil, Water, and Electric Energy Resources
Code *58 - Federal Mineral Resources
Code Y25 - Federal Social Security and Medicare
Code Y34 - Federal Veterans' Life Insurance
Code Y45 - Federal Railroad Retirement

Similarly, there are some expenditure functions that, by definition, do not apply to the Federal Government. These include general sector activities as well as all liquor store and utility functions.

Finally, the "object character" code for Assistance and Subsidies, code "J," is applicable to most functions for Federal Government statistics. Where applicable, it is shown in the applicability table at the bottom of each functional page. In contrast, this object category is restricted for state governments to only four functions (J19, J67, J68, and J85), and local governments to only two functions (J67 and J68).

5.6.3 Key to the Expenditure Function Pages

The complete listing of functional categories for government finance expenditure statistics follows. Each function is presented on a separate page, using a standard format that contains the following information:

Definition
Included activities or employees
Excluded activities or employees
Examples (specific governments, by name, or governmental agencies/programs, by name), if applicable
Special Considerations (explains caveats, restrictions in applicability, or other useful information)
Applicability table (by level of government)

The applicability table, at the bottom of each page, indicates which object codes apply to each function. This is needed because some objects apply only to selected functions. The table contains two columns representing expenditure character – direct expenditure and intergovernmental expenditure. Valid object codes for each function are shown under each column.

The Expenditure Function Pages also contain detail about which classification function codes are restricted in use. This is displayed in two methods. First, within the two expenditure character columns (direct and intergovernmental), the applicability table shows only the object codes applicable for the function. If an object code is not listed, then it cannot be used for that function (and there are no data for it). Also, if any of the object codes are restricted (i.e. they do not apply to a level of government), that fact is noted as well. Where restrictions exist, they reflect limitation by definition or statistical methodology. For example, the object code "L" represents intergovernmental expenditure to state governments. By definition, this is restricted to Federal and local governments only. State governments do not make intergovernmental payments to other states, according to the framework of Census Bureaus' government finance statistics program.

The second manner in which classification restrictions are depicted is via the Special Considerations section on each page. If a function is not used for a level or type of government, this fact is indicated under “Special Considerations.” In theory, there are very few of these situations, because restricting classification categories creates conflicts with existing statistical standards. However, as a practical matter, some functions will not apply to a level or type of government. School districts, for example, do not operate airports. Similarly, the functional category *Local Fire Protection* does not apply to Federal and state levels of government.

Note the following excerpt from the Airport Function applicability table, as an example:

K01 Equipment (Federal, states)

This reference indicates that the object and function combination of K01 (expenditure for equipment) is valid only for statistics of Federal and state governments.

Users should reference the complete and detailed table of expenditure function applicability (Table 5.2), by level and type of government, which is found at the end of this chapter and repeated in Appendix 2.

EXPENDITURE FUNCTIONS

Code *01

Air Transportation (Airports)

Sector: General Government

Definition: Provision, operation, construction, and support of airport facilities serving the public at-large on a scheduled or unscheduled basis. Also includes the regulation of airline industry, if applicable.

Includes: Publicly-operated airfields and related facilities (runways, terminals, control towers, maintenance facilities, and the like); intergovernmental payments for construction, operation, or support of publicly-owned airports; support of private airports; airport police if either an integral part of the airport operating authority or a payment to regular police agency (see Special Considerations below).

Excludes: Purchase and operation of government-owned aircraft – e.g., police helicopters (report at function involved); state civil air patrol or militia (report at *Other and Unallocable*, code *89).

Examples:

- State – Baltimore/Washington International Thurgood Marshall Airport (a Maryland state government dependent agency)
- Special District –Dulles International Airport in Loudoun County, Virginia (operated by a special district government, the Washington Metropolitan Airports Authority).

Special Considerations:

1. Includes publicly-owned airports, even if no scheduled airlines service it, or if its clientele consists of private pilots and aircraft only.
2. For leased facilities, include government's expenditures and exclude the lessees' expenditures.
3. Report payments by an airport authority to a regular police department of the same government at E01 and deduct an equal amount from *Police Protection*, code E62. The rationale for this procedure is that the primary function involved is air transportation.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E01 Current Operations
F01 Construction
G01 Land and Existing Structures
K01 Equipment (Federal, states)

J01 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L01 To state governments
M01 To local governments

EXPENDITURE FUNCTIONS

Code *02

Federal Space Research and Technology

Sector: General Government

Definition: Federal Government activities for research, development, applications, and support in the areas of aeronautics and space transportation, sciences, and technology.

Includes: Comprises activities of the National Aeronautics and Space Administration (NASA), except payments to public and private universities for scientific research.

Excludes: Department of Defense research and other activities related to missiles, satellites, space weapons, etc. (report at *Federal National Defense and International Relations*, code *06); NASA payments to public and private universities for scientific research (report at *Federal and State Other Education*, code *21).

Examples: The National Aeronautics and Space Administration (NASA) is the only Federal agency whose employees and activity are included at this function.

Special Consideration:

This function applies only to Federal Government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E02 Current Operations
F02 Construction
G02 Land and Existing Structures
K02 Equipment

J02 Assistance and Subsidies

Intergovernmental Expenditure

L02 To state governments
M02 To local governments

EXPENDITURE FUNCTIONS

Code *03

Miscellaneous Commercial Activities, NEC

Sector: General Government

Definition: Provision and operation of publicly-owned commercial facilities not classified under particular functions, utilities, or social insurance trust activities.

Includes: Expenditure for operating public markets, cemeteries, grain elevators, or disaster insurance systems if classified as part of the general government.

Excludes: Public utilities (use *Utilities* codes *91 – *94); toll highways such as bridges (report at *Toll Highways*, code *45), sewerage systems (report at *Sewerage*, code *80); public hospitals (report at *Hospitals*, code *36); parks and recreational facilities (use *Parks and Recreation*, code *61); dormitories, cafeterias, bookstores, and other auxiliary enterprises connected with institutions of higher education (use *Higher Education Auxiliary Enterprises*, code *16); nursing homes (report at *Public Welfare*, codes *77 and *79); public airports (use *Airports*, code *01); and other commercial-type activities classifiable in particular functions.

Examples:

- State government – the Bank of North Dakota, North Dakota Mill and Elevator Association, Florida Hurricane Catastrophe Fund, and the Alaska Railroad.
- Local government – New Orleans Public Belt Railroad and Passenger Terminal.

Special Considerations:

1. This function includes direct expenditures only – report any intergovernmental expenditure data at *Other and Unallocable*, code *89.
2. Effective with 1977 data, state government utility expenditures were removed from this category and reclassified at the *Utility* functions, codes *91–*94.
3. Excludes disaster insurance systems if they have been established as separate “other social insurance trust systems.” An example of this exclusion is the Florida Citizens Property Insurance Corporation.
4. This function does not apply to Federal government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E03 Current Operations
F03 Construction
G03 Land and Existing Structures
K03 Equipment (states)

None

EXPENDITURE FUNCTIONS

Code *04

Correctional Institutions

Sector: General Government

Definition: Residential institutions or facilities for the confinement, correction, and rehabilitation of convicted adults, or juveniles adjudicated, delinquent or in need of supervision, and for the detention of adults and juveniles charged with a crime and awaiting trial.

Includes: Facilities generally referred to as prisons, reformatories, jails, penitentiaries, correctional farms, workhouses, reception centers, industrial schools, training schools, and detention centers. Includes hospitals for the criminally insane IF operated by a corrections agency. Includes expenditure on education, training, and health care programs devoted to inmates. Includes residential work release units, and residential halfway houses, and community corrections centers. For prison industries include only amounts involved in the manufacture, sale, and distribution of articles or services for resale or use outside the government involved.

Excludes: Payments to other governments for care of prisoners (report at *Other Corrections*, code *05); nonresidential facilities (use code *05); any identifiable costs of products or allocable value of prison labor used by other agencies of same government (report at function involved); hospitals for criminally insane operated by mental health or hospital agency (report at *Hospitals*, code *36).

Examples:

- Federal Government – U.S. Penitentiary, Leavenworth
- State government – Pelican Bay State Prison, California

Special Considerations:

1. Prior to 2005, this function applied solely to Federal and state government direct expenditures. Related local expenditures, as well as all intergovernmental expenditures, were included at *Other Corrections*, code *05.
2. Include only facilities operated by the government concerned.
3. Prior to the 1988 version of this Classification Manual, this function was defined to exclude jails holding persons awaiting trial or serving short-term sentences and to report them as *Police Protection*, code *62.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E04 Current Operations

L04 To state governments

F04 Construction

M04 To local governments

G04 Land and Existing Structures

K04 Equipment (Federal, states)

J04 Assistance and Subsidies (Federal)

EXPENDITURE FUNCTIONS

Code *05

Other Corrections

Sector: General Government

Definition: Correctional activities other than Federal, state and local residential institutions or facilities, as described under *Correctional Institutions*.

Includes: Probation offices (whether operated by courts or correctional agencies) boards of parole, boards of pardon, and the like; noninstitutional activities such as administration of a correctional agency, training of correctional employees, and nonresidential halfway houses and community corrections centers.

Excludes: Supervision of individual state or local correctional institutions (use *Correctional Institutions*, code *04); state and local programs strictly devoted to inmates of its institutions (training, education, rehabilitation, health care, etc.), even if recorded under an administrative unit of a corrections agency – e.g., Director's Office (use code *04).

Special Considerations:

1. Exercise care when recording construction expenditures for corrections reported under an administrative unit (e.g., Director's Office, Division of Planning). Construction outlays for noninstitutional activities are generally quite small; thus, such amounts should often be classified at *Correctional Institutions*, code *04, instead of *Other Corrections*.
2. Prior to this 2005 edition, this function included all local government residential facilities described under *Correctional Institutions*, code *04.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E05 Current Operations
F05 Construction
G05 Land and Existing Structures
K05 Equipment (Federal, states)

Intergovernmental Expenditure

L05 To state governments
M05 To local governments

EXPENDITURE FUNCTIONS

Code *06

Federal National Defense and International Relations

Sector: General Government

Definition: Federal Government activities to protect the United States and its allies from foreign aggression, to maintain military capabilities for deterring war, to protect and advance its interests in international affairs, and to provide military, economic, and humanitarian aid to other nations.

Includes: Comprises primarily the Departments of Defense, Energy (part), and State as well as such agencies as U.S. Information Agency, Agency for International Development (AID), Peace Corps, Export-Import Bank, and International Monetary Fund. Activities covered include the military services, National Guard and Reserves forces, intelligence agencies, military procurement, defense research and evaluation, military housing, and selective service system; outlays of the Military Retirement Fund; conduct of diplomatic and consular relations, payments to international organizations like the United Nations, and international communication, education, and cultural activities; military assistance; foreign aid for economic support, functional development, and humanitarian assistance; Food for Peace (PL 480 Food Aid) and Foreign Agriculture Service; atomic energy defense research, development, and production.

Excludes: Military and economic loans to other countries (except “forgiven loans”); Soldiers’ and Airmen’s Home (report at *Public Welfare - Other*, code *79); payments to states for defense activities (report at *Other and Unallocable*, code *89); tuition payments for training (report at *Federal and State Other Education*, code *21); Army Corps of Engineers (allocate among *Federal Soil, Water, and Electric Energy Resource*, code *57, *Sea and Inland Port Facilities*, code *87, and code *89); Department of Energy other than atomic defense activities (report balance at code *57); state-local militia, civil air patrol, civil defense, and other defense-related activities (use code *89).

Special Considerations:

1. This function applies solely to Federal Government financial statistics. Report any related state or local government activities at *Other and Unallocable*, code *89.
2. Report military service academies (the Military Academy at West Point, the Air Force Academy, the Naval Academy, Merchant Marine Academy, and the Coast Guard Academy) here rather than at *Education*, codes *12 – *21.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E06 Current Operations
F06 Construction
G06 Land and Existing Structures
K06 Equipment

J06 Assistance and Subsidies

None

EXPENDITURE FUNCTIONS

Code *12

Elementary and Secondary Education

page 1 of 2

Sector: General Government

Definition: The operation, maintenance, and construction of public schools and facilities for elementary and secondary education (kindergarten through high school), vocational-technical education, and other educational institutions except those for higher education. Covers operations by independent governments (school districts) as well as those operated as integral agencies of state, county, municipal, or township governments. Also covers financial support of public elementary and secondary schools.

Includes: Instructional, support, and auxiliary services operated through school systems (school lunch, student activities, community services, pupil transportation, health services, guidance counseling, and the like); administration and supervision of school systems; special education, classes for the handicapped, and vocational education provided through school systems; libraries operated by public schools; and plant maintenance and operation. For state governments, includes payments in support of local school systems as well as direct expenditures on their behalf (e.g., for construction of school buildings, purchase of textbooks and other instructional materials, acquisition and operation of school buses, and other local school activities).

Excludes: Institutions of higher education (use *Higher Education Auxiliary Enterprises*, code *16, and *Other Higher Education*, code *18); schools for the blind, deaf, or handicapped (if primarily for training and education, report at *Federal and State Other Education*, code *21; if primarily for physical rehabilitation and care, report at *Hospitals*, codes *36); state aid to private schools (report at *State Government Scholarships and Other Subsidies*, code *19); state adult, vocational, and special education programs operated outside school systems (use code *21). For state governments also exclude administrative expenses of school building agencies and supervision of local public and private elementary-secondary education (use code *21).

Examples:

- State governments – The Patterson City School District (New Jersey), under temporary state control. The elementary and secondary education system in Hawaii, where the state government operates the sole school system.
- Local governments – The Los Angeles Unified School District (an independent local government) and the New York City School System (classified as a dependent agency of New York City).

EXPENDITURE FUNCTIONS

Code *12

Elementary and Secondary Education
page 2 of 2

Special Considerations:

1. Includes all expenditures for public charter schools offering elementary and secondary educations, if they have been classified as in-scope for Census Bureau surveys on government finances. State payments to charter schools classified as private for Census Bureau statistics (report payment at *State Government Scholarships and Other Subsidies*, code J19, for state governments and E12 for local governments).
2. Q12 is used for payments to independent school districts, where separately identifiable, rather than using M12.
3. This function applies to state and local governments only. All Federal expenditure for education is reported at *Federal and State Other Education*, code *21.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E12 Current Operations
F12 Construction
G12 Land and Existing Structures
K12 Equipment (states)

Intergovernmental Expenditure

L12 To state governments (locals)
M12 To local governments
Q12 To independent school districts (states, schools only)

EXPENDITURE FUNCTIONS

Code *14

Federal Postal Service

Sector: General Government

Definition: Activities of the U.S. Postal Service (USPS).

Includes: Includes all postal activities on a gross reported basis (i.e., without deducting postal fees and charges).

Excludes: Subsidies to airlines (report at *Air Transportation*, code *01).

Special Considerations:

1. The former cabinet-level Post Office Department became an independent Federal corporation and renamed the U.S. Postal Service on July 1, 1971, as a result of the Postal Reorganization Act of 1970 (Public Law 91-375).
2. Report USPS criminal and fraud investigation activity here, rather than at *Police Protection*, code *62.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E14 Current Operations
F14 Construction
G14 Land and Existing Structures
K14 Equipment

J14 Assistance and Subsidies

None

EXPENDITURE FUNCTIONS

Code *16

Higher Education Auxiliary Enterprises

Sector: General Government

Definition: Higher education activities and facilities that provide supplementary services to students, faculty or staff, and which are self-supported (wholly or largely through charges for services) and operated on a commercial basis.

Includes: Dormitories; cafeterias; bookstores; athletic facilities, contests, or events; student activities; lunch rooms; student health services; college unions; college stores, and the like.

Excludes: Hospitals operated by medical schools (report at *Hospitals*, code *36); agricultural extension services (report at *Natural Resources, Other*, code *59).

Special Considerations:

1. Report expenditures on a gross basis without deduction for related revenue from charges.
2. Report any employment data related to these activities at *Other Higher Education*, code *18.
3. Prior to this 2005 edition, this function applied solely to state governments only. Auxiliary enterprises associated with local institutions of higher education were reported at *Other Higher Education*, code *18.
4. Prior to this 2005 edition, the exclusion for agricultural extension services was coded at Agriculture, code *54, instead of *Natural Resources, Other*, code *59.
5. This function does not apply to Federal Government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E16 Current Operations
F16 Construction
G16 Land and Existing Structures
K16 Equipment (states)

None

EXPENDITURE FUNCTIONS

Code *18

Other Higher Education

Sector: General Government

Definition: Degree-granting institutions (associate, bachelor, master, or doctorate) operated by state or local governments that provide academic training beyond the high school (grade 12) level, other than for auxiliary enterprises of the state or local institution.

Includes: Junior colleges; community colleges; universities; law schools; medical and nursing schools; agricultural colleges; land grant institutions; engineering schools; and other institutions granting postsecondary degrees. Includes all related activities for instruction, research, public service (except agricultural extension services), academic support, libraries, student services (other than self-supporting enterprises), administration, and plant maintenance.

Excludes: Dormitories, bookstores, cafeterias, and other commercial-type services of institutions (report at *Higher Education Auxiliary Enterprises*, code *16); training academies or programs which do not confer college-level degrees (e.g., police academies); state vocational-technical schools which award certificates equal to less than 2-years of college (report at *Federal and State Other Education*, code *21); hospitals for the general public operated by universities (report at *Hospitals*, code *36); agricultural experiment stations, farms, and extension services (report at *Natural Resources, Other*, code *59); state scholarships and fellowships awarded to students (report at *State Government Scholarships and Other Subsidies*, code *19); state aid to or in support of private colleges (use code J19); state administration of school building authorities (use code *21).

Examples: State governments – State University of New York (SUNY) system, including all graduate programs, four year universities, and colleges (dependent agencies of the state of New York).

