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FY2004 BUDGET BRIEFING PAPER

Introduction

President Bush delivered his \$2.24 trillion FY2004 budget to Congress on February 3. Under the President's proposal, discretionary spending for homeland defense would receive the greatest increase at 5.5 percent, while discretionary spending for all other programs would increase by 3.8 percent. Additionally, the budget would include a 10-year \$695 billion tax cut package aimed at stimulating the economy.

Department of Agriculture

Child Nutrition: Child nutrition programs would receive \$11.8 billion in FY2004. Congress allocated \$10.7 billion for these programs in FY2002, and the Senate would provide \$10.5 billion in FY2003. 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 \$5 billion in FY2004. The funding level would support a monthly average of 7.8 million participants. In FY2002, Congress allocated \$4.3 billion for WIC programs, and the Senate would provide \$4.6 billion in FY2003.

Department of Education

Under the President's budget, the Department of Education would receive \$61.4 billion, an increase of \$5.2 billion over FY2002. Discretionary funds would reach a record high of \$53.1 billion, a \$3.2 billion increase over FY2002. Mandatory spending would be set at \$8.2 billion, an increase of \$2 billion.

21st Century Learning Centers: The President's budget would fund this program at \$600 million, a decrease of \$400 million from FY2002. The Senate bill would level-fund this program at \$1 billion in FY2003. This initiative provides after-school programs, aimed at preventing juvenile violence and substance abuse, for approximately 800,000 students who

The following summarizes the President's budget proposal for a number of programs important to women and families. Currently, the House and Senate are in the process of conferencing the FY2003 omnibus appropriations bill, which was approved by the Senate last month. For comparison purposes, FY2002-enacted levels have been provided, in addition to the Senate-approved FY2003 levels.

live in high-poverty neighborhoods or attend low-performing schools.

Adult Education: Adult education programs in the FY2004 budget would be level-funded at \$591 million. The Senate bill also would level-fund this program in FY2003.

Assessment Testing: The FY2004 budget would fund this program at \$390 million, an increase of \$3 million over FY2002. The Senate bill would level-fund the program at \$387 million in FY2003. This initiative provides formula grants 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 Senate bill would provide \$16.3 million for this initiative in FY2003. 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 is due to a lack of participation in the program.

Charter Schools: The budget would provide \$220 million for charter schools in FY2004, a \$20 million increase over FY2002. The Senate bill would level-fund charter schools at \$200 million in FY2003. These schools have flexibility to offer innovative programs in exchange for greater accountability for improved student performance. The request would accommodate approximately 2,700 new and existing charter schools in 38 states and the District of Columbia.

Choice Incentive Fund: The President's budget would provide \$75 million for a new, competitive awards program to states, local school districts, and community-based nonprofit organizations to afford parents the choice to transfer their children to a higher-performing public, private, or charter school.

Civil Rights Enforcement: The Department of Education's Office of Civil Rights would receive \$91.3 million, an increase of \$11.6 million over FY2002. The Senate bill would provide \$86.3 million in FY2003 for the Office of Civil Rights. This office enforces laws that prohibit discrimination on the basis of race, color, national origin, sex, disability, and age in all programs and institutions funded by the Department of Education.

Education for Homeless Children and Youth: The budget would level-fund the education for homeless children and youth program at \$50 million. The Senate bill would provide \$54 million in FY2003.

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 to \$12.4 billion, \$2 billion more than FY2002. Under the Senate bill, Title I would receive \$11.3 billion in FY2003. The increase would be directed to high-poverty schools and students 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. The Senate bill also would level-fund this program in FY2003.

Even Start: The Even Start family literacy program would be funded at \$175 million in FY2004, \$75 million less than FY2002. The Senate bill would provide \$200 million for this literacy program in FY2003.

Impact Aid: Under the President's budget, Impact Aid would receive \$1.01 billion, a decrease of \$128 million from FY2002. The Senate bill would provide \$1.18 billion for Impact Aid in FY2003.

Improving Teacher Quality: The President's budget would level-fund the Improving Teacher Quality State Grants program at \$2.9 billion in FY2004. The Senate bill also would level-fund this program in FY2003.

