

FY2006 Budget Summary

Introduction

President Bush delivered his \$2.57 trillion FY2006 budget to Congress on February 7. The budget proposes to cut the federal deficit in half by 2009. In order to accomplish that objective, non-defense and non-homeland security discretionary spending would be reduced from \$391 billion in FY2005 to \$389 billion in FY2006 and then frozen through 2010. Defense spending would increase by 5 percent in FY2006. The budget also calls upon Congress to make the 2001 and 2003 tax cuts permanent and proposes changes to Medicaid and the federal student loan program.

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

Department of Agriculture

Child Nutrition Programs: Under President Bush's budget, child nutrition programs would receive \$12.4 billion in FY2006, \$600 million more than FY2005. 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 FY2006 budget would provide \$40.7 billion for the Food Stamp Program, an increase over the \$35.15 billion appropriated in FY2005. The budget estimates that \$33.1 billion will be provided in benefits to 29.1 million people.

McGovern-Dole International Food for Education and Child Nutrition Program: The President's budget would provide \$100 million for the McGovern-Dole International Food for Education and Child Nutrition Program in FY2006, a \$13 million increase over last year. 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 2006, the program is expected to reach over 2.5 million recipients.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Under the administration's budget, the WIC program would receive \$5.5 billion. In FY2005, \$5.2 billion was allocated. The FY2006 total would include not less than \$15 million for a breastfeeding support initiative.

Department of Education

21st Century Community Learning Centers: The President's budget would level fund this program at \$991 million in FY2006.

Adult Education: Adult education programs in the FY2006 budget would receive a \$369.7 million decrease to \$215.7 million in FY2006. According to budget documents, a program assessment rating tool found that the adult education programs had a modest impact on adult literacy, skill attainment, and job placement.

Child Care Access Means Parents in School (CCAMPIS): The CCAMPIS program would be level-funded at \$16 million in FY2006. 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 \$2.2 million increase to \$91.5 million in FY2006.

Early Childhood Educator Professional Development Grants: President Bush's budget would level-fund

Early Childhood Educator Professional Development Grants at \$14.7 million in FY2006. 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 \$62.5 million.

Education Technology State Grants: The budget would eliminate funding for Education Technology State Grants. In FY2005, the program received \$496 million.

Elementary and Secondary Education (ESEA): The administration's budget would provide a \$1.59 billion increase to \$16.43 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 President Bush's budget request. The program received \$225.1 million in FY2005.

High School Intervention: The budget proposes \$1.24 billion for a new High School Initiative, which would include a High School Intervention program and High School Assessments. The initiative would be designed to increase the achievement of at-risk high school students, eliminate gaps in achievement between students from different ethnic and racial groups and disadvantaged students, and enable all high school students to graduate with the education, skills, and knowledge necessary to succeed.

Individuals with Disabilities Education Act (IDEA): Under President Bush's budget, IDEA would receive \$12.1 billion, a \$452.5 million increase over FY2005. Of that amount, \$384.6 million would be available for preschool grants and \$441 million would be available for grants for infants and families.

Improving Teacher Quality: The budget would level-fund Improving Teacher Quality State Grants at \$2.9 billion in FY2006.

Math and Science Partnerships: The budget would provide a \$90,440 increase to \$269 million in FY2006 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: Under the budget, the maximum Pell Grant award would be increased by \$100 to \$4,150.

Reading First: The Reading First literacy program would be level-funded at \$1.04 billion in FY2006. Early Reading First also would be level-funded at \$104 million.

Safe and Drug-Free Schools and Communities: The budget would provide a \$464 million decrease to \$396.8 million in FY2006 for programs conducted through the Office of Safe and Drug-Free Schools.

Vocational Education: Funding for vocational education programs would be eliminated under the FY2006 budget; however, states would be allowed to continue such programs if they choose under a new High School Initiative. Vocational education programs were appropriated \$1.33 billion in FY2005.

Women's Educational Equity Act (WEEA): WEEA would not receive funding under the FY2006 budget. Last year, WEEA received \$3 million.

Department of Health and Human Services

Administration for Children and Families

The Administration for Children and Families would receive \$44.95 billion in FY2006, a \$4.25 billion decrease

below the FY2005 level.

