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FY2005 BUDGET BRIEFING PAPER

Introduction

President Bush delivered his \$2.4 trillion FY2005 budget to Congress on February 2. The President's budget proposes to cut the federal deficit in half by 2007. In order to accomplish that, growth in non-defense and non-homeland security spending would be limited to 0.5 percent, and Congress would have to cut funding for 6 of the 15 federal departments. At the same time, defense spending would increase

by 7 percent and homeland security spending would increase by 10 percent in FY2005. The budget also calls upon Congress to make the 2001 and 2003 tax cuts permanent.

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

Department of Agriculture

Child Nutrition Programs: Under the President's budget, child nutrition programs would receive \$12 billion in FY2005, \$583 million more than FY2004. Child nutrition programs include the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, the Summer Food Service, and the Special Milk Program.

Food Stamp Program: The FY2005 budget would provide \$30.4 billion for the Food Stamp Program, approximately \$500 million less than the FY2004 level. The President estimates that the program will provide \$26.3 billion in benefits to 24.9 million people in 2005. In the event that actual program needs exceed this estimate, the budget would provide a \$3 billion contingency reserve. In addition, the President proposes indefinite funding authority that would make additional funds available without congressional authorization.

McGovern-Dole International Food for Education and Child Nutrition Program: The President's budget would provide \$75 million for the McGovern-Dole International Food for Education and Child Nutrition Program, an increase of \$25 million over the FY2004 level. Implemented in 2003, the program provides U.S. agricultural commodities and financial and technical assistance to carry out preschool and school feeding programs overseas. The program also authorizes maternal, infant, and child nutrition programs with the overall purpose of reducing hunger and malnutrition, and improving literacy and primary education. In 2005, the program is expected to reach 1.88 million women and children.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Under the President's budget, the WIC program would receive \$4.8 billion in FY2005 to support a monthly average of 7.86 million participants. In FY2004, Congress allocated \$4.63 billion. The total would include \$5 million for pilot projects to combat obesity in children, \$1 million above the FY2004 level; and \$20 million for a breastfeeding peer counselor program, \$5 million more than FY2004.

Department of Education

21st Century Community Learning Centers: The President's budget would fund this program at \$999.1 million, a slight decrease from the \$1.005 billion appropriated in FY2004. The request would fund an estimated 1,800 grants to support nearly 7,000 after-school centers.

Adult Education: Adult education programs in the FY2005 budget would receive \$590.233 million, \$3.5 million less than the amount allocated in FY2004.

Assessment Testing: The FY2005 budget would fund this program at \$410 million, a \$20 million increase over last year.

Child Care Access Means Parents in School (CCAMPIS): The CCAMPIS program would be level-funded at \$16.1 million. 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.

Civil Rights Enforcement: The Department of Education's Office of Civil Rights would receive a \$3.6 million increase to \$92.801 million in FY2005.

Early Childhood Educator Professional Development Grants: The President's budget would essentially level-fund Early Childhood Educator Professional Development Grants at \$14.814 million. The program supports competitive grants to improve the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty.

Education for Homeless Children and Youth: The budget would level-fund the Education for Homeless Children and Youth program at \$60 million.

Education Technology State Grants: The budget would reduce funding for Education Technology State Grants by \$4 million to \$692 million in FY2005. The grants support school efforts to integrate technology into the classroom.

Elementary and Secondary Education (ESEA): The President's budget would provide a \$1 billion increase to \$13.342 billion for Title I grants to local educational agencies under the No Child Left Behind Act (P.L. 107-110).

Even Start: The William F. Goodling Even Start Family Literacy Program would be eliminated under the President's budget request. Budget documents state that two national evaluations have found the program to be ineffective. As a result, funding would be redirected to the Reading First program.

Individuals with Disabilities Education Act (IDEA): Under the President's budget, IDEA would receive \$12.176 billion, an increase of just over \$1 billion in FY2004. Of that amount, \$387.7 million would be available for preschool grants, and \$466.581 million would be available for grants for infants and families.

