



# 2008 BUDGET FACT ★ SHEETS

*A Balanced Budget By 2012, While:*

- ★ *Keeping the Economy Strong and Taxes Low*
- ★ *Spending Taxpayer Dollars Wisely*
- ★ *Combating Terrorism and Protecting the Homeland*

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# **THE PRESIDENT'S 2008 BUDGET**

## **Reducing Deficits Each Year and Balancing the Budget by 2012**

The President's FY2008 Budget reduces the deficit each year and reaches a balanced budget within five years. A strong economy and better spending restraint will help us achieve this goal, while continuing to invest in the Nation's prosperity and security.

### **Keeping the Economy Strong**

- The Budget makes tax relief permanent to ensure our strong economic growth continues.
- Since the President's tax relief took effect, increased innovation and investment has created more than 7 million new jobs, and helped boost wages.
- Pro-growth policies that focus on providing quality education, affordable health care, energy security, and making Americans more competitive will sustain economic growth and prosperity for future generations of all Americans.

### **Spending Taxpayers Dollars Wisely**

- The Budget holds the growth in non-security discretionary spending to one percent, well below the rate of inflation.
- Budget reforms, including comprehensive earmark reform and a legislative line-item veto, will help eliminate wasteful and unnecessary spending.
- Sensible reforms are needed to slow the unsustainable growth of entitlement spending.

### **Combating Terrorism and Protecting the Homeland**

- The Budget supports our troops fighting terrorism, strengthens our military for the future, supports our efforts on the diplomatic front and protects our homeland from attack.
- This Budget improves the timeliness and specificity of the information provided to Congress and the American public about the cost of the war.
- It shows the full cost of the war through the rest of the President's term – and also provides detailed justifications.

## BUDGET DISCIPLINE

The President's 2008 Budget will focus on four major reforms to spend tax dollars wisely and keep America's economy strong:

- Balance the Budget through pro-growth policies and spending restraint;
- Enact common-sense reforms to help prevent billions of taxpayer dollars from being spent on unnecessary earmarks;
- Reform entitlement programs to address the longer-term fiscal challenge facing our country;
- Hold the rate of non-security-related spending to one percent, well below the rate of inflation.

**Balance the Budget through pro-growth policies and spending restraint:** The five-year budget proposal will reduce the deficit over the next five years and produce a balanced budget by 2012. The Budget will achieve balance while addressing the Nation's most critical needs, including support for the Global War on Terror and sustaining the strength of our economy through permanent tax relief.

- The President's tax relief has spurred robust economic growth, millions of jobs, and rising wages.
- A strong U.S. economy is fueling higher tax revenues. Tax revenues rose 11.8 percent in FY 2006 following a 14.5 percent increase in FY 2005. Receipts have increased 35 percent since the tax relief was fully implemented in 2003, and 70 percent of the reduction in the deficit from initial projections last year was attributable to increased tax revenues.
- The deficit has been cut in half three years ahead of the President's 2009 goal. Historic revenue growth and a continued commitment to spending restraint contributed to this reduction.
- Better spending restraint is necessary to help achieve a balanced Budget. While funding the Nation's priorities, we must keep spending under control. That means restraining spending growth, doing more with less, and eliminating programs that are not getting the job done.

**Enact common-sense reforms to help prevent billions of taxpayer dollars from being spent on unnecessary earmarks:**

- Earmark Reform: Earmarks are provisions included in legislation that are often not subject to legislative or public scrutiny and that often lead to wasteful Federal spending. Earmarks have tripled in number over the last decade and have increased spending by billions of dollars. The President applauds Congress' progress in requiring the disclosure of the sponsors, costs, recipients, and justification for each earmark, and calls on Congress to go further by enacting comprehensive earmark reform that brings greater transparency and accountability to the Congressional budget process, including:
  - Stopping the practice of concealing earmarks in so-called report language instead of placing them in the actual language of the bill; and
  - Eliminating wasteful earmarks and cutting the number and cost of all earmarks at least in half by the end of this session.
- Legislative Line Item Veto: The legislative line item veto is a powerful tool that will help eliminate wasteful spending and strengthen transparency, while preserving the role of the legislative branch. The President strongly urges Congress to enact this common-sense provision that will help the executive and legislative branches work together to eliminate unjustified spending provisions.

**Reform entitlement programs to address the longer-term fiscal challenge facing our country:**

Balancing the Budget through pro-growth economic policies and spending restraint better positions us to tackle the longer-term fiscal challenge facing our country – reforming entitlements. Reforming Social Security, Medicare, and Medicaid will enable future generations to benefit from these vital programs without bankrupting our country. The President has led the way in focusing attention on this problem and in promoting real solutions, and passing legislation to enact such reforms will require bipartisan cooperation.

**Hold the rate of non-security-related spending to one percent, well below the rate of inflation:**

- Program Review: During the formation of the 2008 Budget, each and every program was closely reviewed and required to demonstrate alignment with the Nation's top priorities as well as whether the program was producing the intended results. Failure to meet these criteria resulted in a proposed termination or reduction, which helped maintain a sensible rate of spending increase and channel resources to programs that are high priority and deliver important results for taxpayers.
- Program Integrity: The Budget also increases resources for program integrity efforts to reduce waste, fraud, and abuse – including from improper payments in major programs to ineligible recipients.

## INCREASING GOVERNMENT'S CAPACITY TO DELIVER RESULTS

With the help of the President's Management Agenda (PMA), Federal agencies have significantly improved their ability to be more effective.

**Performing Better:** The Office of Management and Budget and the agencies have systematically reviewed the performance of virtually all Federal programs using the Program Assessment Rating Tool. Reviews with this diagnostic tool help ensure that all programs have clear, specific definitions of success, performance measures to track that success, concrete improvement plans, and use performance as a key basis for management and budget allocation decisions:

- 82 percent of programs have established or clarified their long-term and annual performance goals that focus on the outcome important to Americans;
- 80 percent of programs are achieving their performance goals, at least minimally;
- 69 percent of programs are improving efficiency annually.

**Improving Human Capital Management:** Agencies and employees are working together to develop clearer goals for each employee, identify the critical skills needed to achieve agency missions, and ensure the workforce has the skills required to meet these goals.

- Agencies have reduced gaps in skills from 5 percent to 1 percent since 2001;
- Approximately 64 percent of employees are now hired within 45 days;
- Agencies are implementing better performance management practices that will help them better manage, develop, and reward employees.

**Using Information Technology More Effectively:** The PMA has helped agencies establish the disciplines to use their IT more effectively.

- Agencies met 86 percent of their E-Government implementation milestones in FY 06, accelerating the benefits derived from implementing and utilizing common IT solutions;
- 46 percent of agencies are professionally managing their IT systems, up from 28 percent in 2005, and, on average are accounting for and achieving at least 90 percent of their cost, schedule, and performance goals.

**Improving Financial and Real Property Management:** To ensure managers have current and accurate financial information for decision making, agencies have strengthened their financial management practices. For example:

- In 2006, for the second straight year, every agency had the financial disciplines in place to complete its Performance and Accountability Report within 45 days of the end of the fiscal year, which is faster than the private sector and more than three months faster than it used to take;
- 19 out of 24 major agencies earned clean audit opinions and reduced the number of "material weaknesses" reported from 62 in 2001 to 41 in 2006;
- Agencies have, for the first time, installed systems to manage their real property investments and costs. They have also disposed of the first \$4.2 billion of \$15 billion in unneeded property that has been identified.

**Using Competition to Get the Best Service at the Lowest Cost to Taxpayers:** Federal managers use public-private competitions to make common-sense decisions on how to better serve taxpayers.

- Competitions completed during the last four years are expected to save taxpayers more than \$1 billion per year;
- Agencies will be able to reduce their costs by more than \$6 billion per year by using public-private competitions to ensure all their commercial activities are performed most efficiently.

**Eliminating Improper Payments:** Agencies are improving the accuracy of Federal payments.

- Agencies have reduced their improper payments by nearly \$9 billion or 20 percent - bringing the amount of improper payments in the 30 programs originally reported in FY 2004 from the baseline of approximately \$45.1 billion to \$36.3 billion in FY 2006;
- By 2008 all high-risk programs will report error measurements.

**Focusing on Greater Effectiveness:**

- The Administration is using the President's Management Agenda scorecard to clearly and publicly define what management improvements are desired, hold agencies accountable for achieving them, and publicly assess whether agencies are improving to meet these goals.
- Similarly, [www.ExpectMore.gov](http://www.ExpectMore.gov) helps ensure agencies use their new management abilities to improve their effectiveness. The assessments of virtually all Federal programs are made public to increase accountability to Congress and the taxpayers for achieving the performance that has been promised.
- Finally the Administration is using a redesigned [www.Results.gov](http://www.Results.gov) to convince Congress, Federal employees, and interested parties that greater government effectiveness is the norm, and the mission of the President's Management Agenda.

## THE ECONOMY

The President's 2008 Budget is committed to pursuing pro-growth policies to sustain economic prosperity for all Americans by:

- Making the tax relief permanent;
- Spending taxpayer dollars responsibly;
- Accelerating scientific progress with the American Competitiveness Initiative;
- Opening new markets;
- Making health care fairer, more affordable, more accessible and flexible;
- Promoting diversified energy sources and using alternative fuel; and
- Investing in education.

- **Making the tax relief permanent:** The President's tax relief reduced taxes for every American who pays income taxes. To keep our economy growing the tax relief should be made permanent.
  - Since the President's tax relief took effect:
    - Business investment increased dramatically;
    - Millions of jobs have been created; and
    - Average wages for American workers have risen.
- **Spending taxpayer dollars responsibly:** Balances the budget through pro-growth policies and spending restraint and enact common-sense reforms to help prevent billions of taxpayer dollars from being spent on unnecessary earmarks. Expands program integrity activities with proven track records for reducing improper payments and eliminating other forms of waste.
- **Reform entitlement programs to address the longer-term fiscal challenge facing our country:** Reforming entitlement programs such as Social Security, Medicare, and Medicaid will spare future generations from huge tax increases, and make these programs permanently sound.
- **Accelerating scientific progress with the American Competitiveness Initiative:** Increases funding for the American Competitiveness Initiative and stays on track to double critical basic research in the physical sciences over ten years to help keep America the most innovative and competitive economy in the world. Over 10 years, the ACI proposed an increase of nearly \$50 billion in innovation-enabling research in the National Science Foundation, the Department of Energy, and the Department of Commerce's National Institute of Standards and Technology.
- **Opening new markets:** Expands opportunities for American workers and helps impoverished nations by eliminating barriers to U.S. products and developing free trade.
- **Making health care fairer, more affordable, more accessible and flexible:** Makes health care available and affordable through the President's proposed standard deduction for health insurance and the Affordable Choices Initiative for States.

- **Promoting diversified energy sources and using alternative fuel:** The President's Twenty in Ten Plan increases and expands the current renewable fuels standard of 7.5 billion gallons in 2012 to a new alternative fuel standard of 35 billion gallons, requiring renewable and alternative fuels in 2017. Combined with the Administration's proposal to improve and reform Corporate Average Fuel Economy (CAFE) standards, the President's plan will reduce our projected domestic gasoline consumption by 20 percent in 2017, and help reduce our projected gasoline-related greenhouse gas emissions by as much as 170 million metric tons.
- **Investing in education:** Builds upon the successes of No Child Left Behind, ensuring that parents and students have opportunities to select higher performing schools and help make college more affordable by providing additional grant aid to the students who need it most.



