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409 12th Street, SW, Suite 310

Washington, DC 20024

phone 202.554.2323

fax 202.554.2346

www.womenspolicy.org

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FY2003 BUDGET BRIEFING PAPER

Introduction

President Bush delivered his \$2.1 trillion FY2003 budget to Congress on February 4. Under the President's proposal, discretionary spending for defense-related programs would increase 8.5 percent to pay for the war on terrorism, homeland defense, and revitalizing the economy. Spending for all other programs would increase by 2 percent.

The following summarizes the President's budget proposal for a number of programs important to women and families.

Department of Agriculture

Child Nutrition: Child nutrition programs would receive \$10.56 billion, an increase over the \$10.083 billion appropriated in FY2002. Child nutrition programs include the National School Lunch program, the School Breakfast program, Summer Food Service, the Special Milk program, and the Child and Adult Care Food program.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Under the President's budget, WIC would receive \$4.751 billion, an increase of \$247 million. The funding level would support a monthly average of 7.8 million participants.

Department of Education

Under the President's budget, the Department of Education would receive \$56.5 billion in FY2003, an increase of \$2 billion over FY2002. Discretionary funds would reach a record high level of \$50.3 billion, a \$1.4 billion increase over FY2002. Mandatory spending would be \$6.2 billion, an increase of \$700,000.

21st Century Community Learning Centers: The President's budget would level-fund this program at \$1 billion. This initiative provides after-school programs, aimed at preventing juvenile violence and substance abuse, for approximately 1.3 million students who live in high poverty neighborhoods or attend low-performing schools.

Adult Education: Adult education programs would be level-funded at \$591 million.

Assessment Testing: The budget would level-fund at \$387 million a formula grant program to states to pay the cost of developing and administering annual reading and math assessment tests in grades 3-8.

Child Care Access Means Parents in School (CAMPUS): The CAMPUS program would be funded at \$15 million, a decrease of \$10 million from the amount appropriated in FY2002. The program provides grants to establish campus-based child care centers, as well as before- and after-school programs, to assist low-income students who are parents. According to budget documents, the reduction in funding represents a lack of participation in the program.

Charter Schools: The budget would level-fund charter schools at \$200 million. These schools have flexibility to offer innovative programs in exchange for greater accountability for improved student performance. The request would accommodate approximately 1,800 new and existing charter schools.

Civil Rights Enforcement: The Department of Education's Office for Civil Rights would receive \$89.7 million, an increase of \$9.8 million over the FY2002 level, for its efforts to address civil rights issues and complaints, including those associated with gender equity.

Education for Homeless Children and Youth: The budget would level-fund the education for homeless children and youth program at \$50 million.

Elementary and Secondary Education (ESEA): In accordance with the passage of the No Child Left Behind Act, which reauthorized the ESEA, the President's budget would increase Title I spending by \$1 billion, to \$11.4 billion. The increase would be directed to high poverty schools through the Targeted Grants formula.

Education Technology State Grants: The budget would include level funding of \$700.5 million for Education Technology State Grants, which support school efforts to integrate technology into the classroom.

Even Start: The Even Start family literacy program would be funded at \$200 million in FY2003, \$50 million less than FY2002. According to budget documents, the reduction in funds would allow a retargeting of resources for early childhood literacy to the Reading First program.

Impact Aid: Under the President's budget, Impact Aid would receive \$1.14 billion, a slight decrease from the \$1.143 appropriated in FY2002.

Improving Teacher Quality: The No Child Left Behind Act combined funding from the Class Size Reduction and the Eisenhower Professional Development State Grants into an Improving Teacher Quality State Grants program. The combined grants program would be level-funded at \$2.85 billion. States could use the funds at their discretion to improve teacher quality.

Literacy: The Reading First program would receive an increase of \$100 million to \$1.075 billion in FY2003. Funding would be divided between the two components of the Reading First program. Reading First State Grants, used by local school districts to train teachers in reading instruction, would receive \$1 billion. Early Reading First, a competitive grant program that supports reading readiness activities targeted to low-income children in existing pre-school programs, would receive \$75 million.