Improving Teacher Quality: The President's budget would essentially level-fund Improving Teacher Quality State Grants at \$2.9 billion.

Jobs for the 21st Century: The President's budget would propose \$288 million for a new program aimed at ensuring that all students are prepared to succeed in postsecondary education and the workforce. Under the Jobs for the 21st Century Initiative, \$100 million would be provided for a new Striving Readers program; \$120 million for a new Secondary Education Mathematics Initiative; \$40 million for a new Adjunct Teachers Corps Initiative; and \$28 million for the Advanced Placement program.

Loan Forgiveness for Math, Science, and Special Education Teachers: The President's budget would provide \$17,500 in loan forgiveness to each math, science, and special education teacher who works in high-poverty areas for at least five years.

Math and Science Partnerships: The budget would provide a \$120 million increase to \$269 million in FY2005 for 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 provide incentives to attract college math and science majors into the teaching profession.

Pell Grants: Pell Grants would be funded at \$12.83 billion, an increase over the \$12.077 billion appropriated in FY2004. Under the President's budget, the maximum Pell Grant award would be \$4,050, the same maximum allowed in FY2004.

Reading First: The Reading First literacy program would receive \$1.125 billion in FY2005, a \$139 million increase over last year. The Early Reading First program would receive a \$37 million increase to \$132 million.

Safe and Drug-Free Schools and Communities: The President's budget request would include \$716 million for the Safe and Drug-free Schools and Communities program. According to budget documents, this represents a \$41.8 million increase over FY2004.

Vocational Education: Vocational education programs would receive a \$330 million decrease to \$1.012 billion in FY2005.

Women's Educational Equity Act (WEEA): WEEA would not receive funding under the President's FY2005 budget. Last year, WEEA received \$2.98 million.

Department of Health and Human Services

Administration for Children and Families

Abandoned Infants Assistance: Programs to increase abandoned infants assistance would be level-funded at \$12.12 million.

Adoption: Under the President's budget, funding for adoption opportunities would be level-funded at \$27.2 million. The budget would provide \$32 million for adoption incentives, \$24.5 million more than FY2004. In addition, \$13 million would be provided for adoption awareness programs.

Child Abuse and Neglect Treatment/Prevention Activities: The FY2005 budget would provide \$107 million for child abuse and neglect treatment and prevention activities, \$72.4 million above the FY2004 level.

Child Care and Development Block Grant (CCDBG): The CCDBG would be level-funded at \$2.1 billion in FY2005.

Child Support Enforcement: The FY2005 budget would provide \$4.25 billion for payments to states for child support enforcement and family support programs. This amount is \$320 million above the FY2004 level. The budget includes proposals to increase child support collections and to direct more of these payments to families.

Child Welfare Programs: The FY2005 budget would include \$339 million for child welfare programs, \$48 million above the FY2004 level. The President's budget proposes legislation that would give states the option to participate in an alternative financing system for child welfare intended to better meet the needs of each state's foster care populations. Under the plan, states choosing to participate would receive funds in flexible grants. Also included in the budget is a legislative change to clarify the process for determining Title IV-E eligibility in the foster care program.

Consolidated Runaway and Homeless Youth Programs: The President's budget would include \$105 million for consolidated runaway and homeless youth programs, \$15.1 million more than FY2004.

Faith-based and Community Initiatives Programs: The President proposes \$161 million for faith-based and community organizations. The total would include level funding of \$50 million for the Mentoring Children of Prisoners program and \$10 million for maternity group homes to provide young, pregnant, and parenting women with access to community-based coordinated activities.

Foster Care Independent Living Program: The President proposes \$60 million for an initiative to help older foster care youth transition to adulthood and self-sufficiency after leaving foster care. Under the proposal, vouchers of up to \$5,000 would be provided for education or vocational training to help youth aging out of foster care to develop the skills to lead independent and productive lives.