Special Considerations:

1. Finance data for both *Higher Education Auxiliary Enterprises*, code *16, and code *18 are obtained in part from the Integrated Postsecondary Education Data Survey (IPEDS) conducted by the U.S. Department of Education.
2. This function does not apply to Federal Government financial statistics, or to statistics for special district governments.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E18 Current Operations
F18 Construction
G18 Land and Existing Structures
K18 Equipment (states)

Intergovernmental Expenditure

L18 To state governments (locals)
M18 To local governments
Q18 To local school districts (states)

EXPENDITURE FUNCTIONS

Code *20

Federal Veterans' Education Benefits

Sector: General Government

Definition: Federal Government direct payments to or on behalf of veterans, former military personnel, and their eligible dependents for education and training purposes and intergovernmental aid in support of state and local government veterans educational benefits programs.

Includes: Veterans readjustment benefits for education and training; educational assistance under various "GI Bills;" All Volunteer Force education benefits; Post-Vietnam Era Education Program payments.

Excludes: Loans to veterans for education and training (nonexpenditures); distribution of funds from the Post-Vietnam Era Veterans Education Trust Fund which represents repayments of voluntary contributions by eligible military personnel during their service (report at *Federal and State Other Education*, code *21); tuition payments for training by Department of Defense for active personnel (use code *21).

Special Considerations:

1. The benefit programs cited above are administered by the U.S. Department of Veterans Affairs although some are funded by the Department of Defense.
2. This function applies solely to Federal Government financial statistics. Report any state government direct cash payments to veterans for tuition, scholarships, or other educational assistance at *State Government Scholarships and Other Subsidies*, code *19, and any such local government assistance at *Other Higher Education*, code *18.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E20 Current Operations
F20 Construction
G20 Land and Existing Structures
K20 Equipment

J20 Assistance and Subsidies

Intergovernmental Expenditure

L20 To state governments
M20 To local governments

EXPENDITURE FUNCTIONS

Code *21

Federal and State Other Education

page 1 of 2

Sector: General Government

Definition: State government special programs and institutions primarily for training and education (rather than care) of the blind, deaf, or other handicapped; programs for adult, vocational, or special education that operate outside school systems; and activities not assignable to other education functions.

Includes: State schools for the blind, visually impaired, deaf, or other handicapped; adult education and vocational rehabilitation and education not provided by school systems; technical or vocational-technical schools which award certificates equal to less than two years of college; overall supervision of and general services to local elementary and secondary schools, public or private; administration of state education activities; costs not allocable between elementary-secondary and higher education, such as paying fringe benefit costs of employees of local schools and state colleges; administration of state school building authorities.

Excludes: Institutions for blind, deaf, or other handicapped that are primarily for physical rehabilitation and care (report at *Hospitals*, code *36); direct payments on behalf of local schools, such as for textbooks, purchase of buses, and construction of school buildings (report at *Elementary and Secondary Education*, code *12); state intergovernmental aid to support local school districts or dependent public school systems (use code *12); administration of state institutions of higher education (report at *Other Higher Education*, code *18).

Examples:

- Federal Government – The Department of Education and the National Science Foundation, plus parts of the Bureau of Indian Affairs.
- State governments – Includes boards of governors of the state college/university systems, school finance authorities, educational facilities authorities, and commissions on higher education.

Special Considerations:

1. This function applies only to Federal and state governments and to special district governments. For the Federal Government, it represents all education expenditures except veterans' benefits (*Federal Veterans' Education Benefits*, code *20). Prior to this 2005 edition, it was named "Other Education," but still excluded local governments. The code name was modified accordingly.
2. Report any related local data at either *Elementary and Secondary Education*, code *12 or *Other Higher Education*, code *18.

EXPENDITURE FUNCTIONS

Code *21

Federal and State Other Education

page 2 of 2

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E21 Current Operations
F21 Construction
G21 Land and Existing Structures
K21 Equipment

J21 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L21 To state governments
M21 To local governments

EXPENDITURE FUNCTIONS

Code *22

Social Insurance Administration

Sector: General Government

Definition: Administration of unemployment compensation systems, public employment services, and the Federal Social Security, Medicare, and Railroad Retirement trusts.

Includes: Unemployment compensation, unemployment insurance, and equivalent agencies involved in administering the cooperative Federal-state unemployment insurance compensation system; associated public employment, job services, employment services, and other agencies providing job placement, counseling, veterans readjustment allowances, or related services; and determination of eligibility for disability benefits under Federal Social Security (Old-Age and Survivors Insurance and Disability Insurance) and Medicare (Hospital Insurance and Supplementary Medical Insurance) programs. Also includes intergovernmental payments from the Federal government to state governments for administering unemployment compensation, job services, and disability determination programs.

Excludes: Benefits paid under these programs (report at appropriate *Social Insurance Trust* code); administration of public employee retirement, workers' compensation, or miscellaneous insurance trusts (report at *Financial Administration*, code *23); administration of Federal Supplemental Security program, or SSI (report at *Public Welfare - Other*, code *79); activities funded by the Federal Workforce Investment Act – WIA (formerly the Federal Job Training Partnership Act – JTPA, report at *Other and Unallocable*, code *89); monies channeled through public employment offices (report at function involved).

Special Considerations:

1. Report any state government intergovernmental payments at *Other and Unallocable*, code *89.
2. Washington, DC is the only local government for which data can be reported at this function.
3. This function is titled *Employment Security Administration* when applied to state governments and Washington, DC only.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E22 Current Operations (Federal, states, DC)
F22 Construction (Federal, states, DC)
G22 Land and Existing Structures (Federal, states, DC)
K22 Equipment (Federal, states)

J22 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L22 To state governments (Federal)
M22 To locals (Federal)

EXPENDITURE FUNCTIONS

Code *23

Financial Administration

Sector: General Government

Definition: Officials and central staff agencies concerned with tax assessment and collection, accounting, auditing, budgeting, purchasing, custody of funds, and other finance activities.

Includes: Expenditures to administer the offices of auditor, comptroller, treasurer, finance director, and other central accounting, budgeting, and purchasing offices; tax administration, assessment, billing, and collection; custody and disbursement of funds; revenue collection activities like delinquent tax sales, tax litigation, and charges of depositories; state supervision of local finances; management of debt and of investments (including that of own utilities); cost of insurance for issuing debt; administration of employee-retirement, workers' compensation, and federal and state other insurance trust funds; lottery administrative costs (equal to the amount at *Administrative Expenses*, exhibit code Z53); licensing and tax collection activities of motor vehicle departments; distinctive tax collection activities of regulatory agencies; central data processing centers; and other finance activities not recorded elsewhere.

Excludes: Internal financial management activities of functional agencies (report at function of agency involved); administration of unemployment compensation systems and of Federal Social Security and Railroad Retirement Trust Funds (report at *Social Insurance Administration*, code *22); benefits paid from employee retirement, workers' compensation, and state other insurance trusts (report at appropriate *Social Insurance Trust* code); activities of motor vehicle departments other than licensing (report at *Protective Inspection and Regulation, NEC*, code *66); installation and maintenance of government owned parking meters (report at *Parking Facilities*, code *60); purchase and maintenance of real property held for investment (report at *Other and Unallocable*, code *89).

Examples: Federal Government – the Federal Reserve System and Bureau of Engraving and Printing and U.S. Mint.

Special Consideration:

This function covers central offices and excludes internal financial management activities of functional agencies (report at function of agency involved). This function does not apply to special districts or to school district governments.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E23 Current Operations
F23 Construction
G23 Land and Existing Structures
K23 Equipment (Federal, states)

J23 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L23 To state governments
M23 To local governments

EXPENDITURE FUNCTIONS

Code *24

Local Fire Protection

Sector: General Government

Definition: Prevention, avoidance, and suppression of fires and provision of ambulance, medical, rescue, or auxiliary services provided by fire protection agencies.

Includes: Expenditures of regular fire departments; financial, technical, and operational support of volunteer fire forces; fire hydrant maintenance; rescue squads; fire inspection, investigation, and regulation; fire marshals; fire prevention education; fire suppression training; auxiliary services; fire stations, buildings, and other facilities used exclusively for fire protection purposes; and the following activities IF handled by a fire department: ambulances, emergency medical technicians (EMTs), paramedic squads, and arson investigation. Also include any identifiable amounts for services rendered by other agencies of the same government for fire protection or suppression, such as provision of water by water supply utility.

Excludes: Forest-fire protection and suppression (report state expenditure at *Federal and State Forestry*, code *56, and local amounts at *Natural Resources, Other*, code *59); ambulances, emergency medical technicians, and paramedic squads handled by non-fire departments (report at *Health*, code *32).

Examples: Expenditures of the New York City Fire Department, including its EMT and ambulance activity, and all its training activities.

Special Considerations:

1. Effective with 1988 data, the treatment of ambulance and emergency medical services was clarified to include it here only if handled by a fire protection agency.
2. This function applies only to local governments. Federal and state government data are reported at *Other and Unallocable*, code *89, except forest fire protection and suppression (use *Federal and State Forestry*, code *56).

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E24 Current Operations

M24 To local governments (locals)

F24 Construction

G24 Land and Existing Structures

EXPENDITURE FUNCTIONS

Code *25

Judicial and Legal

Sector: General Government

Definition: Courts (criminal and civil) and activities associated with courts, legal services, and legal counseling of indigent or other needy persons.

Includes: Expenditures for criminal and civil courts of limited and general jurisdiction; appellate courts; juries, court reporters, witness fees, and law libraries; medical and social service activities of courts (except probation); court activities of sheriff offices (bailiffs or “civil” functions); registers of wills and other probate activities; legal departments, general counsels, solicitors, prosecuting and district attorneys; attorneys providing government-wide services; public defenders; payments for court-appointed lawyers; indigent defense; child support enforcement; and contributions to legal aid societies.

Excludes: Probation (report at *Other Corrections*, code *05); judgments and claims and crime victim compensation or reparation (report at *Other and Unallocable*, code *89); boards of appeal for zoning, tax assessment, workers’ compensation, or other nonjudicial areas adjudication related strictly to administrative rule-making, “judges” which are administrative or executive positions (report at *Central Staff Services*, code *29).

Examples:

- Federal Government – U.S. Supreme Court and Circuit Courts of Appeal.
- State governments – Supreme Court of California and State Courts of Appeal.
- Local governments – Superior Courts in California, classified as county agencies, except for San Francisco (city).

Special Considerations:

1. Effective with 1982 data, this category was expanded from court activities only to also encompass legal services and public defense, formerly classified under *Central Staff Services*, code *29, and *Public Welfare - Other*, code *79, respectively, and to cover all general purpose governments instead of states, and large cities and counties.
2. This function does not apply to special district or to school district governments, by definition.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E25 Current Operations

L25 To state governments

F25 Construction

M25 To local governments

G25 Land and Existing Structures

K25 Equipment (Federal, states)

J25 Assistance and Subsidies (Federal)

EXPENDITURE FUNCTIONS

Code *26

Federal and State Legislative

Sector: General Government

Definition: Legislative bodies and related activities involved in the making, enacting, and repeal of law.

Includes: Expenditures for Federal and state government legislatures, including their research and investigative agencies and all committees directly responsible to the legislature. Includes support activities such as construction of legislative office buildings and the like.

Excludes: Major agencies within the legislative branch operating autonomously and having a specific function. Report U.S. Library of Congress at *Libraries*, code *52, and the U.S. Government Accountability Office (GAO) at *Financial Administration*, code *23.

Examples: Federal Government – United State Congress and its committees.

Special Considerations:

1. This function applies only to Federal and state government expenditures. Report any related local government expenditure data at *Central Staff Services*, code *29.
2. By definition, there is no intergovernmental expenditure at this function. Report any intergovernmental outlays at *Central Staff Services*, code *29.
3. There is no corresponding function in the Census Bureau’s employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

- E26 Current Operations
- F26 Construction
- G26 Land and Existing Structures
- K26 Equipment

None

EXPENDITURE FUNCTIONS

Code *28

Federal Veterans' Health

Sector: General Government

Definition: Federal Government provision of health care services to veterans other than for hospital care.

Includes: Health care activities of the U.S. Department of Veterans Affairs (VA) for: veterans outpatient medical and dental care; veterans medical, rehabilitation, and prosthetic research; payments to private physicians and dentists for medical care provided to veterans.

Excludes: Inpatient health care services at VA hospitals (report at *Federal Own Hospitals - Veterans*, code *37); payments for health care for veterans in other public or private hospitals (report at *Federal Other Hospitals - Veterans*, code *39); Department of Defense health care services for active or retired military personnel (report at *Federal National Defense and International Relations*, code *06).

Special Consideration:

This function applies only to Federal Government financial statistics. Report any related state or local government expenditure data at *Health*, code *32.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E28 Current Operations
F28 Construction
G28 Land and Existing Structures
K28 Equipment

J28 Assistance and Subsidies

Intergovernmental Expenditure

L28 To state governments
M28 To local governments

EXPENDITURE FUNCTIONS

Code *29

Central Staff Services

Sector: General Government

Definition: Government-wide executive, administrative, and staff service agencies other than financial, judicial, legal, and Federal or state legislative activities.

Includes: Expenditures for the office of the chief executive, mayor, city manager, county administrator; central personnel administration; overall planning and zoning; clerk's office, recorder, and general public reporting; central staff executive and administrative agencies. For local governments also includes legislative activities such as city or county council, board of supervisors, commissioners, and so forth.

Excludes: Planning activities limited to a specific function and internal control or administrative activities of functional agencies (report at function of agency involved); conduct of elections (report at *Other and Unallocable*, code *89); central finance agencies and data processing centers (report at *Financial Administration*, code *23); multi-purpose public buildings and related services (report at *General Public Buildings*, code *31); clerk of court and other judicial recording activities (report at *Judicial and Legal*, code *25).

Special Considerations:

1. Effective with 1982 data, legal activities formerly included here were reclassified at *Judicial and Legal*, code *25.
2. This function does not apply to special district or to school district governments, by definition.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E29 Current Operations
F29 Construction
G29 Land and Existing Structures
K29 Equipment (Federal, states)

J29 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L29 To state governments
M29 To local governments

EXPENDITURE FUNCTIONS

Code *30

General Local Government Support

Sector: General Government

Definition: State government intergovernmental payments to local governments that are unrestricted as to the function or purpose for which they may be spent.

Includes: State-collected taxes shared with localities, usually on a formula basis (e.g., taxes on general sales, cigarettes, income, etc.); distribution of profits from alcoholic beverage monopolies; payments-in-lieu-of-taxes; per capita aid; revenue sharing programs; general municipal or county aid unrestricted in its uses (e.g., distributed on basis of population); amounts to reimburse local units for property tax relief, homestead exemptions, and other tax losses; and state redistribution of Federal grazing fees.

Excludes: Aid or grant programs that apply distinctively either to school districts (report at the appropriate *Education* function, codes *12 – *21) or to single-purpose special districts – e.g., drainage districts, road districts, etc. (report at function involved); state taxes collected by local governments and retained as a fee or for other purposes (treat as tax revenue of local government).

Special Considerations:

1. This function applies only to state intergovernmental expenditures. Report any related direct costs for the administration of these programs according to the function of the distributing agency.
2. Report any comparable Federal or local intergovernmental expenditure data at *Other and Unallocable*, code *89.
3. There is no corresponding function in the Census Bureau’s employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

None

M30 To local governments

EXPENDITURE FUNCTIONS

Code *31

General Public Buildings

Sector: General Government

Definition: Construction, equipping, maintenance, and operation of general public buildings not related to specific functions or agencies.

Includes: General county offices buildings, city halls, multi-purpose office buildings and annexes; and lighting, janitorial, custodial, and other services furnished for general public buildings.

Excludes: School buildings, police stations, firehouses, libraries, institutional buildings, jails, hospitals, courthouses that hold only courts and related judicial agencies, etc. (report at function involved to the extent practicable).

Special Considerations:

1. This function applies solely to state and local government expenditures. Report any related Federal expenditure data at *Other and Unallocable*, code *89.
2. This function includes direct expenditures only. Report any intergovernmental outlays at *Other and Unallocable*, code *89.
3. There is no corresponding function in the Census Bureau's employment statistics.
4. This function does not apply to special district or to school district governments, by definition.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E31 Current Operations
F31 Construction
G31 Land and Existing Structures
K31 Equipment (states)

None

EXPENDITURE FUNCTIONS

Code *32

Health
page 1 of 2

Sector: General Government

Definition: Provision of services for the conservation and improvement of public health, other than hospital care, and financial support of other governments' health programs.

Includes: Expenditures for general health activities, categorical health activities and programs, health-related inspections, community health care programs, regulation of air and water quality, rabies and animal control, and ambulance and emergency medical services ONLY IF handled separately from the local fire department. Also includes state or local expenditure financed by Federal Government "Superfund" for cleanup of hazardous waste sites. Additional examples by category are listed below.

Excludes: Vendor payments for medical appliances, supplies, or services under public assistance programs (use *Vendor Payments for Medical Care*, code E74); examination and licensing of health-related professions – e.g., doctors and nurses (report at *Protective Inspection and Regulation, NEC*, code *66); operation or construction of nursing homes (report at *Public Welfare*, codes *77/*79); vocational rehabilitation (report at *Education*, codes *18/*21); coroners and crime labs (report at *Police Protection*, code *62).

Examples:

- General health activities – public health administration, laboratories, public education, vital statistics, research, alcohol and drug abuse prevention/rehabilitation and other general health activities.
- Categorical health activities – control of cancer, TB, socially transmitted diseases, mental illness, etc. and maternal, activities funded by Federal W.I.C. funds – Women, Infants, and Children, and child health care.
- Health related inspections – inspection of restaurants, water supplies, food handlers, nursing homes, agricultural standards or protection of agricultural products from disease.
- Community health care programs – community and visiting nurses; immunization programs; out-patient health clinics.
- Regulation of air and water quality – sanitary engineering and other environmental activities.
- Animal control – general animal control plus rabies control, abatement of mosquitoes, rodents, and other vermin.
- Federal Government – includes the Food and Drug Administrations and the Environmental Protection Agency (with the exception of grant programs for sewerage construction).