Loan Forgiveness for Child Care Providers: Loan forgiveness for child care providers would be level-funded at \$1 million. Under the Higher Education Amendments of 1998, child care providers who have earned a degree in early education and work for two years as providers in low-income areas are eligible to have a portion of their loans forgiven.

Loan Forgiveness for Math and Science Teachers: The President's budget would expand loan forgiveness for highly qualified math and science teachers who choose to teach in low-income communities from \$5,000 to a maximum of \$17,500.

Magnet Schools: The budget would level-fund the federal assistance provided for magnet schools at \$110 million. Magnet schools offer distinctive educational programs designed to attract a diverse student population and to desegregate public schools.

Math and Science Partnerships: The budget would level-fund at \$12.5 million a program that provides grants to states, colleges and universities, and local school districts that create partnerships for the purpose of developing strong math

and science curricula and providing incentives to attract college math and science majors into the teaching profession.

Pell Grants: Funding for Pell Grants would be increased by \$549 million to \$10.9 billion. The increase would allow the maximum Pell Grant award of \$4,000 to be maintained for approximately 4.5 million students.

Safe and Drug Free Schools: The President's budget request would include \$644.3 million for the Safe and Drug Free Schools program, \$103 million less than in FY2002.

Special Education: The Individuals with Disabilities Education Act (IDEA) would receive a \$1 billion increase in FY2003 to \$9.7 billion. The increase would provide approximately \$1,300 for each child with a disability, the highest level of federal support ever provided for children with disabilities.

Vocational Education: Vocational education programs would receive a slight decrease from \$1.32 billion in FY2002 to \$1.30 billion in FY2003.

Women's Educational Equity Act (WEEA): The President's budget does not include funding for WEEA in FY2003. The program, which promotes educational equity for girls and women through grants to public agencies, private nonprofit organizations, and individuals, received \$3 million in FY2002.

Department of Health and Human Services

The Department of Health and Human Services (HHS) would receive \$488.8 billion in FY2003, an overall increase of 6.3 percent over FY2002; discretionary spending would increase by 3.9 percent to a total of \$64 billion.

Administration for Children and Families

Adoption Incentives/Awareness: The budget would level-fund programs to support and encourage adoptions at \$56 million. The funds would help states enhance their adoption programs, train health care professionals, and continue a national media campaign to inform the public about the adoption of children with special needs.

Child Care and Development Block Grant (CCDBG): The CCDBG would receive \$2.1 billion in discretionary funds for states to provide child care programs. Subsidized child care services also would be available to eligible families through certificates or contracts with providers.

Child Support Enforcement: In FY2003, the request would allocate an estimated \$3.9 billion for the Child Support Enforcement program, a \$69 million increase. The President's budget includes proposals for state incentives, beginning in

FY2005, to better provide child support directly to families currently on welfare.

In addition, the budget would require states to review and adjust child support orders for families receiving Temporary Assistance for Needy Families at least every three years, beginning in FY2004, and reduce the threshold for denying passports to non-custodial parents owing overdue child support from \$5,000 to \$2,500.

Child Welfare/Abuse Programs: The President's budget would include \$421 million, maintaining the FY2002 level. The funds provide services to prevent child abuse and neglect.

Community Services: The budget would provide \$640 million for Community Services programs, a reduction of \$98 million from FY2002. These programs provide housing and employment assistance, education and training services, and nutrition, health, and substance abuse assistance. This total includes \$570 million for the Community Services Block Grant, an \$80 million decrease.

Foster Care, Adoption Assistance, and Independent Living: These programs would receive \$6.6 billion in FY2003, a \$13 million decrease. Of this amount, \$4.9 billion would provide payments to families on behalf of 249,000 children each month, a \$171 million decrease from last year's level. The budget includes \$1.6 billion for the Adoption Assistance program, an increase over the FY2002 appropriation of \$1.426 billion. In addition, \$200 million would be provided for the Independent Living program. This funding request also includes \$60 million in new discretionary funds to provide further educational opportunities to youths aging out of foster care.