## DEFENSE

The President's 2008 Defense Budget will support our men and women in uniform and transform the military for 21<sup>st</sup> century threats:

- Supporting operations in the War on Terror
- Developing capabilities to meet future threats;
- Defending the homeland;
- Supporting the all-volunteer force and their families; and
- Strengthening the U.S. intelligence community.

The President's 2008 Budget provides \$481.4 billion for the Department of Defense's base budget – a 62 percent increase over 2001. In addition to base funding, the request includes \$93.4 billion in supplemental appropriations for 2007, and an additional \$141.7 billion in 2008. It also includes a \$50 billion allowance for 2009. This combined request will ensure a high level of military readiness, enabling the Department to respond to evolving and adaptive enemies, while sustaining traditional advantages in U.S. conventional warfighting capabilities by:

**Supporting operations in the War on Terror:** As a nation at war, the top priority is to ensure servicemembers have the resources necessary to fight and succeed in the War on Terror. To date, \$426.8 billion has been provided in supplemental appropriations for the War on Terror; the 2007 and 2008 request would increase this amount to \$ 661.9 billion.

### INCREASING SUPPORT FOR DEFENSE OPERATIONS IN THE WAR ON TERROR (in billions of dollars)

|      |      | Enacted |      |       |       |      | Enacted | Request |       | Total |
|------|------|---------|------|-------|-------|------|---------|---------|-------|-------|
| 2001 | 2002 | 2003    | 2004 | 2005  | 2006  | 2007 | To Date | 2007    | 2008  |       |
| 9.3  | 8.3  | 62.2    | 62.0 | 100.5 | 114.5 | 70.0 | 426.8   | 93.4    | 141.7 | 661.9 |

**Developing capabilities to meet future threats:** Even as DoD focuses on military operations in Iraq and Afghanistan, it must prepare for future challenges and conflicts through organizational and technological transformations.

- Additional permanent forces: Increase the size of the Army from 482,400 to 547,400 by 2012 and Marine Corps from 175,000 to 202,000 by 2011 to reduce stress on active duty and reserve forces.
- Reorganizing the Army: \$7.6 billion in 2008 to continue the Army's transformation from a division centric force to a modular, flexible force, including the deployment of new Stryker vehicles and upgrades to existing aircraft.
- Expanding Special Operations Command: \$6.2 billion, which will strengthen and expand the Special Operations Command (SOCOM) by adding 3,000 special operators in 2008 and 10,000 special operators over the next five years without compromising training standards.
- Building partnership capacity: \$500 million for building international partnerships and enhancing the military's ability to train and equip allies and provide humanitarian assistance.
- Aligning infrastructure and requirements: \$8.2 billion for DoD to continue its efforts to meet the recommendations accepted by the Base Realignment and Closure Commission.
- Adjusting global posture: \$1.0 billion in 2008 and \$5.3 billion by 2012 to continue to fund an overall restructuring of the military by shifting Cold War bases to new areas of strategic importance.
- Improving technology to support our troops:

- Increase the Predator Unmanned Aerial Vehicle force to 170 aircraft.
- Provide \$14.2 billion for Navy shipbuilding, including the first of a new class of aircraft carriers and three Littoral Combat Ships.
- Support new global capabilities by providing \$315 million for a new Air Force tanker, \$175 million for conventional Trident missiles, and \$310 million for a missile defense site in Europe.

**Defending the Homeland:** Provides the resources necessary to deter, detect and defeat attacks against the U.S., its citizens and its infrastructure.

- Cooperative Threat Reduction Program: \$348 million will fund the completion of a chemical weapons destruction facility, provide security upgrades at a Russian warhead storage site and improve nuclear detection capabilities at borders and ports in the former Soviet Union.
- Missile Defense Agency: \$8.9 billion to develop new systems and improve upon existing land and sea based missile defense systems that protect the United States.
- National Guard and Reserve: \$43 billion to recruit, man, train, operate, and equip National Guard and Reserve forces that provide critical military capabilities both at home and abroad.

**Supporting the all-volunteer force and their families:** Continues to ensure servicemembers have the best training and equipment while maintaining a high quality of life for servicemembers and their families and providing the finest treatment, rehabilitation, and future opportunity for personnel wounded in action.

- Compensating servicemembers: Includes a three percent pay raise, bringing the total basic pay increases since 2001 to nearly 32 percent. In addition the Administration has added retention bonuses for servicemembers deployed in support of Operations Iraqi Freedom and Enduring Freedom, and enhanced pay, commissary, education and health benefits are made available for all reservists activated for war.
- Supporting the Severely Injured Support Center: \$45 million for counseling, assistance and advocacy for wounded servicemembers.
- Providing access to health care: \$20.6 billion plus \$1.9 billion in revenue proposals for the Defense Health Program to provide servicemembers and their families with high quality medical care.

**Strengthening the U.S. Intelligence Community:** Continues robust funding of the Intelligence Community, focusing on human and signals intelligence, data processing, and analytic capabilities.

- Central Intelligence Agency: Make progress towards the goal of increasing the number of case officers 50 percent and achieves that goal for analysts.
- Office of the Director of National Intelligence: Sustain implementation of the Intelligence Reform and Terrorism Prevention Act and the Presidentially-approved recommendations of the 9-11 and Weapons of Mass Destruction Commissions.
- Information sharing environment: Improve coordination among agencies that support the War on Terror including information sharing between Federal, State and local authorities.

## GLOBAL WAR ON TERROR

President Bush transmitted to Congress a request for additional funding to continue the Global War on Terror through the end of this fiscal year and a detailed estimate for 2008 funding, including those funds needed to address extraordinary emergency requirements. These requests will ensure U.S. military forces can successfully carry out the Global War on Terror missions. This funding will also build on current efforts to train Iraqi and Afghan military and police units and assist both countries in promoting national reconciliation and spurring economic growth. The request includes:

| <u>Components of War on Terror Requests (\$ in billions)</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|-------------|-------------|-------------|
| • Department of Defense (includes Classified activities)     | \$93.4      | \$141.7     | \$50.0      |
| • Department of State and other international operations     | 6.0         | 3.3         |             |
| • Other agencies   | 0.2         | 0.3         |             |
| Total  | \$99.6      | \$145.2     | \$50.0      |

Funds requested in 2007 are in addition to the \$70 billion already enacted by Congress for the War on Terror this year. For the first time, the President's budget contains the estimated, full-year costs of the war in 2008, as well as another \$50 billion in 2009.

### Providing the Resources to Win the War on Terror in Iraq and Afghanistan:

- Ongoing Military Operations: The President is committed to providing our troops with the resources and equipment they need. The request honors this commitment with –
  - \$43.4 billion for 2007 and \$74 billion for 2008 for ongoing military and intelligence requirements in Operation Enduring Freedom and Operation Iraqi Freedom.
  - \$10.4 billion for 2007 and \$15.2 billion for 2008 to provide greater force protection to U.S. military forces including countering improvised explosive devices.
  - \$1.5 billion for 2007 and \$2.7 billion in 2008 to support coalition partners and the Commander's Emergency Response Program that provides urgent humanitarian relief.

Supporting and Expanding our Diplomatic Presence in Iraq and Afghanistan: The President's request includes \$877 million in 2007 and \$1.9 billion in 2008 for the extraordinary security and operating costs to support U.S. embassy operations and diplomatic activity in Iraq and Afghanistan, including doubling our civilian presence outside of the "Green Zone" in Iraq. The request includes \$35 million in 2007 to continue the Special Inspector General for Iraq Reconstruction oversight activities.

### Strengthening Iraqi Self-Reliance:

- Helping Iraqis Take the Lead: The President is committed to helping the Iraqis implement their plans to support security, promote national reconciliation, and spur economic growth.
  - The President is requesting \$5.6 billion to deploy reinforcement of more than 20,000 additional soldiers and Marines to Iraq to help Iraqi forces to clear and secure neighborhoods, and serve as advisers embedded in Iraqi Army units. With Iraqis in the lead, our forces will help secure the city of Baghdad by chasing down the terrorists, insurgents, and the roaming death squads. Included in the reinforcement total are 4,000 Marines that will be sent to Anbar Province to find the terrorists and clear them out.

- The President requests \$3.8 billion in 2007 and \$2 billion in 2008 to accelerate training for the Iraqi security forces so they can take on responsibility for the security of their country.
  - The request includes \$2.3 billion in 2007 and \$966 million in 2008 in foreign assistance to Iraq and complements Iraq's plan to spend \$10 billion in 2007 on capital infrastructure and reconstruction projects. The U.S. funding will: strengthen local and national government capacity to better serve the Iraqi people; create new jobs that will augment the Iraqi jobs program; and assist and protect Iraqi refugees in neighboring countries and displaced persons within Iraq. As previously noted, the request also includes \$350 million in 2007 and \$767 million in 2008 for the Commander's Emergency Response Funds to enable commanders to respond to humanitarian and reconstruction requirements. The deployment of civilians with military forces will help commanders use these resources effectively and in concert with other civilian programs.
- Classified Activities: The requests include \$3.6 billion in 2007 and \$5.9 billion in 2008 for classified military and intelligence activities, including the National Counterterrorism Center.
  - Other agencies: The requests include \$176 million in 2007 and \$147 million in 2008 for FBI and other Department of Justice anti-terrorism efforts in Iraq, Afghanistan, and the United States and to support the work of the Iraq Threat Finance Cell.

**Ensuring Our Armed Forces Remain Well-Equipped And Organized:**

- Repairing and Replacing Damaged Equipment: The President requests \$13.9 billion in 2007 and \$37.6 billion in 2008 to refurbish or replace equipment worn out or damaged through use in Operation Enduring Freedom and Operation Iraqi Freedom. This funding is critical to keeping deployed forces and those next to deploy well equipped and ensures military readiness for future threats.

**Stabilizing Afghanistan Against the Insurgency:**

- Security Forces: The President requests \$5.9 billion in 2007 and \$2.7 billion in 2008 for expedited training of the Afghan security forces. Activities include training, equipping, personnel support, and developing the capacity of government ministries to maintain forces.
- Supporting Critical Reconstruction Needs: The President is committed to strengthening the Government of Afghanistan and improving the quality of life of the Afghan people. To this end, the request includes \$698 million in 2007 and \$339 million in 2008 to build roads in districts and provinces targeted by the insurgents, expand power supply to priority locations, intensify rural development efforts in poppy-producing provinces, provide food aid and strengthen national and local governance. As previously noted, the request also includes \$106 million in 2007 and \$211 million in 2008 for the Commander's Emergency Response Funds to enable commanders to respond to humanitarian and reconstruction requirements. Accelerating reconstruction efforts is a critical component of the strategy to stabilize the country against the Taliban and other insurgents.

**Preventing weapons of mass destruction from falling into the hands of terrorists:**

- The President requests \$63 million in FY 2007 and \$50 million in FY 2008 to accelerate U.S. efforts to secure vulnerable nuclear and radioactive material overseas from diversion or theft by terrorists or states of concern

### **Expanding the Force:**

- **Building U.S. military capacity:** The requests include \$5.3 billion in 2007 and \$1.6 billion in 2008 to accelerate two brigade combat teams for the Army, add a regimental combat team to the Marine Corps, and begin investing in the equipment and infrastructure necessary to outfit and house new personnel to be recruited in 2008. These investments will increase the total deployable force and therefore reduce the strain on the force.