EXPENDITURE FUNCTIONS

Code *32

Health
page 2 of 2

Special Considerations:

1. Effective 1988, the Census Bureau clarified the classification of nursing homes at *Public Welfare – Institutions* (except inspection of such homes), code *77, and of ambulance services at *Health* only if such service is not organized under a fire department.
2. Effective 2005, the *Agriculture* function was removed as a valid function in government finance surveys. Expenditure for maintaining agricultural standards or for the protection of agricultural products from disease was moved to *Natural Resources, Other*, code *59, rather than to this *Health* function.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E32 Current Operations
F32 Construction
G32 Land and Existing Structures
K32 Equipment (Federal, states)

Intergovernmental Expenditure

L32 To state governments
M32 To local governments

J32 Assistance and Subsidies (Federal)

EXPENDITURE FUNCTIONS

Code *36

Hospitals
page 1 of 2

Sector: General Government

Definition: Expenditures related to a government's own hospitals as well as expenditures for the provision of care in other hospitals (public or private). Own hospitals are facilities directly administered by the government, including those operated by public universities. Other expenditures cover the provision of care in other hospitals and support of other public and private hospitals. This function also covers direct payments for acquisition or construction of hospitals (whether or not the government will operate the completed facility) and payments to private corporations that lease and operate government-owned hospitals.

Includes: Hospitals include government operated general hospitals providing in-patient medical care and facilities that provide specialized care. Among the latter are: Institutions for the custody, treatment, or general care of the mentally insane, or emotionally disturbed; TB sanatoria; maternity and children hospitals; orthopedic hospitals; hospitals for chronic diseases; institutions for care and treatment of blind, deaf, developmentally disabled, or other special classes of handicap; hospitals associated with university medical schools.

Expenditures for hospitals not operated by the government include payments for the hospitalization of persons in other public or private hospitals, except payments made under public welfare programs; financial support of other public or private hospitals, including construction; payments to private corporations who lease and operate government-owned hospitals; construction of hospitals to be leased or turned over to others to operate IF government actually supervises or controls their construction.

Excludes: For the Federal Government, exclude veterans hospitals operated by U.S. Department of Veterans Affairs (report at *Federal Own Hospitals - Veterans*, code *37). Most other exclusions involve expenditure for care or treatment under public welfare or expenditure for specialized care that falls into another function.

The most prominent exclusions are: nursing homes (or other welfare institutions) not directly associated with a public hospital (report at *Public Welfare*, codes *77/*79), payments to private vendors for medical care under welfare programs (use *Public Welfare – Vendor Payments for Medical Care*, code E74), payments to private vendors for hospital care administered as part of public medical assistance programs (report at *Public Welfare – Vendor Payments for Medical Care*, code E74), payments for medical care in nursing homes or other welfare institutions unless facility is associated with a hospital (report at *Public Welfare*, codes *77 and *79), infirmaries serving particular institutions, like college infirmaries and prison hospitals (report at function involved), hospitals for criminally insane operated by corrections agency (report at *Correctional Institutions*, code *04), state schools for blind, deaf, or other handicapped primarily for education and training (report at *Federal and State Other Education*, code *21), payments to public hospitals by other agencies of same government (internal transfers).

EXPENDITURE FUNCTIONS

Code *36

Hospitals
page 2 of 2

Examples:

- State governments – Louisiana State University Health Sciences Center – HCSD.
- Local governments – Hurley Medical Center, Flint, Michigan (a dependent agency of the city government); King County Hospital District, state of Washington (classified as a special district government).

Special Considerations:

1. Report public hospital expenditures from Federal Medicaid funds here.
2. Effective 2005, this function includes all state and local government hospital expenditure. From 1985 through 2004, there were two hospital function codes: Hospitals – Own (government operated), code *36 and Other Hospitals, code *38.
3. Effective with 1985 data, the following four state-only categories were consolidated into this single function due to the growing difficulty of distinguishing them: Regular Mental Hospitals, Other Mental Hospitals, General Hospitals, and Own Hospitals, NEC.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E36 Current Operations
F36 Construction
G36 Land and Existing Structures
K36 Equipment (Federal, states)

J36 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L36 To state governments
M36 To local governments

EXPENDITURE FUNCTIONS

Code *37

Federal Own Hospitals - Veterans

Sector: General Government

Definition: Hospital facilities providing medical care to veterans and institutions primarily for the care and treatment of service-connected disabilities and which are directly administered by the Federal Government.

Includes: Hospitals and related medical facilities operated by the U.S. Department of Veterans Affairs (VA).

Excludes: Payments to other hospital facilities (public or private) for medical care of veterans (report at *Federal Other Hospitals - Veterans*, code *39); VA outpatient medical care (report at *Federal Veterans Health*, code *28); veterans medical and prosthetic research (use code *28); domiciliary medical care and contract nursing home care (report at *Public Welfare - Other*, code *79); health training and education (report at *Federal and State Other Education*, code *21); hospitals operated by the Department of Defense (report at *Federal National Defense and International Relations*, code *06).

Examples: Bay Pines VA Medical Center, St. Petersburg, Florida

Special Consideration:

This function applies only to Federal Government financial statistics. Report any state-operated veterans hospitals at *Hospitals*, code *36.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E37 Current Operations
F37 Construction
G37 Land and Existing Structures
K37 Equipment

J37 Assistance and Subsidies

Intergovernmental Expenditure

L37 To state governments
M37 To local governments

EXPENDITURE FUNCTIONS

Code *39

Federal Other Hospitals - Veterans

Sector: General Government

Definition: Federal Government provision of hospital care to eligible veterans in hospitals (public or private) other than those operated by the U.S. Department of Veterans Affairs (VA).

Includes: Contract hospitalization of veterans; grants to state governments for hospitalizing veterans in state hospitals and for constructing or improving extended medical care facilities furnishing care to veterans; other payments for care and treatment of veterans in hospital facilities not under the jurisdiction of the VA.

Excludes: Contract care or grants for nursing home care and domiciliary medical care (report at *Public Welfare - Other*, code *79); hospitals operated by the Department of Defense (report at *Federal National Defense and International Relations*, code *06).

Special Considerations:

1. This function applies only to Federal Government financial statistics. Report state or local government payments for care of veterans in other public or private hospitals at *Hospitals*, code *36.
2. There is no corresponding function in the Census Bureau's employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E39 Current Operations
F39 Construction
G39 Land and Existing Structures
K39 Equipment

J39 Assistance and Subsidies

Intergovernmental Expenditure

L39 To state governments
M39 To local governments

EXPENDITURE FUNCTIONS

Code *44

Regular Highways

Sector: General Government

Definition: Maintenance, operation, repair, and construction of highways, streets, roads, alleys, sidewalks, bridges, tunnels, ferry boats, viaducts, and related non-toll structures.

Includes: Snow and ice removal and application of salt and sand (including that by sanitation or street cleaning agencies, if identifiable); street or highway lighting and related fixtures; traffic signals; highway and traffic design, planning, and engineering IF handled by public works or highways agency; highway safety; nontoll ferries; operation of drawspans; garages, administrative buildings, and other facilities of highway agencies; construction and maintenance of such highway-related items as curbs, gutters, crosswalks, grade separations, trestles, railroad crossings, and storm drains that are integral to highway projects; intergovernmental payments for highways (toll or free), including state aid for debt service on local highway debt.

Excludes: Patrol or policing of streets and highways and traffic control activities of police or public safety agencies (report at *Police Protection*, code *62), street cleaning activities (report at *Solid Waste Management*, code *81), public parking facilities or meters (report at *Parking Facilities*, code *60), operation of sea and inland port facilities (use *Sea and Inland Port Facilities*, code *87), and roads and walkways within parks maintained by a park agency (report at *Parks and Recreation*, code *61).

Examples:

- Federal Government – most expenditure of the Federal Highway Administration (part of the Department of Transportation), including Highway Trust Fund grants.
- State governments – Virginia Department of Transportation expenditure for interstate highway construction (nontoll).

Special Considerations:

1. Report cost of street lighting furnished by an electric utility operated by same government here and deduct an equal amount from *Electric Power Systems*, code E92.
2. Effective with 1988 data, the treatment of traffic engineering was clarified to include it here unless expressly handled by a police agency.
3. Report all intergovernmental expenditure for highways here, including outlays in support of toll highways.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E44 Current Operations
F44 Construction
G44 Land and Existing Structures
K44 Equipment (Federal, states)

J44 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L44 To state governments
M44 To local governments

EXPENDITURE FUNCTIONS

Code *45

Toll Highways

Sector: General Government

Definition: Maintenance, operation, repair, and construction of highways, roads, bridges, ferries, and tunnels operated on a fee or toll basis.

Includes: Turnpikes; toll roads, toll bridges, toll ferries (including docks and related terminals), toll tunnels, and all related activities and facilities such as snow and ice removal, highway police and fire protection units IF administered by the toll authority, lighting and light fixtures, design and engineering, garages and administrative buildings of toll authorities, operation of toll booths, drawspans, rest stops, and service areas by the toll authority itself.

Excludes: Debt service on toll facility debt (report interest payments at *Interest on General Debt*, code I89 and repayment of principal at *Long-term Debt Retired, Public Debt for Private Purposes*, code 39U); intergovernmental aid for toll facilities, including state aid for debt service on local highway debt (report at *Regular Highways*, code *44); police and fire protection services not provided by toll authority itself (report at *Police Protection*, code *62, or *Local Fire Protection*, code *24); free ferries (use code *44).

Examples:

- State governments – Oversight, maintenance, and toll operations of the New York State Thruway.
- Local governments – Highway and bridge operations of special district governments such as the Delaware River and Bay Authority and the Port Authority of New York and New Jersey.

Special Considerations:

1. This function includes direct expenditures only. Report any intergovernmental outlays at *Regular Highways*, code *44.
2. Report expenditures without deducting any related tolls or charges.
3. For leased facilities include government’s expenditures and exclude those of the lessees.
4. Effective with 2005, this function includes related special district expenditures. Prior to 2005, special district government expenditure for toll highways was reported at *Regular Highways*, code *44.
5. This function applies only to state and local government expenditure. Report Federal Government expenditure, if any, at *Regular Highways*, code *44.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

- E45 Current Operations
- F45 Construction
- G45 Land and Existing Structures
- K45 Equipment (states)

None

EXPENDITURE FUNCTIONS

Code *50

Housing and Community Development
page 1 of 2

Sector: General Government

Definition: Construction, operation, and support of housing and redevelopment projects and other activities to promote or aid public and private housing and community development.

Includes:

Housing: Planning, construction, furnishing, and operation of public housing projects (generally for persons not adequately served by private sector); rent subsidies (e.g., “Section 8” assistance); housing and mortgage finance agencies; promotion of home ownership; assistance for repair and renovation of existing homes; and programs to encourage private sector housing production.

Community development: Urban renewal and slum clearance; redevelopment and rehabilitation of substandard or deteriorated facilities and areas; rural redevelopment; and revitalization of commercial areas.

Excludes:

Building inspection and enforcement of housing codes or standards (report at *Protective Inspection and Regulation, NEC*, code *66); direct loans to individuals, builders, landlords, or others (nonexpenditure, by definition); distribution of proceeds from mortgage revenue bonds (see Chapter 6 on debt); temporary shelters or housing for the homeless (report at *Public Welfare*, codes *77/*79); and construction and maintenance of military housing by the U.S. Department of Defense (report at *Federal National Defense and International Relations*, code *06).

Examples: Local government – The Minneapolis Public Housing Authority, classified as a special district government serving the Minneapolis, MN area.

Special Considerations:

1. The emphasis of this function is on physical plant (construction, provision, improvement, financing) and the operation of public housing facilities. Activities that directly aid homeowners or renters themselves (e.g., housing expense relief) generally fall under *Public Welfare* functions.
2. Report community development block grants clearly identified as being for other functions, such as sewers, streets, parks, etc., with those functions UNLESS they are an integral part of a housing project.
3. *Intergovernmental Expenditure to State Governments*, code L50, became applicable to local government (except school districts) effective with fiscal year 2006 survey. For 2005, it was a Federal code only. For 2004 and earlier, it applied to Federal and local governments.

EXPENDITURE FUNCTIONS

Code *50

Housing and Community Development
page 2 of 2

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E50 Current Operations
F50 Construction
G50 Land and Existing Structures
K50 Equipment (Federal, states)

J50 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L50 To state (Federal, locals effective FY 2006)
M50 To local governments

EXPENDITURE FUNCTIONS

Code *51

Federal Farm Credit Program

Sector: General Government

Definition: Federal Government programs for providing direct loans and loan guarantees to farmers, for the construction and operation of rural electric power and telephone systems, and for the regulation and examination of financial institutions constituting the Farm Credit System.

Includes: Comprises the activities of the Rural Housing and Community Development Service and parts of the Farm Service Agency of the U.S. Department of Agriculture (agricultural credit insurance, rural housing insurance, and related administration); Rural Utilities Service (comprised of the former Rural Electrification Administration and Rural Telephone Bank), which is engaged in rural electrification and telephone loans and guaranteed loans, and the Farm Credit Administration.

Excludes: Extensions of loans themselves and the value of guaranteed loans (nonexpenditures); rural water and wastewater disposal grants (report at *Other and Unallocable*, code *89); rural economic development loan programs (use code *89); Federal crop insurance and other farm income or price support programs (report at *Federal Farm Income Stabilization*, code *53).

Special Considerations:

1. There is no corresponding function in the Census Bureau's employment statistics.
2. By definition, there are no capital outlay objects applicable to this function.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E51 Current Operations

L51 To state governments

M51 To local governments

J51 Assistance and Subsidies (Federal)

EXPENDITURE FUNCTIONS

Code *52

Libraries

Sector: General Government

Definition: Establishment and provision of libraries for use by the general public and the technical and financial support of privately-operated libraries.

Includes: Expenditures for general public libraries, community libraries, consolidated libraries, regional libraries, and their variously-named equivalents. Also includes library extension services (including bookmobiles), public library (special) districts, state library commissions and boards, and programs to promote, develop, and coordinate library services and facilities. Include here all aid for the construction or operation of other libraries, whether governmental or private. This function also includes the U.S. Library of Congress (including Copyright Office).

Excludes: Law libraries (report at *Judicial and Legal*, code *25); libraries operated by school systems – elementary, secondary, or higher education – primarily for the benefit of students and teachers (report at *Education*, codes *12/*18); specialized libraries which do not serve the general public, such as a medical library of a university hospital (report at function involved).

Examples: Federal Government – U. S. Library of Congress.

Special Consideration:

This function is not applicable for school district governments, even though some operate libraries (report at *Elementary and Secondary Education*, code *12).

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E52 Current Operations

L52 To state governments

F52 Construction

M52 To local governments

G52 Land and Existing Structures

K52 Equipment (Federal, states)

J52 Assistance and Subsidies (Federal)

EXPENDITURE FUNCTIONS

Code *53

Federal Farm Income Stabilization

Sector: General Government

Definition: Federal Government programs to stabilize, support, and protect farm income and prices through commodity loans, purchases, payments, production limits, and crop insurance.

Includes: Comprises three activities of the U.S. Department of Agriculture: Commodity Credit Corporation (CCC), Farm Service Agency, and the purchase of commodities for child nutrition programs. The Farm Service Agency was created in 1994 and combined the former Agricultural Stabilization and Conservation Service (ASCS) and the Federal Crop Insurance Corporation (FCIC). The ASCS administered much of the CCC's commodities program as well as related land use programs designed for voluntary production adjustment, resource protection, and price and farm income stabilization. The FCIC sought to improve agricultural economic stability through a system of crop insurance covering losses from natural hazards. This activity is now handled by the Farm Service Agency.

Excludes: Extensions of loans themselves (nonexpenditures); sale or provision of agricultural commodities to other countries, such as Food for Progress and Food for Peace programs (report at *Federal National Defense and International Relations*, code *06); transfer of funds from the CCC to the Farm Service Agency (an intragovernmental transfer); conservation programs unrelated to price or income support; agricultural credit programs unrelated to farm income stabilization (report at *Federal Farm Credit Programs*, code *51).

Special Consideration:

There is no corresponding function in the Census Bureau's employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E53 Current Operations
F53 Construction
G53 Land and Existing Structures
K53 Equipment

Intergovernmental Expenditure

L53 To state governments
M53 To local governments

J53 Assistance and Subsidies

EXPENDITURE FUNCTIONS

Code *55

State Fish and Game

Sector: General Government

Definition: Conservation, improvement, development, and propagation of fish and game resources, as well as the regulation and enforcement of fish and game laws.

Includes: Expenditures for fish and game commissions or similarly titled agencies. This function includes the regulation and enforcement of laws relating to commercial or sport fishing and wildlife (including inspection of processing facilities) and activities of fish and game wardens (including those with arrest powers). This also covers the operation of fish hatcheries, stocking of lakes and streams, and the “seeding” of waterways for propagation. Include here expenditures on research studies and surveys to measure fish and wildlife populations, development and maintenance of wildlife management or hunting and fishing areas, management and protection of wildlife or fish species, and related public education programs.

Excludes: Water or soil conservation activities not directly related to fish and game (report such activities at *Natural Resources, Other*, code *59).

Special Considerations:

1. Effective 2005, this function was re-titled *State Fish and Game* to reflect its applicability to state governments only. Any local government expenditures for this activity should be reported at *Natural Resources, Other*, code *59.
2. For tabulation purposes, state expenditures at this function are summed at *Natural Resources, Other*, code *59, when state and local expenditure totals are developed.
3. There is no corresponding function in the Census Bureau’s employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E55 Current Operations
F55 Construction
G55 Land and Existing Structures
K55 Equipment

M55 To local governments

EXPENDITURE FUNCTIONS

Code *56

Federal and State Forestry

Sector: General Government

Definition: Federal and state government expenditures for the conservation, development, management, and protection of forests and forest resources. This function includes regulation and inspection of forest products and industries, as well as the provision of assistance to private or local government owners of woodlands.