Head Start: The budget includes \$6.7 billion for Head Start, an increase of \$130 million over FY2002. The increase would serve an estimated 915,000 children in Head Start, and 62,000 children in Early Head Start in FY2003. The funding increases would maintain current enrollment levels, strengthen training and technical assistance, and support competitive salaries for Head Start teachers.

Maternity Group Homes: The President's budget would provide \$10 million for the Maternity Group Homes program. Funding for this program would assist providers in establishing and operating adult-supervised group homes for young mothers and their children. The homes would provide child care, education, job training, counseling, and parenting skills. No funding was allocated for the program in FY2002.

Promoting Safe and Stable Families: Funding for the Promoting Safe and Stable Families program would be increased by \$130 million, for a total of \$505 million in FY2003. This funding level would include \$305 million in mandatory fund-

ing and \$200 million in discretionary funding. An additional \$25 million would be made available for a new Mentoring Children of Prisoners program.

Refugee and Entrant Assistance: Refugee and Entrant Assistance would receive \$453 million in FY2003, a reduction of \$8 million. Of this amount, \$10 million would be provided for support efforts to identify and assist those who are found to be victims of trafficking. That is the same amount provided last year.

Responsible Fatherhood: The budget would include \$20 million for programs promoting responsible fatherhood. The funds would be provided to faith-based and community organizations that help unemployed and low-income fathers avoid or leave cash welfare. No funds were allocated for this program in FY2002.

Social Services Block Grant (SSBG): The SSBG would be level-funded at \$1.7 billion. The SSBG provides funds to help states administer social services and allow states discretion in allocating funds to suit their specific needs. Programs frequently supported by SSBG funds include child care, child welfare, home-based services, employment services, and special services for the disabled.

Temporary Assistance to Needy Families (TANF): TANF programs would be level-funded at \$16.7 billion. These funds would be used for block grants, supplemental grants to reduce disparities in welfare spending among states, high performance bonuses, and improved work requirements.

The President's budget proposal would include funding for Family Assistance Grants to states and territories for five years at the current levels. It also would include supplemental population grants of \$319 million and would renew the \$2 billion Contingency Fund.

The budget proposal also would include provisions to promote work and self-sufficiency by eliminating the out-of-wedlock birth bonus and replacing it with a new initiative to fund efforts to build strong families, reduce out-of-wedlock pregnancies, and promote healthy marriages.

Violence Against Women Act (VAWA): VAWA programs administered by HHS would be level-funded at \$142 million.

Administration on Aging (AoA)

The budget request would level-fund the AoA at \$1.3 billion.

National Family Caregiver Support Program: Authorized in FY2001, the National Family Caregiver Support program would be level-funded at \$141 million.

Centers for Disease Control and Prevention (CDC)

The CDC would receive \$5.8 billion, a decrease of \$1 billion from FY2002.

Birth Defects: The Birth Defects and Developmental Disabilities Center would receive \$90 million, a \$1 million decrease. Established by the Children's Health Act (P.L. 106-310), the center addresses education and outreach to reduce birth defects, including a campaign to increase pregnant women's consumption of folic acid.

Breast and Cervical Cancer Screenings: The National Breast and Cervical Cancer Early Detection program would receive \$203 million, an increase of \$9 million above FY2002. The program also includes the WISEWOMAN program, which operates in 12 states. The program screens for heart disease and diabetes risk factors and provides dietary and physical activity interventions for at-risk women.

Environmental Health: The President's budget includes \$156 million for environmental disease prevention, a \$1 million decrease.

Healthy Communities: The budget includes new funding of \$5 million to encourage state and local governments to target health risks, including heart disease, increased access to care, and higher quality care. This program will be done in conjunction with the Health Resources and Services Administration's new Healthy Communities Innovation initiative.