Head Start: The President's budget would provide \$6.9 billion for Head Start in FY2005, \$169 million more than FY2004. Of that total, \$3 million would be provided for the Parent-Mentor Early Education Initiative. Under the proposal, parents of children in Head Start programs would be offered training in a science-based curriculum designed to improve early language and literacy skill outcomes.

Marriage and Healthy Family Development Initiative: The President proposes \$393 million in FY2005 for an initiative "to build on the research that there are life-long benefits of growing up in married-parent families." The total includes \$186 million for community-based abstinence-only education, \$115.6 million above the FY2004 level. A number of new initiatives also would be funded in the FY2005 budget: \$50 million for abstinence education state grants; \$50 million for the Promoting Responsible Fatherhood and Marriage program to assist non-custodial fathers in becoming more involved in their children's lives; \$240 million for Supporting Healthy Marriages, a state-based competitive matching grant program to support healthy marriages and reduce out-of-wedlock births; and \$65 million for community-based child abuse prevention.

Promoting Safe and Stable Families: Under the President's budget, \$505 million would be provided for the Promoting Safe and Stable Families program, \$100.7 million more than FY2004.

Refugee and Entrant Assistance: The budget would provide \$419 million in FY2005 for refugees, Cubans/Haitians, and victims of torture and trafficking, \$31.2 million below the FY2004 level. Congress allocated \$9.968 million in FY2004 for a program to aid victims of trafficking under this account.

Social Services Block Grant: The Social Services Block Grant would be level-funded at \$1.7 billion in FY2005.

Violence Against Women Act (VAWA): The FY2005 budget would include \$129 million for VAWA programs. In FY2004, Congress allocated \$3 million for the National Domestic Violence Hotline and \$126.4 million for battered women's shelters.

Administration on Aging

The President's budget would provide level funding of \$1.38 billion in FY2005 for the Administration on Aging.

National Family Caregiver Support Program: The President's budget would provide \$162 million for the National Family Caregiver Support Program, \$8.4 million more than FY2004.

Agency for Healthcare Research and Quality (AHRQ)

The FY2005 budget would maintain the current funding level of \$304 million for AHRQ.

Centers for Disease Control and Prevention (CDC)

The CDC would receive \$4.21 billion in FY2005, a decrease of \$54 million below FY2003.

Birth Defects, Developmental Disabilities, and Disability:

Under the President's budget, programs for the prevention of birth defects, developmental disabilities, and disability and health activities at the CDC would be level-funded at \$113.5 million.

Breast and Cervical Cancer Screening: The FY2005 budget would provide \$220 million for the National Breast and Cervical Cancer Early Detection Program, \$10 million above the FY2004 level. With the requested increase, the CDC estimates an additional 32,000 diagnostic and screening services could be provided to women who may never have been screened for these cancers.

Chronic Disease Prevention and Health Promotion: The President's budget would provide \$915 million for chronic disease prevention and health promotion, \$56 million more than FY2004.

Environmental Health: Under the President's budget, environmental disease prevention programs would be level-funded at \$184 million.

HIV/AIDS: The budget would provide \$1.143 billion for HIV/AIDS, sexually transmitted diseases (STDs), and tuberculosis prevention at the CDC, a decrease of \$156 million below the FY2004 level. Of that amount, \$142.8 million would be provided for global HIV/AIDS activities.

Centers for Medicare and Medicaid (CMS)

Medicaid: In FY2005, the federal share of Medicaid payments will be approximately \$182 billion. The President proposes to cap Medicaid payments to individual government providers to no more than the cost of providing services to Medicaid beneficiaries.

The President's budget would extend Transitional Medical Assistance (TMA) for five years with statutory modifications, including a state option to eliminate TMA reporting requirements and provide 12 months of continuous eligibility regardless of changes in families' financial status. In addition, the budget proposes a waiver of the TMA requirements for states that currently provide health benefits for families at 185 percent of the federal poverty level.