Includes: Cooperative forest management; forest crop land administration; promotion of the use and marketing of forest products; forest fire prevention, control, and suppression; state forest land management; detection and control of insects and tree diseases; operation and support of tree seedling nurseries; regulation and inspection of timber producers, forest product industries, and other wood processors; acquisition, development, and management of state forests; reforestation activities; and urban and community forestry.

Excludes: Forest-related activities of park agencies (report at *Parks and Recreation*, code *61); wildlife management unless an inseparable part of a forestry agency (report at *State Fish and Game*, code *55).

Special Considerations:

1. Effective 2005, this function was re-titled *Federal and State Forestry* to reflect its applicability to Federal and state governments only. Any local government expenditures for this activity are reported at *Parks and Recreation*, code *61, or at *Natural Resources, Other*, code *59.
2. For tabulation purposes, state expenditures at this function are summed at *Natural Resources, Other*, code *59, when state and local expenditure totals are developed.
3. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Natural Resources, Other*, code *59.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E56 Current Operations
F56 Construction
G56 Land and Existing Structures
K56 Equipment

J56 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L56 To state governments (Federal)
M56 To local governments

EXPENDITURE FUNCTIONS

Code *57

Federal Soil, Water, and Electric Energy Resources

Sector: General Government

Definition: Federal Government programs for the conservation, management, and development of soil and water resources; flood prevention and control; management of public lands; generation and distribution of electric power (including hydroelectric energy); and development of new or improved energy sources and technologies.

Includes: Comprises the activities of: U.S. Department of Energy (energy supply, research, and development; uranium supply and enrichment; strategic petroleum reserves; electric power marketing administrations; and Federal Energy Regulatory Commission); Tennessee Valley Authority (TVA); Army Corps of Engineers' Civil Works Program (flood control and prevention; beach erosion control; dam safety; and hydro power stations); Department of the Interior's Bureau of Reclamation (management and development of water for irrigation, public and industrial use, salinity control, dam safety, and flood prevention; and hydroelectric generation) and Bureau of Land Management (management of public lands and their resources); Department of Agriculture's Soil Conservation Service; and the Nuclear Regulatory Commission.

Excludes: Department of Energy atomic energy defense activities (report at *Federal National Defense and International Relations*, code *06) and nuclear waste disposal (report at *Other and Unallocable*, code *89); Army Corps of Engineers' navigation and harbors activities (report at *Sea and Inland Port Facilities*, code *87); Bureau of Land Management programs for managing minerals (report at *Federal Mineral Resources*, code *58) and payments-in-lieu-of-taxes (use code *89); Rural Utilities Services (formerly the Rural Electrification Administration) – report at *Federal Farm Credit Programs*, code *51.

Special Considerations:

1. Report state-local soil and water conservation activities at *Natural Resources, Other*, code *59.
2. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Natural Resources, Other*, code *59.
3. This function applies only to Federal Government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E57 Current Operations
F57 Construction
G57 Land and Existing Structures
K57 Equipment

J57 Assistance and Subsidies

Intergovernmental Expenditure

L57 To state governments
M57 To local governments

EXPENDITURE FUNCTIONS

Code *58

Federal Mineral Resources

Sector: General Government

Definition: Federal Government programs related to the exploration and production of oil, gas, and other minerals; reclamation of mines and abatement of the negative environmental effects of mining; minerals research, information, and analysis; and enforcement of mine safety laws and regulations.

Includes: Comprises the activities of: U.S. Department of the Interior's Minerals Management Service (overseeing offshore minerals development and distributing funds to states from receipts under the Mineral Leasing Act), Office of Surface Mining Reclamation and Enforcement (including abandoned mine reclamation), and Bureau of Mines, and the Department of Labor's Mine Safety and Health Administration.

Excludes: Department of Energy strategic petroleum reserves program (report at *Federal Soil, Water, and Electric Energy Resources*, code *57); mineral resource development on public lands managed by the Interior Department's Bureau of Land Management (use code *57).

Special Considerations:

1. Report state-local soil and water conservation activities at *Natural Resources, Other*, code *59.
2. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Natural Resources, Other*, code *59.
3. This function applies only to Federal Government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E58 Current Operations
F58 Construction
G58 Land and Existing Structures
K58 Equipment

Intergovernmental Expenditure

L58 To state
M58 To local governments

J58 Assistance and Subsidies

EXPENDITURE FUNCTIONS

Code *59

Natural Resources, Other
page 1 of 2

Sector: General Government

Definition: Expenditures related to water resources, mineral resources, agriculture, and the regulation of industries which develop, utilize, or affect natural resources, as well as the regulation of agricultural products and establishments. Includes conservation, promotion, and development activities related to agriculture and natural resources (soil, water, energy, minerals, etc.). For state governments, expenditures in this function cover activities not reported in other *Natural Resources* functions (*Federal and State Forestry*, code *56, and *State Fish and Game*, code *55).

Includes: Irrigation; drainage; flood control; soil conservation and reclamation including prevention of soil erosion; surveying, development, and regulation of water resources; regulation of mineral resources and related industries including land reclamation; wetlands and watershed management and protection; geological surveying and mapping; purchase of land for open space and conservation programs; regulation of gas and oil drilling and production; dam and reservoir safety; public education programs related to the above.

Excludes: Hydroelectric power facilities (report Federal activities at *Federal Soil, Water, and Electrical Energy Resources*, code *57, and state and local activities at *Electric Power* utilities, code *92); improvement of waterways, construction and maintenance of canals, and operation of public water transportation facilities (report at *Sea and Inland Port Facilities*, code *87), inspection of public drinking water and activities related to air and water quality or pollution control (report at *Health*, code *32); advertising of state resources (report at *Other and Unallocable*, code *89); agricultural schools and land grant colleges (report at *Other Higher Education*, code *18) except for agricultural experiment stations and extension services (report at Natural Resources, Other).

Examples:

- Federal – National Oceanic and Atmospheric Administration (U.S. Department of Commerce) and the U.S. Geological Survey (U. S. Department of the Interior).
- State agricultural fairs and promotions.

Special Considerations:

1. Report all local government expenditure data related to *Natural Resources* here.
2. Effective 2005, this function includes expenditures for agricultural activities previously reported at function Other Agriculture, code *54. Thus it includes expenditures for agricultural associations, fairs, livestock; agricultural boards and advisory commissions; provision of agricultural extension services; agricultural experiment stations and other research activities; and all regulatory and licensing activities (for livestock, dairy, crops, and all other products). See Appendix 1.6.4 for detail.
3. By definition, this function and the applicable object codes do not apply to school districts.

EXPENDITURE FUNCTIONS

Code *59

Natural Resources, Other
page 2 of 2

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E59 Current Operations
F59 Construction
G59 Land and Existing Structures
K59 Equipment (Federal, states)

J59 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L59 To state governments
M59 To local governments

EXPENDITURE FUNCTIONS

Code *60

Parking Facilities

Sector: General Government

Definition: Provision, construction, maintenance, and operation of public parking facilities operated on a commercial basis.

Includes: Public parking lots and garages. Includes the purchase and maintenance of parking meters, on streets or in parking lots, and the collection of monies from them.

Excludes: Enforcement of parking regulations and laws are reported at *Police Protection*, code *62; parking facilities for exclusive use of government employees (report at *General Public Buildings*, code *31); parking areas connected to a specific type of facility, such as those for a public sports stadium (report at *Parks and Recreation*, code *61), public hospital (*Hospitals*, code *36), or public college (report at *Higher Education Auxiliary Enterprises*, code *16).

Special Considerations:

1. Effective 2005, this function applies to state governments. Prior to 2005, this function applied only to local government expenditures.
2. This function does not apply to Federal Government financial statistics.
3. For leased facilities, include government expenditures and exclude those of the lessees.
4. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Other and Unallocable*, code *89.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E60 Current Operations
F60 Construction
G60 Land and Existing Structures
K60 Equipment (states)

Intergovernmental Expenditure

L60 To state governments (locals)
M60 To local governments

EXPENDITURE FUNCTIONS

Code *61

Parks and Recreation

Sector: General Government

Definition: Provision and support of recreational and cultural-scientific facilities maintained for the benefit of residents and visitors.

Includes: Golf courses, playgrounds, tennis courts, public beaches, swimming pools, play fields, parks, camping areas, recreational piers and marinas, etc., including support of private facilities. Also includes expenditures for or support of galleries, museums, zoos, botanical gardens, memorials, auditoriums, stadiums, recreational centers, convention centers, and exhibition halls. Also includes expenditures in support of cultural activities such as community music, drama, and celebrations.

Excludes: Recreational and cultural-scientific activities and facilities operated as part of school systems (report at *Education*, codes *12 or *18); marinas operated for commerce rather than recreation (report at *Sea and Inland Port Facilities*, code *87).

Examples:

- Federal Government – Smithsonian Institution and National Foundation on the Arts and the Humanities.
- State governments – state park authorities such as the Virginia State Parks, a division of the Virginia Department of Conservation and Recreation.
- Local governments – Maryland National Capitol Parks and Planning Commission (a joint dependent agency of Montgomery County and Prince Georges County, Maryland).

Special Consideration:

Prior to 1977 data, this function applied solely to local governments. Effective with 1977 data, it was extended to cover Federal and state governments, whose activities were reported previously at *Forestry [and Parks]*, code *56.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E61 Current Operations
F61 Construction
G61 Land and Existing Structures
K61 Equipment (Federal, states)

J61 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L61 To state governments
M61 To local governments

EXPENDITURE FUNCTIONS

Code *62

Police Protection
page 1 of 2

Sector: General Government

Definition: Expenditures for general police, sheriff, state police, and other governmental departments that preserve law and order, protect persons and property from illegal acts, and work to prevent, control, investigate, and reduce crime.

Includes: All law enforcement activities of regular police departments, sheriff and constable offices, and state highway patrols, including the following: criminal investigation, forensic services, crime labs and testifying in court; buildings, including training academies, used exclusively for police purposes; coroners, medical examiners; payments for transporting criminals; police communications and radios services; criminal justice planning and general support activities if handled by law enforcement; the following activities IF handled by a police agency: motor vehicle inspection and regulation, liquor law enforcement, and traffic control (e.g., enforcing speed laws, directing traffic);

Excludes: Special police forces of nonpolice agencies such as park rangers or fish and game wardens (report at function of agency involved); law enforcement units of legal offices (report at *Judicial and Legal*, code *25); traffic control and engineering performed by non-police agencies (report at *Highways*, codes *44 and *45); police jails that hold people beyond arraignment (report at *Corrections*, codes *04 and *05); civil or bailiff activities of sheriff offices (use code *25).

Examples: Federal Government – Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), and Bureau of Alcohol, Tobacco, Firearms, and Explosives of the Department of Justice, as well as law enforcement activities of the Department of Homeland Security - the Border and Transportation Security Directorate (BTS), the U.S. Customs and Border Protection Service (CBP), the U.S. Immigration and Customs Enforcement (ICE), and the U.S. Secret Service.

Special Considerations:

1. Effective with 1988 data, the treatment of traffic control and engineering was clarified to include it here only if handled by a police agency.
2. Effective with 2005 data, this function applies to special district governments.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E62 Current Operations
F62 Construction
G62 Land and Existing Structures
K62 Equipment (Federal, states)

J62 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L62 To state governments
M62 To local governments

EXPENDITURE FUNCTIONS

Code *66

Protective Inspection and Regulation, NEC

Sector: General Government

Definition: Regulation and inspection of private establishments for the protection of the public or to prevent hazardous conditions NOT classified under another Census Bureau function, and the regulation of professional occupational licensing.

Includes: Inspection of plans, permits, construction, or installations related to buildings, housing, plumbing, electrical systems, gas, air conditioning, boilers, elevators, electric power plant sites, nuclear facilities, weights and measures, etc.; regulation of financial institutions, taxicabs, public service corporations, insurance companies, private utilities (telephone, electric, etc.), and other corporations; licensing, examination, and regulation of professional occupations, including health-related ones like doctors, nurses, etc.; inspection and regulation of working conditions and occupational hazards; motor vehicle inspection and weighing unless handled by a police agency; regulation and enforcement of liquor laws and sale of alcoholic beverages unless handled by a police department.

Excludes: Distinctive license revenue collection activities (report at *Financial Administration*, code *23); regulatory or inspection activities related to food establishments or to environmental health (report at *Health*, code *32); motor vehicle inspection, liquor law enforcement, and other regulatory type activities of police agencies (report at *Police Protection*, code *62); regulatory and inspection activities related to other major functions, such as fire inspections, health permits, water permits, and the like (report at function involved).

Special Considerations:

1. This function does not apply to Federal Government financial statistics.
2. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Other and Unallocable*, code *89.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E66 Current Operations
F66 Construction
G66 Land and Existing Structures
K66 Equipment (states)

Intergovernmental Expenditure

L66 To state governments (locals)
M66 To local governments

EXPENDITURE FUNCTIONS

Code *67

Public Welfare - Federal Categorical Assistance Programs

page 1 of 2

Sector: General Government

Definition: This function covers expenditures associated with only three Federal programs –
Supplemental Security Income (SSI)
Temporary Assistance for Needy Families (TANF)
Medical Assistance Program (Medicaid)

Includes: SSI payments to beneficiaries are made directly by the Federal government. Many state governments supplement the Federal benefits. States have the option of allowing the Federal Government to administer the supplemental payments and to include them with the Federal payment, even though they are funded by the state. In such cases, this function includes state-to-Federal intergovernmental payments on behalf of SSI recipients. These are coded at S67. If a state government pays the supplement portion directly to beneficiaries, the benefit payments are coded at J67.

Expenditures by state governments under the Medicaid program are included at this function only if they are in the form of intergovernmental payments to a government that operates a hospital (e.g. where a local government hospital is the vendor agency) or if they are payments to a local government to finance administration of a local Medicaid program (rare).

Report all “Disproportionate Share” and related Medicaid payments here. Local to state payments for this activity are reported at code L67 and state to local government shares are reported at M67.

This function includes cash payments by states to families under the TANF program, including related Emergency Assistance aid, and any intergovernmental payments to finance locally-administered TANF programs.

Excludes: Cash payments to needy persons under programs other than SSI and TANF (report at *Public Welfare - Other Cash Assistance*, code J68); intergovernmental payments to finance locally-administered assistance programs other than TANF and Medicaid (use code *68); state-only programs unrelated to SSI providing cash grants to aged, blind, or disabled (use code *68); payments directly to vendors of goods or services, including Medicaid reimbursements to private hospitals (report at *Public Welfare - Vendor Payments*, codes E74 and E75). Also excluded are direct administration costs for these categorical assistance programs, such as the fee charged by the Federal Government to administer supplement payments under SSI (report at *Public Welfare - Other*, code *79).

Examples: CFDA 93.778 Medical Assistance Program (Medicaid)
CFDA 93.558 Temporary Assistance for Needy Families (TANF)
CFDA 96.006 Supplemental Security Income

EXPENDITURE FUNCTIONS

Code *67

Public Welfare - Federal Categorical Assistance Programs

page 2 of 2

Special Considerations:

1. Coding option J67 in this function represents the character “Assistance and Subsidies,” for all levels of government. Prior to 2005, object code “E” was used for state and local governments to represent “Assistance and Subsidies” and object code “I” was used for the Federal Government to represent “Assistance and Subsidies.”
2. In 1974, the U.S. Congress replaced the former Federally-funded, state-administered categorical assistance programs (Old Age Assistance, Aid to the Blind, and Aid to the Disabled) with the Supplemental Security Income Program (SSI). At the time, the Federal Government required that selected states supplement the new Federal SSI payments because the standard Federal payments were actually lower than what previously existed in some states. The Federal Government also allowed all states the option of paying additional, supplemental benefits. These two factors led to the existence of the supplemental payments described above.
3. Although administrative costs of the state governments are excluded here, the Census Bureau recognizes that it might be difficult to identify the fee charged by the Federal Government to administer any state supplements under SSI, and to separate that fee from the actual benefit payment portion coded at S67. Hence the latter might include small amounts of administrative costs.
4. Temporary Assistance to Needy Families (TANF) replaced the former Aid to Families with Dependent Children (AFDC) program in 1997.
5. Payments under the Federal Medicaid program and its variants (such as Medi-Cal in California) are difficult to classify and follow in the Census Bureau’s statistics on government finance. Such payments are reported at this function only if they represent payments on the part of the government unit, to other governments units (such as state to local governments). The latter almost always involve a state payment to a public hospital operated by a local government.
6. There is no corresponding function in the Census Bureau’s employment statistics. Employees, if any, are reported at *Public Welfare - Other*, code *79.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

J67 Assistance and Subsidies

L67 To state governments

M67 To local governments

S67 To Federal Government (states, DC only)

EXPENDITURE FUNCTIONS

Code *68

Public Welfare - Other Cash Assistance Programs

Sector: General Government

Definition: Cash payments made directly to individuals contingent upon their need, other than those under Federal categorical assistance programs.

Includes: Poor relief; general relief; home relief; emergency relief; general assistance; refugee assistance; medical assistance, housing expense relief, energy assistance (e.g., Federal Low Income Home Energy Assistance Program, or LIHEAP), emergency assistance, etc. paid directly to individuals and not to vendors; other direct assistance to needy persons not covered by or eligible for Federal categorical assistance; payments to other governments in support of, or as reimbursement for costs of, these types of assistance programs.

Excludes: Administration of such programs (report at *Public Welfare - Other*, code *79); cash payments made under Federal categorical assistance programs (use *Public Welfare - Federal Categorical Assistance Programs*, code J67); payments made to vendors rather than the individuals benefited (report at *Public Welfare - Vendor Payments*, codes J74 and J75); bonus payments to veterans as a class and not contingent on their need (report at *Federal and State Veterans' Bonuses*, code J85 for state governments); noncash or in-kind contributions – e.g., milk, cheese, clothing, etc. (report purchases of such items at function of contributing agency).