### **Strengthening Lebanon:**

The President's request includes \$770 million in 2007 for a comprehensive economic and security package to support the democratic government of Lebanon, including \$300 million in economic assistance, \$286 million in security assistance and \$184 million to support the United Nations Peacekeeping Force (UNIFIL).

### **Fighting Avian Influenza:**

The supplemental provides \$161 million in 2007 to improve preparedness, surveillance and detection to enhance international capabilities and enable foreign governments around the world to more quickly respond to H5N1 outbreaks wherever they occur.

### **Winning the War of Ideas, Promoting Good Governance and Providing Emergency Humanitarian Relief and Peacekeeping support:**

- **Winning the War of Ideas:** The request includes \$50 million in 2007 to increase outreach to the Muslim audiences with additional television programming, expanded education and cultural exchanges, and enhanced public diplomacy programs.
  - **Sudan:** The President is committed to improving the security situation in Darfur and in implementing the Comprehensive Peace Agreement in Southern Sudan. The request includes \$362 million in 2007 for emergency humanitarian assistance, emergency food aid, and peacekeeping needs in Darfur and Southern Sudan.
  - **Somalia:** The 2007 request includes \$40 million for peacekeeping operations and \$20 million for humanitarian aid to stabilize the humanitarian and security situation in Somalia.
  - **Kosovo:** The supplemental includes \$279 million in 2007 for a one-time assistance package to be provided after resolution of Kosovo's status to promote stability and economic growth, enable quicker reduction of U.S. troop presence in Kosovo, prevent additional debt-service costs, and leverage greater contributions from other donors.

# HOMELAND SECURITY

## The President's 2008 Budget will secure the homeland by:

- Prioritizing comprehensive immigration reform;
- Protecting all modes of transportation from attacks by terrorists;
- Preparing the Nation for public health emergencies;
- Protecting the homeland from nuclear threats and improving chemical security; and
- Providing a stronger federal response to all hazards, including acts of terrorism.

**Prioritizing comprehensive immigration reform:** The Administration is dedicated to comprehensive reform of America's immigration laws by increasing border security and interior enforcement, and working with Congress to establishing a Temporary Worker Program without animosity and without amnesty.

## The 2008 Budget makes good on the President's commitment to tighten security at our borders:

- Hiring 3,000 new Border Patrol agents: \$3.6 billion, an increase of 27 percent over 2007 Budget to continue the President's efforts to double the size of the Border Patrol.
- Secure Border Initiative (SBI): One billion dollars to secure our borders and reduce illegal immigration through comprehensive upgrading of technology and infrastructure used in controlling our border.
- Maintaining the end of "Catch and Release": \$2.2 billion to detain and remove those apprehended while in the United States illegally.
- Partnering with state and local law enforcement:
  - \$78 million, a \$26 million increase for the 287 (g) program, will provide funding to train state and local law enforcement officials to assist in immigration enforcement.
  - \$179 million, a \$29 million increase, for the Criminal Alien Program for identifying criminal aliens in Federal, State and local prisons and removing them from the country.
- Basic Pilot Program: \$30 million to support and expand the voluntary web-based program that helps U.S. employers verify the employment eligibility of employees and avoid hiring an unauthorized worker.
- Better screening techniques:
  - US-VISIT: \$462 million to enhance the Federal Government's screening abilities by expediting the entry and exit of legal travelers, while focusing on identifying travelers who seek to harm the United States. Includes \$228 million to identify visitors and to assist with law enforcement investigations by collecting 10 fingerprints at the Nation's ports of entry and to begin the implement a biometric exit program.

## Protecting All Modes of Transportation:

- Transportation Security Administration (TSA): \$6.3 billion to manage security risks to the U.S. transportation systems while ensuring freedom of movement of people and commerce. These resources will primarily strengthen aviation transportation systems through improved technology and highly trained personnel.
  - Over \$865 million for advanced technologies to detect explosives in the aviation environment, including explosives on passengers, in their baggage, and in air cargo.

- Port Security: Nearly \$3 billion to enhance the security of U.S. ports through enhanced systems, assets, and training.
  - \$529 million for cargo security initiatives including, the Container Security Initiative, Customs Trade Partnership against Terrorism, Automated Commercial Environment (ACE) and the Secure Freight Initiative.
  - \$97 million for Maritime Domain Awareness activities including intelligence collection and analysis through the Global Maritime Intelligence Integration, system's architecture and ship tracking systems like Automated Information Systems (AIS).
  - \$210 million for Port Security Grants to the owners and operators of ports, terminals, and vessels for security enhancements at the Nation's seaports.
- State and local transportation security: \$196 million to fund projects which enhance security on mass transit, passenger bus and rail, and highways nationwide.
  - \$175 million for Transit Security Grants to mass transit systems in high-risk urban areas for preparedness activities related to terrorism or other incidents.
  - \$12 million for Intercity Bus Security Grants to owners/ operators of fixed-route, intercity bus services serving high-risk urban areas.
  - \$9 million for Trucking Industry Security Grants which support the Highway Watch Program's preparedness activities on the Nation's highways.

#### **Preparing the Nation for public health emergencies:**

- Protecting the Nation from bio-terror and other public health emergencies: Nearly \$4.3 billion in the Department of Health and Human Services to improve the Nation's ability to prepare for, respond to and recover from bio-terror attacks and other public health emergencies.
  - \$2.5 billion to research, develop and acquire countermeasures to harmful agents.
  - Public health emergency preparedness: Expands Federal public health emergency preparedness capabilities and capacities.
  - \$1.1 billion in upgrades for State and local governments and hospitals so they can better manage bio-terror and other public health emergencies.
- Protecting against an influenza pandemic: \$870 million to improve preparedness for an influenza pandemic including the development of a pandemic vaccine and buying antiviral medications and medical supplies for stockpiles.
  - \$322 million in addition pandemic preparedness funding for influenza pandemic preparedness through the Centers for Disease Control and Prevention, National Institutes of Health, the Food and Drug Administration and the HHS Office of the Secretary.

#### **Protecting the homeland from nuclear threats and improving chemical security:**

- Domestic Nuclear Detection Office (DNDO): \$562 million, a 17 percent increase over 2007, to deploy systems to detect, report and respond to any attempt to import or assemble a nuclear or radiological materials within the United States.
  - \$178 million to deploy fixed and mobile radiation monitors at high-risk points of entry throughout the country.
- Securing the Cities: \$30 million for a new initiative to improve DNDO's ability to detect nuclear or radiological materials in and around the Nation's biggest cities and busiest seaports.
- Secure Freight Initiative: Enhances overseas nuclear and radiological screening of U.S. - bound containers.

- Chemical Security: Seeks an additional \$25 million to enhance security measures at high-risk chemical facilities and protect against terrorist attacks.

### **Providing a Stronger Federal Response**

As a result of the President's initiative to conduct an in-depth review of the Federal response to Hurricane Katrina and implement the National Strategy for Homeland Security, the Administration proposes several enhancements to the Federal Emergency Management Agency (FEMA) to better prepare for, mitigate against, respond to, and recover from all hazards, including acts of terrorism.

- The Budget reflects the transfer of several preparedness missions to be better coordinated with operational personnel and State and local governments through FEMA regions.
- The Budget proposes an additional \$100 million for enhancements in FEMA operational capabilities, including a revitalization of personnel development, recruitment, and retention.



## STATE AND INTERNATIONAL PROGRAMS

The President's 2008 Budget will enhance diplomacy to continue the important work of creating a more secure, democratic, and prosperous world by:

- Strengthening democracy and self-sufficiency in Iraq and Afghanistan;
- Spreading hope and freedom around the world;
- Preventing and responding to global challenges and humanitarian needs; and
- Supporting transformational diplomacy and development.

### **Strengthening Democracy and self-sufficiency in Iraq and Afghanistan:**

- Supporting freedom in Iraq: Assist the Iraqi government in promoting national reconciliation, building democratic institutions, and spurring economic growth.
  - \$400 million to create jobs, build the capacity of Iraqi ministries, help local officials improve infrastructure, and help Iraqis create a fair legal system;
  - \$966 million in war supplemental assistance programs to complement our military and strategy objectives in Iraq; and
  - \$449 million in war supplemental to double the number of Provincial Reconstruction Teams (PRTs) and civilian staffing to accelerate building local community capacity.
- Building a stable Afghanistan: Support the President's commitment to Afghanistan's transition to a free and modern nation.
  - \$1.2 billion to generate economic growth, improve Afghanistan's infrastructure, create jobs, and extend the reach of the democratic government to remote areas of the country; and
  - \$370 million for war supplemental programs that continue funding for high priority infrastructure needs such as roads and power.

**Spreading hope and freedom around the world:** The President is committed to supporting democratic movements with the goal of ending tyranny in the world.

- Promoting democratic transitions: To advance this goal, the Budget provides \$460 million for programs that foster independent media sources, pluralist political parties, voter education, election monitoring, and human rights in non-democratic countries and \$988 million to promote governance and rule of law in countries committed to reform. The Budget also provides \$80 million for the National Endowment for Democracy.
- Winning the war of ideas: Promoting democracy and countering violent extremism through improving the world's understanding of the United States and improving our understanding of the world is a critical component of the Global War on Terror. The President's Budget funds broad outreach to developing and oppressed countries around the world through international broadcasting, exchanges, and public diplomacy.
  - \$668 million for the Broadcasting Board of Governors to support radio, television, and internet broadcasting worldwide, including throughout the Middle East and in Iran, Cuba and North Korea.
  - \$486 million for education and cultural exchanges and \$359 million for public diplomacy to foster mutual understanding between the United States and other countries and combat violent extremism, particularly in the Muslim world.

### **Preventing and responding to global health challenges and humanitarian needs:**

- The President's Emergency Plan for AIDS Relief (PEPFAR): \$5.4 billion to continue the President's signature HIV/AIDS program. Of this amount \$4.2 billion will directly support the President's goals of treating 2 million people, preventing 7 million new infections, and caring for 10 million people in 15 focus countries around the world. An additional \$1.2 billion will fund worldwide HIV/AIDS bilateral programs, research, and contributions to multilateral organizations.
- President's Malaria Initiative for Africa (PMI): \$300 million to reduce malaria-related deaths by 50 percent in 15 target countries in Africa. Aid from the American people has already reached five million Africans.
- Humanitarian needs: \$2.3 billion to respond to and help victims of humanitarian crises abroad.
  - Funding to protect and provide basic life support assistance for refugees, conflict victims and displaced persons.
  - Assistance to resettle 70,000 refugees in the United States; and
  - Food, water, shelter and sanitation to support the victims of violence in the Darfur region.

**Supporting transformational diplomacy and development:** The United States is working with partners around the world to build and sustain peaceful, democratic states.