Abandoned Infants Assistance: Programs to increase abandoned infants assistance would be level-funded at \$12 million in FY2006.

Abstinence Education: The FY2006 budget would increase funding for abstinence education programs by \$39 million for a total of \$193 million in FY2006.

Adoption: Under the administration's budget, funding for adoption opportunities would be level-funded at \$27 million. The budget also would level fund the Adoption Incentives program at \$32 million. In addition, \$13 million would be provided for adoption awareness programs.

Child Abuse and Neglect Treatment/Prevention Activities: The FY2006 budget would provide level funding of \$102 million for child abuse and neglect treatment and prevention activities.

Child Care and Development Block Grant (CCDBG): The CCDBG would be level-funded at \$2.08 billion in FY2006.

Child Support Enforcement: Under the FY2006 budget, \$3.32 billion would be provided for payments to states for child support enforcement and family support programs. This amount is \$750 million below the FY2005 level. The budget also includes proposals to increase child support collections and to direct more of these payments to families.

Child Welfare Programs: The FY2006 budget would level-fund child welfare programs at \$309 million. The administration'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 administration's budget would provide level funding of \$104 million for consolidated runaway and homeless youth programs in FY2006.

Faith-based and Community Initiatives Programs: President Bush proposes \$161 million for faith-based and community organizations, \$55 million more than FY2005. 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 administration 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 FY2006 budget would provide \$6.89 billion for Head Start, a \$50 million increase above FY2005. The increased funding would support pilot projects to promote the coordination of state preschool programs, child care programs, and Head Start into a comprehensive system of early childhood programs.

Healthy Marriages and Responsible Fatherhood: President Bush proposes \$240 million for new efforts to support healthy marriages and responsible fatherhood. Of this amount, \$100 million would be provided as competitive grants for states, territories, and tribal organizations to develop innovative approaches to promote healthy marriages; \$100 million would be provided for research, demonstration projects, and technical assistance focusing on family formation and healthy marriage; and \$40 million would be provided for a program to help non-custodial fathers become more involved in their children's lives. Funding for these programs would be offset by reductions in the Temporary Assistance for Needy Families (TANF) High Performance Bonus and the Illegitimacy Reduction Bonus.

Promoting Safe and Stable Families: The administration's budget would provide a \$7 million increase for the Promoting Safe and Stable Families program, bringing the total to \$410 million in FY2006.

Refugee and Entrant Assistance: Programs to assist refugees, individuals seeking asylum, and trafficking victims would receive \$489 million in FY2006, an increase of \$59 million above the FY2005 level.

Social Services Block Grant: The Social Services Block Grant would be level-funded at \$1.7 billion in FY2006.

Unaccompanied Alien Children: The FY2006 budget would provide \$63 million for the Unaccompanied Alien Children program, \$9 million more than FY2005. The program provides a safe environment for minors until custody can be transferred to a relative or appropriate guardian or until the child is returned to his or her country of origin.

Violence Against Women Act (VAWA): The administration's budget would provide \$3 million for the National Domestic Violence Hotline and \$126 million for battered women's shelters. Both programs would be level-funded in FY2006.

Administration on Aging

The FY2006 budget would provide \$1.37 billion for the Administration on Aging, \$20 million less than FY2005.

National Family Caregiver Support Program: In FY2006, the National Family Caregiver Support Program would be level-funded at \$162 million.

Agency for Healthcare Research and Quality (AHRQ)

The FY2006 budget would provide level funding of \$319 million for AHRQ.

Centers for Disease Control and Prevention (CDC)

The CDC would receive \$4.02 billion in FY2006, \$550 million less than FY2005.

Birth Defects, Developmental Disabilities, Disability and Health: Under the FY2006 budget, programs for the prevention of birth defects, developmental disabilities, disability and health activities would receive \$124 million, a \$1 million decrease below the FY2005 level.

Chronic Disease Prevention and Health Promotion: The administration's budget would provide \$840 million for chronic disease prevention and health promotion, \$59 million less than FY2005.

Environmental Health: Environmental disease prevention programs would receive \$147 million in FY2006, \$1 million less than FY2005.