Medicare: In FY2005, spending on Medicare benefits will total \$324.5 billion.

State Children's Health Insurance Program (SCHIP): The FY2005 budget would provide \$5.299 billion for SCHIP. Under the budget proposal, all Medicaid and SCHIP funding would be combined for states choosing to participate in the Health Insurance Flexibility and Accountability (HIFA) dem-

onstration initiative. HIFA enables states to use Medicaid and SCHIP funds in concert with private insurance options to expand coverage to low-income, uninsured individuals, with a focus on those with incomes at or below 200 percent of the federal poverty level. The President first proposed HIFA in 2001, and as of January 2004, HIFA demonstrations have expanded coverage to 175,000 people and another 646,000 were approved for enrollment.

Food and Drug Administration (FDA)

The President's budget would provide \$1.845 billion for the FDA in FY2005, \$458 million above the FY2004 level.

User Fees: The FDA estimates it will collect \$17 million in user fees under the Mammography Quality Standards Act, \$1 million more than FY2004. In addition, the FDA estimates it will collect \$284 million under the Prescription Drug User Fee Act, \$34 million more than the FY2004 level.

Health Resources and Services Administration (HRSA)

The FY2005 budget would provide \$6.578 billion for HRSA, \$142 million less than FY2004.

Community Health Centers: Under the President's budget, community health centers would receive \$1.836 billion in FY2005, \$209 million above the FY2004 level.

Family Planning: Title X, the nation's family planning program, would receive \$278 million in FY2005, a decrease of \$2 million below FY2004.

Healthy Start: Under the President's budget, the Healthy Start infant mortality initiative would be level-funded at \$98 million.

Maternal and Child Health Block Grant: The President's budget would provide \$730 million for the Maternal and Child Health Block Grant, a \$4.2 million decrease below the FY2004 level.

National Cord Blood Stem Cell Bank Program: Under the President's budget, the National Cord Blood Stem Cell Program would be level-funded at \$10 million.

Ryan White: The Ryan White Care Act would receive a \$35 million increase over the FY2004 funding level to \$2.08 billion.

Universal Newborn Hearing Screening: The President's budget would provide no funding for the universal newborn hearing screening. In FY2004, Congress allocated \$9.935 million.

Indian Health Services (IHS)

Under the President's budget, IHS would receive \$3.716 billion in FY2005. In addition, IHS would receive approximately \$593 million in health insurance reimbursements from Medicaid and Medicare.

National Institutes of Health (NIH)

The FY2005 budget would provide \$28.805 billion for NIH, \$823 million above the FY2004 level.

HIV/AIDS: Of the amount provided for the National Institute of Allergy and Infectious Diseases, \$100 million would be allocated for the Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis. In FY2004, Congress allocated \$150 million.

Minority Health: The President's budget would provide \$196.7 million for the National Center on Minority Health and Health Disparities, an increase of \$4 million above the FY2004 level.

Office of the Secretary

Adolescent Family Life: The FY2005 budget would provide \$44 million for the Adolescent Family Life program, a \$12.8 million increase above the FY2004 level.

Minority HIV/AIDS: The President's budget would provide \$53 million to address the prevention and treatment needs of minority communities heavily impacted by HIV/AIDS. In FY2004, Congress allocated \$49.8 million.

National Abstinence Education Campaign: The President proposes \$10 million for HHS to implement a new national abstinence education campaign.

Public Health Service's Office of Minority Health (PHS-OMH): The budget would provide \$47 million for the Office of Minority Health, \$8.6 million below the FY2004 level.

Public Health Service's Office on Women's Health (PHS-OWH): Under the President's budget, the Office on Women's Health would be level-funded at \$29 million.

Substance Abuse and Mental Health Services Administration (SAMHSA)

SAMHSA would receive \$3.41 billion in FY2005, \$40 million more than FY2004.