Literacy: The Reading First program would receive \$1.15 billion in FY2004, an increase of \$175 million over FY2002, and \$75 million more than would be provided in FY2003 by the Senate bill. 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 \$1.05 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 \$100 million, a \$25 million increase over FY2002, but the same amount that would be provided by the Senate bill for FY2003.

Loan Forgiveness for Child Care Providers: Under the President's budget, loan forgiveness for child care providers would be eliminated. The program, which allows child care providers who have earned a degree in early education and worked for two years as providers in low-income areas to have a portion of their loans forgiven, was funded at \$1 million in FY2002. The Senate bill would level-fund this program for FY2003.

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 \$17,500.

Magnet Schools: The FY2004 budget would level-fund the federal assistance provided for magnet schools at \$110 million. The Senate bill also would level-fund this program in FY2003. 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. The Senate bill would fund this program at \$25 million in FY2003.

Pell Grants: Pell Grants would be funded at \$12.7 billion, an increase of \$1.4 billion over FY2002. Under the President's budget, the maximum Pell Grant award would be \$4,000, while the Senate bill would increase the maximum Pell Grant award to \$4,100 in FY2003.

Public School Choice: The budget would provide level-funding of \$25 million for grants to encourage states and local school districts to expand public school choice programs across state and district boundaries. The Senate bill would provide \$27.6 million in FY2003 to promote public school choice. The grants would provide support for planning, transportation, and tuition transfer payments.

Safe and Drug Free Schools: The President's budget request would include \$694.3 million for the Safe and Drug Free Schools program, \$52.5 million less than in FY2002. The Sen-

ate bill would fund the program at \$644.25 million in FY2003.

Special Education: The Individuals with Disabilities Education Act (IDEA) would receive \$10.7 billion in FY2004, a \$2 billion increase over FY2002. The increase would provide approximately \$1,426 for each child with a disability, the highest level of federal support ever provided for children with disabilities. The Senate bill for FY2003 would provide \$9.7 billion for IDEA. Of that amount, \$1.5 million would be used to “provide information on diagnosis, intervention, and teaching strategies for children with disabilities.”

Vocational Education: Vocational education programs would receive a decrease from \$1.32 billion in FY2002 to \$1 billion in FY2004. The Senate bill would level-fund vocational education at \$1.32 billion in FY2003.

Women’s Educational Equity Act (WEEA): The President’s budget would eliminate WEEA. 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. The FY2003 Senate-approved bill would level-fund the program.

Department of Health and Human Services

The Department of Health and Human Services (HHS) would receive \$537.7 billion in FY2004. In FY2002, the Department received \$479 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. This funding level is the same as the FY2002 level and the Senate allocated amount for FY2003. Subsidized child care services also would be available to eligible families through certificates or contracts with providers.

Child Support Enforcement: In FY2004, the budget request would allocate an estimated \$4.5 billion for the Child Support Enforcement program. In FY2002, the program received \$3.88 billion. The President’s budget would fund proposals for state incentives, beginning in FY2006, 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 FY2005, 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, for child abuse programs. The funds provide services to prevent child abuse and neglect.

Community Services Block Grant: The budget would provide \$552 million for the Community Services Block Grant. These grants provide housing and employment assistance, education and training services, and nutrition, health, and substance abuse assistance. Congress allocated \$650 million for these grants in FY2002, the same funding level approved by the Senate for FY2003.

Foster Care, Adoption Assistance, and Independent Living: These programs would receive \$6.9 billion in FY2004. In FY2002, Congress allocated \$6.6 billion for these programs, and the Senate would provide \$6.7 million in FY2003. Of the amount requested by the President, \$5 billion would be provided for payments to families on behalf of 240,600 children each month. This amount is roughly the same as the FY2002 level, while the Senate bill would provide \$4.88 billion in FY2003. The budget includes \$1.7 billion for the Adoption Assistance program. Congress allocated \$1.4 billion for this program in FY2002, and the Senate would provide \$1.6 billion in FY2003. In addition, \$200 million would be provided for the Independent Living program, while the Senate-allocated amount would level-fund the program at \$140 million in FY2003. The President’s request also would include \$60 million in discretionary funds to provide further educational opportunities to youths aging out of foster care.