Special Considerations:

1. This function does not apply to Federal Government financial statistics or to special district governments.
2. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Public Welfare - Other*, code *79.
3. Coding option J68 in this function represents the character "Assistance and Subsidies." Use of the "J" designation for state and local governments became effective in 2005.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

J68 Assistance and Subsidies

M68 To local governments

EXPENDITURE FUNCTIONS

Code *74

Public Welfare - Vendor Payments for Medical Care

page 1 of 2

Sector: General Government

Definition: Public welfare payments made directly to private vendors for medical assistance and hospital or health care, including Medicaid (Title XIX), plus mandatory state payments to the Federal Government to offset costs of prescription drugs under Medicare Part D. Payments to vendors or the Federal Government must be made on behalf of low-income or means tested beneficiaries, or other medically-qualified persons.

Includes: Payments for physician and other professional medical services, private hospital care, drugs and medicines, dental services, long-term health care (including hospices), home health care, dialysis treatment, medical appliances (e.g., prostheses), ambulatory care, laboratory services, eyeglasses and hearing aids, and so forth. Premiums paid to insurers for future medical costs of needy persons. Includes all direct payments to private hospitals or health care providers under Medicaid, general relief, public assistance, and any other Federal or state welfare program. Payments to the Federal Government, as mandated by the Medicare Modernization Act of 2003, for prescription drug coverage under Medicare part D.

Excludes: Direct payments to benefitted persons themselves (report at *Other Cash Assistance Payments*, code J68); administrative activities such as setting of provider fees and rates, establishing standards, etc. (report at *Public Welfare - Other*, code *79); intergovernmental payments to other public hospitals for medical assistance under public welfare programs (report payments from Medicaid funds at *Public Welfare - Federal Categorical Assistance Programs*, code *67, and payments from all other funds at *Public Welfare - Other*, code *79); intergovernmental payments for Disproportionate Share and similar transfers related to the Medicaid program (report at *Public Welfare - Federal Categorical Assistance Programs*, code *67); medical commodities, services, or other assistance provided through government's own hospitals or health agencies (report at *Health*, code *32, or *Hospitals*, code *36); premiums for health insurance coverage for a government's employees (report at function of paying agency or, if a government-wide payment, at *Other and Unallocable*, code *89).

Examples: State governments – Payments to the Federal Government under Medicare Part D.

Special Considerations:

1. Effective 2006, this function includes intergovernmental payments by state governments to offset Federal Medicare program expenditures for prescription drug coverage (often referred to as “phase-down” or “claw back” payments). The Medicare Modernization Act of 2003, Part D went into effect in 2006. Part D includes coverage for certain beneficiaries previously covered under Medicaid. State governments are required to pay for a portion of that coverage. Since these payments support Federal expenditures for vendors supplying prescription medicines, the Census Bureau decided to classify these payments at *Public Welfare - Vendor Payments for Medical Care* and assign code S74.
2. State payments to help finance local Medicaid operations are reported at *Public Welfare - Federal Categorical Assistance Programs*, code M67.

EXPENDITURE FUNCTIONS

Code *74

Public Welfare - Vendor Payments for Medical Care

page 2 of 2

Special Considerations: (continued)

3. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Public Welfare - Other*, code *79.
4. This function does not apply to Federal Government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E74 Current Operations

S74 To Federal Government (states)

EXPENDITURE FUNCTIONS

Code *75

Public Welfare - Vendor Payments for Other Purposes

Sector: General Government

Definition: Payments under public welfare programs made directly to private vendors (i.e., individuals or nongovernmental organizations furnishing goods and services) for services and commodities, other than medical, hospital, and health care, on behalf of low-income or other means-tested beneficiaries.

Includes: Payments to private vendors for: funeral or burial services, food, clothing, home heating fuel, winter energy assistance, and the like.

Excludes: Direct payments to the benefitted persons themselves (report at *Public Welfare - Other Cash Assistance Payments*, code J68); administrative activities related to payments (report at *Public Welfare - Other*, code *79); legal services and public defense including stipends to court-appointed attorneys (report at *Judicial and Legal*, code *25); reimbursements effected through tax credits for the benefitted person (treat as a deduction to tax revenue); commodities or other services and assistance provided through a governments own agencies (report at function involved); rent subsidies to landlords including “Section 8” lower income housing assistance (report at *Housing and Community Development*, code *50).

Special Considerations:

1. This function does not apply to the Federal Government or to special or school district governments, by definition.
2. There is no corresponding function in the Census Bureau’s employment statistics. Employees, if any, are reported at *Public Welfare - Other*, code *79.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E75 Current Operations

None

EXPENDITURE FUNCTIONS

Code *77

Public Welfare - Institutions

Sector: General Government

Definition: Provision, construction, and maintenance of nursing homes and welfare institutions owned and operated by a government for the benefit of needy persons (contingent upon their financial or medical need), and veterans.

Includes: Public nursing homes; veterans' homes; soldiers' homes; orphanages; homes for the elderly or aged; indigent care institutions (nonhospitals).

Excludes: Hospitals and institutions for the handicapped, crippled, developmentally-disabled, veterans, etc. (report at *Hospitals*, code *36); institutions for the blind, deaf, or other impairments primarily for education or training (report at *Other Education*, code *21); provision of care of needy persons in private institutions or homes (report at *Public Welfare - Other*, code *79); support of privately-operated welfare facilities (use code *79); nursing homes directly associated with a public hospital (use code *36); distinctive educational services limited to needy persons – e.g., education of orphans in schools (report at appropriate *Education* function, codes *12 - *21).

Special Considerations:

1. Effective 2005, expenditures in this function are applicable to special district government.
2. Effective with 1988 data, the classification of nursing homes was clarified: henceforth, they were classed as a public welfare function (unless directly associated with a public hospital). Previously, they may have been reported at *Health*, code *32, *Hospitals*, code *36, or *Public Welfare - Institutions*.
3. This function includes direct expenditures only – report any intergovernmental outlays at *Public Welfare - Other*, code *79.
4. There is no corresponding function in the Census Bureau's employment statistics. Employees, if any, are reported at *Public Welfare - Other*, code *79.
5. This function does not apply to Federal Government financial statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E77 Current Operations
F77 Construction
G77 Land and Existing Structures
K77 Equipment (states)

None

EXPENDITURES FUNCTIONS

Code *79

Public Welfare - Other

Sector: General Government

Definition: All expenditures for welfare activities not classified elsewhere.

Includes: Administration of medical and cash assistance, general relief, vendor, and other programs; all intergovernmental payments for welfare other than for cash assistance programs or for Medicare Part D phase-down payments and all intergovernmental payments to public hospitals for medical assistance other than under the Medicaid program; regulation of private welfare activities; children services, such as foster care, adoption, day care, nonresidential shelters, and the like; social services for the physically disabled, such as transportation; low-income energy assistance and weatherization intergovernmental payments; temporary shelters and other services for the homeless; welfare-related community action programs;

Excludes: Benefits not contingent upon need, such as bonuses or payments to veterans as a class (use *Federal and State Veterans' Services*, code J85), pensions to former employees (use *Benefit Payments*, code X11), and the like; public defenders and indigent legal defense (report at *Judicial and Legal*, code *25); health and hospital care provided to needy or homeless through government's own hospitals or health agencies and payments to other governments for such purposes (report at appropriate *Health* or *Hospital* function); medical assistance paid directly to private hospitals (use *Public Welfare - Vendor Payments for Medical Care*, code E74) or to public hospitals under the Medicaid program (use *Public Welfare - Federal Categorical Assistance Programs*, code *67); activities funded by Federal Women, Infants, and Children (WIC) funds (report at *Health*, code *32).

Examples: Expenditures supported by Federal Social Services Block Grant (Title XX) funds.

Special Considerations:

1. Report public hospital expenditures from Medicaid funds at *Hospitals*, code *36.
2. Report all Federal Government public welfare activities here (except for *Public Welfare - Federal Categorical Assistance Programs* reported at code *67).
3. In corresponding public employment statistics, this function is used to report all employees and payroll for public welfare.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E79 Current Operations
F79 Construction
G79 Land and Existing Structures
K79 Equipment (Federal, states)

J79 Assistance and Subsidies (Federal)

Intergovernmental Expenditure

L79 To state governments
M79 To local governments

EXPENDITURE FUNCTIONS

Code *80

Sewerage

Sector: General Government

Definition: Provision, maintenance, and operation of sanitary and storm sewer systems and sewage disposal and treatment facilities, as well as all intergovernmental payments for such activities.

Includes: Expenditures for the construction and maintenance of sanitary and storm sewers and for sewage disposal, including the following: construction and maintenance of sanitary sewer lines and related lift and pump stations; sewer cleaning and flushing; sewage treatment and water pollution control plants; storm drains that are not connected with highway projects; systems for the collection and disposal of storm runoff;

Excludes: Storm drains that are an integral part of highway projects (report at either *Regular Highways*, code *44, or *Toll Highways*, code *45); drainage for agricultural or other non-street purposes (report Federal activities at *Federal Soil, Water, and Electric Energy Resources*, code *57, and report state-local activities at *Natural Resources, Other*, code *59).

Examples:

- State governments – Narragansett Bay Water Quality Management, Massachusetts Water Resources Authority.
- Local governments – Buffalo Sewer Authority (a municipal sewerage department), as well as special district water and sewer districts.

Special Considerations:

1. For combined water supply and sewer systems, include segregable amounts related to sewage collection and disposal here and report *Water Supply* activities at code *91.
2. This function does not apply to Federal Government financial statistics. Report grants to state and local governments for wastewater treatment plant construction at *Other and Unallocable*, code *89.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E80 Current Operations
F80 Construction
G80 Land and Existing Structures
K80 Equipment (states)

Intergovernmental Expenditure

L80 To state governments (locals)
M80 To local governments

EXPENDITURE FUNCTIONS

Code *81

Solid Waste Management

Sector: General Government

Definition: Collection, removal, and disposal of garbage, refuse, hazardous, and other solid wastes and the cleaning of streets, alleys, and sidewalks.

Includes: Garbage collection; sanitary landfills; non-nuclear hazardous waste disposal sites; incinerators; pyrolysis facilities; cleanup of toxic chemical spills and dumps; collection and disposal of abandoned vehicles; resource recovery authorities, including those which co-generate electricity or gas as a by-product; recycling centers; cleaning and washing of streets; and collection and disposal of street debris and trash.

Excludes: Distinctive amounts for snow and ice removal by a sanitation agency (report at *Highways*, codes *44 and *45); nuclear waste disposal (report at *Other and Unallocable*, code *89).

Examples: Local governments – Expenditure for landfills and recycling centers, such as the Prince William County Sanitary Landfill, a dependent agency of Prince William County, Virginia.

Special Considerations:

1. Effective with 1988 data, this category was expanded to include the activities of Federal and state governments, formerly classed at *Other and Unallocable*, code *89, and renamed from “Sanitation other than Sewerage.”
2. The rationale for including at this function waste or resource recovery facilities that co-generate gas or electricity is that their primary purpose is disposing of wastes.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E81 Current Operations
F81 Construction
G81 Land and Existing Structures
K81 Equipment (Federal, states)

Intergovernmental Expenditure

L81 To state governments
M81 To local governments

EXPENDITURE FUNCTIONS

Code *85

Federal and State Veterans' Services

Sector: General Government

Definition: Administration of state veterans bonus payments, as well as other Federal and state veterans services NOT classifiable under *Public Welfare, Education, Health, Hospitals, Social Insurance Administration*, or any other major function.

Includes: Veterans' information and guidance services; claims representation; assistance in obtaining Federal and state benefits or rights to which they are entitled; general veterans outreach services; financial grants (other than bonuses) not contingent on need; certification of training and education programs for participation in Federal "GI bills" programs; administration of VA home loans program; administration of Federal veterans life insurance programs.

Excludes: Services that can be classified under other major functions, such as: veterans hospitals (report at *Hospitals*, codes *36/*37), veterans or soldiers retirement homes (report at *Public Welfare*, codes *77/*79), tuition assistance and scholarships (use *Education* codes *19/*20), and veterans health care (report at *Health*, codes *28/*32); grants for home improvements or acquisition (report at *Housing and Community Development*, code *50); loans for purchase or improvement of farms and homes (nonexpenditures); state distribution of Federal aid for veterans' education to local governments (report at *Other and Unallocable*, code *89); agency transactions to transmit Federal unemployment benefits to veterans or Federal education funds to private schools and individual veterans (nonexpenditures); state-local defense activities like national guard, civil air patrol, militia, etc. (use code *89).

Special Considerations:

1. This function applies only to Federal and state government expenditures. Report any related local expenditures at *Other and Unallocable*, code *89.
2. This function includes direct expenditure only. Report intergovernmental outlays at *Other and Unallocable*, code *89.
3. Report U.S. Department of Veterans Affairs payments for veterans' compensation and pensions at code J85. Prior to 2005, these were classified at I85.
4. Report state cash bonus payments to veterans' or their survivors at code J85. Prior to 2005, these were reported at E84.
5. There is no corresponding function in the Census Bureau's employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E85 Current Operations
F85 Construction
G85 Land and Existing Structures
K85 Equipment

J85 Assistance and Subsidies

None

EXPENDITURE FUNCTIONS

Code *87

Sea and Inland Port Facilities

Sector: General Government

Definition: Provision, construction, operation, maintenance, and support of public waterways and harbors, docks, wharves, and related marine terminal facilities; and the regulation of the water transportation industry.

Includes: Commercial port facilities, canals, harbors, and other public waterways; dredging of same; public docks, piers, wharves, warehouses, cranes, and associated terminal facilities; regulation and inspection of the commercial water transportation industry.

Excludes: Recreational types of docks and marine facilities – e.g., public marinas devoted to pleasure boaters (report at *Parks and Recreation*, code *61); terminals and dock facilities for public ferries (if toll, report expenditures at *Toll Highways*, code *45, else report expenditures and any employment at *Regular Highways*, code *44).

Examples:

- Federal Government – includes waterways navigation activities of the Army Corps of Engineers and most of the Maritime Administration (Department of Transportation).
- State governments – Pennsylvania Port Authority or the Port of New Orleans (Louisiana), which are both dependent agencies of their respective state governments.
- Local governments – San Diego Unified Port District or the Port of Seattle (Washington).

Special Considerations:

1. This category is devoted to commercial water transportation and terminals rather than the provision of water-related activities and facilities for pleasure or recreation.
2. For leased facilities include only government's expenditures and employees and exclude the lessees' expenditures and contractual employment.
3. For the Federal Government, this function included the former Panama Canal Commission in the historical time series.
4. This function was formerly titled "Water Transport and Terminals."

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E87 Current Operations

L87 To state governments

F87 Construction

M87 To local governments

G87 Land and Existing Structures

K87 Equipment (Federal, states)

J87 Assistance and Subsidies (Federal)

EXPENDITURE FUNCTIONS

Code *89

Other and Unallocable
page 1 of 2

Sector: General Government

Definition: Activities not applicable to other general functions, or multi-functional general sector activities that cannot be separated into specific functions.

Includes: The following types of expenditure activity: State-local military activities (militia, National Guard, armories, civil defense, etc.); lump-sum contributions for employee benefits (retirement, unemployment and workers' compensation, health and life insurances, etc.) other than transfers to own insurance trusts; premiums for government-wide fire, auto, liability, and other such insurances; judgments and compensation for injury to persons or property; recorded losses on the sale of investments (except those assigned to a specific insurance trust category); central service agencies (e.g., public works, motor pools, communications) other than financial administration and government-wide executive services; administration of multi-functional agencies; purchase of computer equipment for government-wide use; general economic development promotional activities; voter registration and elections; job training and employment programs (e.g., WIA); programs for senior citizens not based on need; crime victim compensation; geo-mapping services of a government agency; refund of receipts reported as revenue in prior fiscal years (other than taxes – see Chapter 4); nuclear waste disposal; activities for which a specific function is not applicable to that type of government (although this is of limited use subsequent to the 2005 redesign of the government finance statistics program), e.g. Federal and state government fire protection.

Excludes: State aid payments unrestricted in use or purpose (report at *General Local Government Support*, code *30); refund of taxes reported as revenue in prior fiscal years (deduct from this year's tax revenue); lump-sum contributions for employee benefits to insurance trusts administered by same government (interfund transfers); comprehensive planning and zoning (report at *Central Staff Services*, code *29).

Examples: Federal Government – report all disaster assistance spending, intergovernmental and direct, at this code.

Special Considerations:

1. In publications or special tabulations, the phrase “Other and Unallocable” often is used to represent amounts for functions not shown separately in a specific table. Thus it could include some specific functions in addition to this general function of “Other and Unallocable.”
2. Intergovernmental expenditure to the Federal Government (object code S) is valid for state governments and Washington, DC only. Prior to 2005, this object was valid for other large local governments.

EXPENDITURE FUNCTIONS

Code *89

Other and Unallocable
page 2 of 2

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

- E89 Current Operations
- F89 Construction
- G89 Land and Existing Structures
- K89 Equipment (Federal, states)

- J89 Assistance and Subsidies (Federal)

- L89 To state governments
- M89 To local governments
- S89 To Federal (states)

EXPENDITURE FUNCTIONS

Code I89

Interest on General Debt

Sector: General Government

Definition: Amounts paid for use of borrowed monies, except those on utility debt, paid by all funds of the government.

Includes: Interest on both short- and long-term debt for non-utility purposes, whether general obligation or nonguaranteed, including public debt for private purposes and debt to cover deficits of unemployment compensation or other insurance trust funds.

Excludes: Interest on debt for utilities (report at *Utilities* interest codes, I91 - I94); premiums paid on debt retired (report at *Other and Unallocable*, code E89, for general debt and at *Utilities* codes E91 - E94, for utility debt); Federal Government interest payments on own securities held by its insurance trusts (nonexpenditures).