HIV/AIDS: The FY2006 budget would provide \$956 million for HIV/AIDS, sexually transmitted diseases (STDs), and tuberculosis prevention at the CDC, a decrease of \$4 million below the FY2005 level. Of that amount, \$124 million would be provided for global HIV/AIDS activities.

Centers for Medicare and Medicaid Services (CMS)

The CMS would receive \$565.06 billion in FY2006, an \$84.62 billion increase over FY2005.

Medicaid: Under the administration's budget, the federal share of Medicaid benefits is expected to be \$192.6 billion, \$4.3 billion more than FY2005. President Bush proposes to provide states with additional flexibility in Medicaid to further increase coverage among low-income individuals and families.

The FY2006 budget would extend Transitional Medical Assistance (TMA) through September 2006 and includes proposals to simplify eligibility for TMA benefits. Under the administration's proposal, states would

be given the option of offering 12 months of continuous coverage to eligible participants, states could waive income reporting requirements for beneficiaries, and states that offer Medicaid eligibility to children and families with incomes up to 185 percent of the federal poverty line could waive TMA assistance altogether.

Medicare: In FY2006, spending on Medicare benefits would total \$393.82 billion, an increase of \$67.8 billion over FY2005.

State Children's Health Insurance Program (SCHIP): The administration's budget would provide \$5.43 billion for SCHIP in FY2006, \$90 million more than FY2005. 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) demonstration 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 2005, HIFA demonstrations have expanded coverage to 821,750 people.

President Bush also proposes a new initiative called Cover the Kids. Under this proposal, grants would be provided to states, schools, and community organizations in order to enroll and provide coverage to children eligible for, but not yet enrolled in, Medicaid and SCHIP.

Food and Drug Administration (FDA)

The FY2006 budget would provide \$1.5 billion for the FDA, a \$50 million increase above the FY2005 level.

User Fees: The FDA estimates it will collect \$17 million in user fees under the Mammography Quality Standards Act, the same amount as FY2005. In addition, the FDA estimates it will collect \$305 million under the Prescription Drug User Fee Act, \$21 million more than the FY2005 level.

Health Resources and Services Administration (HRSA)

The FY2006 budget would provide \$6.05 billion for HRSA, \$840 million less than FY2005.

Community Health Centers: Under the FY2006 budget, community health centers would receive \$2.04 billion, a \$31 million increase over FY2005. This funding increase will allow for the creation of 1,200 new or expanded health center sites to serve an additional 6.1 million people by 2006.

Cord Blood Stem Cell Bank: The FY2006 budget would not provide additional funding for the National Cord Blood Stem Cell Bank program. HRSA explains that almost \$20 million will be available to implement the program when the Institute of Medicine completes a study on the optimal design for the program.

Family Planning: Title X, the nation's family planning program, would be level-funded at \$286 million in FY2006.

Healthy Start: Under the administration's budget, the Healthy Start infant mortality initiative would receive \$97 million, a \$5 million decrease below the FY2005 level.

Maternal and Child Health Block Grant: In FY2006, the Maternal and Child Health Block Grant would be level-funded at \$724 million.

Ryan White: The Ryan White Care Act would receive \$2.1 billion in FY2006, a \$10 million increase above FY2005.

Universal Newborn Hearing: The administration's budget would provide no funding for the universal newborn hearing program. In FY2004, Congress allocated \$9.94 million for the program.

Indian Health Services (IHS)

Under the FY2006 budget, IHS would receive \$3.8 billion, an increase of \$72 million over FY2005.

National Institutes of Health (NIH)

The FY2006 budget would provide \$28.74 billion for the NIH, an increase of \$150 million above FY2005.

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.

Minority Health: The administration's budget would provide \$197 million for the National Center on Minority Health and Health Disparities, an increase of \$1 million above the FY2005 level.

Office of the Secretary

Adolescent Family Life: The Adolescent Family Life program would be level-funded at \$31 million in FY2006.

Afghanistan: President Bush proposes \$6 million in FY2006 to continue HHS health care initiatives in Afghanistan, particularly in the areas of maternal and child health.

Minority HIV/AIDS: The FY2006 budget would provide level funding of \$52 million for efforts to address the prevention and treatment needs of minority communities heavily impacted by HIV/AIDS.