Homelessness: The President's budget would provide \$390 million for health care, job training, substance abuse and mental health treatment, and other services for the homeless. In addition, \$10 million would be provided for the Samaritan Initiative to provide grants for permanent housing linked with

supportive services, including health care, life skills, job training, and substance abuse treatment for the chronically homeless.

Mental Health Performance Partnership: The budget would provide \$414 million for the Mental Health Performance Partnership, a decrease of \$1.2 million below the FY2004 level.

Substance Abuse Performance Partnership: The President's budget would allocate \$1.753 billion for the Substance Abuse Performance Partnership, \$43 million more than FY2004.

Department of Housing and Urban Development

American Dream Down Payment Initiative: The budget requests \$200 million to fund a recently enacted initiative aimed at expanding homeownership opportunities to approximately 40,000 first-time buyers and to minorities.

Fair Housing: Under the President's budget, fair housing activities would be level-funded at \$48 million in FY2005. Of that amount, \$27 million would be provided for the Fair Housing Assistance Program and \$20.7 million would be provided for the Fair Housing Initiatives Program. The funding request would address the "persistent high rate of discrimination against minorities as identified by the 2000 Housing Discrimination Study."

Healthy Homes Initiative: The President's budget would level-fund the Healthy Homes Initiative at \$10 million in FY2005. The initiative targets funding to prevent housing-related childhood diseases and injuries such as asthma and carbon monoxide poisoning.

Homeless Housing: Homeless assistance grants would receive \$1.282 billion, a slight increase over the \$1.267 million allocated last year. Of that amount, the national homeless data analysis project would be level-funded at \$12 million.

Housing Counseling Assistance: The President's budget proposes a \$5 million increase to \$45 million for the Housing Counseling Assistance Program. This funding request would support 550,000 families with home purchase and homeownership counseling and 250,000 families with rental counseling.

Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA program would receive \$295 million, \$1.5 million less than the FY2004 allocation. The program provides states and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families. The requested funding would support 73,700 housing units.

Samaritan Initiative: The budget proposes \$50 million for housing grants under a new program designed to move chronically homeless persons from the streets to safe permanent housing with supportive services. The Samaritan Initiative would be operated jointly by HUD, HHS, and the VA.

Self-Help Homeownership Opportunity Program (SHOP): The President's budget would provide \$65 million for the SHOP program, which provides grants to non-profits to subsidize the costs of land acquisition and infrastructure improvements. Homeowners are required to contribute volunteer labor to the construction or rehabilitation of the property. This funding level would help produce an estimated 5,200 new homes for low-income families and would represent a \$38 million increase over last year.

Single-Family Affordable Housing Tax Credit: The President proposes a new tax credit of up to 50 percent of the cost of constructing a new home or rehabilitating an existing home. The tax credit would target low-income individuals and families and would be designed to promote the production of affordable single-family homes in areas where housing is scarce.

Youthbuild Program: The President's budget would level-fund the Youthbuild program at \$64.6 million. This program targets high school dropouts ages 16 to 24 and provides them with education and employment skills through the construction and rehabilitation of housing for low-income and homeless people.

Department of Justice

Office of Justice Programs

Boys and Girls Clubs: The President's budget would provide \$60 million for the Boys and Girls Clubs, \$20 million below the FY2004 level.

DNA Initiative: Under the President's budget, \$236 million would be provided to invest in DNA analysis technology for crime labs, train criminal justice professionals to make better use of DNA evidence, and promote the use of forensic DNA to prosecute offenders and exonerate the innocent. Of that total, \$175.7 million would be allocated for state and local crime laboratories to reduce and eventually eliminate backlogs of DNA casework samples. In FY2004, Congress allocated \$100 million for the DNA Initiative.