Head Start: Congress allocated \$6.5 billion for Head Start in FY2002; the budget would include \$6.8 billion. The President’s request would serve an estimated 923,000 children in Head Start, and 62,000 children in Early Head Start in FY2004. 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 a proposed 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.

Promoting Safe and Stable Families: The Promoting Safe and Stable Families program would receive \$505 million in

FY2004. This funding level would include \$305 million in mandatory funding and \$200 million in discretionary funding. Of this amount, \$50 million would be allocated for competitive grants to community-based groups, charitable and faith-based organizations, and state and local governments to expand or establish programs that provide mentors to children of prisoners. In FY2002, Congress allocated \$305 million for the Promoting Safe and Stable Families program. The Senate bill would provide \$505 million in discretionary and mandatory funding for the program in FY2003.

Refugee and Entrant Assistance: The budget would provide \$428 million in FY2004 for refugees, asylees, Cubans/Haitians, and victims of torture and trafficking. In FY2002, Congress allocated \$460.2 million, and the Senate bill would provide \$442.7 million in FY2003. In FY2002 and FY2003, \$10 million was approved to aid victims of trafficking.

Responsible Fatherhood: The budget would provide \$20 million for proposed programs promoting responsible fatherhood in FY2004. The funds would be provided to faith-based and community organizations that help unemployed and low-income fathers avoid or leave cash welfare.

Social Services Block Grant (SSBG): The SSBG would receive \$1.7 billion in FY2004, the same allocation as FY2002, and the Senate-approved amount for FY2003. The SSBG provides funds to help states administer social services and allows states discretion in allocating funds to suit their specific needs. Programs frequently supported by the SSBG funds include child care, child welfare, home-based services, employment services, and special services for the disabled.

Temporary Assistance for 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): The President's budget would provide \$127 million for battered women's shelters in FY2004. The Senate bill would provide \$130 million for battered shelters in FY2003, \$5.5 million more than the FY2002 allocation.

Administration on Aging (AoA)

The budget request would provide \$1.3 billion for the AoA in FY2004, the same amount allocated in FY2002. The Senate would provide \$1.4 billion for the AoA in FY2003.

National Family Caregiver Support Program: First authorized in FY2001, the National Family Caregiver Support Program would receive \$142 million in FY2004. The program received \$141.5 million in FY2002, and the Senate bill would provide \$150 million for FY2003.

Centers for Disease Control and Prevention (CDC)

The CDC would receive \$6.5 billion in FY2004. Congress allocated \$4.3 billion in FY2002, while the Senate bill would provide \$3.9 billion for FY2003.

Birth Defects: The Birth Defects and Developmental Disabilities Center would receive \$87 million. In FY2002, Congress allocated \$89.9 million for the prevention of birth defects, while the Senate bill would provide \$97.7 million for FY2003. 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 \$211 million. The program received \$192.6 million in FY2002. The program also includes the WISEWOMAN program, which operates in 12 states. WISEWOMAN 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 would provide \$150 million for environmental disease prevention programs. These programs received \$153 million in FY2002.

HIV/AIDS/STDs/TB: Under the budget, HIV/AIDS, sexually transmitted diseases, and tuberculosis prevention activities would receive \$1.28 billion. In FY2002, Congress allocated \$1.1 billion for these activities, and the Senate bill would allocate \$1.17 billion for FY2003. Of the amount requested by the President, \$690 million would go toward state HIV/AIDS prevention programs. The Global AIDS program would receive \$294 million, and within the overall global HIV/AIDS request, \$150 million would go toward the prevention of mother-to-child transmission.

Agency for Healthcare Research and Quality (AHRQ)

The FY2004 budget request for AHRQ is \$279 million. AHRQ received \$298.7 million in FY2002. The Senate bill would provide \$308 million for AHRQ in FY2003.

Centers for Medicare and Medicaid (CMS)

The CMS would receive \$444.1 billion in FY2004 to cover Medicare, Medicaid, the State Children's Health Insurance Program, and the Health Care Fraud and Abuse Control Program. In FY2002, Congress allocated \$374.7 billion.