- Extending our reach: The Budget includes funds to reposition State Department personnel overseas to support new priorities, improve language training of U.S. personnel, increase security staff to protect U.S. personnel overseas, and maintain a deployable staff to react quickly to situations overseas.
- Measuring and enhancing impact: The 2008 Budget is the first developed under a new foreign assistance framework which improves accountability, transparency, and strategic coherence of U.S. foreign aid. The new Director of Foreign Assistance will ensure that U.S. foreign aid is having its desired impact and that U.S. resources are effective in helping countries strengthen democratic institutions and, ultimately, become self-sufficient.
- Protecting and supporting our people: The Budget continues the Capital Security Cost Sharing Program that will enable the U.S. to construct 150 safe and secure embassy compounds by 2018. The 2008 Budget funds construction of 11 new diplomatic facilities.
- Promoting democracy through good governance: The Budget provides \$3 billion for the Millennium Challenge Corporation to reduce poverty around the world in countries whose leaders are committed to ruling justly, investing in their people, and supporting economic freedom. The Millennium Challenge Corporation has already awarded compacts to 11 countries.
- Supporting private sector engagement in development: The 2008 Budget provides for the Export-Import Bank to be self-financed while continuing to provide financing to U.S. companies exporting to developing and emerging markets that lack sufficient private sector financing and that face government sponsored foreign competition.
- Combining trade with effective aid: As we pursue an aggressive trade agenda to open markets and promote trade reforms worldwide, capacity building (Aid for Trade) efforts continue to benefit U.S. exporters and developing country partners since these programs help build the legal, administrative, and physical infrastructures in developing countries, that help create more predictable and enforceable trading regimes.

## EDUCATION

The President's 2008 Budget will ensure all American students have access to a quality education by:

- Building on the success of the No Child Left Behind Act;
- Making college more affordable.

**Building on the success of the No Child Left Behind Act (NCLB):** NCLB is already raising student achievement for millions of children in schools nationwide. And it is working to ensure all students perform at or above grade level in reading and math by 2014. In 2007, the President will work with Congress to reauthorize NCLB so that we can:

- Prepare high school students for the future: Establish the national expectation that all high school students graduate on time with a diploma that prepares them for college and the workplace.
  - Over a \$1 billion increase for Title I Grants to Local Educational Agencies, this will primarily be used to increase funding for high schools that serve low-income students.
  - \$412 million will go to States for administration of tests that assess students, high school achievement and college readiness.
  - \$100 million for Striving Readers to expand the development and implementation of research-based interventions to improve the skills of secondary school students who are reading below grade level.
- Ensure Future Competitiveness: \$365 million in new funding as part of the President's American Competitiveness Initiative (ACI) to improve student learning in mathematics and science, including:
  - *Math Now:* \$250 million to prepare elementary and middle school students for more rigorous high school math classes.
  - *Adjunct Teacher Corps:* \$25 million to recruit professional mathematicians, scientists, and engineers over the next eight years to share their expertise with high school and middle school classes.
  - *Advanced Placement/ International Baccalaureate:* A \$90 million increase to train more teachers to teach AP/ IB courses, and expand low-income students access to them.
- Improve Schools and Expand Choices:
  - *Helping schools in need of improvement:* \$500 million in funding for School Improvement Grants, along with over \$500 million reserved from Title I, to help improve the performance of schools that struggled the most to meet NCLB standards.
  - *Providing new choices for families:* \$300 million to create the Promise and Opportunity Scholarships that will offer education alternatives to low-income students in low-performing schools.

**Making college more affordable:** In 2008, the Budget will provide nearly \$91 billion in financial aid to 11 million students to help pay for college. The Secretary of Education's Commission on the Future of Higher Education offered recommendations to improve student access to and quality of postsecondary education. The Budget includes several reforms aligned with these recommendations, including:

- An increase in the Pell Grant maximum award from to \$4,600 in 2008 and \$5,400 over five years.
- Increase grant rewards by 50 percent for low-income students who complete a rigorous high school curriculum through the Academic Competitiveness Grants.

- \$25 million for a voluntary pilot initiative that will collect and analyze student data to measure outcomes such as graduation rates. This initiative will help ensure accountability and transparency in higher education.

# HEALTH CARE

## **The President's 2008 Budget improves America's health care system by:**

- Making health care fairer, more affordable, more accessible and flexible;
- Strengthening health care for low-income and vulnerable populations; and
- Modernizing and improving Medicare and Medicaid.

**Making health care fairer, more affordable, more accessible and flexible:** The President's Budget includes a number of proposals that will level the playing field for workers who don't get health care through their employers and improve access to affordable health care for families, including:

- Standard Deduction for Health Insurance: Offers a \$15,000 standard deduction for health insurance for any family covered by at least a basic health insurance policy, whether it was purchased individually or through an employer.
- Affordable Choices Initiative: The HHS Secretary will work with Congress to develop health care marketplace reforms that redirect some portion of institutional payments so that States can help people with poor health or limited income buy insurance.
- Health Care Reforms: Restructure health insurance markets to enhance competition.
  - Establish association health plans that would allow small employers and community organizations to band together to negotiate lower health care costs; and
  - Allow people to buy health insurance across state lines which could increase competition while maintaining strong consumer protections.
- Health Savings Accounts (HSAs): Tax-favored savings accounts combined with qualifying high-deductible health insurance plans. Individuals can deposit tax-deductible funds into an account that can be used to cover medical costs.

## **Strengthening health care for low-income and vulnerable Americans:**

- State Children's Health Insurance Program (SCHIP): SCHIP has provided \$40 billion over the last 10 years to States to provide health care coverage to low-income, uninsured children who were not eligible for Medicaid. The 2008 Budget proposes to:
  - Reauthorize SCHIP for five years;
  - Increase funding by approximately \$5 billion over next five years;
  - Refocus the program on children at or below 200 percent of poverty levels as was originally intended to target resources to America's neediest children;
- HIV/AIDS: \$93 million for HIV testing to decrease the growth of new cases and reduce the future burden of disease.
- Indian Health Service: \$4.1 billion to finance health services for American Indians and Alaska Natives.
- Adolescent Health Promotion Initiative: \$17 million to support an effort to address increasing rates of obesity in children through proven, school-based prevention activities.

## **Modernizing and improving Medicare and Medicaid:**

- Medicare: In 2006, the Medicare Prescription Drug Benefit made its debut. The program has been an unparalleled success, with beneficiaries saving \$1,200 on average, when compared to not having drug coverage. Competition has worked to keep costs low. Average monthly premiums this year are not

increasing from 2006 levels, and projected costs of the program are 30 percent lower than initial estimates for the period of 2004-2013.

- The proposals included in the Budget will encourage appropriate, high-quality care for Medicare beneficiaries, while promoting efficient payments to providers. The proposals will also lower beneficiary premiums by nearly \$6 billion over the next five years.
  - In total, the Budget proposals will reduce the program's long-term unfunded liability by an estimated \$8 trillion over 75 years. Moreover, under current law, the assets of the Hospital Insurance (HI) trust fund would start to decline in 2015; the Budget proposals would reverse that decline and increase the value of the HI Trust Fund throughout the ten-year window.
- **Medicaid:** The 2008 Budget proposes reforms that enhance past efforts to create service efficiencies and to assure the fiscal integrity of Medicaid. Even with these changes, the Medicaid baseline continues to grow at a robust average annual rate of more than seven percent. The FY 2008 reforms include:
    - Pharmacy Reforms: Building on reforms in the Deficit Reduction Act of 2005 to further rationalize Medicaid payments for prescription drugs and to give States more tools to manage drug spending.
    - Program Integrity: Improving Medicaid management that will help States avoid paying unnecessary costs through improved third-party liability reforms and more effective Medicaid eligibility processes.
    - Long-term Care: Ensure that Medicaid long-term care services are protected for those who need it most by removing the State option to define substantial home equity between \$500,000 and \$750,000.
    - Pay-for-Performance: Requiring States to report on performance measures and link their performance to Federal Medicaid grants.
    - Reimbursement Reform: Aligning Federal reimbursement for administrative services and targeted case management to create consistency in matching rates across these activities.

# ENERGY

## **The President's 2008 Budget will help strengthen energy security by:**

- Increasing the use of alternative fuel in cars and trucks;
- Improving and reforming Corporate Average Fuel Economy (CAFÉ) standards for cars, as has been done for light trucks;
- Expanding the Strategic Petroleum Reserve;
- Accelerating technological breakthroughs with the Advanced Energy Initiative, by developing more efficient vehicles and advancing the expansion of nuclear power generation, while addressing nuclear waste and proliferation issues;
- Advancing scientific progress with the American Competitiveness Initiative;
- Maintaining the Nation's Nuclear Stockpile and Strengthening Nuclear Nonproliferation.

**Increasing and reforming the use of alternative fuel:** The President's Twenty in Ten Plan increases and expands the current renewable fuels standard of 7.5 billion gallons in 2012 to a new alternative fuel standard requiring 35 billion gallons of renewable and alternative fuels in 2017.

- Combined with the Administration's proposal to improve and reform Corporate Average Fuel Economy (CAFE) standards, the President's plan will reduce our projected domestic gasoline consumption by 8.5 billion gallons (20 percent) in 2017, and help reduce our projected gasoline-related greenhouse gas emissions by as much as 170 million metric tons.

**Expanding the Strategic Petroleum Reserve:** The Budget proposes to double the capacity of the Strategic Petroleum Reserve by expanding it to 1.5 billion barrels by 2027 -- filling the reserve to its existing 727 million barrel capacity, and then expanding capacity at existing and new sites beginning in 2008. This will double the protection the reserve provides our economy from major oil shortages.

**The Advanced Energy Initiative (AEI):** The AEI is accelerating breakthroughs in how we power our homes, cars, and businesses and will help the U.S. to diversify its sources of energy, reduce dependency on oil, and increase our energy security.

- **Coal Research Initiative:** \$385 million to complete the President's commitment to invest \$2 billion over 10 years – three years ahead of schedule— to develop technologies to reduce air emissions while providing domestically secure, cost-efficient electricity from America's huge coal reserve..
  - *FutureGen Project:* \$108 million towards construction of a nearly emissions-free coal plant that captures and stores carbon dioxide rather than releasing it into the atmosphere.
- **Solar America Initiative:** \$148 million toward the goal of making solar technology cost competitive with conventional electricity by 2025.
- **Biofuels Initiative:** \$179 million to research the production of cellulosic ethanol from corn and to make other organic materials available as a competitive energy alternative by 2012.
- **Hydrogen Fuel Initiative:** \$309 million will complete the President's five-year, \$1.2 billion commitment to support the development of commercially viable hydrogen technologies and fuel cell vehicles by 2020.
- **Nuclear Power 2010:** \$114 million—more than double the funding in the 2007 Budget—toward this \$1.1 billion government/ private sector partnership to license new reactors and for private industry to obtain licenses for new designs that could result in new power plants ordered by 2009 and operating by 2014.

- Global Nuclear Energy Partnership: \$395 million to continue strong support for engineering and design of advanced reactors and new nuclear waste recycling approaches with the potential to reduce the toxicity and volume of nuclear waste that requires disposal in a permanent repository. Solving the nuclear waste issue paves the way for expanding the safe use of nuclear power around the world and at home, promotes nuclear nonproliferation, and resolves nuclear waste disposal issues through an international framework.
- Advanced Battery Research: \$42 million to accelerate research on advanced battery technologies for “plug-in” hybrid vehicles that can be recharged at night.