National Abstinence Education Campaign: Under the administration's budget, the Office of the Secretary could use up to \$10 million for a public awareness campaign designed to help parents communicate with their children about the health risks of early sexual activity.

Public Health Service's Office of Minority Health: The Office of Minority Health would receive \$47 million in FY2006, a \$3 million decrease below the FY2005 level.

Public Health Service's Office on Women's Health: In FY2006, the Office on Women's Health would be level-funded at \$29 million.

Substance Abuse and Mental Health Services Administration (SAMHSA)

SAMHSA would receive \$3.22 billion in FY2006, \$50 million more than FY2005.

Mental Health Services: The FY2006 budget would provide \$837 million for mental health services, a decrease of \$64 million below the FY2005 level. Of this amount, \$433 million would be provided for the mental health block grant.

Substance Abuse Prevention and Treatment (SAPT) Block Grant: The SAPT Block Grant would be level-funded at \$1.8 billion in FY2006.

Department of Housing and Urban Development (HUD)

American Dream Downpayment Initiative: The FY2006 budget would provide \$200 million for the American Dream Downpayment Initiative to help low-income families purchase their first homes. The program received \$50 million in FY2005.

Fair Housing: Under the FY2006 budget, \$39 million would be provided for fair housing activities, \$7 million less than FY2005. Of that amount, the Fair Housing Assistance Program would receive \$23 million, a \$3 million decrease below FY2005. In addition, the Fair Housing Initiatives Program would receive \$16 million, \$4 million less than FY2005.

Healthy Homes Initiative: The administration's budget would provide \$9 million for the Healthy Homes Initiative, \$1 million less than 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 \$1.4 billion in FY2006, \$200 million more than FY2005.

Housing Counseling: The administration's budget proposes \$40 million for Housing Counseling assistance in FY2005, \$2 million less than FY2005. This funding would assist approximately 800,000 families to prepare for homeownership, identify predatory lending practices, and avoid default on their homes.

Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA program would receive \$268 million in FY2006, a \$14 million decrease below the FY2005 level. 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 67,000 housing units.

Neighborhood Reinvestment Corporation: In FY2006, the Neighborhood Reinvestment Corporation would receive \$118 million to provide direct assistance to over 170,000 families through affordable mortgage and rehabilitation lending, comprehensive homebuyer education, and counseling services. The corporation received \$114 million in FY2005.

Samaritan Initiative: The FY2006 budget proposes \$200 million for the Samaritan Housing Initiative, a new program designed to move chronically homeless persons from the streets to safe permanent housing with supportive services.

Section 8 Housing Choice Voucher Program: The administration proposes a \$1 billion increase to \$18.4 billion in FY2006 for Section 8 voucher renewals.

Self-Help Homeownership Opportunity Program (SHOP): The FY2006 budget would provide \$30 million for the SHOP program, a \$5 million increase above the FY2005 level. The program provides grants to nonprofit organizations 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.

Single Family Homeownership Tax Credit: President Bush proposes a new Single Family Homeownership Tax Credit that would increase the supply of single-family affordable homes by up to an additional 50,000 homes annually. The tax credit would target low-income individuals and families earning less than 80 percent of an area's median income.

United States Interagency Council on Homelessness: In FY2005, federal funding for the United States Interagency Council on Homelessness would be level-funded at \$2 million.

Youthbuild Program: Under the administration's budget, the Youthbuild program would be transferred from HUD to the Department of Labor. The program received \$62 million in FY2005.

Department of Justice

Juvenile Assistance

Under the administration's budget, a number of programs would be transferred from the Office of Justice Programs to the Justice Assistance account.

Boys and Girls Clubs: The FY2006 budget would provide \$60 million for the Boys and Girls Clubs, \$20 million less than FY2005.

DNA Initiative: Under the administration's budget, \$236 million would be provided in FY2006 for a DNA analysis and capacity enhancement program, \$68 million more than FY2005. Of this amount, no less than \$151 million should be made available to reduce and eliminate the backlog of DNA samples and for increasing state and local DNA laboratory capacity.

Missing Children's Program: The Missing Children's Program would receive \$38.1 million in FY2006, \$10.9 million less than FY2005.