Medicaid: It is estimated that during FY2004, Medicaid will cover approximately 42.4 million individuals, and the federal share of Medicaid payments will be approximately \$176.8 million, an 8.9 percent increase over projected FY2003 spending. The President's budget would extend Transitional Medical Assistance (TMA) through FY2003, costing \$175 million in FY2003 and \$2.4 billion over five years. The budget also would simplify eligibility for TMA, which 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 41 million individuals in FY2004. The President's budget proposes \$400 billion over ten years to reform Medicare and to provide a prescription drug benefit.

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 \$5.1 billion. In FY2002, Congress appropriated \$3.68 billion, and an estimated 4.2 million children were enrolled in the program.

Food and Drug Administration (FDA)

The President's request would provide \$1.7 billion for the FDA in FY2004. These funds would go toward improving the drug review process, accelerating the review of generic drugs, protecting against bioterrorism, and improving patient safety. The Senate bill would allocate \$1.4 billion for the FDA in FY2003, a \$209 million increase over FY2002.

User Fees: The FDA estimates it will collect \$17 million in user fees under the Mammography Quality Standards Act in FY2004, \$5 million less than FY2002. Additionally, the FDA estimates it will collect \$250 million under the Prescription Drug User Fee Act, \$81 million more than the FY2002 level.

Health Resources and Services Administration (HRSA)

HRSA would receive \$6.4 billion in FY2004. HRSA received \$6.17 billion in FY2002, and the Senate bill would provide \$6.2 billion for FY2003.

Abstinence Education: The total funding for abstinence-only education would be \$136 million in FY2004. Of this amount, \$73 million would be provided for the Community-Based Abstinence Education program, a \$33 million increase over FY2002; \$50 million would be provided for mandatory abstinence education as required under the 1996 welfare reform law (P.L. 104-193); and \$13 million would be provided for abstinence activities under the Adolescent Family Life Act, \$1 million more than FY2002. Congress appropriated \$102 million in FY2002.

Community Health Centers: Under the President's plan, community health centers would receive \$1.6 billion. The funding level would enable HRSA to support an additional 120 community health centers and an additional 1.2 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. Congress allocated \$1.34 billion in FY2002 for community health centers, while the Senate bill would provide \$1.5 billion in FY2003.

Family Planning: The Title X family planning program would receive \$265 million in FY2004, the same funding level as FY2002. The Senate bill would allocate \$285 million for the program in FY2003.

Healthy Start: The Healthy Start program would be level-funded at \$99 million in FY2004. 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 would receive \$2 billion in FY2004. The budget request would support services to 530,000 individuals living with HIV/AIDS. The program received \$1.9 billion in FY2002, and the Senate bill would provide \$2.1 billion in FY2003.

Maternal and Child Health Block Grant: The Maternal and Child Health Block Grant would receive \$751 million in FY2004. The block grant supports federal and state partnerships that provide critical services to 27 million women and children. Congress allocated \$731 million in FY2002, while the Senate bill would provide \$741 million for FY2003.

Indian Health Services (IHS)

IHS would receive \$3.6 billion in FY2004. Congress allocated \$3.39 billion in FY2002. Under the budget, the IHS would receive approximately \$561 million in health insurance reimbursements from Medicaid and Medicare.

National Institutes of Health (NIH)

The President's budget would provide \$27.9 billion for the NIH. The NIH received \$23.3 billion in FY2002, and the Senate bill would allocate \$27.2 billion for FY2003.

HIV/AIDS: The budget includes a 4 percent increase to \$2.9 billion for HIV/AIDS-related research at the NIH. 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. Additionally, the NIH budget would include \$100 million for the Global Fund to Fight AIDS, Malaria, and Tuberculosis, the same level appropriated in FY2002.

Minority Health: Funding for the National Center on Minority Health and Health Disparities would be \$193 million in FY2004. The center received \$158 million in FY2002, while the Senate bill would provide \$187 million for FY2003.

The Office of the Secretary of Health and Human Services

Minority HIV/AIDS: The budget would provide \$50 million to address the prevention and treatment needs of minority communities heavily impacted by HIV/AIDS, the same funding level as FY2002.