HIV/AIDS/STDs/TB: Under the budget, HIV/AIDS, sexually transmitted diseases, and tuberculosis prevention activities would be level-funded at \$1.1 billion. The budget also proposes \$144 million, the same level as last year, to combat global HIV/AIDS.

Agency for Healthcare Research and Quality (AHRQ)

The FY2003 budget request for AHRQ is \$251 million, a decrease of \$49 million from last year. The budget would place a priority on improving patient safety, providing additional information on quality and disparities in health care, and encouraging evidence-based clinical, system, and policy practices.

Centers for Medicare and Medicaid (CMS)

Formerly known as the Health Care Financing Administration, the CMS would receive \$397.3 billion in FY2003 to cover Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), and the Health Care Fraud and Abuse Control Program. This funding level reflects an increase of \$22.6 billion over FY2002.

Medicaid: During FY2003, Medicaid is expected to have an average enrollment of 40.4 million individuals, and the federal share of Medicaid payments will be approximately \$158.7 billion. The President's budget would extend Transitional Medical Assistance (TMA) through FY2003. The program is set to expire at the end of FY2002. TMA provides health coverage for up to 12 months for former welfare recipients after they enter the workforce and are no longer eligible for welfare.

Medicare: The Medicare program is expected to serve 40 million individuals in FY2003. The President's budget proposes \$190 billion over ten years to reform Medicare and to provide a prescription drug benefit. Of that amount, \$1.2 billion would be provided in FY2003, \$20.7 billion would be provided over five years, and \$77.1 billion would be dedicated over ten years for making prescription drugs more affordable to certain low-income seniors.

Under this plan, states would be able to provide prescription drug-only coverage to Medicare beneficiaries up to 100 percent of poverty at the regular Medicaid match rate. Medicare would pay 90 percent of the cost of expanding coverage for Medicare beneficiaries between 100 and 150 percent of poverty. States would only be responsible for the remaining 10 percent.

State Children's Health Insurance Program (SCHIP): Established by the Balanced Budget Act of 1997, SCHIP provides health care coverage for low-income, uninsured children whose families do not qualify for Medicaid. Under the President's budget, SCHIP would receive a \$673 million increase to \$4.4 billion in FY2003. In addition, the budget would extend the availability of unspent FY1998, FY1999, and FY2000 funds until FY2006.

Currently, four states—New Jersey, Rhode Island, Wisconsin, and Minnesota—have been granted Section 1115 waivers, which allow flexibility to expand and improve coverage for children. Under these waivers, the four states will offer coverage to parents of eligible children.

Food and Drug Administration (FDA)

The FDA would receive \$1.7 billion, an increase of \$123 million over FY2002. The increase would be targeted for improving the new drug review process, accelerating the review of generic drugs, protecting against bioterrorism, and improving patient safety.

Bioterrorism: The budget includes \$159 million, an increase of \$1 million for efforts to protect against bioterrorist threats.

User Fees: The FDA estimates it will collect \$23 million in user fees under the Mammography Quality Standards Act, an increase of \$1 million, and \$272 million under the Prescription Drug User Fee Act, an increase of \$103 million.

Health Resources and Services

Administration (HRSA)

HRSA would receive \$6 billion, a net decrease of \$394 million from FY2002. According to budget documents, over half of the reduction would come from one-time projects funded in FY2002.

Abstinence Education: The total funding for abstinence-only education would be \$135 million in FY2003, an increase of \$33 million. Of that amount, \$73 million would be for the Community-Based Abstinence Education program, an 80 percent increase; \$50 million would be provided for mandatory abstinence education as required under the 1996 welfare reform law (P.L. 104-193); and \$12 million would be provided for abstinence activities under the Adolescent Family Life Act, the same amount as last year.