Justice Assistance Programs: The FY2005 budget would include \$1 million for a state and local law enforcement hate crimes training and technical assistance program; \$986,000 for televised testimony; \$198 million for programs to strengthen the juvenile justice system, including \$180.3 mil-

lion for reducing juvenile delinquency and crime and \$39 million for juvenile delinquency prevention block grants; and \$66.4 million for services for victims of crime, including \$1.9 million for child abuse training programs and \$11.4 million for the court appointed special advocate program.

Missing Children's Program: The President's budget would provide \$35.3 million for the Missing Children Program, slightly less than the FY2004 level. The total would include \$14.5 million for the Internet Crimes Against Children program, \$2 million more than FY2004; and \$5 million for the AMBER Alert program, an increase of \$1 million above the FY2004 level.

Prison Rape: The FY2005 budget would provide \$7.654 million for programs under the Prison Rape Elimination Act (P.L. 108-79), \$29.5 million less than FY2004.

Trafficking: The President's budget does not provide a line item for programs to assist victims of trafficking. In FY2004, Congress allocated \$10 million.

Office on Violence Against Women (OVW)

Under the President's budget, OVW would be established as a separate office. It is currently housed under the Office of Justice Programs. In 2002, Congress approved legislation (P.L. 107-273) that established OVW as a separate and independent office within the Department of Justice.

Violence Against Women Act (VAWA) Programs: The President's budget would provide \$385 million in FY2005 for VAWA programs, a \$3 million decrease below the FY2004 level. The following VAWA programs would be funded:

- \$176.7 million for grants to combat violence against women, including \$5.2 million for the National Institute of Justice for research and evaluation of violence against women; \$10 million for the Office of Juvenile Justice and Delinquency Prevention for the Safe Start Program; and \$15 million for transitional housing assistance grants for victims of domestic violence, stalking, or sexual assault;
- \$62.4 million for grants to encourage arrest policies;
- \$38.2 million for rural domestic violence and child abuse enforcement assistance grants;
- \$9.1 million to reduce violent crimes against women on college campuses;
- \$39.8 million for legal assistance for victims;
- \$4.4 million for enhancing protection for older and disabled women from domestic violence and sexual assault;
- \$14 million for the safe havens for children pilot program; and
- \$6.9 million for education and training to end violence against, and abuse of, women with disabilities.

Department of Labor (DoL)

Community College Initiative: The President's budget proposes \$250 million for a new Community College Initiative. The initiative would consist of an employer-focused grant program and would require applicants to prepare training plans with community colleges and employers. Additionally, applicants would have to certify that the training would focus on industries with labor shortages, such as health care.

Civil Rights Enforcement: The DoL Office of Civil Rights would receive \$6 million, a slight decrease from the \$6.158 million appropriated last year.

Employment and Training: Three adult training and employment programs, the Workforce Investment Act adult program, the dislocated worker program, and the Employment Service State Grant program, would be consolidated into a \$2.863 billion grant program under the President's budget. In FY2004, dislocated workers received \$1.456 billion. Under the budget proposal, the program would receive \$1.387 billion.

Flexible Work Options: The President's budget would include \$5 million to encourage greater use of scheduling flexibility and telecommuting options available under current law. Additionally, "the Administration supports efforts to provide new scheduling options to help ease the pressures faced by workers and their families."

International Labor Affairs: The Bureau of International Labor Affairs would receive \$31 million, a \$79.65 million decrease from FY2004.

Occupational Health and Safety Administration (OSHA): The budget would provide \$461.599 million, an \$800,000 increase over FY2004.

Office of Federal Contract Compliance Program (OFCCP): The budget would provide \$82 million for the OFCCP, which oversees companies with federal contracts and subcontracts, and is responsible for enforcing regulations that ensure equal employment opportunity for minorities, women, individuals with disabilities, and veterans. The office received \$80.043 million in FY2004.

