

SUMMARY OF ACCOMPLISHMENTS AND FUTURE CHALLENGES

Enhancing the Nation's Security

| A Record of Accomplishment (2004 vs. 2001 levels except as noted) | A Commitment to the Future (2005 proposals vs. 2004 levels except as noted) |
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| <ul style="list-style-type: none"> • Responded to the September 11th terrorist attacks with the War on Terror—led a coalition to defeat the terrorist-supporting regimes in Afghanistan and Iraq, liberated 50 million people, and began rebuilding Afghanistan and Iraq. • Began transformation of DOD to face threats of the 21st Century and increased the defense budget 26 percent, the largest increase since the Reagan Administration. • To defend against long range missile threats, doubled investments in missile defense systems and will deploy the first ever land and sea-based system. • Increased military pay by more than 21 percent over three years, expanded use of targeted pay and bonuses, and improved housing. • Secured enactment of the largest Government reorganization in a half-century, merging 22 entities into the Department of Homeland Security. • Protected America by nearly tripling homeland security discretionary funding. • Provided \$4.5 billion to State and local governments and hospitals for Bioterrorism preparedness, and secured \$5.6 billion for the BioShield Initiative. • Provided a total of \$8.8 billion for terrorism-preparedness training and equipment for State and local first responders. • Improved border and transportation security by increased funding of nearly \$9 billion. • Transformed the FBI into an agency whose primary mission is to prevent terrorist attacks and increased its budget by over 40 percent. • Blocked over \$136.8 million in terrorist assets. | <ul style="list-style-type: none"> • Advances ongoing efforts in the War on Terror by providing \$1.2 billion for rebuilding Afghanistan and continues to build a broad coalition to defeat terrorism and spread freedom and democracy worldwide. • Targets over \$5.7 billion in military and economic assistance to front-line states supporting the United States in the War on Terror. • Continues strengthening and transformation of defense capabilities by providing \$402 billion for DOD, a seven-percent increase. • Provides a 3.5-percent pay raise for military personnel and improves housing by privatizing 90,000 units by the end of 2005. • Improves America's security with a 10-percent increase in homeland security discretionary spending. • Provides \$5.3 billion for the Transportation Security Administration (a 20-percent increase) and \$6.2 billion for the Coast Guard (a nine-percent increase). • Doubles the level of first responder preparedness grants targeted to high-threat areas that face greater risk and vulnerability. • Protects our food supply by providing \$553 million (a 180-percent increase) in funds for a new agriculture and food defense initiative and \$274 million for a new biosurveillance initiative. • Provides \$5.1 billion (an 11-percent increase) for the FBI, including a \$357 million increase for counterterrorism activities. |