**Accelerating deployment of advanced coal technology:** EPLA 2005 authorizes the allocation of \$1.65 billion in tax credits to foster more than \$9 billion in private investments to construct highly efficient and low emission coal power facilities. \$1 billion in tax credits were awarded in 2006.

**Accelerating scientific progress through the American Competitiveness Initiative (ACI):** ACI is designed to support basic research and world-leading facilities in the physical sciences to enable future breakthroughs and provide economic security benefits.

- Department of Energy's Office of Science: \$4.4 billion, to strengthen research and cutting edge facilities, such as new bio-energy research centers; increase contributions toward a major international fusion energy program; expand supercomputing facilities and related research; and support design and construction activities for world-leading light sources.
  - \$160 million for the United States' contribution to the International Thermonuclear Experimental Reactor.

**Maintaining the Nations Nuclear Weapons Stockpile and Strengthening Nuclear Nonproliferation:**

To ensure the Nation's nuclear stockpile is safe, secure, and reliable and that our Nation's enemies do not acquire nuclear materials or nuclear weapons capabilities.

- National Nuclear Security Administration: \$6.5 billion to extend the life of existing warheads, accelerate the dismantlement of weapons declared excess, and continue to make the nuclear weapons infrastructure more responsive.
- Non-Proliferation Program: \$1.7 billion to detect, secure, eliminate, or dispose of dangerous nuclear material and radiological sources around the world to deny terrorists and rogue states the materials, technology, and expertise needed to acquire and use a nuclear weapon.



## JUSTICE & LAW ENFORCEMENT

The President's 2008 Budget will enhance anti-terrorism, intelligence, and law enforcement efforts and promote greater public safety by:

- Strengthening critical counterterrorism, intelligence and other national security programs;
- Assisting States and local communities by more effectively meeting their needs for law enforcement grants and assistance;
- Enhancing efforts to protect our children from abuse and exploitation;
- Including funding to reduce violent crime and combat the spread of illegal drugs; and
- Providing funding for additional prison capacity to reduce overcrowding and ensure that dangerous and violent criminals can be appropriately incarcerated upon conviction.

### **Strengthening critical counterterrorism, intelligence and other national security programs:**

Supports key initiatives at the FBI and the National Security Division to improve the Department's ability to prevent, investigate and prosecute acts of terrorism and other threats to our national security. These initiatives include:

- \$52 million for 150 new counterterrorism and counterintelligence agents and 50 surveillance personnel.
- \$91 million for an expansion of the FBI's data collection and exploitation programs.
- \$22 million for the continued development of human intelligence management and source validation programs.
- \$7 million for the National Security Division for the prevention and prosecution of terrorism.

### **Assisting States and local communities by more effectively meeting their needs for law enforcement grants and assistance:**

- \$1.2 billion in discretionary funding for law enforcement assistance, including a proposal to consolidate more than 70 distinct and fragmented programs into four flexible and competitive grants.
- All funds to be allocated based on a competitive, need-based process. More than 1300 earmarks totaling \$544 million in the last Justice appropriations bill will be eliminated.
- Violent Crime Reduction Partnership Initiative: \$200 million to help States and communities form partnerships with Federal law enforcement agencies to address spikes in violent crime.
- Byrne Public Safety and Protection Program: \$350 million for methamphetamine cleanup and enforcement, drug courts, firearms crime prosecution assistance, efforts to combat domestic trafficking, and other priorities based on local needs.
- Violence Against Women Program: \$370 million to curb domestic violence and related crimes against women.
- Child Safety and Juvenile Justice Program: \$280 million to help communities address child predators, school safety, and juvenile justice needs.
- \$625 million in mandatory funding is provided for crime victims' assistance programs.

**Protecting our children from abuse and exploitation:**

- \$12 million in enhancements for the Project Safe Childhood Initiative to protect our children from exploitation on the internet.
- \$13 million in enhancements to implement the Adam Walsh Act , including apprehending sexual predators and better managing sexual offenders in the Federal prisoner population.

**Reducing violent crime and combating the spread of illegal drugs:**

- \$39 million to help the Drug Enforcement Administration (DEA) stem the flow of illegal drugs by targeting the production, distribution and sale of methamphetamine and other precursor drugs and help stop illegal drugs from entering the US through the US Southwest border. Additional funding also will increase DEA's ability to share intelligence information.
- \$19 million to help the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATFE) combat violent crime by reducing illegal firearms trafficking and gang and gun-related violence in our nation's most at-risk communities.

**Enhancing Federal incarceration and detention:**

- \$142 million for two additional prisons to help meet population growth and reduce overcrowding at the BOP's most critical security levels. Two additional prisons, in Pollock, LA and Mendota, CA, will add a total of 2,432 beds and will begin receiving inmates in 2008 and 2010, respectively.
- \$27 million to expand BOP's use of State, local and private prison space to accommodate lower security prisoners. The 2008 Budget increases the number of contract prison beds by 1,100.

## COMPASSION

The President's 2008 Budget reaches out to individuals, families and communities by promoting initiatives that offer assistance to those in need, care for the sick and a more comfortable life with better opportunities for the future by:

- Supporting homeownership and housing assistance through increased resources and program innovations;
- Housing more low-income families;
- Working to end chronic homelessness;
- Supporting Faith-Based and community programs;
- Supporting community service;
- Providing health care coverage to low-income, uninsured children;
- Promoting nutrition assistance programs; and
- Preventing and responding to global and local health challenges and humanitarian needs.

### **Supporting homeownership through increased resources and program innovations:**

- HOME Investment Partnership Program: The Budget provides nearly \$2 billion for the HOME block grant program – an increase of over \$150 million – to expand the supply of affordable rental and owner-occupied housing and provide rental assistance to low-income families and individuals.
  - *American Dream Downpayment Initiative (ADDI)*: As part of the HOME program, ADDI increases the number of minority and first-time homebuyers by helping low-income people overcome barriers to homeownership, such as down payment and closing costs.
- Federal Housing Administration (FHA) Mortgage Program: The Budget proposes changes to FHA's Mortgage Program to help increase homeownership, particularly among minorities and first-time homebuyers, by expanding access to mortgage credit.

### **Housing more low-income families:**

- Section 8 Vouchers: The Section 8 program provides rental support to 2 million low-income families and individuals, offering stability and the opportunity to move toward self-sufficiency.
  - In addition to the proposed \$16 billion for the program – an increase of over \$900 million over the current 2007 level – the Budget would release unused excess balances at public housing authorities (PHAs) enabling approximately 180,000 additional low-income families to receive housing assistance.
  - Proposed reforms will align incentives for PHAs to utilize their funds and assist more low-income families

**Working to end chronic homelessness:** By creating new supportive housing options, the Administration continues its commitment to end chronic homelessness and its causes by expanding:

- Homeless assistance grants: \$1.6 billion, a \$200 million increase, to house the long-term homeless, treat their addictions and provide assistance for a physical or mental condition.

### **Supporting Faith-Based and community programs:**

- Compassion Capital Fund: \$75 million to provide training for capacity-building and technical assistance for grassroots Faith-Based and Community-Based Organizations (FBCOs). This includes funding for Communities Empowering Youth, an anti-gang initiative which aims to build the capacity of faith-based and community coalitions that work to reduce gang involvement and youth violence.
- Abstinence education: \$204 million will fund abstinence education that is designed to reduce pregnancies among adolescents and the incidence of sexually transmitted diseases among adolescents.
- Mentoring children of prisoners: \$50 million to establish enduring, quality mentoring relationships for children of arrested and/or incarcerated parents.
- Access to Recovery (ATR): \$98 million to fund 20 competitive grants that expand access to treatment and recovery support services.
- Helping America's Youth: A Presidential initiative led by the First Lady to raise awareness about the challenges facing America's youth. This initiative also promotes a community and family based approach to find new partnerships and creative solutions to improve the lives of boys and girls.

### **Supporting community service:**

- Corporation for National and Community Service: \$829 million for the Corporation for National and Community Service to continue its core national service programs and generate service opportunities for more than 3.1 million Americans. The Budget supports the President's goal of enrolling 75,000 AmeriCorps members.
  - AmeriCorps: A network of local, state, and national service volunteers that participate in intensive community service programs and address our country's critical needs in education, public safety, health, and the environment.
  - Learn and Serve America: Supports and encourages service-learning throughout the United States, and enables over one million students to make meaningful contributions to their community while building their academic and civic skills.
- **Providing health care coverage to low-income, uninsured children**: State Children's Health Insurance Program (SCHIP) has provided \$40 billion over the last 10 years to States to provide health care coverage to low-income, uninsured children who were not eligible for Medicaid. The 2008 Budget proposes to:
  - Reauthorize SCHIP for five years;
  - Increase funding by approximately \$5 billion over next five years; and
  - Refocus the program on children below 200 percent of poverty levels as was originally intended.

### **Promoting nutrition assistance programs:**

- Food Stamp reauthorization:
  - Excluding all retirement savings when determining eligibility for food stamps will expand the number of food stamp eligible individuals and allow recipients to save more of their earnings for retirement.
  - Protects service members and their families by ensuring that food stamps are not lost due to combat-related military pay.

- Special Supplemental Nutrition Program for Women Infants and Children (WIC):
  - \$5.4 billion to serve an estimated 8.3 million low-income American postpartum women and their children under five per month. The Department of Agriculture is issuing updated WIC food packages that reduce maximum allowances of certain foods and increase the intake of fresh fruits and vegetables.

**Preventing and responding to global and local health challenges and humanitarian needs:**

- The President's Emergency Plan for AIDS Relief (PEPFAR): \$5.4 billion to HIV/AIDS programs worldwide. \$4.2 billion to AIDS/ HIV treatment, prevention and care activities for two million people in 15 focus countries. An additional \$1.2 billion will fund worldwide HIV/AIDS bilateral programs, research, and contributions to multilateral organizations.
- President's Malaria Initiative for Africa (PMI): \$300 million to assist national malaria control programs to advance the program's goal to cut malaria-related deaths by 50 percent in 15 target countries in Africa. Aid from the American people has already reached five million Africans through partnerships working in the first three focus countries,
- Humanitarian needs:
  - *Responding to needs in Sudan:* Continues to be the world's leader in providing food, water, shelter and sanitation and other assistance to support the victims of violence in the Dafur region of Sudan.
  - *Protecting refugees:* Providing protection and basic life support assistance for and protecting refugees, conflict victims and internally displaced persons overseas. Continues to lead the international community in refugee resettlement.

## CHILDREN

The President's 2008 Budget ensures children have access to a quality education while promoting healthy lifestyles in an environment free of crime and predators by:

- Building on the Success of No Child Left Behind Act (NCLB);
- Making college more affordable;
- Providing health care coverage to low-income, uninsured children;
- Promoting nutrition assistance programs; and
- Ensuring that our children are protected from exploitation and continuing efforts to reach out to at-risk children.