Public Health Service's Office of Minority Health (PHS-OMH): The PHS-OMH would receive \$47 million in FY2004. The funding would continue disease prevention, health promotion, service demonstration, and educational efforts that focus on health concerns in racial and ethnic minority communities. The PHS-OMH received \$50 million in FY2002, and the Senate bill would provide \$46.3 million for FY2003.

Public Health Service's Office of Population Affairs (PHS-OPA): The PHS-OPA provides support for the Adolescent Family Act and would receive \$31 million in FY2004, the same level approved by the Senate for FY2003. Congress allocated \$28.9 million in FY2002.

Public Health Service's Office on Women's Health (PHS-OWH): The President's budget request would provide \$29 million for the PHS-OWH in FY2004. This funding would continue to advance women's health programs through research, service delivery, and education. The PHS-OWH received \$26.82 million in FY2002, and the Senate bill would provide \$28.8 million for FY2003.

Substance Abuse and Mental Health Services (SAMHSA)

The budget proposal for SAMHSA would total \$3.4 billion. The Senate approved \$3.2 billion for SAMHSA in FY2003, \$57 million more than the FY2002 enacted level. The President would provide \$1.8 billion for the substance abuse block grant. Congress allocated \$1.73 billion for the block grant in FY2002, and the Senate bill would allocate \$1.72 billion for FY2003. Additionally, the mental health block grant would be level-funded at \$433 million.

Department of Housing and Urban Development

Housing Opportunities for People with AIDS (HOPWA): The HOPWA program would receive \$297 million in FY2004. Congress allocated \$277 million in FY2002, and the Senate would provide \$292 million in FY2003.

Homeless Housing: Homeless assistance grants and shelter renewals would receive \$1.53 billion in FY2004. In FY2002, Congress allocated \$1.1 billion for homeless programs; the Senate would provide \$1.2 billion, including funding to renew Shelter Plus Care contracts, which provide supportive housing for homeless people with disabilities and their families. The President's budget also includes a proposed program, the Samaritan Initiative, which would provide new housing options and outreach services to the homeless. This program would receive \$50 million in FY2004.

Department of Justice

Office of Justice Programs: The Boys and Girls Club would receive \$60 million. The Senate would earmark funding for the Boys and Girls Club at \$90 million in FY2003.

Programs under the Violence Against Women Act would receive a decrease from the \$390.1 million appropriated in FY2002 to \$373.3 million in FY2004 and would receive the following grants:

- \$179.6 million for grants to combat violence against women;
- \$5.2 million for the National Institute of Justice for research and evaluation of violence against women;
- \$11.3 million for Court Appointed Special Advocates;
- \$1.9 million for training for judicial personnel;
- \$10 million for the Safe Start program;
- \$62.6 million for grants to encourage arrests;
- \$38 million for rural domestic violence and child abuse enforcement grants;
- \$4.1 million for training programs for parole and probation officers dealing with released sex offenders;
- \$2.6 million for a stalking and domestic violence database;

- \$8.9 million for grants to reduce violence on college campuses;
- \$4.4 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 for disabled female victims of domestic violence.

Additionally, the budget includes a proposal that would keep the Violence Against Women Office (VAWO) within the Office of Justice Programs. Last year, Congress approved legislation (P.L. 107-273) that established the VAWO as a separate and independent office within the Department of Justice.

Department of Labor (DoL)

The Department of Labor would receive \$56.2 billion under the President's budget, \$3.2 billion less than FY2002. The President's proposal would reduce discretionary funding by \$1.2 billion.

Adult Employment and Training: The budget would provide \$200 million for employment and training assistance to disadvantaged and low-income adults, including welfare recipients, a reduction of more than \$700 million below FY2002. The FY2003 Senate bill would level-fund this program at \$900 million.

Civil Rights Enforcement: The DoL Office of Civil Rights would receive \$6.1 million, an increase of \$300,000 over FY2002, to enforce federal regulations prohibiting discrimination in programs funded by the Department.