Strengthening the Economy and Promoting Job Creation

| A Record of Accomplishment (2004 vs. 2001 levels except as noted) | A Commitment to the Future (2005 proposals vs. 2004 levels except as noted) |
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| <ul style="list-style-type: none"> • Secured enactment of three major tax relief bills, granting tax relief to all 109 million American income tax payers and removing five million from paying the income tax altogether. • Held total annual discretionary spending to below four percent growth in 2004. • Reduced the growth in non-security related spending from 15 percent in the last budget year of the previous administration to six percent, five percent, and four percent in the succeeding three years. • Saved the taxpayers money by not spending \$5.1 billion inappropriately designated as “emergency” funding in 2002 supplemental appropriations. • Helped families by increasing the child tax credit from \$500 to \$1,000. • Eliminated the marriage penalty for lower and moderate income taxpayers. • Provided 25 million small business owners with tax cuts averaging about \$3,000. • Eliminated the Death Tax. • Reduced taxes on capital gains and dividends and encouraged savings and investment. • Strengthened America’s economy by opening new markets to U.S. goods and services, forging new trade agreements, and enforcing existing trade agreements. • Helped expand homeownership opportunities to achieve record high homeownership rates, with more than one million new minority families purchasing homes since June 2002 and a record 68.4 percent of all Americans owning homes. • Completed (or implementing) nearly 75 percent of the 106 recommendations contained in the President’s comprehensive National Energy Policy, such as filling the Strategic Petroleum Reserve to its capacity of 700 million barrels. • Enacted a new Farm Bill and advanced policies that helped lead to a 10-percent increase in agriculture exports from \$51 billion in 2000 to \$56 billion in 2003. | <ul style="list-style-type: none"> • Holds discretionary spending growth to below four percent, and non-security related spending to 0.5 percent, less than the rate of inflation. • Proposes budget enforcement legislation to restrain the growth in spending and offsets all proposed increases in mandatory spending. • Supports pro-growth economic policies and spending restraint that will cut the projected deficit in half within the next five years, to a size that is less than two percent of GDP. • Fuels America’s economic recovery by making the tax cuts permanent. • Includes new initiatives for tax-favored savings and retirement accounts for all Americans. • Supports finalizing bilateral and regional free trade agreements and enforcing existing trade agreements. • Initiates a comprehensive plan for Jobs for the 21st Century, including: a new \$250 million grant program for our Nation’s community colleges, focused on training for high-demand occupations identified by employers; and \$333 million to help students make the transition from high school to college, including increased college aid for eligible low-income students who complete a demanding high school curriculum. • Proposes a national energy policy to ensure an affordable, reliable energy supply by upgrading the Nation’s electrical grid, promoting energy efficiency, and increasing domestic energy production while protecting the environment. • Spurs job creation by providing more than \$20 billion in small business lending and equity programs. • Promotes responsible corporate governance and the integrity of our financial markets by enhancing enforcement efforts of the SEC, and boosting its funding to \$893 million, a 10-percent increase. |

Strengthening the Economy and Promoting Job Creation—Continued

A Record of Accomplishment (2004 vs. 2001 levels except as noted)

- Announced a 10-point plan for corporate responsibility/governance; signed the Sarbanes-Oxley Act; created a new independent oversight board for the accounting industry; provided the SEC with new powers and responsibilities; and more than doubled the SEC's budget since 2001.
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A Commitment to the Future (2005 proposals vs. 2004 levels except as noted)

Meeting Other National Priorities

A Record of Accomplishment (2004 vs. 2001 levels except as noted)

Education

- Reformed K–12 education through the enactment of the landmark No Child Left Behind Act that promotes student achievement, accountability, and greater choices for parents.
- To ensure that every child learns to read by third grade, increased funding nearly four-fold for early reading programs.
- Increased funding for Title I grants for schools in low-income communities by \$3.6 billion (41 percent).
- Increased funding for Special Education by \$3.7 billion (59 percent).
- Increased funding for Pell Grants by \$3.3 billion (37 percent) increasing the number of Pell recipients by nearly one million.
- Enabled approximately 10 million students to attend college each year through grants, loans, and work-study by providing record levels of student aid each year.

A Commitment to the Future (2005 proposals vs. 2004 levels except as noted)

Education

- Increases Title I funding by \$1 billion for a total of \$13.3 billion, 52 percent more than in 2001.
 - Provides \$1 billion more for Special Education, for a total of \$11.1 billion, a 75-percent increase since 2001.
 - Increases funding for early reading programs to \$1.3 billion, a 12-percent increase over 2004.
 - Helps almost five million students pursue postsecondary education by providing \$12.9 billion in Pell Grants, an \$856 million increase.
 - Fulfills a promise to increase funding for Historically Black Colleges and Universities and minority-serving institutions by 30 percent to \$394 million by 2005.
 - Provides \$57 billion in direct and guaranteed student loans to post-secondary students and reforms higher education student aid by raising loan limits for first-year students, expanding options to offer courses on-line, and increasing loan forgiveness for those teaching certain subjects in high-poverty schools.
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Meeting Other National Priorities—Continued