Community Health Centers: Under the President's plan, community health centers would receive \$1.5 billion, a \$114 million increase over last year. The increase would enable HRSA to support an additional 90 community health centers and an additional 1 million individuals. The increase would be part of a multi-year initiative to increase the number of community health centers to 1,200 by the year 2006. An estimated 6.9 million women and children will be served by community health centers in FY2002.

Family Planning: The Title X family planning program would be level-funded at \$266 million in FY2003.

Healthy Community Initiative: The FY2003 budget would include \$20 million for a new Healthy Communities Innovation initiative to enhance access to services and coordinate a public/private partnership between prevention, medical, social, educational, business, civic, and religious organizations. The initiative would target diabetes, asthma, and obesity.

Healthy Start: The Healthy Start program would be level-funded at \$99 million. The program was reauthorized under the Children's Health Act (P.L. 106-310) and would target racial, ethnic, geographical, and other disparate populations by supporting programs to reduce infant mortality.

HIV/AIDS: The Ryan White CARE Act program would be level-funded at \$1.9 billion. The budget request would support services to 500,000 individuals.

Maternal and Child Health Block Grant: The Maternal and Child Health Block Grant would be level-funded at \$739 million.

Indian Health Service (IHS)

IHS would receive \$3.5 billion, a net increase of \$61 million over FY2002. Under the budget, the IHS would receive

approximately \$509 million in health insurance reimbursements from Medicaid and Medicare.

National Institutes of Health (NIH)

The President's budget requests \$27.3 billion for the NIH, a \$3.7 billion increase over FY2002.

Bioterrorism Research: The FY2003 budget includes nearly \$1.8 billion, a six-fold increase, to support biomedical research in the areas of bioterrorism prevention and treatment. This figure represents 40 percent of the total increase in funding for the NIH.

Cancer Research: According to budget documents, in FY2003, the NIH will spend an estimated \$5.5 billion for research on cancer, a 12.8 percent increase over FY2002.

HIV/AIDS: The budget includes \$2.8 billion for HIV/AIDS-related research, an increase of \$255 million. The funding would be used to implement a comprehensive HIV/AIDS research plan, which would focus on prevention research, including microbicides, therapeutic research, international research, and research targeting minority populations.

Minority Health: Funding for the National Center on Minority Health and Health Disparities would be increased from \$158 million in FY2002 to \$179 million.

Office of Research on Women's Health (ORWH): In FY2003, the NIH-ORWH would receive \$40.7 million. According to HHS, the NIH is expected to spend \$4 billion on women's health research, a 21.5 percent increase.

The Office of the Secretary of Health and Human Services

HIV/AIDS: The President's budget includes \$50 million for the Office of the Secretary to address high-priority HIV/AIDS prevention and treatment needs. The same funding level was provided in FY2002.

Public Health Service's Office of Minority Health (PHS-OMH): The PHS-OMH would receive \$47 million in FY2003, a \$3 million decrease from last year. The decrease is the result of one-time projects funded in FY2002.

Public Health Service's Office of Population Affairs (PHS-OPA): The PHS-OPA provides support for the Adolescent Family Act (AFLA), which would receive a \$2 million increase in FY2003 to \$31 million. The increase would be used to expand the AFLA's prevention program, focusing specifically on teen pregnancies, STDs, and HIV/AIDS. The funding also would continue to provide for abstinence-only education projects.

Public Health Service's Office on Women's Health (PHS-OWH): The President's budget requests a \$2 million increase to \$29 million for the PHS-OWH. This funding will continue to advance women's health programs through research, service delivery, and education.

Substance Abuse and Mental Health Services (SAMHSA)

The budget proposal for SAMHSA totals \$3.2 billion, an increase of \$57 million over the FY2002 enacted level. The President is requesting \$1.8 billion for the Substance Abuse Block Grant, an increase of \$60 million over FY2002. Additionally, the Mental Health Block Grant would be level-funded at \$433 million.

Department of Housing and Urban Development

Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA program would receive a \$15 million increase to \$292 million. The requested funding would support an additional 3,800 households.

