

# BUDGET AND MANAGEMENT HIGHLIGHTS

## Budget Highlights

	What We Will Accomplish	What We Will Spend (2004 levels except where noted)
<b><i>Create Jobs and Strengthen the Economy</i></b>		
Tax relief and job growth	\$1,083 average tax cut for 92 million Americans and create 2.1 million jobs.	Keep government spending from growing faster than the income of the American family (four percent).
Unemployment assistance	Five-month extension of unemployment benefits (enacted). Provide over one million unemployed individuals with up to \$3,000 to find work.	\$7.1 billion (2003). \$3.6 billion for Re-employment Accounts (2003 and 2004).
Corporate accountability	Protect shareholders from fraud and restore confidence in the corporate sector and financial markets by ensuring corporate financial information is accurate and accessible, corporate management is accountable, and auditors are independent.	SEC: \$842 million (nearly double the 2002 level). FBI: +\$16 million (+110 staff) for investigations. U.S. Attorneys: +\$9 million (+94 staff) for prosecutions.
<b><i>Secure America from Terrorism and Other Threats Abroad</i></b>		
Department of Defense (DoD)	Secure an orderly buildup in the defense budget to meet new threats.	\$380 billion (+\$15 billion or four percent). President Bush's DoD budget is \$84 billion higher than the budget he inherited -- the largest increase since the Reagan Administration.
Missile defense	Defend America against ballistic missiles with initial capability in late 2004.	\$9.1 billion in 2004.
Support foreign partners	Advance the global fight against terrorism by supporting foreign partners—particularly frontline states.	\$2.3 billion in 2004 assistance. Targeted assistance to Jordan (\$250 million), Pakistan and Turkey (\$200 million each), Afghanistan (\$150 million), and Colombia (\$463 million).
Millennium Challenge Account	Aid developing countries that demonstrate commitments to govern justly, invest in people, and encourage economic freedom.	\$1.3 billion as first step toward President's \$5 billion in annual funding by 2006.

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<b><i>Protect the Homeland</i></b>		
All federal homeland security programs (non-defense)	Prevent terrorist attacks within the United States, reduce America's vulnerability to attacks, and enhance emergency response and recovery capabilities.	\$35 billion (more than double compared to the pre-September 11 <sup>th</sup> level).
Department of Homeland Security	Integrate 22 agencies and programs into a new department of 179,000 employees, whose central mission is to protect the homeland.	\$36.2 billion (+64 percent compared to the pre-September 11 <sup>th</sup> level for these programs).
Bioterrorism	Strengthen and expand the capability to respond to a bioterrorism threat by maintaining and strengthening current Strategic National Stockpile.	\$400 million to maintain and strengthen the nation's existing vaccine and pharmaceuticals stockpile.
	Secure medical countermeasures to strengthen our preparedness against bioterror attacks.	\$890 million in mandatory spending in 2004 and \$5.6 billion over 10 years.
<b><i>Meet Other Priorities</i></b>		
No Child Left Behind	Test all students in grades 3-8 by the 2005-2006 school year and ensure all students reach proficiency in reading and math.	\$12.4 billion (+\$1 billion or nine percent) for Title I programs in needy public schools. \$1 billion for Reading First (+\$50 million). \$100 million for Early Reading First (+\$25 million or 33 percent). \$220 million for Charter School grants (+\$20 million or 10 percent). \$75 million for a new School Choice Incentive Fund.
Pell Grants	Provide nearly five million low-income students the opportunity to get postsecondary education.	\$12.7 billion in Pell Grants (\$4,000 maximum award for eligible students).
Special Education	Provide support to states to ensure over 6.5 million students with disabilities get a quality education.	\$9.5 billion (+\$1 billion). \$447 million to serve infants and toddlers with disabilities and their families.
Compassion	Expand the capacity of faith-based and community organizations to address problems, promote responsible fatherhood and marriage by targeting the 25 million children living in homes without fathers, and reach out to the five million people who need drug coverage but do not receive it.	\$200 million for drug treatment vouchers. \$2.1 billion in charitable tax incentives (\$20 billion over 10 years). \$100 million for the Compassion Capital Fund. \$20 million to promote responsible fatherhood and marriage.

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	Engage Americans in volunteer service through the USA Freedom Corps.	\$50 million in grants for mentoring children of prisoners, doubling the program. \$359 million for the Peace Corps.
Global AIDS prevention, research, and cure	Combat the spread of AIDS that currently afflicts 42 million people in the world and is destroying the social and economic fabric of many countries in Sub-Saharan Africa, as well as threatening other regions.	\$15 billion over five years for the hardest hit countries. \$627 million in Health and Human Services (HHS). \$790 million in Agency for International Development.
Famine	Presidential authority to respond to famine and other crises.	\$200 million contingency fund with flexible authorities to provide food, grants, or other emergency support.
Energy security	Accelerate widespread use of fuel-cell vehicles by focusing on hydrogen technologies. Work with other nations to develop fusion as a commercially viable energy source.	Devote more than \$1.5 billion over five years to the hydrogen initiative, more than doubling funding in this area. Contribute to the International Thermonuclear Experimental Reactor project.
Health insurance	Extend health insurance coverage to four million low and middle income Americans who do not have employer coverage.	Refundable tax credit to subsidize up to 90 percent of coverage for low and middle income Americans (\$89 billion over 10 years).
Health centers	Add 230 new and expanded sites to serve an additional one million people in rural and underserved urban areas.	\$1.6 billion (+\$169 million) to fund 3,685 health center sites serving 14 million people.
Disease prevention	Reduce the incidence of asthma (26.7 million people), diabetes (17 million people), and obesity.	+\$100 million for the Centers for Disease Control and Prevention, in partnership with other HHS agencies.
Homeownership	Increase minority homeownership by 5.5 million through 2010 and continue America's record overall homeownership rate (68 percent of households).	Add \$7.5 billion in Federal Housing Administration mortgages to 60,000 homebuyers with lower credit ratings. \$200 million to fully fund the Down Payment Assistance initiative. \$2.2 billion (+five percent) for HOME formula funding. Tax incentives for low-income homeowners (\$16 billion over 10 years).