Special Considerations:

1. Make no adjustment to interest expenditure for premiums or discounts on debt issued or retired.
2. Due to the difficulty of tracing such payments, do not deduct from interest expenditure any state or local government interest payments on own securities held by their employee retirement funds.
3. Deduct from interest expenditure for the year in which they were received for the following amounts: funds included in the proceeds from debt issues to cover interest accrued on debt prior to its sale.
4. The distinction between general interest and utility interest is determined by the purpose of the outstanding debt which generated the interest payment.
5. There is no corresponding function in the Census Bureau's employment statistics.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

I89 Interest on General Debt

None

EXPENDITURE FUNCTIONS

Code *90

Liquor Stores
page 1 of 2

Sector: Liquor Stores

Definition: Establishment and operation of alcoholic beverage distribution facilities and retail outlets owned and operated by state and selected local governments.

Includes: Activities associated with both retail and wholesale government control of alcoholic beverages. The following are often referenced – alcoholic beverage monopolies, ABC stores, liquor control boards, and state liquor stores.

Excludes: Law enforcement (report at *Police Protection*, code *62, if handled by a regular police force), licensing (report at *Financial Administration*, code *23), and regulation of private liquor outlets carried out in conjunction with liquor store operations (report at *Protective Inspection and Regulation, NEC*, code *66); collection of liquor taxes and licenses (use code *23); transfer of profits or surplus earnings to parent government (an internal transfer); state distribution of earnings to local governments (if undesignated in purpose report at *General Local Government Support*, code *30, else report at function involved).

Examples: State governments – West Virginia Alcohol Beverage Control Administration – controlling the wholesale distribution of alcoholic beverages in that state.

Special Considerations:

1. This function does not apply to Federal Government financial statistics.
2. Expenditures related only to amounts for purchase of goods for resale and for provision and operation of stores, warehouses, and related facilities (including administration and capital improvements).
3. Report expenditures without deducting cost of goods sold or operating expenses.
4. See Chapter 10 for discussion of special exhibit codes and derived statistics for liquor stores.
5. Includes direct expenditures only – report any related intergovernmental outlays at *Other and Unallocable*, code *89.
6. This function applies only to state governments in Census Bureau statistics on public employment.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

E90 Current Operations
F90 Construction
G90 Land and Existing Structures
K90 Equipment (states)

None

EXPENDITURE FUNCTIONS

Code *90

Liquor Stores
page 2 of 2

Sector: Liquor Stores

Exhibit Codes and Derived Statistics Related to Liquor Stores Expenditure (Summarized – see Chapter 10 for detail)

Liquor Stores Exhibit and Derived Statistics: Net Income Statement Perspective

Code and Description

Liquor Store Income and Expense Statistics:

Z42 Cost of Goods Sold
Z43 Operating Expenses
Z45 Nonoperating Expenses

Liquor Stores Exhibit and Derived Statistics: Contributions to General Fund Perspective

Code and Description

Formula, If Calculated

Z46	Transfers to General Fund (Gross)	
Z47	Expenditure for Licensing and Law Enforcement	
---	Net Contributions to General Funds	+Z46 + Z47 - Z48

Special Consideration:

These are liquor stores codes related to expenses only. See Chapter 4 for statistics related to receipts, and Chapter 10 for the full array of exhibit and derived statistical codes for the liquor stores sector.

EXPENDITURE FUNCTIONS

Code *91

Water Supply

Sector: Utilities

Definition: Operation, maintenance, and construction of public water supply systems, whether for distribution of water to the general public or to other public or private utilities. This function covers government water supply activities for residential, commercial, and industrial water usage.

Includes: Dams and reservoirs expressly for water supply; purification and filtration plants, including desalinization plants; pumping stations; aqueducts and transmission systems; water storage tanks; purchase of water for resale; and distribution lines and meters.

Excludes: Contributions to parent government; purchase of water for other than resale and provision of water to parent government (report, where identifiable, at function involved); facilities owned but leased to other governments or persons without financial oversight (report at *Miscellaneous Commercial Activities*, code *03); depreciation of assets; activities not directly related to utility operations, such as administration of utility debt or investments (report at *Financial Administration*, code *23) and payments-in-lieu-of-taxes; benefits paid to utility employees by employee retirement systems (use *Benefit Payments*, code X11); acquisition and distribution of water for irrigation (report at *Natural Resources, Other*, code *59).

Special Considerations:

1. This function does not apply to Federal Government financial statistics.
2. Relates only to systems owned and operated by a government or managed by private contractor when government maintains day-to-day financial oversight (e.g., by directly paying utility employees).
3. For combined water-sewer systems, include segregable amounts related to water supply here (report *Sewerage* activities at code *80).
4. Intergovernmental expenditure codes were added, effective with 1988 data, for users who seek to identify certain utility transactions already classified as general intergovernmental expenditure. An example would be state grants for local purification plants. In tabulations, estimates, and publications, however, these amounts continue to be treated as general expenditures despite their utility suffix. Utility expenditures continue to exclude them and to represent direct expenditure only.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E91 Current Operations
F91 Construction
G91 Land and Existing Structures
K91 Equipment (states)
I91 Interest on water utility debt

Intergovernmental Expenditure

L91 To state governments (locals)
M91 To local governments

EXPENDITURE FUNCTIONS

Code *92

Electric Power

Sector: Utilities

Definition: Operation, maintenance, and construction of public electric power systems, including production, acquisition, and distribution of electricity to general public or to other public or private utilities. This function covers government electric power activities for residential, commercial, and industrial electrical usage.

Includes: Generating stations; power plants; transmission lines; switching stations; pollution abatement equipment; purchase of electricity for resale; distribution lines and meters.

Excludes: Contributions to parent government; purchase of electricity other than for resale and provision of electricity to parent government, such as for street lights (report, where identifiable, at function involved); facilities owned but leased to other governments or persons without financial oversight (report at *Miscellaneous Commercial Activities*, code *03); depreciation of assets; activities not directly related to utility operations, such as administration of utility debt or investments (report at *Financial Administration*, code *23) and payments-in-lieu-of-taxes; benefits paid to utility employees by employee retirement systems (use code X11); waste or resource recovery facilities which co-generate electricity as a by-product (report at *Solid Waste Management*, code *81).

Examples: State governments – Power Authority of the State of New York, which operates the hydroelectric generating facility in Niagara County, New York.

Special Considerations:

1. This function does not apply to Federal Government financial statistics.
2. Relates only to systems owned and operated by a government or managed by private contractor when government maintains day-to-day financial oversight (e.g., by directly paying utility employees).
3. Intergovernmental expenditure codes were added, effective with 1988 data, for users who seek to identify certain utility transactions already classed as general intergovernmental expenditure, such as support of joint power projects (see Section 5.3.2.2). In publications, however, these amounts will continue to be treated as general expenditures despite their utility suffix. Utility expenditures will continue to exclude them and to represent direct outlays only.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E92 Current Operations
F92 Construction
G92 Land and Existing Structures
K92 Equipment (states)
I92 Interest on electric utility debt

Intergovernmental Expenditure

L92 To state governments (locals)
M92 To local governments

EXPENDITURE FUNCTIONS

Code *93

Gas Supply

Sector: Utilities

Definition: Operation, maintenance, and construction of public natural gas supply systems, including production, acquisition, and distribution of gas to general public or to other public or private utilities. This function covers government gas supply activities for residential, commercial, and industrial gas usage.

Includes: Public gas works; liquefaction equipment; pumping stations; gas mains; service lines and meters; purchase of natural gas for resale.

Excludes: Contributions to parent government; purchase of gas other than for resale and provision of gas to parent government, such as for incinerators (report, where identifiable, at function involved); facilities owned but leased to other governments or persons without financial oversight (report at *Miscellaneous Commercial Activities*, code *03); depreciation of assets; activities not directly related to utility operations, such as administration of utility debt or investments (report at *Financial Administration*, code *23) and payments-in-lieu-of-taxes; benefits paid to utility employees by employee retirement systems (use *Benefit Payments*, code X11); waste or resource recovery facilities which co-generate gas as a by-product (report at *Solid Waste Management*, code *81).

Examples: Local governments – Southeast Alabama Natural Gas District (classified as a special district government).

Special Considerations:

1. This function does not apply to Federal Government financial statistics.
2. Relates only to systems owned and operated by a government or managed by private contractor when government maintains day-to-day financial oversight (e.g., by directly paying utility employees).
3. Intergovernmental expenditure codes were added, effective with 1988 data, for users who seek to identify certain utility transactions already classed as general intergovernmental expenditure (examples being rare for gas supply systems). In publications, however, these amounts continue to be treated as general expenditures despite their utility suffix. Utility expenditures continue to exclude them and to represent direct outlays only.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E93 Current Operations
F93 Construction
G93 Land and Existing Structures
K93 Equipment (states)
I93 Interest on gas utility debt

Intergovernmental Expenditure

L93 To state governments (locals)
M93 To local governments

EXPENDITURE FUNCTIONS

Code *94

Public Mass Transit Systems

Sector: Utilities

Definition: Operation, maintenance, and construction of public mass transit systems, including subways, surface rails, and buses.

Includes: Rapid transit; subways, buses, surface rail, and street railroad systems; commuter rail lines; trolleys and light rail; related stations, tracks, depots, and rail yards; acquisition of right-of-ways; transit police employed directly by utility; subsidies to public mass transit systems (but not private ones).

Excludes: Systems solely to transport students (report at *Elementary and Secondary Education*, code *12); ferries (if free, report at *Regular Highways*, code *44, else report at *Toll Highways*, code *45); systems exclusively for handicapped or senior citizens (report at *Public Welfare - Other*, code *79); subsidies for private mass transit systems (report at *Other and Unallocable*, code *89); contributions to own system (an interfund or intragovernmental transfer); systems owned but operated under private contract without financial oversight (report at *Miscellaneous Commercial Activities*, code *03); depreciation of assets; activities not directly related to utility operation, such as administration of utility debt (report at *Financial Administration*, code *23) and payments-in-lieu-of-taxes; benefits paid to utility employees by employee retirement systems (use *Benefit Payments*, code X11).

Examples:

- State governments – Long Island Railroad, a component of the Metropolitan Transportation Authority, which is a dependent agency of New York State.
- Local governments – Washington Metropolitan Area Transit Authority, a special district government.

Special Considerations:

1. This function does not apply to Federal Government financial statistics.
2. Relates only to systems owned and operated by a government or managed by private contractor when government maintains day-to-day financial oversight (e.g., by directly paying utility employees).
3. Intergovernmental expenditure codes were added, effective with 1988 data, for users who seek to identify certain utility transactions already classed as general intergovernmental expenditure, such as subsidies to public transit systems (previously reported at Transit Subsidies, code *47). In publications, however, these amounts continue to be treated as general expenditures despite their utility suffix. Utility expenditures continue to exclude them and to represent direct outlays only.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

E94 Current Operations
F94 Construction
G94 Land and Existing Structures
K94 Equipment (states)
I94 Interest on transit utility debt

Intergovernmental Expenditure

L94 To state governments (locals)
M94 To local governments

EXPENDITURE FUNCTIONS

Exhibit Code Z00

Total Salaries and Wages

Sector: Not Applicable

Definition: Total expenditure during fiscal year for salaries and wages, covering all functions and activities of the government and its dependent agencies. Includes the general government, liquor stores, and utilities sectors.

Includes: Salaries and wages consist of gross amounts paid for compensation of own officers and employees (prior to deductions for withheld taxes, retirement contributions, charges for subsistence, or other purposes), including both current operations expenditure and capital outlay expenditure.

Excludes: This category excludes employer contributions for any type of employee fringe benefit and the value of subsistence, quarters, or other payments-in-kind to military or other public employees.

Special Consideration:

This exhibit code applies to all levels and types of governments.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

Z00 Federal, states, all locals

Not applicable

EXPENDITURE FUNCTIONS

Exhibit Code CGE

Tobacco Lawsuit Settlement – Expenditure of Proceeds

Sector: General

Definition: Total amount expended during the fiscal year, from proceeds of settlement between the state governments' and the major tobacco manufacturers, pursuant to Federal judicial proceedings.

Includes: Total amount expended, regardless of functional activity and regardless of which fiscal year the monies were received.

Special Considerations:

1. All amounts reported here also are reported in their proper functional categories and under appropriate object codes.
2. This exhibit code applies only to state governments and to Washington, DC, by definition. The Census Bureau does not track the total amount of lawsuit proceeds expended at the local government level, but rather reports such expenditure by function only.
3. The related revenue exhibit is *Tobacco Lawsuit Settlement – Receipts*, code CGR. See Chapter 4 for details.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

CGE States and Washington, DC only

Not applicable

EXPENDITURE FUNCTIONS

Exhibit Code V98

Total Capital Outlay

Sector: All Sectors

Definition: Total amount expended during the fiscal year for all capital outlay.

Includes: Capital outlay expenditure for all functions and all sectors.

Special Considerations:

1. This code is used primarily for internal Census Bureau processing purposes, but can appear in various public use files available in electronic format.
2. This is a calculated statistic. It represents the sum of all expenditure amounts coded with object codes “F” (Construction) + “G” (Capital Outlay Other than Construction).
3. This exhibit code applies to local governments only, all types.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Intergovernmental Expenditure

V98 Locals (all types)

Not applicable

EXPENDITURE FUNCTIONS

Codes X11 and X12

Public Employee Retirement Systems

page 1 of 3

Sector: Social Insurance Trusts

Definition: Distribution of cash benefits to, or withdrawals by, eligible persons under government-administered employee retirement systems covering public employees.

Includes:

- **Benefits:** Cash payments to, or on behalf of, participants for retirement benefits and annuities, death and disability benefits, life and disability insurance on behalf of retirees, pre-retirement death benefit premiums, benefits due on termination of employment, survivors benefits, and other benefits as allowed.
- **Withdrawals:** Cash withdrawals of employees, former employees, or their survivors as return of contributions made during employment, plus any interest on such amounts. Includes transfers of investment holdings and reimbursements for benefits paid when another pension fund assumes responsibility for paying retirement benefits.
- **Other Payments:** Exhibit-only codes for expenditure statistics. See Chapter 8 for these codes.

Excludes:

- Expenditures for administering retirement system or managing its assets (report at *Financial Administration*, code 23); recorded losses on investments (also deduct from *Total Earnings on Investments*, code X08); other costs or payments not representing benefits or withdrawals (except purchase of investments).
- Payments to own retirement system (interfund transfer).
- “Pay-as-you-go” pensions and other direct payments to retired employees from current appropriations (report as current operations expenditure of function involved).
- Payments to retirement plans administered by another government, such as Federal Social Security and local payments to state-administered retirement systems; payments of premiums for annuity policies from private insurance carriers; contributions to pension plans administered by private companies or by public employee associations. Report these as current operations expenditure of function involved.
- Unrealized loss in market value of securities (deduct from total earnings on investments – see Chapter 8).
- Direct pensions paid out of Federal Military Retirement Fund (use *Federal National Defense and International Relations*, code *06).
- Other – purchase of investments, loans to members, and amortization of premiums on purchase of investments (all of which are nonexpenditures).

EXPENDITURE FUNCTIONS

Codes X11 and X12

Public Employee Retirement Systems
page 2 of 3

Examples:

- State Government system for state employees – California Public Employees Retirement System, or CALPERS.
- State Government system for local employees – Kentucky County Employees Retirement System.
- Local Government system for general local workers – Los Angeles County Employee retirement Association.
- Local Government system for specialized employees – Fulton County (GA) School Pension Board.

Special Considerations:

1. These data are collected by a separate survey of state and local government-administered public employee retirement systems.
2. Payments and withdrawals must be those of a dependent agency classified as a public employee retirement system for purposes of Census Bureau statistics. See Chapter 8 for details.
3. Report state aid to local retirement systems that does not represent employer contributions at *Other and Unallocable*, code E89. Since the local systems treat this aid as an insurance trust revenue, recording the state payment as an intergovernmental expenditure would distort the intergovernmental flow for that state.
4. For Federal Government, this includes Civil Service, Foreign Service Retirement and Disability Funds, and Federal Employees' Retirement System (FERS) defined benefit plan portion only. There are other Federal-only plans, such as for Congressional, Federal Judiciary and classified employees (CIA). These are included if data are available.
5. Report employment data for administering these systems at *Financial Administration*, code 23.

Applicable Coding Options for this Expenditure Function

Direct Expenditure	Intergovernmental Expenditure
X11 Benefit Payments (Federal, states, and locals)	None
X12 Withdrawals (Federal, states, and locals)	

Note on Coverage: X11 and X12 apply to all levels of government (Federal, state, and local) and to all types of local government (county, municipal, township, special district, and school district), as long as the governments administer a public employee retirement system, defined by the Census Bureau as a dependent agency of the administering government. See Chapter 8 for additional information.

EXPENDITURE FUNCTIONS

Codes X11 and X12

Public Employee Retirement Systems
page 3 of 3

Exhibit Codes Related to Public Employee Retirement Systems Expenditure (Summarized – see Chapter 8 for detail)

Code and Description

Z13	Retirement Benefits
Z14	Disability Benefits
Z15	Survivor Benefits
Z16	Other Benefits
Z93	Administrative Expenses

Special Consideration for Exhibit Codes:

Code Z90 is found on some survey questionnaires, but is not part of the classification system. It is a cell for data collection purposes only. Any amounts reported are evaluated and moved to an appropriate, valid classification code.

EXPENDITURE FUNCTIONS

Codes Y05 and Y06

Unemployment Compensation Systems

Sector: Social Insurance Trusts

Definition: Distribution of cash benefits to eligible persons under the cooperative Federal-state unemployment compensation insurance programs.

Includes:

Regular Benefits: Covers basic payments to individuals temporarily out of work and seeking employment (funded by state payroll taxes) and to former Federal civilian and military employees (funded by Federal agencies that employed them).

Extended and Special Benefits: Payments for extended unemployment benefits in states with high rates of unemployment (funded equally by Federal and state payroll taxes), benefits under special programs (such as trade adjustment assistance and disaster assistance funded by Federal appropriations), and benefits to special groups of former workers, such as railroad employees (funded by Federal tax on railroad payrolls).