Personal Reemployment Accounts (PRAs): The budget proposes \$50 million for a new pilot program for recipients of unemployment insurance. Under the program, states would offer up to \$3,000 to eligible unemployed workers. Recipients would be allowed to choose the training and services, such as child care and transportation, that they believe would best help them become employed. Recipients would be able to keep the account balance if they found a job within 13 weeks

and would be able to qualify for the program in addition to other unemployment benefits.

Prisoner Re-Entry Initiative: The budget would provide \$90 million for the first year of a new four-year, \$300 million initiative to help individuals exiting prison make a successful transition to community life and employment. The initiative would be operated in cooperation with the Departments of Justice and Housing and Urban Development.

Women's Bureau: The DoL Women's Bureau would receive \$9 million in FY2005; \$9.267 million was allocated in FY2004.

Department of State

Afghanistan: The President's budget would provide \$1.2 billion in assistance to Afghanistan for education, health, infrastructure, and assistance to the Afghan National Army. In FY2004, Congress allocated \$1.2 billion for relief and reconstruction in Afghanistan.

Child Survival and Health Programs Fund: Under the President's budget, \$1.42 billion would be provided for the Child Survival and Health Programs Fund, \$380 million below the FY2004 level. Of that total, \$325 million would be provided for child survival and maternal health.

HIV/AIDS: The FY2005 budget would provide \$2.8 billion for HIV/AIDS prevention activities, \$1.154 billion more than FY2004. The total would include \$1.45 billion for the Global HIV/AIDS Initiative and \$100 million for the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

International Family Planning: The President's budget would provide \$425 million for international family planning programs, \$4 million less than FY2004.

Millennium Challenge Account: Under the President's budget, the Millennium Challenge Account would receive \$2.5 billion, \$1.5 billion above the FY2004 level.

Peace Corps: The FY2005 budget would provide \$401 million for the Peace Corps, an increase of \$76 million above the FY2004 level.

Trafficking: The President's budget would include \$15.5 million for migration and refugee assistance, including programs aimed at preventing trafficking of persons and protecting trafficking victims.

United Nations Children's Fund (UNICEF): Under the President's budget, the United States contribution to UNICEF would be level-funded at \$120 million.

United Nations Development Fund for Women (UNIFEM): The United States contribution to UNIFEM also would be level-funded at \$1 million.

United Nations Population Fund (UNFPA): The President's request does not include a line item for UNFPA in FY2005, but it does include \$25 million as a reserve to be allocated for voluntary contributions to UN agencies. In previous years, the President has tapped this reserve funding for a US contribution to UNFPA. In FY2004, Congress allocated \$34 million for UNFPA.

U.S. Agency for International Development (USAID): The FY2005 budget would provide \$1.329 billion in development assistance for USAID, \$71 million less than FY2004. Of that total, \$212 million would be provided for basic education programs and \$50 million for higher education and training.

Department of Transportation

Minority Business Resource Center: Under the President's FY2005 budget, the Minority Business Resource Center would be level-funded at \$900,000. Minority business outreach activities also would be level-funded at \$3 million.

Occupant Protection Incentive Grants: The President's FY2005 budget does not provide an allocation for the Occupant Protection Incentive Grants program. Instead, the FY2005 budget would provide \$100 million for the Safety Incentive Grants for Primary Safety Belt Laws program, which includes child passenger protection programs. In FY2004, \$20 million was allocated for the occupant protection grant program.

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 FY2005 budget. The grants program received \$125 million in FY2004.

Related Agencies

Equal Employment Opportunity Commission (EEOC)

Under the President's budget, the EEOC would receive \$351 million in FY2005, \$23 million above the FY2004 level.

Legal Services Corporation (LSC)

The FY2005 budget would provide \$329.3 million for the LSC, \$9.5 million less than FY2004.

National Science Foundation (NSF)

The President's budget would provide \$5.745 billion in FY2005 for the NSF, an increase of \$145 million above the FY2004 level.