Employment and Training: The President's budget would consolidate three adult training and employment programs, the Workforce Investment Act (WIA) adult program, the dislocated worker program, and the Employment Service state grants, into a single \$3.1 billion grant program. According to budget documents, this proposal would give the states the flexibility to target resources where they are most needed and would eliminate duplication among current services for adults. The Senate bill would provide \$1.1 billion for assistance to dislocated workers in FY2003, a reduction of \$400 million from the FY2002 level.

Job Corps: The President's budget would provide \$1.6 billion for Job Corps, an increase of \$100 million over FY2002, to support an estimated 68,500 participants at 122 centers. The FY2003 Senate bill would provide \$1.52 billion for Job Corps.

Occupational Health and Safety Administration (OSHA): The budget would provide \$450 million for OSHA, a decrease of approximately \$8 million from FY2002. The FY2003 Senate bill would fund OSHA at \$462.3 million.

Office of Federal Contract Compliance Program (OFCCP): The budget would provide level funding of \$67.5 million. The OFCCP, which oversees companies with federal contracts and subcontracts, is responsible for enforcing regulations that ensure equal employment opportunity for minorities, women, individuals with disabilities, and veterans.

Welfare-to-Work: Funding for the Welfare-to-Work program would be reduced from \$5.9 million in FY2002 to \$2.3 million in FY2004. A majority of the funds in this program finance staff who administer Welfare-to-Work grants to states and localities to assist the hardest-to-employ recipients of the Temporary Assistance for Needy Families (TANF) program. The proposed decrease in funding reflects a reduction in staff in conjunction with the proposed phase-out of the Welfare-to-Work program. Recipients of the program would be transferred into the workforce investment One-Stop Shop program. The FY2003 Senate bill would provide \$4.7 billion for the Welfare-to-Work program.

Women's Bureau: The budget would provide \$8.6 million in FY2004 for the Women's Bureau at DoL, a \$1.6 million decrease from FY2002. The FY2003 Senate bill would provide \$10.97 million for the Women's Bureau.

Women in Apprenticeships and Nontraditional Occupations (WANTO): The President's FY2004 budget provides no funding for WANTO. The FY2003 Senate bill would level-fund WANTO at \$1 million.

Youth Grants: The budget would provide \$1 billion for the Youth Grants program, which would replace the Youth Activities program. The program supports initiatives designed to prepare at-risk youth make a successful transition from school to work.

Youth Opportunity Grants: The FY2004 budget proposes the phase-out of Youth Opportunity Grants and provides no funding for the program. The FY2003 Senate bill would provide \$44.5 million, a \$180.6 million decrease from FY2002.

Department of State

Afghanistan: The President requests \$5 million for the development of maternal and child health clinics in Afghanistan, the same funding level appropriated in FY2002. The Senate bill also would provide \$5 million in FY2003.

Children's Education: The President's budget would provide \$212 million for children's basic education. In FY2002, Congress allocated \$150 million.

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 the account to \$2.84 billion. In FY2002, development assistance received \$1.2 billion and the Child Survival and Health Programs fund received \$1.4 billion.

HIV/AIDS: Across all agencies, the President proposes to spend \$2 billion on HIV/AIDS initiatives. Of that amount, \$450 million would be provided to combat the global HIV/AIDS pandemic, especially in Africa and the Caribbean; \$150 million would go toward the Mother-to-Child Transmission Prevention Initiative; and \$200 million would be allocated for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. The government wide \$2 billion allocation represents a \$650 million increase over existing allocations.

International Family Planning: Of the amount requested for global health programs, \$425 million would be provided for international family planning programs. In FY2002, Congress allocated \$446 million for these programs, and the Senate bill would provide \$425 million in FY2003.

Millennium Challenge Account (MCA): The budget includes a proposed initiative, the MCA, that would provide aid to poor nations for a variety of initiatives, including civil rights protection and economic freedom. The President would provide \$1.3 billion for the MCA.

Trafficking: The budget proposes \$10 million to combat human trafficking, a \$10 reduction from FY2002. The Senate bill would provide \$20 million for FY2003.

United Nations Population Fund (UNFPA): While the budget proposal would eliminate 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 from any country or organization if the President certifies that the funds would be used for the performance of coerced abortions and involuntary sterilization. In 2002, the President announced that he had placed a hold on the money allocated for UNFPA in FY2002. The administration later announced that it would not release the funding to the organization because of its activities in China.