Excludes:

Administration of unemployment insurance programs (report at *Social Insurance Administration*, code *22), employment services provided to the unemployed (such as job training, placement, and guidance – use code *22),

Government payments as employer contributions on behalf of its employees to unemployment insurance system of another government (report as current operation of function involved) or to one it administers (interfund transfer); distinctive health or disability insurance programs carried out in conjunction with unemployment programs (report at *Other Insurance Trusts*, code Y5*).

Special Considerations:

1. This function applies only to statistics for the Federal Government, state governments, and to Washington, DC.
2. Data for this function are obtained from the Employment and Training Administration of the U.S. Department of Labor.
3. There is no corresponding function in the Census Bureau's employment statistics. Report employment data for administering these programs at *Social Insurance Administration*, code *22.

Applicable Coding Options for this Expenditure Function

Direct Expenditure Only

Y05 Benefit Payments (Federal and state governments, plus Washington, DC)

Y06 Extended and Special Benefits (Federal and state governments, plus Washington, DC)

Note on Coverage: Y05 and Y06 apply only to the Federal and state governments, plus to Washington, DC. These codes do not apply to any other local governments. See Chapter 9 for additional information.

EXPENDITURE FUNCTIONS

Codes Y14 and Y15

Workers' Compensation Systems
page 1 of 2

Sector: Social Insurance Trusts

Definition: Distribution of cash benefits to eligible persons under state-administered plans for compulsory accident and injury insurance of workers.

Includes:

- **Benefits:** Claims paid directly to, or on behalf of, injured beneficiaries for compensation of wages lost, medical care, rehabilitation, funeral expenses, and other eligible benefits. Includes payments made from regular workers' compensation funds as well as from subsequent injury funds, second injury funds, and the like.
- **Other Payments:** Exhibit-only codes for expenditure statistics.

Excludes:

- **Administrative Expenses:**
 - Crime victim compensation benefits administered by a workers' compensation agency (report at *Other and Unallocable*, code *89).
 - Cost for adjudication of claims (also report at *Financial Administration*, code *23).
 - Purchase of investments.
 - Exclude administrative costs from benefits and report them at **both** codes Y15 and *23.
 - Exclude recorded losses on investments from benefits (also deduct from *Earnings on Investments*, code Y12).
- **Governments' Own Costs:**
 - State government payments to system on behalf of its employees (interfund transfer).
 - Local government payments to state systems (report as local current operation expenditure of function involved).
 - "Pay-as-you-go" workers' compensation programs and other direct payments from current appropriations (report at function of paying agency).

Special Considerations:

1. These data are collected by a separate mail canvass of state workers' compensation systems. However, not all states administer systems that meet the Census Bureau's definition Social Insurance Trust Systems.
2. This function applies solely to state governments. Both the Federal Government and the District of Columbia have "pay-as-you-go" plans that do not meet the Census Bureau's definition of social insurance trust systems.
3. There is no corresponding function in the Census Bureau's employment statistics. Report employment data for administering these programs at *Financial Administration*, code 23.

EXPENDITURE FUNCTIONS

Codes Y14 and Y15

Workers' Compensation Systems
page 2 of 2

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Y14 Benefit Payments (applies to selected state governments only)

Exhibit Codes Related to Workers' Compensation Systems Expenditure (Summarized – see Chapter 9 for detail)

Code and Description

Y15 Administrative Expenses

EXPENDITURE FUNCTIONS

Code Y25

Federal Social Security and Medicare
page 1 of 2

Sector: Social Insurance Trusts

Definition: Distribution of cash benefits to eligible persons under Federal-administered retirement, disability, hospital, and health social insurance programs.

Includes: Comprises cash benefits: To retirees or their dependents and survivors from the Federal Old-Age and Survivors Insurance Trust Fund (OASI); to disabled workers or their dependents from the Federal Disability Insurance Trust Fund (DI); to elderly or disabled for hospital, nursing home, and other related care from the Federal Hospital Insurance Trust Fund (HI); to such persons for physician services, outpatient care, renal dialysis, and other health care from the Federal Supplementary Medical Insurance Trust Fund (SMI).

The OASI and DI funds are administered by the Department of Health and Human Services' (HHS) Social Security Administration (SSA) while the HI and SMI funds are operated by HHS Health Care Financing Administration (HCFA).

Excludes: Federal, state, or local governmental contributions as employers for Social Security and Medicare on behalf of their own employees (report as current operation expenditure of function involved); Federal transfers to these Social Security or Health Care trust funds (nonexpenditure); transfers from Social Security Trust Funds to the railroad retirement accounts (nonexpenditure); interest payments on inter-trust borrowings (nonexpenditure); Federal Government administration of these insurance trust funds (report at *Social Insurance Administration*, code *22); payments from HCFA for Medicaid program (report at *Public Welfare - Federal Categorical Assistance Programs*, code *67); payments of SSA other than for the Social Security Trusts, such as SSI and TANF (use code *67) and black lung benefits, child support enforcement, low income energy assistance, etc. (report at *Public Welfare - Other*, code *79).

Special Considerations:

1. The OASI and DI trusts comprise what is commonly referred to as Social Security. The HI and SMI trusts comprise what is commonly referred to as Medicare, Parts A and Part B, respectively.
2. In contrast to public welfare programs funded by appropriations and classed as general expenditure, these social insurance programs all have separate trust funds with dedicated revenues (either payroll taxes or voluntary premiums). See definition of social insurance trust system in Chapters 8 and 9.
3. There is no corresponding function in the Census Bureau's employment statistics. Report employment data for administering these programs at *Financial Administration*, code 23.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Y25 Benefit Payments

EXPENDITURE FUNCTIONS

Code Y34

Federal Veterans' Life Insurance

Definition: Distribution of cash benefits and dividends to eligible veterans and their beneficiaries under Federal-administered veterans' life insurance programs.

Includes: Death claims to beneficiaries, cash values of surrendered policies, distribution of excess earnings and related interest (dividends), disability claims or income payments under veterans' life insurance policies, and matured endowments. Comprises activities of the U.S. Department of Veterans Affairs programs specified below.

Excludes: Two general types of related expenditures are excluded – administrative expenses and the Federal Government's own costs for contributing to this program as an employer.

- **Administrative expenses:** Loans to policyholders borrowing against cash value of their policies and administration of these life insurance programs (report at *Federal and State Veterans' Services*, code *85)
- **Federal Government's own costs:** Federal Government contributions to these funds, purchase of securities (nonexpenditures), Federal payments as employer contributions for group life insurance for its employees (report as current operation expenditure of function involved), and burial benefits not paid out of veterans' life insurance funds (use code *Federal and State Veterans' Services*, *85).

Examples:

United State Government Life Insurance
National Service Life Insurance
Veterans Special Life Insurance
Veterans Reopened Insurance
Service Disabled Veterans' Insurance
Veterans' Mortgage Life Insurance
Traumatic Injury Protection Under Servicemembers Group Life Insurance (TSGLI)

Special Consideration:

There is no corresponding function in the Census Bureau's employment statistics. Report employment data for administering these programs at *Other and Unallocable*, code 89.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Y34 Benefit Payments

EXPENDITURE FUNCTIONS

Code Y45

Federal Railroad Retirement

Definition: Distribution of cash annuities and benefits to eligible retirees and their survivors under Federal-administered rail industry pension programs.

Includes: Annuities for retirement, disability, survivor, occupational disability, and supplemental benefits; and social security equivalent benefits. Comprises activities of the Rail Industry Pension Fund and Railroad Social Security Equivalent Benefit Account, both administered by the U.S. Railroad Retirement Board.

Excludes: Federal payments (transfers) to the railroad retirement accounts (nonexpenditure); Federal Old-Age and Survivors Insurance Trust Fund payments to the railroad retirement accounts (nonexpenditure); purchase of securities (nonexpenditure); benefits from related Railroad Unemployment Insurance Fund (report at *Unemployment Compensation Benefits*, code Y05); and administration of railroad retirement program and railroad unemployment insurance fund (report at *Social Insurance Administration*, code *22).

Special Considerations:

1. Unlike public employee retirement systems, this category covers private sector workers rather than public employees.
2. There is no corresponding function in the Census Bureau's employment statistics. Report employment data for administering these programs at *Social Insurance Administration*, code *22.

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Y45 Benefit Payments

EXPENDITURE FUNCTIONS

Codes Y53 and Y54

Other State Social Insurance Trust Systems
page 1 of 2

Sector: Social Insurance Trusts

Definition: Distribution of cash benefits to eligible persons under state-administered plans for compulsory or voluntary social insurance programs not elsewhere classified.

Includes:

- **Benefits:** Claims paid directly to, or on behalf of, beneficiaries for lost income, medical care, disaster reimbursement, and other eligible expenses.
- **Other Payments:** Exhibit-only code for administration of insurance plans (also report at *Financial Administration*, code *23); recorded losses on investments (also deduct from *Other Investment Earnings*, code Y52); other costs or payments not representing benefits (except purchase of investments).

Excludes: Local government payments to state systems (report as local current operation expenditure of function involved); state government payments to own insurance trusts (interfund transfer); purchase of investments; self-insurance, risk management, insurance against fire or other hazards, and other types of non-social insurance (report at *Other and Unallocable*, code *89); payments on group health, life, or other fringe benefit insurance plans for its employees (report at appropriate function code).

Examples: Colorado – Uninsurable Health Insurance Plan, Maryland – Maryland Automobile Insurance Fund.

Special Considerations:

1. State administered systems must meet all Census Bureau definitions of a social insurance trust system to be classified here. See Chapters 2 and 9 for additional information. Only a limited number of such systems exist.
2. Report state employment data for administering these systems at *Financial Administration*, code 23.
3. Report here any state-administered disaster assistance programs, ONLY IF they have been classified as social insurance trust systems within the Census Bureau's definitions. Otherwise, disaster assistance activity is reported at *Miscellaneous Commercial Activities, NEC*, code *03.
4. Exclude administrative costs from benefits and report them at both code Y54 and *Financial Administration*, code *23.

EXPENDITURE FUNCTIONS

Codes Y53 and Y54

Other State Social Insurance Trust Systems
page 2 of 2

Applicable Coding Options for this Expenditure Function

Direct Expenditure

Y53 Benefit and Withdrawal Payments

**Exhibit Codes Related to Other State Social Insurance Trust Systems Expenditure
(Summarized – see Chapter 9 for detail)**

Code and Description

Code Y54 Administrative Expenses

5.7 Tables

There are three tables pertaining to the government finance program expenditure statistics. Table 5.1, Description of Character and Object Categories, is extremely important for understanding the character and object designations used in Census Bureau statistics. Table 5.2, Function and Object Code Validity, by Level and Type of Government, contains the detailed combinations of object and function codes that exist in the Census Bureau classification system, and indicates which of these combinations are valid by level and type of government. Where valid, this means that financial statistics on government expenditure could exist for that level or type of government. Appendix Table 2.2, Cross-Classification of Expenditure Function and Object Codes, is a useful cross-reference of coding options currently found in the Census Bureau classification system.

Table 5.1
Description of Character and Object Categories – page 1 of 5

This chart lists and describes the various character and object categories used for classifying expenditure data. Note that a few categories use more than one code. Appendix Table 2.2 provides a cross-classification of these codes with the function codes.

Code	Category	Description														
		<p><i>Character and object codes can be divided into two main categories – those related to direct expenditure and those related to intergovernmental expenditure.</i></p> <p>DIRECT EXPENDITURE CATEGORIES:</p> <p>Direct expenditure comprises all final expenditure paid to own employees, former employees (retirees) and to private sector entities outside of the government itself (e.g. all expenditure other than intergovernmental expenditure).</p>														
E	Current Operations	<p>Direct expenditure for compensation of own officers and employees and for supplies, materials, and contractual services except any amounts for capital outlay (i.e., for personal services or other objects used in force account construction of permanent and for acquisition of property and equipment).</p> <p>Includes repair and maintenance services (e.g., contracts and agreements, materials, and supplies) for the upkeep of buildings, infrastructure, and equipment to maintain required standards of compliance for their intended use. This covers the following activities:</p> <table border="0"> <tr> <td><i>Cleaning</i></td> <td><i>Refinishing</i></td> </tr> <tr> <td><i>Fire repair</i></td> <td><i>Refurbishing</i></td> </tr> <tr> <td><i>Landscaping (unrelated to new construction)</i></td> <td><i>Removal</i></td> </tr> <tr> <td><i>Maintenance</i></td> <td><i>Repair</i></td> </tr> <tr> <td><i>Painting</i></td> <td><i>Replacement</i></td> </tr> <tr> <td><i>Patching</i></td> <td><i>Upkeep</i></td> </tr> <tr> <td><i>Reconditioning</i></td> <td><i>Waterproofing</i></td> </tr> </table>	<i>Cleaning</i>	<i>Refinishing</i>	<i>Fire repair</i>	<i>Refurbishing</i>	<i>Landscaping (unrelated to new construction)</i>	<i>Removal</i>	<i>Maintenance</i>	<i>Repair</i>	<i>Painting</i>	<i>Replacement</i>	<i>Patching</i>	<i>Upkeep</i>	<i>Reconditioning</i>	<i>Waterproofing</i>
<i>Cleaning</i>	<i>Refinishing</i>															
<i>Fire repair</i>	<i>Refurbishing</i>															
<i>Landscaping (unrelated to new construction)</i>	<i>Removal</i>															
<i>Maintenance</i>	<i>Repair</i>															
<i>Painting</i>	<i>Replacement</i>															
<i>Patching</i>	<i>Upkeep</i>															
<i>Reconditioning</i>	<i>Waterproofing</i>															
J ¹	Assistance and Subsidies	<p>Direct cash assistance to foreign governments, private individuals, and nongovernmental organizations (e.g., foreign aid, agricultural supports, public welfare, veteran bonuses, and cash grants for tuition and scholarships) neither in return for goods and services nor in repayment of debt and other claims against the government. Excludes payments to private vendors for medical care or other services for the needy; cash benefits under insurance trust programs; intergovernmental expenditure, and administrative costs, assistance-in-kind, and payments for purchase of commodities or services to be furnished free to needy or other individuals (the latter classified as current operations).</p> <p>Except for the Federal Government, this category is limited to just four codes: education grants, including scholarships to individuals and aid to private schools or colleges (code J19); public welfare cash assistance payments, either Federal categorical ones (code J67) or others (code J68); and bonuses to veterans (code J85).</p>														

Table 5.1
Description of Character and Object Categories – page 2 of 5

Code	Category	Description
I	Interest on Debt	<p>Amounts paid for the use of borrowed money. Includes amounts for interest on debt of the government paid by all its accounting funds. No adjustment is made for premiums or discounts on debt issued or retired. Also excludes premiums paid on debt retired (report at code E89 for general debt retired or codes E91 – E94 for utility debt retired).</p> <p>Where amounts to cover interest accruing on debt prior to date of sale are included in the proceeds from issuance of securities, such amounts are treated as offsets to interest expenditure for the year in which they were received.</p> <p>There are five codes for interest expenditure, subdivided into interest on general debt (I89) and interest on utility debt, by type of utility (I91, I92, I93, and I94). This distinction is made on the basis of the classification of outstanding debt to which particular interest payments relate.</p>
	<i>CAPITAL OUTLAY CATEGORIES:</i>	<p>Direct expenditure for purchase or construction, by contract or force account, of buildings and other improvements; for purchase of land, equipment, and existing structures; and for payments on capital leases.</p> <p>Certain terms (such as rehabilitate, remodel, resurface, renovate, etc.) can denote either construction or maintenance and repair (i.e., current operations). Their classification is based on the circumstances surrounding each situation. If the term refers to activities that materially extend the life or add value to the property, then they are classified under construction; otherwise, they are classified under current operations. No other practical standard (such as dollar amounts) can be uniformly applied to all levels of government.</p> <p>Receipts arising from insurance adjustments, sales of equipment, reimbursements, and the like are classified as revenue rather than as offsets to capital outlay expenditure.</p> <p>Capital outlay expenditures are subdivided into the three object classes below:</p>
F	Construction	<p>Production, additions, replacements, or major structural alterations to fixed works, undertaken either on a contractual basis by private contractors or through a government's own staff.</p> <p>Includes initial production of buildings and structures; initial permanent improvements (other than buildings) that add value to land; and subsequent improvements representing major permanent structural alterations that materially extend the useful life of fixed works. Covers all costs of materials, supplies, and labor that are reasonable and necessary to place an asset in its intended location and prepare it for its intended use, namely, professional fees or architects, engineers, appraisers, and attorneys associated with feasibility studies; preliminary engineering, planning, and design; and related developmental costs such as overhead, office costs, and other purchased construction-related services. Also includes centralized architecture, design, and planning offices whose main role is support of public construction projects, including related salaries and wages, insurance, professional services, etc.</p>