Prison Rape: The FY2006 budget would provide \$10.2 million for prison rape prevention and prosecution programs. Of this amount, \$6 million would be made available to the Bureau of Justice Statistics for continued statistics development and \$2.18 million would be provided for the Prison Rape Elimination Commission. The programs received \$58 million in FY2005.

Trafficking: The administration's budget does not provide a line item for programs to assist victims of trafficking. These programs received \$24 million in FY2005.

In addition, the FY2006 budget would include \$986,000 for televised testimony, \$2.96 million to improve stalking and domestic violence databases, \$43.1 million for juvenile delinquency prevention block grants, \$2.3 million for child abuse training programs for judicial personnel and practitioners, \$11.8 million for improving the investigation and prosecution of child abuse, and \$11.8 million for the court appointed special advocates program.

Office on Violence Against Women

In January 2005, the Office on Violence Against Women was established as an independent office within the Department of Justice.

Violence Against Women Act (VAWA) Prevention and Prosecution Programs: The administration's budget would provide \$363 million for VAWA programs, \$19 million less than FY2005. The following VAWA programs would be funded:

- \$187.3 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 Safe Start Program, and \$15 million for transitional housing assistance grants for victims of domestic violence, stalking, or sexual assault;
- \$62.7 million for grants to encourage arrest policies;
- \$39.2 million for rural domestic violence and child abuse enforcement assistance grants;
- \$9.1 million to reduce violent crimes against women on college campuses;
- \$39.2 million for legal assistance for victims;
- \$4.5 million for enhancing protection for older and disabled women from domestic violence and sexual assault;
- \$13.9 million for safe havens for children; and
- \$7.2 million for education and training to end violence against and abuse of women with disabilities.

Department of Labor (DoL)

Civil Rights Enforcement: The DoL Office of Civil Rights would receive \$6.5 million, a slight increase over the \$6.2 million appropriated in FY2005.

Community College Initiative: President Bush'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.

Employment and Training: Four training and employment programs, the Workforce Investment Act (WIA) adult program, the dislocated worker program, the Employment Service State Grant program, and Youth Activities would be consolidated into a \$3.9 billion WIA Plus Consolidated Grant Program. In FY2005, dislocated workers received \$1.3 billion.

International Labor Affairs: The Bureau of International Labor Affairs would receive an \$80.8 million decrease to \$12.4 million in FY2006. A DoL budget summary states that "the budget returns ILAB to its core mission to assist in formulating the U.S. international policies and programs of concern to American workers."

Occupational Health and Safety Administration (OSHA): The budget would provide a \$2.8 million increase to \$467 million in FY2006.

Office of Federal Contract Compliance Program (OFCCP): The budget would provide a \$2 million increase to \$82.1 million for the OFCCP, which oversees companies with federal contracts and subcontracts, and is responsible for enforcing regulations that ensure equal employment opportunities for minorities, women, individuals with disabilities, and veterans.

Prisoner Re-entry Initiative: The budget would provide a \$15.2 million increase to \$35 million in FY2006 for a prisoner re-entry initiative to help individuals exiting prison make a successful transition to community life and employment.

Women's Bureau: The DoL Women's Bureau would receive \$9.8 million in FY2006, a slight increase over the \$9.5 million appropriated in FY2005.

YouthBuild: Under the FY2006 budget, the YouthBuild program would be transferred from HUD to DoL and funded at \$58.9 million. In FY2005, the program received \$62 million. The 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 State

The FY2006 budget would provide \$18.5 billion for the Department of State, an increase of 14 percent over FY2005.

Afghanistan: The administration's budget would provide approximately \$1.1 billion in assistance for Afghanistan for programs to improve health, education, and free market infrastructure.

Child Survival and Health Programs Fund: Under the budget, \$1.25 billion would be provided for the Child Survival and Health Programs Fund, \$290 million less than FY2005.

HIV/AIDS: The FY2006 budget would provide \$3.2 billion for HIV/AIDS prevention activities. The total would include \$1.97 billion for the Global HIV/AIDS Initiative, a \$600 million increase above FY2005.

International Family Planning: International family planning programs would receive \$425 million in FY2006, \$16 million less than FY2005.