ADVANCE: Under the President's budget, the ADVANCE program would receive \$20.27 million in FY2005. The program supports approaches to increase the representation and advancement of women in academic science and engineering careers.

Math and Science Partnership: The Math and Science Partnership program would receive \$80 million in FY2005, \$60 million less than FY2004.

Small Business Administration (SBA)

The President's budget would provide \$678.4 million for the SBA in FY2005, a decrease of \$39.6 million below the FY2004 level.

Small Disadvantaged Businesses (SDB): The FY2005 budget would provide \$2 million for the SDB program.

Women's Business Centers: Under the President's budget, Women's Business Centers would receive \$12 million in FY2004, \$500,000 less than FY2004. The National Women's Business Council would be level-funded at \$750,000.

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 President's budget also would renew language permitting a woman to breastfeed her child in a federal building or on federal property if she and her child are authorized to be present at the location.

Tax Relief

2001 and 2003 Tax Cut Provisions

The President proposes to extend through 2010 several tax provisions included in the 2003 tax law (P.L. 108-27) that are set to expire on December 31, 2004. These include: the accelerated increase in the child tax credit, the accelerated expansion of the 10 percent income tax bracket, and the accelerated expansions of the standard deduction and 15 percent income tax bracket for married taxpayers filing jointly.

The President's budget also proposes to make permanent the provisions of the 2001 tax law (P.L. 107-16), which will sunset on December 31, 2010.

Of the proposed \$1.24 trillion in tax relief over 10 years, these two proposals would provide nearly \$1 trillion in tax relief.

Health Care

The President's budget proposes \$54 billion in tax relief through a number of health care-related tax credits, deduc-

tions, and exemptions.

One proposal would establish a new refundable tax credit for health insurance purchased by individuals under the age of 65. Based on income, the maximum credit would be \$1,000 for an adult and \$500 for a child. The credit would be phased out at income levels of \$30,000 for single taxpayers and \$60,000 for individuals purchasing a family policy.

Another proposal would allow all individuals to take an above-the-line deduction for insurance premiums from high-deductible health plans if those individuals qualify for a Health Savings Account or if the individual does not have employer-provided coverage.

The budget also proposes an above-the-line deduction for qualified long-term care insurance premiums for individuals who purchase the insurance on their own or who pay at least 50 percent of the cost of employer-provided coverage. Another long-term care proposal would allow individuals who care for certain family members residing in their homes to take an additional personal exemption.

Personal Savings

The President proposes to replace the current Individual Retirement Accounts (IRAs) with two new savings accounts: Lifetime Savings Accounts (LSAs) and Retirement Savings Accounts (RSAs). Under the proposal, individuals would be allowed to make annual contributions of \$5,000 to each of the accounts, regardless of their age or income. The contributions would be nondeductible, while the account earnings and withdrawals would be tax free.

Under the President's budget, a number of employer-based savings accounts would be consolidated into one account. The new Employee Retirement Savings Accounts (ERSAs) would combine current 401(k), SIMPLE 401(k), 403(b), and 457 plans. ERSAs would be available to all employers.

Individual Development Accounts (IDAs) would be established under the President's proposal. Individuals ages 18 to 60 who cannot be claimed as dependents, are not students, and meet certain income limitations would be eligible to establish the accounts. Entities that establish and administer the accounts would be required to match, dollar-for-dollar, the first \$500 contributed by the individual. These entities also would be allowed to claim a 100 percent tax credit for up to \$500 in annual matching contributions.

Taken together, these proposals would provide roughly \$7.6 billion in tax relief.

Other Proposals

The President's budget proposes to allow teachers who itemize deductions and incur out-of-pocket classroom expenses to deduct up to \$400 in expenses annually. A similar provision expired last year.

The budget also proposes to allow individuals to exclude from income the value of employer-provided computers and related equipment and services necessary to work from home.

Lastly, the budget would establish a uniform definition of child within the U.S. tax code and would simplify adoption tax benefits.