
Unified Deficit/Total Deficit

The amount by which the government's on-budget and off-budget outlays exceed the sum of its on-budget and off-budget receipts for a given period, usually a fiscal year. (See also Budget Surplus *under* Surplus; Off-Budget.)

Deflation (Economics Term)

A sustained decrease in the general price level.

Deflator (Economics Term)

An index used to adjust a current dollar amount to its real dollar counterpart, that is, to remove the effects of inflation. (See also Inflator.)

Deobligation

An agency's cancellation or downward adjustment of previously incurred obligations. Deobligated funds may be reobligated within the period of availability of the appropriation. For example, annual appropriated funds may be reobligated in the fiscal year in which the funds were appropriated, while multiyear or no-year appropriated funds may be reobligated in the same or subsequent fiscal years. (See Reobligation.)

Depreciation

The systematic and rational allocation of the acquisition cost of an asset, less its estimated salvage or residual value, over its estimated useful life. Depreciation reflects the use of the asset(s) during specific operating periods in order to match costs with related revenues in measuring income or determining the costs of carrying out program activities.

Direct Spending

As defined by the Balanced Budget and Emergency Deficit Control Act of 1985, entitlement authority, the Food Stamp Program, and budget authority provided by

law other than appropriations acts. Direct spending may be temporary or permanent, definite or indefinite (as to amount) but it is an appropriation or other budget authority made available to agencies in an act other than an appropriation act. Under expired Budget Enforcement Act (BEA) provisions, new direct spending was subject to pay-as-you-go (PAYGO) requirements. (*See also* Balanced Budget and Emergency Deficit Control Act of 1985; Entitlement Authority; Mandatory; Pay-as-You-Go. For a distinction, *see* Discretionary.)

Disbursements

Amounts paid by federal agencies, by cash or cash equivalent, during the fiscal year to liquidate government obligations. “Disbursement” is used interchangeably with the term “outlay.” In budgetary usage, gross disbursements represent the amount of checks issued and cash or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriation or fund account, such as amounts received for goods and services provided. (*See also* Outlay; Expenditure.)

Discount Rate (Economics Term)

One of the following:

(1) The interest rate used to determine the present value of a future stream of receipts and outlays, or in cost-benefit analysis, of benefits and costs. This use of the term is completely distinct from that in monetary policy, and the interest rates involved are generally not those charged by Federal Reserve Banks.

Discount rate policies of the three major oversight and budget agencies—the Government Accountability Office (GAO), the Office of Management and Budget (OMB), and the Congressional Budget Office (CBO)—are consistent with basic economic principles but vary significantly in their formulations for different analyses. GAO’s *Discount Rate Policy* ([GAO/OCE-17.1.1](#)), May 1991, describes different approaches and their applications.

In estimating net present values under credit reform, discount rate represents the average interest rate on marketable Treasury securities of similar maturity to the cash flows of the direct loan or loan guarantee for which the estimate is being made. (*See* Credit Subsidy Cost *under* Federal Credit.)