Homeless Housing: Homeless assistance grants and shelter renewals would receive a slight increase from \$1.12 billion in FY2002 to \$1.13 billion in FY 2003. These programs fund emergency shelters, supportive housing services, and assistance to homeless individuals seeking permanent housing, and the requested funding would support more than 50,000 new and renewal transitional and permanent beds.

Department of Justice

Hate Crimes: The President's budget proposes \$2.8 million for investigation, prosecution, and response to hate crimes. Of that amount, \$1.3 million would be provided

for hate crimes training and technical assistance, and \$1.5 million would be provided to study the effect of hate crimes legislation.

Internet Crimes Against Children: The budget proposes \$6.1 million to expand the Internet Crimes Against Children Task Force program by establishing regional task forces in 40 states.

Juvenile Justice: Juvenile justice programs would be reduced by \$48.1 million to \$238.34 million.

Violence Against Women Act (VAWA) Programs: VAWA programs administered by the DoJ would be level-funded at \$390 million. VAWA funding would be distributed as follows:

- \$187.74 million for general grants;
- \$1 million for a Bureau of Justice Statistics study on the processing of federal domestic violence cases;

- \$5.2 million for the National Institute of Justice for research and evaluation of violence against women;
- \$10 million for the Safe Start program;
- \$69.93 million for grants to encourage arrests;
- \$39.96 million for rural domestic violence and child abuse enforcement grants;
- \$4.99 million for training programs for parole and probation officers dealing with released sex offenders;
- \$3 million for a stalking and domestic violence database;
- \$10 million for grants to reduce violence on college campuses;
- \$40 million for legal assistance to victims of domestic violence;
- \$5 million for enhancing protection for older and disabled women from domestic violence and sexual assault;
- \$15 million for a Safe Havens program; and
- \$7.5 million for education and training to end violence against women with disabilities.

Additionally, \$11.98 million would be provided for Court Appointed Special Advocates and \$2.3 million would be provided for child abuse training programs for judicial personnel and practitioners through the Victims of Child Abuse Act of 1990.

Department of Labor (DoL)

The Department of Labor (DoL) would receive \$56.5 billion under the President's budget, \$2.9 billion less than the previous year. The President's proposal would reduce discretionary programs by \$1.1 billion.

Adult Employment and Training: The budget would provide \$900 million for employment and training assistance to disadvantaged and low-income adults, including welfare recipients, a reduction of \$50 million below FY2002.

Child Labor: A portion of the proposed \$54.6 million for the Bureau of International Labor Affairs would be directed toward the International Labor Organization's efforts to reduce child labor throughout the world. In FY2002, \$45 million was appropriated. The budget does not include a specific line-item related to child labor.

Civil Rights Enforcement: The DoL Office of Civil Rights would receive \$6 million, an increase of \$200,000 over FY2002, to enforce federal regulations prohibiting discrimination in programs funded by the Department.

Dislocated Workers: The dislocated workers program, which provides grants for retraining laid-off workers, would receive \$1.383 billion, an increase of \$12 million above FY2002. This funding level would support 1.7 million participants, 600,000

more participants than FY2002. The budget also includes \$113 million for One Stop Career Centers, a decrease of \$7 million below FY2002.

Employment and Training: The President's budget would provide \$6.5 billion for employment and training programs, a decrease of \$545 million largely due to the carryover of unspent state grants from FY2002.

HIV/AIDS: A portion of the \$54.6 million requested for the Bureau of International Labor Affairs would be directed toward continuing work on the global HIV/AIDS program started in FY2001 under the auspices of the International Labor Organization. The program received \$10 million in FY2002.

Job Corps: The President's budget would provide \$1.5 billion for Job Corps, an increase of \$73 million over FY2002, to support an estimated 73,000 new students at 122 centers. The increase would include \$29 million for staff salary increases, \$4 million to provide high school accreditation at all centers, and \$16 million to complete two new centers.

Occupational Health and Safety Administration (OSHA): The budget would provide \$448.7 million for OSHA, a decrease of \$8.9 million from FY2002.

