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.