Table 5.1
Description of Character and Object Categories – page 3 of 5

Code	Category	Description																																																																
F	Construction (con.)	<p>INCLUDES for buildings and structures: initial or additional installation of equipment and facilities that are integral parts of the structure. Also includes largely site-fabricated equipment integral to enterprise operations, such as power, water, and sewage treatment plants (generators, reactors, boilers, storage tanks, steam engines, and the like).</p> <p>Examples of activities included:</p> <table border="0"> <tr> <td><i>Additions</i></td> <td>- Escalators</td> </tr> <tr> <td><i>Alterations</i></td> <td>- Heating</td> </tr> <tr> <td><i>Clearing and grading of land</i></td> <td>- Plumbing</td> </tr> <tr> <td><i>Construction-related landscaping</i></td> <td>Modernization</td> </tr> <tr> <td><i>Conversions</i></td> <td>Modifications</td> </tr> <tr> <td><i>Demolition needed for construction</i></td> <td>New building</td> </tr> <tr> <td><i>Expansion</i></td> <td>Reconstruction</td> </tr> <tr> <td><i>Fire rebuilding</i></td> <td>Redevelopment</td> </tr> <tr> <td><i>Improvements</i></td> <td>Rehabilitation</td> </tr> <tr> <td><i>Installation</i></td> <td>Relocation</td> </tr> <tr> <td><i>Machinery and equipment integral to structure</i></td> <td>Remodeling</td> </tr> <tr> <td><i>Major replacements</i></td> <td>Renovation</td> </tr> <tr> <td><i>Mechanical-electrical installations:</i></td> <td>Resurfacing</td> </tr> <tr> <td>- Central air conditioning</td> <td>Reroofing</td> </tr> <tr> <td>- Electrical work</td> <td></td> </tr> <tr> <td>- Elevator</td> <td></td> </tr> </table> <p>Examples of labor and fees included:</p> <table border="0"> <tr> <td><i>Contract price</i></td> <td>- Attorneys</td> </tr> <tr> <td><i>Insurance during construction</i></td> <td>- Designers</td> </tr> <tr> <td><i>Job order cost</i></td> <td>- Engineers</td> </tr> <tr> <td><i>Overhead and office costs</i></td> <td>- Financial advisors</td> </tr> <tr> <td><i>Professional fees:</i></td> <td>- Planning</td> </tr> <tr> <td>- Architects</td> <td>- Similar purchased services</td> </tr> <tr> <td>- Appraisers</td> <td></td> </tr> </table> <p>INCLUDES for nonbuilding improvements: initial or additional improvements that add value to land, such as:</p> <table border="0"> <tr> <td><i>Airport runways</i></td> <td><i>Retaining walls</i></td> </tr> <tr> <td><i>Bridges</i></td> <td><i>Roadways</i></td> </tr> <tr> <td><i>Curbs, drains, and gutters</i></td> <td><i>Sidewalks</i></td> </tr> <tr> <td><i>Fences</i></td> <td><i>Swimming pools</i></td> </tr> <tr> <td><i>Outdoor lighting</i></td> <td><i>Traffic signs/signals</i></td> </tr> <tr> <td><i>Parking lots</i></td> <td><i>Tunnels</i></td> </tr> <tr> <td><i>Pavements</i></td> <td><i>Utility connections</i></td> </tr> <tr> <td><i>Piers</i></td> <td><i>Viaducts</i></td> </tr> <tr> <td><i>Railroad tracks</i></td> <td><i>Wharves and docks</i></td> </tr> </table>	<i>Additions</i>	- Escalators	<i>Alterations</i>	- Heating	<i>Clearing and grading of land</i>	- Plumbing	<i>Construction-related landscaping</i>	Modernization	<i>Conversions</i>	Modifications	<i>Demolition needed for construction</i>	New building	<i>Expansion</i>	Reconstruction	<i>Fire rebuilding</i>	Redevelopment	<i>Improvements</i>	Rehabilitation	<i>Installation</i>	Relocation	<i>Machinery and equipment integral to structure</i>	Remodeling	<i>Major replacements</i>	Renovation	<i>Mechanical-electrical installations:</i>	Resurfacing	- Central air conditioning	Reroofing	- Electrical work		- Elevator		<i>Contract price</i>	- Attorneys	<i>Insurance during construction</i>	- Designers	<i>Job order cost</i>	- Engineers	<i>Overhead and office costs</i>	- Financial advisors	<i>Professional fees:</i>	- Planning	- Architects	- Similar purchased services	- Appraisers		<i>Airport runways</i>	<i>Retaining walls</i>	<i>Bridges</i>	<i>Roadways</i>	<i>Curbs, drains, and gutters</i>	<i>Sidewalks</i>	<i>Fences</i>	<i>Swimming pools</i>	<i>Outdoor lighting</i>	<i>Traffic signs/signals</i>	<i>Parking lots</i>	<i>Tunnels</i>	<i>Pavements</i>	<i>Utility connections</i>	<i>Piers</i>	<i>Viaducts</i>	<i>Railroad tracks</i>	<i>Wharves and docks</i>
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<i>Railroad tracks</i>	<i>Wharves and docks</i>																																																																	

Table 5.1
Description of Character and Object Categories – page 4 of 5

Code	Category	Description
F	Construction (con.)	EXCLUDES expenditure for maintenance and repairs to existing structures or service facilities for the purpose of keeping property in an ordinarily efficient operating condition and which are not considered permanent structural alterations that materially extend the life of the asset – e.g., painting, cleaning, patching, refurbishing, reconditioning, etc. (report under current operations). Also excludes identifiable payments to other governments for construction work (classify under intergovernmental expenditure) as well as purchase or installation of machinery and equipment not integral to fixed structures. In addition, excludes costs attributable to the capitalization of net interest expense incurred during the construction period (report under interest on debt).
G	Purchase of Land and Existing Structures	<p>Acquisition of these assets as such by outright purchase; payments on capital lease-purchase agreements or installment purchase contracts; costs associated with eminent domain (including purchase of rights-of-way); and tax or special assessment foreclosure. Covers all ancillary costs associated with the transaction such as legal and title fees, surveying fees, appraisal and negotiation fees, damage claims, and nonconstruction-related site preparation costs including clearing, filling, leveling, and razing unwanted structures.</p> <p>The use of the “G” code for purchase of land and existing structures applies only during the original compilation of data for the Federal and state governments. When these data are inserted into the Bureau's computerized records, they are combined with purchase of equipment data (“K” codes) to produce a category called “Capital Outlay Other Than Construction.” The equipment only category (“K” codes), therefore, becomes a subcategory under this one in all subsequent computer files, printouts, and publications. For all other governments, the “G” code represents the purchase of land, equipment, and existing structures – i.e., all capital outlays other than construction.</p>
K ²	Purchase of Equipment	<p>Purchase and installation of apparatus, furnishings, motor vehicles, office equipment, and the like having a life expectancy of more than five years. Includes both additional equipment and replacements purchased outright or through capital lease or installment purchase contracts. Includes related expenditure necessary to place equipment in its intended state of operation (e.g., transportation charges, installation fees, taxes, etc.).</p> <p>Excludes rental of equipment (report under current operations) and equipment and facilities that are integral parts of constructed or purchased structures (report under construction or purchase of land and existing structures, respectively).</p>

X, Y, Z Social Insurance Trust Social insurance payments to beneficiaries, employee retirement annuities and other benefits, and withdrawal of insurance or employee retirement contributions. Includes only monies paid to beneficiaries; administrative expenditure for social insurance trust systems is classified as current operations.

The “X” codes are used for expenditure of employee retirement systems while the “Y” codes are used for expenditure of all other insurance trusts. “Z” is used for employee retirement exhibit codes.

Table 5.1
Description of Character and Object Categories – page 5 of 5

Code	Category	Description
<i>INTERGOVERNMENTAL EXPENDITURE CATEGORIES:</i>		
		<p>Amounts paid to other governments for performance of specific functions or for general financial support. Includes grants, shared taxes, contingent loans and advances, and any significant and identifiable amounts or reimbursement paid to other governments for performance of general government services or activities.</p> <p>Excludes amounts paid to other governments for purchase of commodities, property, or utility services and for any tax levied as such on facilities of the government.</p> <p>The functional classification of intergovernmental expenditure is determined by the nature of the activities to which the receiving government is required to apply it by the paying government, or by the functional classification of activities giving rise to particular items of reimbursement. By definition, all intergovernmental expenditures for activities administered by independent or dependent school systems are classified under education (e.g., school lunch and health programs).</p> <p>The character and object codes for intergovernmental expenditure indicate the type of receiving government, as follows:</p> <p>L To state government M To local governments Q To independent school districts S To the Federal Government</p>
<i>EXHIBIT CODES:</i>		
ZOO	Salaries and Wages	Total expenditure during fiscal year for salaries and wages for all functions and activities, including the general government, liquor store, and utility sectors. Salaries and wages consist of gross amounts paid for compensation of own officers and employees (prior to deducting for withheld taxes, retirement contributions, charges for subsistence, or other purposes), including both current operations expenditure and capital outlay expenditure.
V98	Total Capital Outlay	A calculated statistic representing the total capital outlay expenditure during the fiscal year, for all functions and sectors. Equals the sum of all F and G codes.

Notes:

¹Prior to 2005, Assistance and Subsidies was represented by multiple object codes, depending on the level and type of government. See Appendix 1 for additional detail.

²Object code K is restricted to use for Federal and state governments only.

Table 5.2
Function and Object Code Validity, by Level and Type of Government – page 1 of 9

Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
REGULAR STATISTICS General Government:								
01	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
02	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
03	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
04	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
05	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
06	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
12	E	X	Valid	Valid	Valid	Valid	Valid	Valid
	F	X	Valid	Valid	Valid	Valid	Valid	Valid
	G	X	Valid	Valid	Valid	Valid	Valid	Valid
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	Valid
	M	X	Valid	Valid	Valid	Valid	Valid	Valid
	Q	X	Valid	X	X	X	X	Valid

Table 5.2
Function and Object Code Validity, by Level and Type of Government – page 2 of 9

Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
14	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
16	E	X	Valid	Valid	Valid	Valid	X	Valid
	F	X	Valid	Valid	Valid	Valid	X	Valid
	G	X	Valid	Valid	Valid	Valid	X	Valid
	K	X	Valid	X	X	X	X	X
18	E	X	Valid	Valid	Valid	Valid	X	Valid
	F	X	Valid	Valid	Valid	Valid	X	Valid
	G	X	Valid	Valid	Valid	Valid	X	Valid
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	X	Valid
	M	X	Valid	Valid	Valid	Valid	X	Valid
	Q	X	Valid	X	X	X	X	X
19	J	X	Valid	X	X	X	X	X
20	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
21	E	Valid	Valid	X	X	X	X	X
	F	Valid	Valid	X	X	X	X	X
	G	Valid	Valid	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	Valid	X	X	X	X	X
22 ¹	E	Valid	Valid	X	X ¹	X	X	X
	F	Valid	Valid	X	X ¹	X	X	X
	G	Valid	Valid	X	X ¹	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
23	E	Valid	Valid	Valid	Valid	Valid	X	X
	F	Valid	Valid	Valid	Valid	Valid	X	X
	G	Valid	Valid	Valid	Valid	Valid	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	M	Valid	Valid	Valid	Valid	Valid	X	X
24	E	X	X	Valid	Valid	Valid	Valid	X
	F	X	X	Valid	Valid	Valid	Valid	X
	G	X	X	Valid	Valid	Valid	Valid	X
	M	X	X	Valid	Valid	Valid	Valid	X

Table 5.2
Function and Object Code Validity, by Level and Type of Government – page 3 of 9

Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
25	E	Valid	Valid	Valid	Valid	Valid	X	X
	F	Valid	Valid	Valid	Valid	Valid	X	X
	G	Valid	Valid	Valid	Valid	Valid	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	X	X
	M	Valid	Valid	Valid	Valid	Valid	X	X
26	E	Valid	Valid	X	X	X	X	X
	F	Valid	Valid	X	X	X	X	X
	G	Valid	Valid	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
28	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
29	E	Valid	Valid	Valid	Valid	Valid	X	X
	F	Valid	Valid	Valid	Valid	Valid	X	X
	G	Valid	Valid	Valid	Valid	Valid	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	X	X
	M	Valid	Valid	Valid	Valid	Valid	X	X
30	M	X	Valid	X	X	X	X	X
31	E	X	Valid	Valid	Valid	Valid	X	X
	F	X	Valid	Valid	Valid	Valid	X	X
	G	X	Valid	Valid	Valid	Valid	X	X
	K	X	Valid	X	X	X	X	X
32	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
36	E	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	F	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	G	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	Valid
	M	Valid	Valid	Valid	Valid	Valid	Valid	Valid
37	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X

Table 5.2
Function and Object Code Validity, by Level and Type of Government – page 4 of 9

Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
39	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
44	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
45	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
50 ²	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid ²	Valid ²	Valid ²	Valid ²	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
51	E	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
52	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
53	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
55	E	X	Valid	X	X	X	X	X
	F	X	Valid	X	X	X	X	X
	G	X	Valid	X	X	X	X	X
	K	X	Valid	X	X	X	X	X
	M	X	Valid	X	X	X	X	X

Table 5.2
Function and Object Code Validity, by Level and Type of Government- page 5 of 9

Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
56	E	Valid	Valid	X	X	X	X	X
	F	Valid	Valid	X	X	X	X	X
	G	Valid	Valid	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	Valid	X	X	X	X	X
57	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
58	E	Valid	X	X	X	X	X	X
	F	Valid	X	X	X	X	X	X
	G	Valid	X	X	X	X	X	X
	J	Valid	X	X	X	X	X	X
	K	Valid	X	X	X	X	X	X
	L	Valid	X	X	X	X	X	X
	M	Valid	X	X	X	X	X	X
59	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
60	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	X
	M	X	Valid	Valid	Valid	Valid	Valid	X
61	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
62	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X

Table 5.2
Function and Object Code Validity, by Level and Type of Government- page 6 of 9

Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
66	E	X	Valid	Valid	Valid	Valid	X	X
	F	X	Valid	Valid	Valid	Valid	X	X
	G	X	Valid	Valid	Valid	Valid	X	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	X	X
	M	X	Valid	Valid	Valid	Valid	X	X
67 ¹	J	Valid	Valid	Valid	Valid	Valid	X	X
	L	Valid	X	Valid	Valid	Valid	X	X
	M	Valid	Valid	Valid	Valid	Valid	X	X
	S	X	Valid	X	X ¹	X	X	X
68	J	X	Valid	Valid	Valid	Valid	X	X
	M	X	Valid	Valid	Valid	Valid	X	X
74 ¹	E	X	Valid	Valid	Valid	Valid	X	X
	S	X	Valid	X	X ¹	X	X	X
75	E	X	Valid	Valid	Valid	Valid	X	X
77	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
79	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
80	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	X
	M	X	Valid	Valid	Valid	Valid	Valid	X
81	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	X
85	E	Valid	Valid	X	X	X	X	X
	F	Valid	Valid	X	X	X	X	X
	G	Valid	Valid	X	X	X	X	X
	J	Valid	Valid	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
87	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X

	M	Valid	Valid	Valid	Valid	Valid	Valid	X
Table 5.2								
Function and Object Code Validity, by Level and Type of Government – page 7 of 9								
Function Codes	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
89	E	Valid	Valid	Valid	Valid	Valid	Valid	X
	F	Valid	Valid	Valid	Valid	Valid	Valid	X
	G	Valid	Valid	Valid	Valid	Valid	Valid	X
	I	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	J	Valid	X	X	X	X	X	X
	K	Valid	Valid	X	X	X	X	X
	L	Valid	X	Valid	Valid	Valid	Valid	X
	M	Valid	Valid	Valid	Valid	Valid	Valid	
S	X	Valid	X	X	X	X	X	
Liquor Stores:								
90	E	X	Valid	Valid	Valid	Valid	X	X
	F	X	Valid	Valid	Valid	Valid	X	X
	G	X	Valid	Valid	Valid	Valid	X	X
	K	X	Valid	X	X	X	X	X
Utilities:								
91 ³	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	I	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	X
92 ³	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	I	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	X
93 ³	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	I	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	X
94 ³	E	X	Valid	Valid	Valid	Valid	Valid	X
	F	X	Valid	Valid	Valid	Valid	Valid	X
	G	X	Valid	Valid	Valid	Valid	Valid	X
	I	X	Valid	Valid	Valid	Valid	Valid	X
	K	X	Valid	X	X	X	X	X
	L	X	X	Valid	Valid	Valid	Valid	X
M	X	Valid	Valid	Valid	Valid	Valid	X	

Table 5.2
Function and Object Code Validity, by Level and Type of Government – page 8 of 9

Insurance Trusts	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
Employee Retirement	X11	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	X12	X	Valid	Valid	Valid	Valid	Valid	Valid
Unemployment Compensation	Y05	Valid	Valid	X	X ¹	X	X	X
	Y06	X	Valid	X	X ¹	X	X	X
Workers' Compensation	Y14	X	Valid	X	X	X	X	X
Other	Y53	X	Valid	X	X	X	X	X
Federal Social Security	Y25	Valid	X	X	X	X	X	X
Federal Veterans' Life Insurance	Y34	Valid	X	X	X	X	X	X
Federal Railroad Retirement	Y45	Valid	X	X	X	X	X	X

Table 5.2
Function and Object Code Validity, by Level and Type of Government – page 9 of 9

EXHIBIT CODES	Object Codes	Valid for:						
		Federal	State	County	Municipal	Township	Special Districts	School Districts
General Government:								
Lotteries:	Z52 ⁴	X	Valid	X	X ⁴	X	X	X
	Z53 ⁴	X	Valid	X	X ⁴	X	X	X
Liquor Stores:	Z42	X	Valid	X	X	X	X	X
	Z43	X	Valid	X	X	X	X	X
	Z45	X	Valid	X	X	X	X	X
	Z46	X	Valid	X	X	X	X	X
	Z47	X	Valid	X	X	X	X	X
Insurance Trusts:								
Employee Retirement	Z13	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	Z14	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	Z15	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	Z16	Valid	Valid	Valid	Valid	Valid	Valid	Valid
	Z93	Valid	Valid	Valid	Valid	Valid	Valid	Valid
Workers' Compensation	Y15	X	Valid	X	X	X	X	X
Other	Y54	X	Valid	X	X	X	X	X
All Sectors:								
Tobacco	CGE ¹	X	Valid	X	X ¹	X	X	X
Salaries & wages	Z00	Valid	Valid	Valid	Valid	Valid	Valid	Valid
Total capital	V98	X	X	Valid	Valid	Valid	Valid	Valid

Notes:

¹These function/object codes combinations also are valid for Washington, DC, owing to its unique relationship to the Federal Government (for the following object and function codes combinations):

E22	S67	Y05
F22	S74	Y06
G22	CGE	

²Code L50 is valid for local government types 1, 2, 3, and 4, effective with the fiscal year 2006 survey of government finance. It was not effective for the 2005 survey, other than for the Federal Government. For 2004 and earlier, this code was valid for the Federal and local governments.

³Theses object/function combinations are classified in the General Government Sector, not in the Utilities Sector:

L91	M91
L92	M92
L93	M93
L94	M94

⁴These exhibit codes are valid for Washington, DC only at the local government level.