**Building on the success of the No Child Left Behind Act (NCLB):** NCLB is already raising student achievement for millions of children in schools nationwide. And it is working to ensure all students perform at or above grade level in reading and math by 2014. In 2007, the President will work with Congress to reauthorize NCLB so that we can:

- Prepare high school students for the future: Establish the national expectation that all high school students graduate on time with a diploma that prepares them for college and the workplace.
  - \$1.2 billion increase for Title I Grants to Local Educational Agencies, which will primarily be used to increase funding for high schools that serve low-income students.
  - \$412 million will go to States for administration of tests that assess students, high school achievement and college readiness.
  - \$100 million for Striving Readers to expand the development and implementation of research-based interventions to improve the skills of secondary school students who are reading below grade level.
- Ensure Future Competitiveness: \$365 million in new funding as part of the President's American Competitiveness Initiative (ACI) to improve student learning in mathematics and science, including:
  - *Math Now:* \$250 million to prepare elementary and middle school students for more rigorous high school math classes.
  - *Adjunct Teacher Corps:* \$25 million to recruit professional mathematicians, scientists, and engineers over the next eight years to share their expertise with high school and middle school classes.
  - *Advanced Placement/ International Baccalaureate:* A \$90 million increase to train more teachers to teach AP/ IB courses, and expand low-income students access to them.
- Improve Schools and Expand Choices:
  - *Helping schools in need of improvement:* \$500 million in new funding for School Improvement Grants, along with over \$500 million reserved from Title I, to help improve the performance of schools that struggled the most to meet NCLB standards.
  - *Providing new choices for families:* \$300 million to create the Promise and Opportunity Scholarships that will offer education alternatives to low-income students in low-performing schools.

**Making college more affordable:** In 2008, the Budget will provide nearly \$91 billion in financial aid to 11 million students to help pay for college. The Secretary of Education's Commission on the Future of Higher Education offered recommendations to improve student access to and quality of postsecondary education, The Budget includes several reforms aligned with these recommendations, including:

- An increase in the Pell Grant maximum award from \$4,050 to \$4,600 in 2008 and \$5,400 over five years.
  - A 50 percent increase in Academic Competitiveness Grants for low-income students in their first two years of college who complete a rigorous high school curriculum.
  - \$25 million for a voluntary pilot initiative that will collect and analyze student data to measure outcomes such as graduation rates. This initiative will help ensure accountability and transparency in higher education.
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- **Providing health care coverage to low-income, uninsured children:** SCHIP has provided \$40 billion over the last 10 years to States to provide health care coverage to low-income, uninsured children who were not eligible for Medicaid. The 2008 Budget proposes to:
    - Reauthorize SCHIP for five years;
    - Increase funding by approximately \$5 billion over the next five years;
    - Refocus the program on children at or below 200 percent of poverty levels as was originally intended;
    - Target SCHIP funds more efficiently to States with the most need.

**Promoting nutrition assistance programs:**

- Special Supplemental Nutrition Program for Women Infants and Children (WIC):
  - \$5.4 billion to serve per month an estimated 8.3 million low-income American postpartum women and their children under five years old. The Department of Agriculture is issuing updated WIC food packages that reduce maximum allowances of certain foods and increase the intake of fresh fruits and vegetables.
- Adolescent Health Promotion Initiative: \$17 million to support an effort to address increasing rates of obesity in children through proven, school-based prevention activities.
- National School Breakfast and Lunch Programs: \$11.1 billion to highlight the continuing importance of providing America's children with access to nutritious meals.

**Ensuring that our children are protected from exploitation and continuing efforts to reach out to at-risk children:**

- Our children should be protected from predators and abuse. That's why the Budget includes \$31 million to reduce the number of children that are exploited and abused at home and at school as well as over the internet.
  - Adam Walsh Act: \$13 million to aggressively pursue and punish sexual predators and to continue to keep the National Sex Offender Registry active.
  - Project Safe Childhood: Provides \$84 million to combat the proliferation of technology-facilitated sexual exploitation crimes against children by partnering with existing national public awareness and educational programs, in order to raise national awareness about the threat of online sexual predators and to provide the tools and information to parents and youngsters seeking to report possible violations.
  - Protect Act: Strengthens laws that prosecute child pornographers, makes punishments against them more severe and gives judges more discretion in deciding on how long to supervise sex offenders upon their release from prison.

- Operation Predator: Seeking to protect children worldwide, the Department of Homeland Security/U.S. Immigration and Customs Enforcement (ICE) will use ICE's unique investigative and enforcement authority to safeguard children from foreign national pedophiles, human traffickers, international sex tourists, and other predatory criminals.
- Child Safety and Juvenile Justice Programs: \$280 million for grants that address violence against children, including expanded efforts to prevent crimes against children and investigate sexual predators and child prostitution rings.
  - Consolidates existing juvenile justice programs.
  - Eliminates formulas and earmarks -- creating a single, flexible, and competitive grant program.
  - Can address multiple child safety and juvenile justice needs depending on local need or national priority.
  - Expands efforts to prevent crimes against children, and investigate sexual predators, child prostitution rings, and others who seek to harm children.
- Nurse Home Visitation: \$10 million for grants to encourage States to adopt nurse home visitation programs which have proven effective in reducing incidents of child abuse and neglect, as well as improving other outcomes such as health and school readiness.
- Helping America's Youth: A Presidential initiative led by the First Lady to raise awareness about the challenges facing America's youth. This initiative also promotes a community and family based approach to find new partnerships and creative solutions to improve the lives of boys and girls.



## SCIENCE & SPACE

The President's 2008 Budget will continue America's commitment to gain a deeper understanding of space and the sciences through:

- The President's Vision for Space Exploration;
- Continued leadership in space, science and aeronautics;
- Accelerating scientific progress with the American Competitiveness Initiative;
- Enhancing the ability to observe, protect, and manage Earth's resources; and
- The Advanced Energy Initiative (AEI).

### **The President's Vision for Space Exploration:**

- \$951 million for the National Aeronautics and Space Administration (NASA) to design and develop Orion – a crewed spacecraft that will return humans to the Moon.
  - Orion will replace the Space Shuttle, which will be retired in 2010 after completing construction of the Space Station.
- \$1.2 billion for NASA to develop a new rocket that will launch Orion, the Ares I.
  - The Ares I will require less launch preparation than the Space Shuttle, generating savings in operating costs.
- \$436 million over three years in award money for developers who build privately operated space vehicles that would re-supply the International Space Station.
- \$352 million over five years to maximize scientific gain from robotic exploration of the Moon.
- \$345 million to develop the Mars Science Laboratory, scheduled to launch in 2009, to increase our knowledge of the Martian environment and test technologies that may assist human exploration.

### **Continued leadership in space, science and aeronautics:**

- \$1.6 billion for NASA to conduct astronomy research, upgrade the Hubble telescope, and build new space telescopes to be named for 17<sup>th</sup> century astronomer Johannes Kepler and former NASA Administrator James E. Webb.
- \$804 million over five years for NASA to develop and launch no later than 2013 the Global Precipitation Measurement satellite system, along with interagency and international partners, to better understand rainfall and improve our ability to track major weather events.
- \$396 million over five years to support long-term aeronautics research at university and industry labs.

**Accelerating scientific progress through the American Competitiveness Initiative:** ACI is designed to support basic research and world-leading facilities in the physical sciences to enable future breakthroughs and provide economic security benefits. The 2008 Budget increases funding for the ACI research agencies by 7.1 percent to \$11.4 billion in order to advance knowledge and technological capabilities with broad scientific impact to maximize economic gains. Over 10 years, the ACI proposed an increase of nearly \$50 billion in innovation-enabling research in the National Science Foundation, the Department of Energy, and the Department of Commerce's National Institute of Standards and Technology.

- National Science Foundation: \$6.4 billion, to address specific priorities in physical sciences, nanotechnology, information technology, and oceans; further the fields of science and engineering

broadly; and support many more researchers and students contributing to the innovation enterprise.

- Department of Energy's Office of Science: \$4.4 billion, to strengthen research and cutting edge facilities, such as new bio-energy research centers; increase contributions toward a major international fusion energy program; expand supercomputing facilities and related research; and support design and construction activities for world-leading light sources.
- The Department of Commerce's National Institute of Standards and Technology: \$594 million, to enhance nanotechnology manufacturing capabilities; expand a neutron facility to help characterize novel materials; construct new, high-performance laboratories; and improve our understanding of quantum information science that may dramatically improve computer processing speeds and enable more secure communications.

**Enhancing the ability to observe, protect, and manage the Earth's resources:** Supports key programs in the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF), the National Oceanic and Atmospheric Administration (NOAA) and the US Geological Survey (USGS) that observe and predict changes in the Earth's environment and manage our ocean and coastal resources including:

- \$1.6 billion to develop new sensors and conduct research that will expand scientific understanding of the Earth system.
- Over \$800 million to improve weather forecasting capabilities by developing and acquiring geostationary and polar-orbiting weather satellites and unmanned aircraft systems to improve forecasting and our understanding of the climate.
  - *Tsunami Warning and Mitigation System*: An additional \$2 million to strengthen tsunami detection and warning capabilities.
- Climate Change Research Initiative: Research on water vapor processes will refine climate models and developing an integrated drought early warning system will provide earlier and more accurate forecasts of drought conditions.
- Ocean Action Plan: Enhancing our understanding of oceans and coasts with \$80 million in new funding to advance ocean science and research.
  - *Advancing Ocean Science and Research (\$80M)*: The Budget provides a total of \$40 million to address near-term ocean research priorities established by the Ocean Research Priorities Plan and Implementation Strategy. New funding to address these priorities is provided to NOAA, NSF, and USGS. These interagency efforts will build upon and include on-going activities at multiple agencies. The Budget also proposes \$8 million to define the outer limits of the U.S. continental shelf (areas beyond 200 miles from the U.S. coast that meet certain geological criteria). Defining those limits will allow the U.S. to confirm its resource rights, which contain an estimated \$1.2 trillion worth of resources. In addition, \$32 million is included for NOAA to develop an operational ocean monitoring network, for technology and other infrastructure to support ocean science, for International Polar Year activities, and for research on protected species and commercial fisheries. The Budget also continues funding for NSF's Oceans Observations Initiative, which will provide important infrastructure to support sustained ocean observations and research.
- International Polar Year: \$60 million for researching environmental changes in the Arctic and the impact of polar ice sheets on global phenomena.

**The Advanced Energy Initiative (AEI):** The AEI is accelerating breakthroughs in how we power our homes, cars, and businesses and will help the U.S. to diversify its sources of energy, reduce dependence on foreign sources of oil and increase our energy security.

- Coal Research Initiative: \$385 million completes the President's commitment to invest \$2 billion over 10 years – three years ahead of schedule – in order to tap into America's huge coal reserve for continued use as a clean and viable energy source.
  - *FutureGen Program:* \$108 million will fund tests on deriving power from coal and facilitate demonstrations as to how power could be generated from coal.
  - *EPAct 2005:* Authorizes the allocation of \$1.65 billion in tax credits to foster more than \$9 billion in private investments to construct highly efficient and low emission coal power facilities.
- Solar America Initiative: \$148 million toward the goal of making solar technology cost competitive with conventional electricity by 2025.
- Biofuels Initiative: \$179 million to research production of cellulose ethanol from corn, and to make other organic materials available as a practical energy alternative by 2012.
- Hydrogen Fuel Initiative: \$309 million will complete the President's five-year, \$1.2 billion commitment to support the development of commercially viable hydrogen technologies and fuel cell vehicles by 2020.
  - *Developing more efficient vehicles:* \$81 million to accelerate research that would lead to advanced battery technologies that would power "plug-in" vehicles that are simply recharged at night.