Office of Federal Contract Compliance Program (OFCCP): The budget would provide level funding of \$77.5 million. The OFCCP, which oversees companies with federal contracts and subcontracts, is responsible for enforcing regulations that ensure equal employment opportunities for minorities, women, individuals with disabilities, and veterans.

Welfare-to-Work: The President's budget would reduce funding for the Welfare-to-Work program from \$5.9 million in FY2002 to \$4.7 million in FY2003.

Women's Bureau: The budget would provide \$8.4 million for the Women's Bureau at DoL, a \$1.8 million decrease from FY2002.

Youth Activities: The budget would provide \$1.001 billion for the Youth Activities program, a \$127 million decrease from FY2002. The program supports initiatives designed to prepare at-risk youth for success in school and work, including summer jobs.

Youth Offenders: The President's budget does not include funding for the Responsible Reintegration for Young Offenders program, which received separate funding as a demonstration program under the FY2001 and FY2002 budgets. The President recommends that the goals of the program, de-

signed to integrate youth offenders through education, training, drug counseling, job placement and mentoring, can be incorporated into the basic Work Investment Act formula grants.

Youth Opportunity Grants: The FY2003 budget proposal would provide \$44 million for Youth Opportunity Grants, \$181 million less than the FY2002 appropriation. The competitive grants are targeted to programs that help youth in high-poverty areas to graduate from high school, get jobs, and progress in the workforce. The budget request would serve an estimated 43,000 youth.

Department of State

Development Assistance: Under the President's budget, the Child Survival and Health Programs Fund would be included within the development assistance account, bringing total funding for development assistance to \$2.74 billion. In FY2002, development assistance received \$1.2 billion, and the Child Survival and Health Programs Fund received \$1.4 billion.

HIV/AIDS: USAID global health programs would receive \$1.4 billion in FY2003. Of this amount, \$540 million would be provided for bilateral HIV/AIDS prevention, care, and treatment activities, an increase of \$65 million over last year. Additionally, \$100 million would be provided for the Global Fund to Fight AIDS, Tuberculosis, and Malaria, the same amount as last year.

International Family Planning: Of the amount requested for global health programs, \$368.5 million would be provided for international family planning programs; however, State Department officials have stated that the full request will be closer to \$425 million, a \$21 million decrease from last year.

Trafficking: The budget proposes \$10 million to combat human trafficking, which represents a \$10 million decrease from FY2002.

United Nations Population Fund (UNFPA): While the budget proposal zeroes out UNFPA, \$25 million would be reserved for the program under a separate account. In FY2002, Congress approved \$34 million for the UNFPA; however, a 1986 law allows the President to withhold funds for any country or organization if the President certifies that the funds would be used for the performance of coerced abortions and involuntary sterilization. In January of this year, the President announced that he had placed a hold on the money allocated for UNFPA in FY2003, and the State Department has stated that a decision has not yet been made on whether to release the FY2002 funding.

Department of Transportation

The Department of Transportation would receive \$59.3 billion in FY2003, an increase of \$4.7 billion or 8 percent over FY2002.

Child Safety: The Occupant Protection Incentive Grants program, which encourages states to implement and strengthen occupant protection laws including child passenger protection programs, would receive \$20 million, an increase of \$5 million over FY2002.

Minority Business Resource Center (MBRC): The budget would level-fund the MBRC at \$3.9 million. Of that amount, \$900,000 would be used to support a short-term loan guarantee program to assist small, disadvantaged, and women-owned transportation-related businesses.

Welfare-to-Work: The budget would provide a \$25 million increase to \$150 million for the Job Access and Reverse Commute Program, which helps individuals moving from welfare to work with transportation costs.

Related Agencies

Equal Employment Opportunity Commission (EEOC)

The budget would provide \$323.5 million for the EEOC, \$1.5 million less than the amount appropriated in FY2002.