Millennium Challenge Corporation: Under the administration's budget, the Millennium Challenge Corporation would receive \$3 billion, an increase of \$1.5 billion over FY2005.

Peace Corps: The budget would provide \$345 million for the Peace Corps in FY2006, \$28 million more than FY2005.

Trafficking: In FY2006, \$14 million would be provided for migration and refugee assistance, including support for U.S. anti-trafficking initiatives.

United Nations Children's Fund (UNICEF): Under the administration's budget, the United States contribution to UNICEF would be \$114 million, \$10 million less than FY2005.

United Nations Development Fund for Women (UNIFEM): In FY2006, the United States would contribute \$1 million to UNIFEM, \$2 million less than FY2005.

United Nations Population Fund (UNFPA): The FY2006 budget would allow up to \$25 million as a U.S. contribution to UNFPA, a \$9 million decrease below FY2005. The administration has blocked the release of

all UNFPA funds in fiscal years 2002 through 2004. At this time, it remains unclear as to whether the FY2005 funds will be released.

United States Agency for International Development (USAID): Under the administration's budget, \$1.14 billion would be provided for development assistance for USAID, \$260 million less than FY2005.

Department of Transportation

Minority Business Resource Center: Under President Bush's FY2006 budget, the Minority Business Resource Center would be level-funded at \$1 million. Minority business outreach activities also would be level-funded at \$3 million.

Occupant Protection Incentive Grants: The administration's FY2006 budget does not provide an allocation for the Occupant Protection Incentive Grants program. Last year, the program received \$20 million.

Welfare-to-Work: The Job Access and Reverse Commute Program, which helps individuals moving from welfare to work with transportation costs, would receive \$163.87 million in FY2006. Last year, the program received \$125 million.

Related Agencies

Commission on Civil Rights

In FY2006, the Commission on Civil Rights would be level-funded at \$9 million.

Equal Employment Opportunity Commission (EEOC)

The FY2006 budget would provide \$331 million for the EEOC, an increase of \$4 million above the FY2005 level.

Legal Services Corporation (LSC)

The administration's budget would provide \$318.3 million for the LSC in FY2006, \$16.7 million less than FY2005.

National Science Foundation (NSF)

Under the budget, \$5.6 billion would be provided for the NSF in FY2006, \$130 million more than FY2005.

Math and Science Partnership: The Math and Science Partnership program would receive \$60 million in FY2006, a decrease of \$19 million below the FY2005 level.

Small Business Administration (SBA)

The administration's budget would provide \$593 million for the SBA in FY2006, \$17 million less than FY2005.

Women's Business Centers: Women's Business Centers would receive \$12 million in FY2006, the same amount as FY2005. In addition, 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 administration'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 budget proposes to make permanent the tax provisions included in the 2003 tax law (P.L. 108-27) that are set to expire in 2007 and 2008. 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 budget also proposes to make permanent the provisions of the 2001 tax law (P.L. 107-16), which will sunset on December 31, 2010.

Health Care

President Bush proposes several new programs to address the problems of rising health care costs and the uninsured. The plan includes Health Savings Accounts (HSAs), Association Health Plans (AHPs) for small businesses, tax credits for low-income families, medical liability reform, and electronic health records for all Americans.

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.

The FY2006 budget also proposes a traditional health insurance tax credit, which would pay for 90 percent of the cost of the premium for standard health coverage up to a maximum of \$1,000 for an individual and \$3,000 for a family of four.

Another proposal would allow all individuals to use a portion of their health insurance tax credit to pay the premiums for a high-deductible health plan if those individuals qualify for an HSA.

President Bush has called upon Congress to enact legislation establishing AHPs, which would allow small businesses to join together through industry and professional associations to purchase affordable health benefits for their workers.

Personal Savings

President Bush 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 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. Employees would be allowed to contribute up to \$15,000 annually beginning in 2006, with employees aged 50 and older able to contribute an additional \$4,000 annually.

Individual Development Accounts (IDAs) would be established under the administration's budget. 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.

Other Proposals

The FY2006 budget proposes to allow teachers who itemize deductions and incur out-of-pocket classroom

expenses to deduct up to \$400 in expenses annually.

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.