# AGRICULTURE

## **The President's 2008 Agriculture Budget will:**

- Ensure the continuation of a strong farm economy;
- Protect the Nation's food supply;
- Develop sustainable forests;
- Promote nutrition assistance programs; and
- Encourage development in rural America.

**Ensuring the continuation of a strong farm economy:** The Administration is proposing changes to the current Farm Bill to ensure the farming economy stays strong and that our Nation's farm policy is more equitable, predictable, and protected from challenge.

## **Protecting the Nation's food supply from agriculture threats:**

- Food and Agriculture Defense Initiative: \$341 million to continue efforts to protect the Nation's food supply and agriculture from threats, whether intentional or unintentional, by enhancing the Department of Agriculture's ability to detect, respond to and recover from incidents of disease, pest or poisonous agents.
- Protecting against Avian Influenza: \$57 million for domestic surveillance and diagnostics of wild and domestic birds, emergency preparedness and response, and technical assistance to other countries.

## **Developing sustainable forests:**

- Healthy Forests Restoration Act: \$291 million to fund projects that will clear accumulated fire fuels to help prevent catastrophic wildfires.
- Northwest Forest Plan: Strengthen cooperation between the Federal government and the public to boost rural economies by harvesting 800 million board feet of timber in 2008.
- Forest Planning Rule: Employs an Environmental Management System to improve performance and accountability and which is compliant with the National Environmental Policy Act.

## **Promoting nutrition assistance programs:**

- Food Stamp Reauthorization: Excluding all retirement savings when determining eligibility for food stamps will expand the number of food stamp eligible individuals and allow recipients to save more of their earnings for retirement.
  - Protect service members and their families by ensuring that food stamps are not lost due to combat-related military pay.
- Special Supplemental Nutrition Program for Women Infants and Children (WIC): Provides \$5.4 billion to serve an estimated 8.3 million low-income American postpartum women and their children under five years old per month. The Department of Agriculture is issuing updated WIC food packages that reduce maximum allowances of certain foods and increase the intake of fresh fruits and vegetables.

**Encouraging development in rural America:**

- Developing Renewable Energy:
  - \$20 million in research to develop new feed stocks for energy production on a region-by-region basis.
  - \$402 million in financial assistance for rural businesses, researchers, and producers to develop and use renewable energy systems.
- Supporting Housing for Rural Residents:
  - \$4.8 billion in loan guarantees to increase single family homeownership opportunities.
  - \$28 million for a voucher program that assists tenants to pay for housing when USDA-financed properties are paid off and no longer available as subsidized housing.

## ENVIRONMENT

### **The President's 2008 Budget protects and preserves the environment:**

- Launching the National Parks Centennial Initiative;
- Enhancing the ability to observe, protect, and manage the Earth's resources;
- Securing critical water infrastructure;
- Improving our nation's water quality and supplies;
- Working with States and other nations to reduce air pollution; and
- Partnering for cooperative conservation.

**Launching the National Parks Centennial Initiative:** Our national parks are American icons; they embody a national commitment to conservation, preservation and family enjoyment. The President's 2008 Budget will provide funding for:

- National Parks Centennial Initiative: Up to \$3 billion in new funds over 10 years to improve and protect national parks for the next century.
  - A commitment of \$100 million to achieve new levels of excellence in our parks.
  - A challenge for the public to donate at least \$100 million in support of our parks.
  - A match of up to \$100 million for donations to signature projects and programs.
- For Park Operations: \$250 million more than requested in 2006 and 40 percent higher than when President Bush took office -- the largest increase ever.

### **Enhancing the ability to observe, protect, and manage the Earth's resources**

- Ocean Action Plan and the Ocean Research Priorities Plan and Implementation Strategy: Conserving ocean and coastal resources with \$143 million in new funding to advance ocean science and research (\$80 million), protect and restore coastal and marine areas (\$38 million), and end overfishing and ensure sustainable use of ocean resources (\$25 million).
- Advancing Ocean Science and Research: The Budget provides a total of \$40 million to address near-term ocean research priorities established by the Ocean Research Priorities Plan. New funding to address these priorities is provided to NOAA, NSF, and USGS. These interagency efforts will build upon and include ongoing activities at multiple agencies. The Budget also proposes \$8 million to define the outer limits of the U.S. continental shelf (areas beyond 200 miles from the U.S. coast that meet certain geological criteria). Defining those limits will allow the U.S. to confirm its resource rights, which contain an estimated \$1.2 trillion worth of resources. In addition, \$32 million is included for NOAA to develop an operational ocean monitoring network, for technology and other infrastructure to support ocean science, for International Polar Year activities, and for research on protected species and commercial fisheries. The Budget also continues funding for NSF's Oceans Observations Initiative, which will provide important infrastructure to support sustained ocean observations and research.
- Protecting and Restoring Coastal and Marine Areas: The Budget includes \$8 million to support the management of the Northwestern Hawaiian Islands Marine National Monument, which the President designated in June 2006. The Monument, which protects over 4,500 square miles of coral reefs and over 7,000 marine species, is the largest single conservation area in the world. An additional \$30 million is

provided to work with State and local partners to protect valuable coastal and marine habitat, including a project to eventually restore nearly 1000 stream miles of habitat for endangered Atlantic salmon and other fish species, critical projects in the Klamath Basin, and projects in the Gulf of Mexico identified as priorities by the Gulf of Mexico Regional Alliance articulated in the *Governors' Action Plan for Healthy and Resilient Coasts*, released by the Governors of Florida, Alabama, Mississippi, Louisiana, and Texas.

- Ending Overfishing and Ensuring Sustainable Use of Ocean Resources: Following the historic bipartisan commitment to end overfishing with reauthorization of the Magnuson Stevens Fisheries Conservation Act, the President requests \$20 million to implement requirements of the legislation. This includes funding (\$6M) to facilitate market-based approaches to fisheries management such as Limited Access Privilege (LAP) programs that provide exclusive privileges to harvest a quantity of fish. The Administration has set a goal of doubling the number of LAP systems in use by the year 2010. The President requests \$3 million to ensure sustainable access to seafood through offshore aquaculture. The Administration has proposed legislation to establish clear regulatory authority and permitting processes for offshore aquaculture in order to encourage and facilitate development of environmentally sustainable commercial opportunities. Funding is also provided for NOAA to meet the management challenges of assessing and mitigating the impacts of sound from human activities, such as national defense readiness and energy exploration and development on marine mammals (\$2M).

**Securing critical water infrastructure:** The adoption of surveillance systems by drinking water utilities in high threat cities is a critical component of water infrastructure protection.

- The Water Security Initiative: A joint Federal and state project that will work to reduce the risk of contamination, plan emergency responses to drinking water crises and provide water security training to local officials.

**Improving our nation's water resources and supplies:** The Administration has made it a priority to ensure that America's water sources meet safety standards for clean and drinkable water.

- The Great Lakes Legacy Act: \$35 million to clean up harmful industrial pollutants dumped into the Great Lakes that could harm food sources and human health.
- Chesapeake Bay Program: \$29 million to help restore the water quality of the Chesapeake Bay.
- Drinking Water State Revolving Fund: \$842 million in new capitalization to improve access to safe drinking water.
- Long Term 2 Enhanced Surface Water Treatment Rule: Uses an innovative risk-based cryptosporidium monitoring approach to target the most vulnerable drinking water systems.
- Water 2025 Initiative: \$11 million to improve water management through water conservation, efficiency and water marketing efforts, while securing reliable water sources in the West.
- Private activity bonds for water infrastructure: Expands the availability of tax-exempt capital to municipalities that implement full-cost pricing for water services, helping drinking water and wastewater systems become self-financing like other utilities and reducing the need for future Federal financing.

**Working with States and other nations to reduce air pollution:**

- Clean Air Interstate Rule (CAIR): Reduces power plant emissions of sulfur dioxide by more than 70 percent and nitrogen oxides emissions by more than 60 percent from 2003 levels in the Eastern U.S.
- Clean Air Mercury Rule (CAMR): The CAMR builds on the progress of CAIR and, when fully implemented, these rules will reduce utility emissions of mercury nearly 70 percent.
- Highway Diesel Rule: Makes highway diesel engine emissions up to 95 percent cleaner than current models starting in 2007.
- Non-Road Diesel Rule: Reduces sulfur in off-highway diesel fuel by more than 99 percent by 2010 and reduces non-road diesel engine emissions by more than 90 percent starting in 2008.
- The Asia-Pacific Partnership (APP): Works with international partners, Australia, China, India, Japan and South Korea, to promote U.S. and partner exports in the field of clean energy and environmental goods and services.
- Methane to Markets Partnership: Advances the recovery and use of methane as a clean energy source.

**Partnering for cooperative conservation:** Conserving our native fishes, migratory birds, at-risk species and marine environments is a shared goal among federal, state and local governments.

- Conservation Tax Incentive: Permanently extend the deductions for lands donated for conservation purposes, thereby helping "land-rich, cash-poor" land owners, such as farmers and ranchers, that donate lands for open space and other conservation goals.
- North American Wetlands Conservation Act: Conservation program designed to protect wetlands and upland habitats that waterfowl and other migratory birds need for survival.
- Open Rivers Initiative: \$12 million to repair river ecosystems and enhances populations of key species by removing small, obsolete dams and river barriers.
- Penobscot River Restoration: Provides federal funding for a Federal-State-private project to restore nearly 1,000 miles of habitat for endangered Atlantic salmon and several other species, by purchasing and removing or modifying three dams along the Penobscot River.



## COMMERCE

The President's 2008 Budget will strengthen and support the foreign and domestic commerce of the United States by:

- Enhancing the ability to observe, protect, and manage Earth's resources;
- Accelerating scientific progress through the American Competitiveness Initiative;
- Gathering the most accurate demographic and economic data;
- Protecting Intellectual Property Rights; and
- Opening new markets.

**Enhancing the ability to observe, protect, and manage the Earth's resources:** Supports key programs in the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), National Science Foundation (NSF), and U.S. Geological Survey (USGS) that observe and predict changes in the Earth's environment and manage our ocean and coastal resources including:

- \$1.6 billion to develop new sensors and conduct research that will expand scientific understanding of the Earth system.
- Over \$800 million to improve weather forecasting capabilities by developing and acquiring geostationary and polar-orbiting weather satellites and unmanned aircraft systems to improve forecasting and our understanding of the climate.
  - *Tsunami Warning and Mitigation System:* An additional \$2 million to strengthen tsunami detection and warning capabilities..
- The Asia-Pacific Partnership (APP): Works with international partners, Australia, China, India, Japan and South Korea, to promote U.S. and partner exports in the field of clean energy and environmental goods and services.
- Ocean Action Plan: Protecting ocean and coastal resources with \$143 million in new projects to advance ocean science (\$80M), protect and restore sensitive coastal areas (\$38M), and ensure sustainable use of ocean resources (\$25M).
  - *Curbing Over-fishing:* Following the historic bipartisan commitment to end overfishing with reauthorization of the Magnuson Stevens Fisheries Management and Conservation Act, the President requests \$20 million to implement the requirements of the legislation. This includes funding to facilitate market-based approaches to fisheries management such as Limited Access Privilege (LAP) programs that reduce cumbersome and inefficient regulation that can lead to lengthened fishing seasons, improve product quality and provide safer conditions for fishermen.