| A Record of Accomplishment (2004 vs. 2001 levels except as noted) | A Commitment to the Future (2005 proposals vs. 2004 levels except as noted) |
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| <p>Environment</p> <ul style="list-style-type: none"> • Proposed a national energy policy that includes initiatives to develop zero-emissions energy technologies, such as hydrogen fuel cells, clean coal technology, and other sources of clean, affordable energy. • Protected the environment by treating 7.7 million acres of at-risk forests and wooded rangeland under the President’s Healthy Forests Initiative and increasing funding for cooperative conservation programs to \$507 million, 43 percent above the 2001 level. • Proposed Clear Skies legislation to reduce air pollution from power plants by 70 percent over the next 15 years. • Signed and implemented historic Brownfields legislation encouraging investment in and redevelopment of urban areas and provided an 85-percent increase in EPA funding (\$92 million in 2001 to \$170 million in 2004). <p>Health Care</p> <ul style="list-style-type: none"> • Secured enactment of comprehensive Medicare reforms, including a prescription drug benefit for over 41 million elderly and disabled Americans in 2006; a prescription drug discount card; transitional assistance for low income individuals beginning in 2004; expansion of private plan options; and preventive benefits. • Provided access to health care for an additional three million people through 614 new and expanded health center sites funded with an additional \$449 million. • Advanced medical research by completing the doubling of National Institutes of Health funding and launched a major new biodefense research initiative. • Gave Americans greater access to a more affordable insurance option while saving for future health care expenses by creating tax-free Health Savings Accounts (HSAs). • Approved waivers and State amendments, making up to 2.6 million people eligible for Medicaid and SCHIP coverage. | <p>Environment</p> <ul style="list-style-type: none"> • Enhances the Nation’s supply of clean, affordable energy by increasing funding for clean energy resources, including \$237 million to develop the world’s first “zero-emissions” coal-fueled power plant and \$228 million (44-percent increase) for hydrogen and fuel cell R&D. • Prevents catastrophic wildfires, saves lives and property, and protects forests by implementing the President’s Healthy Forests Initiative, providing a \$58 million increase to remove excess wood and brush that fuel fires. • Protects public health and improves air quality by providing \$65 million for an expanded diesel school bus retrofit program to reduce harmful bus emissions. • Accelerates the Great Lakes clean-up by providing \$45 million, nearly a five-fold increase over previous levels. • Tackles remaining Superfund sites, many of which are the toughest sites on the cleanup list, by increasing Superfund long-term cleanups by \$124 million (nearly a 50-percent increase). <p>Health Care</p> <ul style="list-style-type: none"> • Expands health care coverage by making it more affordable for small businesses to purchase coverage for employees through Association Health Plans to provide coverage for up to two million uninsured Americans. • Provides millions of uninsured, low-income Americans with access to health insurance through a refundable tax credit. • Allows individuals to deduct the premiums associated with HSAs. • Implements the prescription drug discount card to give immediate discounts of 10-25 percent to cardholders and provides \$600 annually in immediate assistance to low-income individuals to pay for prescription drugs, until a comprehensive drug benefit is implemented in 2006. |

Meeting Other National Priorities—Continued

A Record of Accomplishment (2004 vs. 2001 levels except as noted)

Faith-Based and Community Initiatives

- Eliminated barriers that have kept faith-based charities from partnering with the Federal Government to help Americans in need.
- Issued an Executive Order in December 2002 to ensure that agencies do not arbitrarily exclude faith-based organizations from access to Federal funding.
- Established the Access to Recovery initiative, which provides vouchers for substance abuse treatment, helping an estimated 50,000 people in 2004.
- Created the Compassion Capital Fund for public/private partnerships to support charitable groups in expanding model social service programs (HHS awarded over \$32 million for 81 new and continuing grants in 2003).
- Established a mentoring program for children of prisoners (HHS awarded \$9 million in grants to 52 organizations in 2003).
- Proposed the highest-ever funding level for the Corporation for National and Community Service; expanded AmeriCorps to support 75,000 members; created USA Freedom Corps to coordinate domestic and international service programs and strengthen America's culture of service.