Legal Services Corporation (LSC)

Under the President's budget, the LSC would be level-funded at \$329.3 million.

National Science Foundation (NSF)

The NSF would receive \$5.04 billion under the President's proposal, a \$260 million increase over FY2002.

Math and Science Partnerships: The budget would provide \$200 million in FY2003 for the second year of the NSF's five-year Math and Science Partnership (MSP) program, an increase of \$40 million over FY2002. The MSP is designed to encourage colleges and universities to partner with local school systems to improve math and science education at the pre-college level and to attract qualified individuals to become math and science teachers.

Small Business Administration (SBA)

The President's budget would provide \$798 million for the Small Business Administration, an increase of \$29.5 million from FY2002.

PRIME: The President's budget would eliminate the Program for Reinvestment in Microentrepreneurs (PRIME), a

program that provides grants to nonprofit organizations for training and technical assistance for low-income entrepreneurs.

Small Disadvantaged Businesses (SDB): The SDB program would be level-funded at \$2 million. The program certifies small businesses to receive federal contract preferences.

Women's Business: Both the Women's Business Centers and the National Women's Business Council would be level-funded at \$12 million and \$750,000, respectively.

U.S. Commission on Civil Rights (USCCR)

The President's budget would seek \$9.575 million for the USCCR, an increase over the \$9.096 million appropriated for FY2002.

General Government

The budget proposal renews legislative language requiring health plans participating in the Federal Employees Health Benefits Program (FEHBP) to cover prescription contraceptives if they cover other prescription drugs. The provision was first enacted as part of the FY1999 Treasury, Postal Service, and General Government appropriations bill (P.L. 105-277) and was subsequently renewed in FY2000, FY2001, and FY2002. The budget also proposes to retain language prohibiting abortion coverage under FEHBP.

The President's budget also would renew language permitting women to breastfeed their children on federal property.

Retirement Savings

Under the President's budget, Social Security spending would increase from \$460 billion in FY2002 to \$475 billion in 2003.

According to budget documents, Social Security benefits for seniors would be fully funded, and Medicare would receive \$190 billion for modernization efforts to better serve seniors.

The President's budget also makes clear that Social Security reform is needed to address the \$4.2 trillion deficit. Projections indicate that Social Security spending on benefits would exceed revenues by FY2016, and that the social Security trust fund could be depleted by FY2038.

Tax Relief

The President proposes \$591 billion in tax relief over ten years. Many components of the President's tax cut package were part of the President's FY2002 budget plan, including a proposal to provide \$580 million over five years for tax deductions for teachers who spend their own money for classroom supplies.

Additionally, the budget would provide tax benefits for education expenses, including expanding education savings accounts that allow annual contributions of up to \$2,000 and tax-free withdrawals to pay for education costs for kindergarten through college. The President also would renew a proposed tax exemption for all qualified pre-paid tuition and savings plans, as well as a proposal to allow up to \$3,000 in deductions for higher education costs.

The President also would provide a new refundable tax credit for parents who choose to transfer their children out of failing public schools. The proposal would allow up to \$2,500 in tax credits for expenses for tuition, fees, and transportation costs incurred when a parent transfers a child from a failing public school to another public or private school. The measure would cost \$3.5 billion over five years.

The President's budget proposes an \$89 billion economic stimulus plan, which would include a \$300 tax rebate for work-

ers who did not qualify under the tax cut package (P.L. 107-16) enacted last year and extended unemployment benefits for laid-off workers.

The Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit also would be extended under the President's plan.

The budget also proposes \$89 billion for new health tax credits in an effort to make private health insurance more affordable. One proposal would provide up to \$3,000 in refundable tax credits to cover approximately 90 percent of health insurance costs for eligible families with two or more children and incomes under \$25,000. The credit would be phased out at \$60,000 for families and \$30,000 for individuals. Another proposal, starting in FY2004, would provide for group purchasing of health credits through state-sponsored purchasing pools, such as the State Children's Health Insurance Program (SCHIP).