Department of Transportation

The Department of Transportation would receive \$54.2 billion in FY2004, an increase of \$2.9 million over FY2002.

Child Safety: The President's FY2004 budget does not provide an allocation for the Occupant Protection Incentive Grants program. Instead, the FY2004 budget would provide \$100 million for the Safety Incentive Grants for Primary Safety Belt Laws program, which includes child passenger protec-

tion programs. In FY2002, \$15 million was provided for the Occupant Protection Incentive Grants program, which encourages states to implement and strengthen programs designed to promote the proper use of child safety seats. The Senate bill would provide \$20 million for the Occupant Protection Incentive Grants program in FY2003.

Minority Business Resource Center (MBRC): Under the President's FY2004 budget, the MBRC would be level-funded at \$900,000, and the minority business outreach program would be level-funded at \$3 million. The FY2003 Senate bill also would level-fund both programs.

Welfare-to-Work: The Job Access and Reverse Commute Program, which helps individuals moving from welfare to work with transportation costs, would not receive any funding under the President's FY2004 budget. The Senate bill would provide \$150 million for job access and reverse commute grants in FY2003. The program was funded at \$125 million in FY2002.

Related Agencies

Equal Employment Opportunity Commission (EEOC)

The EEOC would receive \$335 million in FY2004. In FY2003, the Senate would provide \$320.4 million, a \$10 million increase over FY2002.

Legal Services Corporation (LSC)

Under the President's budget, the LSC would receive \$329 million, the same funding level allocated in FY2002. The Senate bill would provide \$348 million for the LSC in FY2003.

National Science Foundation (NSF)

The NSF would receive \$5.48 billion under the President's proposal, a \$700 million increase over the FY2002 appropriation.

Math and Science Partnerships: The budget would provide \$200 million in FY2004 for the third year of the NSF's five-year Math and Science Partnership (MSP) program, an increase of \$50 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 \$797 million for the SBA, an increase of \$28.5 million from FY2002.

Small Disadvantaged Businesses (SDB): The SDB program would receive a \$500,000 decrease from the \$2 million allocated in FY2002 to \$1.5 million in FY2004. 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.

General Government

The budget proposal would renew 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 Senate FY2003 bill also would renew this legislative language. The budget would 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 \$535 billion in FY2004. A majority of the increase would fund cost-of-living raises and payments to the elderly with disabilities, a majority of whom are women.

The budget also would propose to consolidate and expand tax-favored retirement accounts. The Individual Retirement Account (IRA), the Roth IRA, and the nondeductible IRA would be combined into a single Retirement Savings Account. Individuals would be able to contribute up to \$7,500 annually into the new account. Contributions to the account would not be tax deductible; however, earnings and distribu-

tions from the account would be tax-free.

Additionally, the President's budget would propose to combine employer-based retirement plans such as 401(k) and simplified employee pension plans into a single Employer Retirement Savings Account.

Tax Relief

The President's budget proposes \$1.5 trillion in tax relief over ten years.

The President would provide a new refundable tax credit for parents who choose to transfer their children out of failing public schools. The proposal would allow a credit of 50 percent of the first \$5,000 in 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.

Other tax proposals in the President's \$1.5 trillion plan would include \$523 billion to extend through 2013 the provisions of the 2001 tax law (P.L. 107-16) that are set to expire in 2010. The Work Opportunity Tax Credit, the Welfare-to-Work Tax Credit, and the marriage tax penalty relief provisions would be extended.

The President's budget would provide a \$695 billion economic stimulus plan over 11 years. The stimulus plan would include a proposal to eliminate the tax on corporate stock dividends.

The budget also would provide \$554 million to encourage companies to offer telecommuting options to their employees.

Additionally, the budget would create a new Lifetime Savings Account, which would allow unlimited tax-free withdrawals for any purpose. The new account would replace existing accounts such as the Archer Medical Savings Accounts, the Coverdell Education Savings Accounts, and qualified, prepaid state tuition plans. Individuals would be allowed to contribute up to \$7,500 per year into this new account. Although contributions would not be tax-deductible, earnings and distributions would be tax-free.