A Commitment to the Future (2005 proposals vs. 2004 levels except as noted)

Faith-Based and Community Initiatives

- Proposes a four-year \$300 million Prisoner Re-Entry initiative to help individuals leaving prison make a successful transition to community life and long-term employment.
 - Increases funding for faith-based initiatives, including doubling the Access to Recovery program to \$200 million, more than doubling resources for the Compassion Capital Fund, (\$100 million), and proposing \$50 million for mentoring children of prisoners.
 - Proposes over \$1 billion for the Corporation for National and Community Service; includes \$442 million to support 75,000 AmeriCorps members; requests \$225 million to expand the National Senior Service Corps to 600,000 volunteers; and engages over one million youth in service-learning activities.
 - To encourage charitable giving, proposes \$1.9 billion in charitable tax incentives.
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Meeting Other National Priorities—Continued

| A Record of Accomplishment (2004 vs. 2001 levels except as noted) | A Commitment to the Future (2005 proposals vs. 2004 levels except as noted) |
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| <p>Other Priorities</p> <p>Veterans Affairs (VA). Implemented changes to ensure that veterans receive timely, quality medical care; more than cut in half processing time for claims; and in 2004 will eliminate waiting lists for medical care from a high of 300,000, and increase funding by 36 percent.</p> <p>HIV/AIDS. Proposed and secured authorization of a bold five-year, \$15 billion initiative to combat global AIDS, the single largest international public health initiative ever attempted to defeat a disease.</p> <p>Millennium Challenge Account. Proposed and secured authorization of the Millennium Challenge Account to provide aid to countries that demonstrate a commitment to ruling justly, investing in their people, and encouraging economic freedom.</p> <p>National Science Foundation (NSF). To attract more highly talented students to science and engineering, increased funding for NSF from 2001 through 2004 by 26 percent, including increasing student stipends from \$18,000 a year to \$30,000 a year.</p> <p>President's Management Agenda:</p> <ul style="list-style-type: none"> • Ensured that government agencies are responsibly accounting for the people's money. • Designed new rules for conducting public-private competitions, creating a more reasoned and responsible process by which agencies can provide commercial services at the best value to the taxpayer. • Designed a modern, flexible, business-like human resources management system that will allow the Department of Homeland Security to place the right people in the right jobs with a clear understanding of what's expected of each of them and proper incentives and supervision to perform so they can best protect the American people. | <p>Other Priorities</p> <p>Veterans Affairs. Increases the VA medical care budget 41 percent above 2001 level—enabling it to treat one million additional patients—and continues to integrate DOD and VA so that there will be a seamless transition to veterans status for military personnel.</p> <p>HIV/AIDS. Provides \$2.8 billion for the President's emergency plan—a \$400 million increase and the 2nd installment of the five-year plan.</p> <p>Millennium Challenge Account. Includes \$2.5 billion for the Millennium Challenge Account, putting the Administration on a path to meet the President's commitment of \$5 billion in 2006.</p> <p>Marriages and Family. To promote marriage and healthy family development (including abstinence by teens), proposes \$3 billion over five years in Federal and State funds. This includes a new matching grant program, funded at \$120 million per year, plus an equivalent State match, to promote effective family formation activities to support healthy marriages. Also, proposes an additional \$23 million for schools that want to use drug testing to save children's lives.</p> <p>NASA. Completes the International Space Station, retires the shuttle by 2010, and focuses on a new space exploration vehicle capable of new space exploration missions to the Moon, Mars, and beyond.</p> <p>President's Management Agenda:</p> <ul style="list-style-type: none"> • Provides additional incentives for government employees by linking their paychecks to performance. • Addresses the causes of wasteful spending with sounder management practices, ensuring that taxpayer dollars are spent for the purpose for which they are intended. • Examines 100 percent of the government's program spending within three years to ensure that programs are achieving the results they are supposed to achieve. |