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Medicare	Modernize and reform Medicare for its 41 million eligible beneficiaries to improve care, including a prescription drug benefit option while ensuring its long-term financial viability.	+\$400 billion (10-year increase).
Environment	Reduce powerplant emissions of sulfur dioxide, nitrogen oxide, and mercury by 70 percent.	\$150 million to cleanup orphan hazardous waste sites. Add \$10 million to the President's Brownfields initiative (doubled in 2003).
	Continue America's progress on clean air, clean water, and natural resource protection.	\$4.3 billion (+seven percent) for the Environmental Protection Agency's operating budget.
	Increase from 91 percent to 95 percent by 2005 the population served by community water systems that meets all health-based standards.	Increase the long-term Clean Water State Revolving Fund level to \$2.8 billion and the Drinking Water State Revolving Fund to \$1.2 billion.
Stewardship of parks and other federal lands	Eliminate the National Park Service maintenance backlog.	Double funding (2002–2006) to eliminate maintenance backlog. \$900 million to fully fund the Land and Water Conservation Fund.
	Reduce risk to the 73 million acres of federal forest vulnerable to catastrophic fire.	\$415 million for the Forest Service and Interior Department to implement the President's Healthy Forests Initiative.
	Enhance the nation's wildlife refuges.	\$402 million (+\$27 million) for national wildlife refuges.
Research and development	Promote scientific discovery and technological innovation to generate economic growth and jobs, and to improve national defense and the quality of life.	\$123 billion (+seven percent).
Veterans	Serve six million veterans participating in Veterans Affairs programs.	\$63.6 billion.
	Reduce disability claims processing from 209 days (2002) to 100 days (2004).	
	Increase claims accuracy from 80 percent to 90 percent in this same time period.	

## Management Highlights

### Recent Accomplishments

- Two years ahead of schedule, the Department of the Treasury and the Social Security Administration met the goal to produce audited financial statements by November 15th, 45 days after the end of the year compared with 151 days under previous administrations.
- For the first time ever, the Department of Agriculture received a clean opinion on its financial statements. Indications are that NASA will get a clean opinion, as well.
- The Department of Health and Human Services (HHS) has reduced its personnel offices from 40 to seven, and will eventually reduce to just one. This and other consolidations will allow HHS to redeploy hundreds of employees to the front lines to deliver services directly to the American people.
- The Department of Defense reduced headquarters staff by 11 percent, reducing civilian employees by over 3,000 in just the last year.
- Erroneous Medicare payments fell from 6.8 percent in 2000 to 6.3 percent in 2001. Erroneous Food Stamp payments fell from 8.9 percent in 2000 to 8.7 percent in 2001. These seemingly small gains prevented the waste of almost \$1 billion.
- Citizens are now only three clicks away from transactions and services on the redesigned *www.Firstgov.gov* that Yahoo!© rated as one of the “world’s 50 most incredibly useful websites.”
- The federal government began 2002 with 10 percent of its individually billed travel accounts delinquent. That amount has been cut to six percent, bringing total delinquent dollars for individually billed accounts down by over \$300 million.
- The President secured passage of legislation pulling 22 agencies and programs into one new Department of Homeland Security. The Department will have enhanced managerial flexibilities, including giving managers the ability to quickly move workers to better safeguard the nation from attack.
- *GovBenefits.gov* provides, with a minimum of red tape, an online tool for citizens to learn about federal benefit programs for which they may qualify.

### Sample Work in Progress

- The Free File program, launched by the IRS in January 2003, will enable 60 percent or more of taxpaying Americans to prepare and file their taxes online, for free.
- The number of federal payroll providers will be reduced from 22 to two, saving the American taxpayers \$1.2 billion in payroll processing costs.
- All major federal departments and agencies will produce audited financial statements 45 days after the end of 2004.
- The Department of Housing and Urban Development will cut its erroneous rental subsidy payments in half.
- Rules for conducting public-private competitions will be slashed by almost 12,000 words, cutting the time for holding competitions from up to four years to a maximum of just one.
- The Department of Veterans Affairs is opening up the activities of 52,000 employees to competition over the next five years, and 25,000 of them in 2003.
- The number of government-owned vehicles will decline by more than 10,000 in 2004.