

# BUDGET HIGHLIGHTS

## **A Budget to Fight War and Recession:**

- Places highest priority on war against terrorism overseas and at home;
- Incorporates the bipartisan approach to economic stimulus that assists unemployed workers and fosters job creation;
- Reforms the budget to focus on results instead of dollars spent; and
- Funds high-priority initiatives while moderating growth in the rest of government.

## **Protecting the Homeland**

- Equips and trains first responders (firefighting, law enforcement, emergency medical personnel) to respond to potential future threats (\$3.5 billion in grants).
- Counters the threat of bioterrorism with enhancements in hospitals and other public health systems (\$1.2 billion), research and development (\$2.4 billion), pharmaceutical and vaccine stockpile (\$400 million), and a national information network for better detection of biological attacks, as well as natural disease outbreaks (\$392 million).
- Secures our borders through improved tracking of the entry and exit of non-U.S. citizens (+\$350 million), more than doubles the number of Border Patrol agents on the northern border, and enhances Customs Service and Coast Guard operations and equipment.
- Meets aviation security requirements by continuing the renewed commitment to federal air marshals, hiring 30,000 new federal airport security workers, and installing explosive detection equipment (\$4.8 billion).

## **Winning the War on Terrorism Abroad**

- Supports 250,000 forward-deployed troops and the 1.1 million here at home with a total defense budget of \$369 billion (a 12 percent increase), plus \$10 billion more if the war against terrorism requires it.
- Meets new threats by making investments in transformational activities such as unmanned combat aerial vehicles (\$146 million), precision munitions (\$1.2 billion), and intelligence enhancements.
- Aids countries fighting terrorism abroad (\$3.5 billion), expands anti-terrorism and security training for other countries (\$121 million), and expands efforts to diminish the threat of the proliferation of nuclear and biological weapons (\$1.5 billion).

## Returning to Economic Vitality

- Re-proposes a bipartisan approach to economic stimulus that assists unemployed workers and provides tax incentives to boost economic growth.
- Moderates the growth of discretionary spending, excluding national and homeland security requirements, to two percent.
- Balances the budget by 2005 without endangering the war against terrorism and homeland security efforts and without raising taxes.

## Governing with Accountability

- Incorporates the President's five management reforms into agencies' budgets and plans: strategic management of human capital, competitive sourcing, E-Government, financial management, and budget and performance integration.
- Includes a Management Scorecard to measure progress on these five management reforms.
- Shifts the budget's focus from how much is being spent to what is being accomplished.
- Begins integration of performance measures in the budget process, rates programs based on their effectiveness, and shifts resources to more effective programs.
- Incorporates the President's Freedom to Manage Initiative and seeks reprogramming and reorganization authority to better align programs and resources.

## Funds Other Priority Initiatives while Moderating the Growth in Spending

- *Education.* Funds the No Child Left Behind Act, including \$1 billion for the Reading First Initiative and a \$1 billion increase to help low-income students meet new reading and math standards. Also funds a historically high level of funding for special education (\$8.5 billion).
- *National Institutes of Health (NIH).* Meets commitment to double funding from 1998 levels, proposing \$27.3 billion in 2003.
- *Community Health Centers.* Funds 1,200 new or expanded sites to serve an additional 6.1 million patients by 2006.
- *Medicare Prescription Drugs.* Provides a prescription drug benefit in a modernized Medicare program, and takes immediate steps to begin improving Medicare benefits, including assistance with prescription drug costs and better coverage options for seniors (+\$190 billion over 10 years).
- *Health Insurance.* Initiates a refundable tax credit to subsidize up to 90 percent of the cost for low and middle income Americans who do not have employer coverage (\$89 billion over 10 years).
- *Breast and Cervical Cancer Screening.* Includes a \$9 million increase for the Center for Disease Control and Prevention's breast and cervical cancer program to expand screening services for low-income women.
- *Compassion.* Funds the President's Compassion and Faith-Based Initiatives (\$6 billion annually when fully phased-in of new charitable giving tax credits, \$100 million for the Compassion Capital Fund, \$10 million for Maternity Group Homes, \$25 million for Mentoring Children of Prisoners, and \$20 million for a Responsible Fatherhood Initiative).

- *WIC*. Serves 7.8 million women and children through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program (\$4.8 billion in 2003).
- *Food Stamps*. Restores eligibility for many legal immigrants.
- *Low-income weatherization*. Assists an additional 18,000 low-income families (\$277 million in 2003—a 20 percent increase).
- *Job Corps*. Supports 122 residential training centers (\$1.5 billion in 2003).
- *Housing*. Includes a new tax credit for low and middle income Americans for up to 50 percent of the cost of constructing a new home or rehabilitating an existing home.
- *USA Freedom Corps*. Funds the President's new USA Freedom Corps Initiative.
- *Stewardship*. Fully funds the Land and Water Conservation Fund (over \$900 million) and maintains commitment to eliminate the National Park Service maintenance backlog by 2006. Provides record high funding for National Wildlife Refuges (+\$54 million).
- *Environmental Protection*. Provides record funding levels for the Environmental Protection Agency's operating budget and its state program grants.
- *Science and Technology*. Provides a record high request for science and technology efforts at \$57 billion (a nine percent increase).
- *Agriculture*. Funds a farm bill that will provide a solid safety net for all farmers and ranchers, expand markets abroad, and increase resource conservation to enhance our environment (+\$73.5 billion over 10 years).
- *Energy*. To reduce dependence on imported oil, funds a new Freedom CAR and a new Coal Research Initiative and proposes \$9.1 billion in tax incentives over 10 years to develop alternative technologies, including renewable electricity generation, residential solar energy systems, and hybrid and fuel cell vehicles.
- *International Drug Control*. To destroy the crops and labs that produce cocaine at its sources, funds the Andean Counterdrug Initiative (\$731 million).
- *Drug Treatment*. Supports 52,000 additional drug abuse treatment slots.
- *Election Reform*. In line with the recommendations made by former Presidents Carter and Ford, provides \$1.2 billion over three years to assist states with the acquisition of new voting machines, voter education, and poll worker training.
- *Tax-Filing*. Improves the convenience and eliminates the cost of electronic filing for citizens with simple tax forms.