**Accelerating scientific progress through the American Competitiveness Initiative:** ACI is designed to support basic research and world-leading facilities in the physical sciences to enable future breakthroughs and provide economic security benefits. The President's 2008 Budget increases funding for the ACI research agencies by 7.1 percent to \$11.4 billion in order to advance knowledge and technological capabilities with broad scientific impact to maximize economic gains. Over 10 years, the ACI proposed an increase of nearly \$50 billion in innovation-enabling research in the National Science Foundation, the Department of Energy, and the Department of Commerce's National Institute of Standards and Technology.

- National Nanotechnology Initiative: \$1.45 billion, a 4.2 percent increase, to continue to support discovery, development and application of nanotechnology through investigator-led fundamental

and applied research; multidisciplinary centers of excellence; education and training of nanotechnology researchers, teachers, workers, and the public; and infrastructure development, including user facilities and networks that are broadly available to support research and innovation.

- Networking and Information Technology Research Program: \$3.1 billion to plan and coordinate agency research efforts in high-end computing systems, cyber security, large-scale networking, software development, high-confidence systems, information management, and other information technologies.
- The Department of Commerce's National Institute of Standards and Technology: \$594 million, to enhance nanotechnology manufacturing capabilities; expand a neutron facility to help characterize novel materials; construct new, high-performance laboratories; and improve our understanding of quantum information science that may dramatically improve computer processing speeds and enable more secure communications.

**Gathering the Most Accurate Economic and Demographic Data:** Accurate information about U.S. economic and demographic conditions compiled by the Bureau of Economic Analysis (BEA) and the Census Bureau is necessary for well-informed business and government decisions. The President's 2008 Budget provides:

- \$797 million, a \$285 million increase over the 2007 Budget, to continue preparations for a re-engineered, short-form only 2010 Census, including the 2008 Dress Rehearsal, continued development of handheld computers and the opening of regional offices;
- \$128 million, \$46 million over the 2007 Budget, for the data collection phase of the Economic Census;
- An \$8 million initiative in BEA and Census to improve the accuracy and comprehensiveness of statistics on the U.S. economy by closing the gap in service sector coverage and better incorporation of research and development investments in GDP.

**Protecting Intellectual Property Rights:** The President's 2008 Budget furthers intellectual property protection through the issuance of patents and registration of trademarks by:

- Providing PTO full access to its fees and a \$72 million increase over the 2007 Budget in order to continue to improve the processing times and quality of patents and trademarks;
- Supporting the work of the National Intellectual Property Law Enforcement Coordinating Council in coordinating the intellectual property protection efforts across the Government and the Strategy Targeting Organized Piracy (STOP!) initiative's efforts against global piracy and counterfeiting.

**Opening New Markets:** The Budget supports the International Trade Administration's efforts to help open and expand foreign markets for U.S. goods and services. Since 2001 the Administration has actively promoted a free-trade agenda that opens new markets for American farmers, manufacturers, and service providers.

# VETERANS

The President's 2008 Budget increases funding for and expands the services provided to our veterans by:

- Expanding access to health care for veterans;
- Improving benefits for veterans and their families; and
- Ensuring an easy transition for veterans leaving the military.

Veterans have helped to shape the American character, and their service represents the highest form of patriotism. The President's Budget provides additional resources to build upon the significant benefit enhancements and modernization achieved since 2001.

## **Expanding access to health care for veterans:**

- \$36.6 billion to provide medical care to America's veterans, an increase of 83 percent since the President took office in 2001.
- \$1.3 billion to provide veterans from all combat eras with more prosthetics and sensory aids.
- \$3 billion addresses the increased need for mental health care services for veterans.
- \$750 million for the construction of medical facilities located where veterans need them the most.

## **Improving benefits for veterans and their families:**

- \$37 billion in tax free disability benefits for veterans and their beneficiaries and increased administrative funding to reduce the processing time of veteran's claims so they can receive benefits more quickly.
- National Cemetery Expansion Act: Establish six new national cemeteries to advance the President's goal of ensuring most veterans have a final resting place within 75 miles of their home. The Greatest Generation of Americans who served our Nation in WWII and the Korean conflict deserve a hallowed resting place.

## **Ensuring an easy transition for veterans leaving military service:**

- Veterans Affairs outreach programs will ensure that returning combat veterans access care quickly and with minimal paperwork.
- Decreasing the time it takes for the Defense Department to provide Veterans Affairs with a servicemember's deactivation and separation data. This lessens the burden on a veteran for providing this information and will allow them to receive benefits and services more quickly.

# HOUSING

The President's 2008 Budget provides housing assistance to millions of Americans by continuing to support the Administration's top housing priorities, including:

- Meeting America's most critical housing needs;
- Supporting homeownership through increased resources and program innovations; and
- Working to end chronic homelessness.

## **Meeting America's most critical housing needs:**

- Overall Housing Assistance: The Budget continues to provide housing assistance to over 5 million low-income families across HUD's programs.
- Section 8 Vouchers: The Section 8 program provides rental support to 2 million low-income families and individuals, offering stability and the opportunity to move toward self-sufficiency.
  - In addition to the proposed \$16 billion for the program – an increase of over \$900 million over the current 2007 level – the Budget would release unused excess balances at public housing authorities (PHAs) enabling approximately 180,000 additional low-income families to receive housing assistance.
  - Proposed reforms will align incentives for PHAs to utilize their funds and assist more low-income families.

## **Supporting homeownership through increased resources and program innovations:**

- HOME Investment Partnership Program: The Budget provides nearly \$2 billion for the HOME block grant program – an increase of over \$150 million – to expand the supply of affordable rental and owner-occupied housing and provide rental assistance to low-income families and individuals.
  - *American Dream Downpayment Initiative (ADDI)*: As part of the HOME program, ADDI increases the number of minority and first-time homebuyers by helping low-income people overcome barriers to homeownership, such as down payment and closing costs.
- Federal Housing Administration (FHA) Mortgage Program: The Budget proposes changes to FHA's Mortgage Program that will help increase homeownership, particularly among minorities and first-time homebuyers, by expanding access to mortgage credit.

## **Working to end chronic homelessness:**

- Homeless Assistance Grants: By creating new supportive housing options, the Administration continues its commitment to end chronic homelessness. The Budget proposes \$1.6 billion, an increase of more than \$200 million, to address the housing and service-related needs of the entire homeless population.

# LABOR

## **The President's 2008 Budget will support America's workers and their communities by:**

- Protecting workers;
- Reforming the job training system and training workers for high-growth jobs as part of the American Competitiveness Initiative;
- Safeguarding workers' pensions; and
- Reducing improper unemployment insurance benefit payments.

Since the President's tax relief took effect in mid-2003, the economy has created more than 7 million new jobs. The President's 2008 Budget provides additional resources to protect workers and proposes reforms to train more workers, strengthen the pension system, and reduce improper payments in the unemployment insurance system.

### **Protecting workers:**

- The Budget includes \$1.5 billion to enforce labor laws that protect workers' wages, benefits, and working conditions, including:
  - Miner Act: \$36 million increase for the Mine Safety and Health Administration, to ensure safe conditions in the Nation's mines.
  - Paycheck Protection: \$11 million increase for the Office of Labor Management Standards to ensure the proper, legal, and transparent use of union members' dues and assets

### **Reforming the job training system and training workers for high-growth jobs as part of the American Competitiveness Initiative:**

- The 2008 Budget proposes significant reforms to the Department of Labor's major job training grant programs that will give States more flexibility, reduce bureaucracy, and increase individual choice through Career Advancement Accounts.
  - These reforms will save almost half a billion dollars while significantly increasing the training opportunities available to workers to over 600,000.
- The Budget includes \$150 million to continue the Community-Based Job Training Grants program, which helps community and technical colleges train more workers for jobs in demand in local and regional economies.

### **Safeguarding workers' benefits:**

- The 2008 Budget reflects the President's continued commitment to restoring the solvency of the pension insurance system and avoiding a future taxpayer bailout by proposing to adjust premiums paid by companies under funded pension plans.

### **Reducing improper unemployment insurance benefit payments and enhancing unemployment tax integrity:**

The Budget proposes a package of legislative changes that would reduce Unemployment Insurance (UI) improper payments by \$4.8 billion and reduce employer tax evasion by almost \$400 million over 10 years. The legislative proposal would:

- Impose a penalty for UI benefit overpayments resulting from fraud;
- Enlist private collection agencies in the recovery of fraud overpayments;
- Penalize employers when their repeated inaction leads to overpayments to former employees;

- Collect delinquent benefit overpayments and unemployment taxes through garnishment of Federal income tax refunds;
- Allow States to use a portion of recovered funds on fraud and error reduction; and
- Decrease benefit overpayments by providing more accurate date-of-hire information in State and national new hire directories so that States can quickly stop unemployment benefit payments to those people who have gone back to work.

# TRANSPORTATION

## **The President's 2008 Budget will facilitate safer and faster transportation by:**

- Building a more efficient air traffic control system to meet the air travel demands of the future;
- Exploring new ways to reduce highway congestion and increase fuel efficiency; and
- Focusing Amtrak's spending priorities.

## **Building a more efficient air traffic control system to meet the air travel demands of the future:**

- Federal Aviation Administration's (FAA) Reauthorization: The Administration will soon transmit a reauthorization proposal that would change the FAA current excise tax financing into a more cost-based system by 2009. By moving away from excise taxes based on ticket prices, the new system would charge commercial users a user fee calibrated to the cost of providing air traffic control services to those aircraft, and would charge general aviation users a fuel tax calibrated to cover their costs.
- Next Generation Air Transportation System (NextGen): \$175 million to support multi-agency effort to transform air traffic management to accommodate demand and improve air transportation safety and security.

## **Exploring new ways to reduce highway congestion and increase fuel efficiency:**

- Highway Congestion Initiative: \$175 million would be made available to demonstrate innovative ways to reduce traffic congestion. Successful programs will be the blueprints for future larger scale efforts to reduce traffic in other municipalities. Also included is the Corridors of the Future program that will provide innovative financial assistance to fund congestion reduction projects in DOT selected high-growth corridors.
- Reforming And Modernizing Corporate Average Fuel Economy (CAFE) Standards For Cars And Extending The Current Light Truck Rule: To support the President's "Twenty In Ten" Plan to reduce U.S. gasoline usage by 20 percent in the next ten years, DOT will propose to reform CAFE standards for cars, as has been done for light trucks. These reforms will reduce projected annual gasoline use by up to 8.5 billion gallons. In combination with increasing the supply of renewable and alternative fuels, reforming fuel economy standards will bring the total reduction in projected annual gasoline use to 20 percent.
- Both these efforts will also help address climate change concerns by potentially stopping the projected growth of carbon dioxide emissions from cars, light trucks, and SUVs.

## **Focusing Amtrak's spending priorities:**

- \$900 million to improve the nation's inter-city passenger rail system -- only \$800 million is for Amtrak directly.
- Of the \$800 million for Amtrak:
  - \$300 million is requested for operating costs, which is part of a multi-year plan to reduce operating subsidies. The Budget insists that Amtrak reduce its reliance on Federal operating assistance and be more accountable in its spending and management.

- \$500 million is for capital expenses, including primarily the Northeast Corridor rehabilitation program.
- \$100 million is requested for a new matching grant program to help States fund intercity passenger rail infrastructure projects.